

(3) demonstrates an ability to repay the loan.

**(c) Term of loans**

A storage facility loan described in subsection (a) of this section shall—

- (1) have a minimum term of 7 years;
- (2) not include any penalty for prepayment; and
- (3) be in such amounts and on such other terms and conditions (including terms and conditions relating to downpayments, collateral, and eligible facilities) as are normal, customary, and appropriate for the size and commercial nature of the borrower.

(Pub. L. 107-171, title I, §1402, May 13, 2002, 116 Stat. 187; Pub. L. 110-234, title I, §1404, May 22, 2008, 122 Stat. 989; Pub. L. 110-246, §4(a), title I, §1404, June 18, 2008, 122 Stat. 1664, 1718.)

CODIFICATION

Pub. L. 110-234 and Pub. L. 110-246 made identical amendments to this section. The amendments by Pub. L. 110-234 were repealed by section 4(a) of Pub. L. 110-246.

AMENDMENTS

2008—Subsec. (c)(2), (3). Pub. L. 110-246, §1404, added par. (2), redesignated former par. (2) as (3), and, in par. (3), inserted “other” after “on such”.

EFFECTIVE DATE OF 2008 AMENDMENT

Amendment of this section and repeal of Pub. L. 110-234 by Pub. L. 110-246 effective May 22, 2008, the date of enactment of Pub. L. 110-234, see section 4 of Pub. L. 110-246, set out as an Effective Date note under section 8701 of this title.

SUBCHAPTER V—DAIRY

**§ 7981. Milk price support program**

**(a) Support activities**

During the period beginning on June 1, 2002, and ending on December 31, 2007, the Secretary of Agriculture shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

**(b) Rate**

During the period specified in subsection (a) of this section, the price of milk shall be supported at a rate equal to \$9.90 per hundredweight for milk containing 3.67 percent butterfat.

**(c) Purchase prices**

**(1) Uniform prices**

The support purchase prices under this section for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary.

**(2) Sufficient prices**

The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under subsection (b) of this section.

**(d) Special rule for butter and nonfat dry milk purchase prices**

**(1) Allocation of purchase prices**

The Secretary may allocate the rate of price support between the purchase prices for nonfat

dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. Not later than 10 days after making or changing an allocation, the Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation. Section 553 of title 5 shall not apply with respect to the implementation of this section.

**(2) Timing of purchase price adjustments**

The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

**(e) Commodity Credit Corporation**

The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

(Pub. L. 107-171, title I, §1501, May 13, 2002, 116 Stat. 205.)

**§ 7982. National dairy market loss payments**

**(a) Definitions**

In this section:

**(1) Class I milk**

The term “Class I milk” means milk (including milk components) classified as Class I milk under a Federal milk marketing order.

**(2) Eligible production**

The term “eligible production” means milk produced by a producer in a participating State.

**(3) Federal milk marketing order**

The term “Federal milk marketing order” means an order issued under section 608c of this title.

**(4) Participating State**

The term “participating State” means each State.

**(5) Producer**

The term “producer” means an individual or entity that directly or indirectly (as determined by the Secretary)—

(A) shares in the risk of producing milk; and

(B) makes contributions (including land, labor, management, equipment, or capital) to the dairy farming operation of the individual or entity that are at least commensurate with the share of the individual or entity of the proceeds of the operation.

**(b) Payments**

The Secretary shall offer to enter into contracts with producers on a dairy farm located in a participating State under which the producers receive payments on eligible production.

**(c) Amount**

Payments to a producer under this section shall be calculated by multiplying (as determined by the Secretary)—