

title C (§§1301–1310) of Pub. L. 107–171, title I, May 13, 2002, 116 Stat. 166, which is classified principally to this subchapter. For complete classification of subtitle C to the Code, see References in Text note set out under section 7951 of this title and Tables.

The Food Security Act of 1985, referred to in subsec. (a)(1)(A), (B), is Pub. L. 99–198, Dec. 23, 1985, 99 Stat. 1354, as amended. Subtitles B and C of title XII of the Act are classified generally to subchapters II (§3811 et seq.) and III (§3821 et seq.), respectively, of chapter 58 of Title 16, Conservation. For complete classification of this Act to the Code, see Short Title of 1985 Amendment note set out under section 1281 of this title and Tables.

§ 7956. Planting flexibility

(a) Permitted crops

Subject to subsection (b) of this section, any commodity or crop may be planted on the base acres for peanuts on a farm.

(b) Limitations regarding certain commodities

(1) General limitation

The planting of an agricultural commodity specified in paragraph (2) shall be prohibited on base acres for peanuts unless the commodity, if planted, is destroyed before harvest.

(2) Treatment of trees and other perennials

The planting of an agricultural commodity specified in paragraph (3) that is produced on a tree or other perennial plant shall be prohibited on base acres for peanuts.

(3) Covered agricultural commodities

Paragraphs (1) and (2) apply to the following agricultural commodities:

- (A) Fruits.
- (B) Vegetables (other than lentils, mung beans, and dry peas).
- (C) Wild rice.

(c) Exceptions

Paragraphs (1) and (2) of subsection (b) of this section shall not limit the planting of an agricultural commodity specified in paragraph (3) of that subsection—

(1) in any region in which there is a history of double-cropping of peanuts with agricultural commodities specified in subsection (b)(3) of this section, as determined by the Secretary, in which case the double-cropping shall be permitted;

(2) on a farm that the Secretary determines has a history of planting agricultural commodities specified in subsection (b)(3) of this section on the base acres for peanuts, except that direct payments and counter-cyclical payments shall be reduced by an acre for each acre planted to such an agricultural commodity; or

(3) by the producers on a farm that the Secretary determines has an established planting history of a specific agricultural commodity specified in subsection (b)(3) of this section, except that—

- (A) the quantity planted may not exceed the average annual planting history of such agricultural commodity by the producers on the farm in the 1991 through 1995 or 1998 through 2001 crop years (excluding any crop year in which no plantings were made), as determined by the Secretary; and

(B) direct payments and counter-cyclical payments shall be reduced by an acre for each acre planted to such agricultural commodity.

(Pub. L. 107–171, title I, §1306, May 13, 2002, 116 Stat. 174.)

§ 7957. Marketing assistance loans and loan deficiency payments for peanuts

(a) Nonrecourse loans available

(1) Availability

For each of the 2002 through 2007 crops of peanuts, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for peanuts produced on the farm. The loans shall be made under terms and conditions that are prescribed by the Secretary and at the loan rate established under subsection (b) of this section.

(2) Eligible production

The producers on a farm shall be eligible for a marketing assistance loan under this subsection for any quantity of peanuts produced on the farm.

(3) Treatment of certain commingled commodities

In carrying out this subsection, the Secretary shall make loans to producers on a farm that would be eligible to obtain a marketing assistance loan, but for the fact the peanuts owned by the producers on the farm are commingled with other peanuts in facilities unlicensed for the storage of agricultural commodities by the Secretary or a State licensing authority, if the producers obtaining the loan agree to immediately redeem the loan collateral in accordance with section 7286 of this title.

(4) Options for obtaining loan

A marketing assistance loan under this subsection, and loan deficiency payments under subsection (e) of this section, may be obtained at the option of the producers on a farm through—

- (A) a designated marketing association or marketing cooperative of producers that is approved by the Secretary; or
- (B) the Farm Service Agency.

(5) Storage of loan peanuts

As a condition on the Secretary's approval of an individual or entity to provide storage for peanuts for which a marketing assistance loan is made under this section, the individual or entity shall agree—

- (A) to provide such storage on a non-discriminatory basis; and
- (B) to comply with such additional requirements as the Secretary considers appropriate to accomplish the purposes of this section and promote fairness in the administration of the benefits of this section.

