

of Agriculture by 1953 Reorg. Plan No. 2, §1, effective June 4, 1953, 18 F.R. 3219, 67 Stat. 633, set out as a note under section 2201 of this title.

#### INAPPLICABILITY OF SECTION

Section inapplicable to 2002 through 2007 crops of covered commodities, peanuts, and sugar and inapplicable to milk during period beginning May 13, 2002, through Dec. 31, 2007, see section 7992(b)(10) of this title.

Section inapplicable to 1996 through 2002 crops of loan commodities, peanuts, and sugar and inapplicable to milk during period beginning Apr. 4, 1996, and ending Dec. 31, 2002, see section 7301(b)(1)(J) of this title.

### § 1424. Utilization of services and facilities of Commodity Credit Corporation

The Secretary, in carrying out programs under section 612c of this title and section 1755 of title 42, may utilize the services and facilities of the Commodity Credit Corporation (including but not limited to procurement by contract), and make advance payments to it.

(Oct. 31, 1949, ch. 792, title IV, §404, 63 Stat. 1054; Pub. L. 106-78, title VII, §752(b)(2), Oct. 22, 1999, 113 Stat. 1169.)

#### AMENDMENTS

1999—Pub. L. 106-78 made technical amendment to reference in original act which appears in text as reference to section 1755 of title 42.

#### EXCEPTIONS FROM TRANSFER OF FUNCTIONS

Functions of Corporations of Department of Agriculture, boards of directors and officers of such corporations; Advisory Board of Commodity Credit Corporation; and Farm Credit Administration or any agency, officer, or entity of, under, or subject to supervision of said Administration excepted from functions of officers, agencies, and employees transferred to Secretary of Agriculture by 1953 Reorg. Plan No. 2, §1, effective June 4, 1953, 18 F.R. 3219, 67 Stat. 633, set out as a note under section 2201 of this title.

### § 1425. Producer rights and liabilities

#### (a) Liability for deficiencies

Except as otherwise provided in section 1425a of this title, no producer shall be personally liable for any deficiency arising from the sale of the collateral securing any loan made under authority of this Act unless such loan was obtained through fraudulent representations by the producer. This provision shall not, however, be construed to prevent the Commodity Credit Corporation or the Secretary from requiring producers to assume liability for deficiencies in the grade, quality, or quantity of commodities stored on the farm or delivered by them, for failure properly to care for and preserve commodities, or for failure or refusal to deliver commodities in accordance with the requirements of the program. There is authorized to be included in the terms and conditions of any such non-recourse loan a provision whereby on and after the maturity of the loan or any extension thereof Commodity Credit Corporation shall have the right to acquire title to the unredeemed collateral without obligation to pay for any market value which such collateral may have in excess of the loan indebtedness.

#### (b) Sugarcane and sugar beets

The security interests obtained by the Commodity Credit Corporation as a result of the exe-

cution of security agreements by the processors of sugarcane and sugar beets shall be superior to all statutory and common law liens on raw cane sugar and refined beet sugar in favor of the producers of sugarcane and sugar beets and all prior recorded and unrecorded liens on the crops of sugarcane and sugar beets from which the sugar was derived. The preceding sentence shall not affect the application of section 1421(e)(2) of this title.

(Oct. 31, 1949, ch. 792, title IV, §405, 63 Stat. 1054; Pub. L. 85-835, title V, §502, Aug. 28, 1958, 72 Stat. 996; Pub. L. 99-198, title X, §1004, Dec. 23, 1985, 99 Stat. 1447; Pub. L. 100-460, title VI, §634(a), Oct. 1, 1988, 102 Stat. 2263; Pub. L. 102-237, title I, §111(b), Dec. 13, 1991, 105 Stat. 1830.)

#### REFERENCES IN TEXT

This Act, referred to in subsec. (a), is act Oct. 31, 1949, ch. 792, 63 Stat. 1051, known as the Agricultural Act of 1949, which is classified principally to this chapter (§1421 et seq.). For complete classification of this Act to the Code, see Short Title note set out under section 1421 of this title and Tables.

#### AMENDMENTS

1991—Subsec. (b). Pub. L. 102-237 amended subsec. (b) generally. Prior to amendment, subsec. (b) read as follows:

“(1) Notwithstanding any other provision of law, the Secretary may provide a negotiable certificate to any producer who repays, together with interest, a price support loan made available to such producer under any of the annual programs, for wheat, feed grains, upland cotton, or rice established under this Act.

“(2) The amount of such certificates shall be equal to the amount of the interest paid by the producer on such loan.

“(3) Such certificate shall be redeemable in wheat, feed grains, upland cotton, or rice, as the case may be, owned by the Commodity Credit Corporation.

“(4) The issuance of such certificate shall be subject to the availability of commodities owned by the Corporation.”

1988—Subsec. (a). Pub. L. 100-460 substituted “Except as otherwise provided in section 1425a of this title, no producer” for “No producer”.

1985—Pub. L. 99-198 temporarily designated existing provisions as subsec. (a) and added subsec. (b). See Effective and Termination Dates of 1985 Amendment note below.