(6) Payment of peanut storage costs

Effective for the 2002 through 2006 crops of peanuts, to ensure proper storage of peanuts for which a loan is made under this section, the Secretary shall use the funds of the Com-

modity Credit Corporation to pay storage, handling, and other associated costs. This authority terminates beginning with the 2007 crop of peanuts.

(7) Marketing

A marketing association or cooperative may market peanuts for which a loan is made under this section in any manner that conforms to consumer needs, including the separation of peanuts by type and quality.

(b) Loan rate

The loan rate for a marketing assistance loan under for peanuts subsection (a) of this section shall be equal to \$355 per ton.

(c) Term of loan

(1) In general

A marketing assistance loan for peanuts under subsection (a) of this section shall have a term of 9 months beginning on the first day of the first month after the month in which the loan is made.

(2) Extensions prohibited

The Secretary may not extend the term of a marketing assistance loan for peanuts under subsection (a) of this section.

(d) Repayment rate

(1) In general

The Secretary shall permit producers on a farm to repay a marketing assistance loan for peanuts under subsection (a) of this section at a rate that is the lesser of—

(A) the loan rate established for peanuts under subsection (b) of this section, plus interest (determined in accordance with section 7283 of this title); or

(B) a rate that the Secretary determines will—

- (i) minimize potential loan forfeitures;
- (ii) minimize the accumulation of stocks of peanuts by the Federal Government;
- (iii) minimize the cost incurred by the Federal Government in storing peanuts; and
- (iv) allow peanuts produced in the United States to be marketed freely and competitively, both domestically and internationally.

(2) Good faith exception to beneficial interest requirement

For the 2002 crop year only, in the case of the producers on a farm that marketed or otherwise lost beneficial interest in the peanuts for which a marketing assistance loan was made under this section before repaying the loan, the Secretary shall permit the producers to repay the loan at the applicable repayment rate that was in effect for peanuts under this subsection on the date that the producers lost beneficial interest, as determined by the Secretary, if the Secretary determines the producers acted in good faith.

(e) Loan deficiency payments

(1) Availability

The Secretary may make loan deficiency payments available to producers on a farm

that, although eligible to obtain a marketing assistance loan for peanuts under subsection (a) of this section, agree to forgo obtaining the loan for the peanuts in return for loan deficiency payments under this subsection.

(2) Computation

A loan deficiency payment under this subsection shall be computed by multiplying—

(A) the payment rate determined under paragraph (3) for peanuts; by

(B) the quantity of the peanuts produced by the producers, excluding any quantity for which the producers obtain a marketing assistance loan under subsection (a) of this section.

(3) Payment rate

For purposes of this subsection, the payment rate shall be the amount by which—

(A) the loan rate established under subsection (b) of this section; exceeds

(B) the rate at which a loan may be repaid under subsection (d) of this section.

(4) Effective date for payment rate determination

(A) In general

The Secretary shall determine the amount of the loan deficiency payment to be made under this subsection to the producers on a farm with respect to a quantity of peanuts using the payment rate in effect under paragraph (3) as of the date the producers request the payment.

(B) Special rule for 2002 crop year

For the 2002 crop year only, the Secretary shall determine the amount of the loan deficiency payment to be made under this subsection to the producers on a farm with respect to a quantity of peanuts using the payment rate in effect under paragraph (3) as of the earlier of the following:

- (i) The date on which the producers marketed or otherwise lost beneficial interest in the crop, as determined by the Secretary.
- (ii) The date the producers request the payment.

(f) Compliance with conservation and wetlands requirements

As a condition of the receipt of a marketing assistance loan under subsection (a) of this section, the producer shall comply with applicable conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.) and applicable wetland protection requirements under subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.) during the term of the loan.

(g) Reimbursable agreements and payment of administrative expenses

The Secretary may implement any reimbursable agreements or provide for the payment of administrative expenses under this subchapter only in a manner that is consistent with such activities in regard to other commodities.

(Pub. L. 107-171, title I, §1307, May 13, 2002, 116 Stat. 175.)

REFERENCES IN TEXT

The Food Security Act of 1985, referred to in subsec. (f), is Pub. L. 99-198, Dec. 23, 1985, 99 Stat. 1354, as amended. Subtitles B and C of title XII of the Act are classified generally to subchapters II (§3811 et seq.) and III (§3821 et seq.), respectively, of chapter 58 of Title 16, Conservation. For complete classification of this Act to the Code, see Short Title of 1985 Amendment note set out under section 1281 of this title and Tables.

This subchapter, referred to in subsec. (g), was in the original “this subtitle”, meaning subtitle C (§§1301-1310) of Pub. L. 107-171, title I, May 13, 2002, 116 Stat. 166, which is classified principally to this subchapter. For complete classification of subtitle C to the Code, see References in Text note set out under section 7951 of this title and Tables.

§ 7958. Miscellaneous provisions**(a) Mandatory inspection**

All peanuts marketed in the United States shall be officially inspected and graded by Federal or Federal-State inspectors.

(b) Termination of Peanut Administrative Committee

The Peanut Administrative Committee established under Marketing Agreement No. 146 issued pursuant to the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is terminated.

(c) Peanut Standards Board**(1) Establishment and purpose**

The Secretary shall establish a Peanut Standards Board for the purpose of advising the Secretary regarding the establishment of quality and handling standards for domestically produced and imported peanuts.

(2) Membership and appointment**(A) Total members**

The Board shall consist of 18 members, with representation equally divided between peanut producers and peanut industry representatives.

(B) Appointment process for producers

The Secretary shall appoint—

- (i) 3 producers from the Southeast (Alabama, Georgia, and Florida) peanut producing region;
- (ii) 3 producers from the Southwest (Texas, Oklahoma, and New Mexico) peanut producing region; and
- (iii) 3 producers from the Virginia/Carolina (Virginia and North Carolina) peanut producing region.

(C) Appointment process for industry representatives

The Secretary shall appoint 3 peanut industry representatives from each of the 3 peanut producing regions in the United States.

(3) Terms**(A) In general**

A member of the Board shall serve a 3-year term.

(B) Initial appointment

In making the initial appointments to the Board, the Secretary shall stagger the terms of the members so that—

(i) 1 producer member and peanut industry member from each peanut producing region serves a 1-year term;

(ii) 1 producer member and peanut industry member from each peanut producing region serves a 2-year term; and

(iii) 1 producer member and peanut industry member from each peanut producing region serves a 3-year term.

(4) Consultation required

The Secretary shall consult with the Board in advance whenever the Secretary establishes or changes, or considers the establishment of or a change to, quality and handling standards for peanuts.

(5) Federal Advisory Committee Act

The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Board.

(d) Priority

The Secretary shall make identifying and combating the presence of all quality concerns related to peanuts a priority in the development of quality and handling standards for peanuts and in the inspection of domestically produced and imported peanuts. The Secretary shall consult with appropriate Federal and State agencies to provide adequate safeguards against all quality concerns related to peanuts.

(e) Consistent standards

Imported peanuts shall be subject to the same quality and handling standards as apply to domestically produced peanuts.

(f) Authorization of appropriations**(1) In general**

In addition to other funds that are available to carry out this section, there is authorized to be appropriated such sums as are necessary to carry out this section.

(2) Treatment of Board expenses

The expenses of the Peanut Standards Board shall not be counted toward any general limitation on the expenses of advisory committees, panels, commissions, and task forces of the Department of Agriculture, whether enacted before, on, or after May 13, 2002, unless the limitation specifically refers to this paragraph and specifically includes the Peanut Standards Board within the general limitation.

(g) Transition rule**(1) Temporary designation of Peanut Administrative Committee members**

Notwithstanding the appointment process specified in subsection (c) of this section for the Peanut Standards Board, during the transition period, the Secretary may designate persons serving as members of the Peanut Administrative Committee on the day before May 13, 2002, to serve as members of the Peanut Standards Board for the purpose of carrying out the duties of the Board described in this section.

(2) Funds

The Secretary may transfer any funds available to carry out the activities of the Peanut