1958—Pub. L. 85-835 authorized the Commodity Credit Corporation to acquire title to agricultural commodities on which nonrecourse price-support loans have been made without the necessity of computing and making payments to the farmer.

#### EFFECTIVE DATE OF 1988 AMENDMENT

Pub. L. 100-460, title VI, §634(a), Oct. 1, 1988, 102 Stat. 2263, provided that the amendment made by section 634(a) is effective beginning with 1989 crop year for honey.

#### EFFECTIVE AND TERMINATION DATES OF 1985 AMENDMENT

Pub. L. 99-198, title X, §1004, Dec. 23, 1985, 99 Stat. 1447, provided that the amendment made by section 1004 is effective only for the 1986 through 1990 crops.

#### EXCEPTIONS FROM TRANSFER OF FUNCTIONS

Functions of Corporations of Department of Agriculture, boards of directors and officers of such corporations; Advisory Board of Commodity Credit Corporation; and Farm Credit Administration or any agency, officer, or entity of, under, or subject to supervision

of said Administration excepted from functions of officers, agencies, and employees transferred to Secretary of Agriculture by 1953 Reorg. Plan No. 2, §1, effective June 4, 1953, 18 F.R. 3219, 67 Stat. 633, set out as a note under section 2201 of this title.

#### INAPPLICABILITY OF SECTION

Section inapplicable to 2002 through 2007 crops of covered commodities, peanuts, and sugar and inapplicable to milk during period beginning May 13, 2002, through Dec. 31, 2007, see section 7992(b)(10) of this title.

Section inapplicable to 1996 through 2002 crops of loan commodities, peanuts, and sugar and inapplicable to milk during period beginning Apr. 4, 1996, and ending Dec. 31, 2002, see section 7301(b)(1)(J) of this title.

### § 1425a. Producers of honey; loan obligations and liabilities

#### (a) Loan forfeiture limitation

A producer of honey may satisfy the producer's obligation to repay a loan, or a portion of a loan, made to the producer under section 1446h<sup>1</sup> of this title by forfeiting the collateral for the loan, or portion of the loan, only if the value of the collateral forfeited, when taken together with the value of the collateral forfeited on any other loan or loans of the person for such crop of honey under section 1446h<sup>1</sup> of this title, does not exceed \$200,000 in the 1991 crop year, \$175,000 in the 1992 crop year, \$150,000 in the 1993 crop year, and \$125,000 in each of the 1994 and subsequent crop years: *Provided, however,* That the loan forfeiture limitation provided by this section shall not be applicable for any crop year for which the Secretary does not permit producers of honey to repay the price support loans at a level determined under section 1446h(b)(2)<sup>1</sup> of this title.

#### (b) Liability for nonforfeitable part of obligation

The producer of honey shall be personally liable for the repayment of a loan or loans made to the producer under the program for the crop of honey involved, with respect to that portion of the loan or loans for which satisfaction of the loan by forfeiture, as provided in subsection (a) of this section, is prohibited.

#### (c) Extent of personal liability

The loan contracts of the Commodity Credit Corporation entered into with producers of honey shall clearly indicate the extent to which a producer of honey may be personally liable for repayment of a loan under this section.

#### (d) Promulgation of regulations

The Commodity Credit Corporation may issue such regulations as the Corporation deems necessary to carry out this section. The regulations shall provide for the attribution of the value of collateral forfeited on loans described in subsection (a) of this section.

(Oct. 31, 1949, ch. 792, title IV, §405A, as added Pub. L. 100-460, title VI, §634(b), Oct. 1, 1988, 102 Stat. 2263; amended Pub. L. 101-624, title X, §1002, title XI, §1161(d), Nov. 28, 1990, 104 Stat. 3490, 3521.)

#### REFERENCES IN TEXT

Section 1446h of this title, referred to in subsec. (a), was repealed by Pub. L. 104-127, title I, §171(b)(2)(H), Apr. 4, 1996, 110 Stat. 938.

<sup>1</sup> See References in Text note below.

#### AMENDMENTS

1990—Subsec. (a). Pub. L. 101-624, §1161(d), substituted references to sections 1446h and 1446h(b)(2) of this title for references to sections 1446(b) and 1446(b)(2)(B) of this title, respectively.

Pub. L. 101-624, §1002(1), substituted “person for such crop of honey under section 1446h of this title, does not exceed \$200,000 in the 1991 crop year, \$175,000 in the 1992 crop year, \$150,000 in the 1993 crop year, and \$125,000 in each of the 1994 and subsequent crop years” for “producer for such crop of honey under section 1446(b) of this title, does not exceed \$250,000”.

Subsec. (d). Pub. L. 101-624, §1002(2), inserted provisions requiring that the regulations issued pursuant to this subsection provide for the attribution of the value of collateral forfeited on loans described in subsec. (a).

#### EFFECTIVE DATE OF 1990 AMENDMENT

Amendment by Pub. L. 101-624 effective beginning with 1991 crop of an agricultural commodity, with provision for prior crops, see section 1171 of Pub. L. 101-624, set out as a note under section 1421 of this title.

#### INAPPLICABILITY OF SECTION

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Section inapplicable to 1996 through 2002 crops of loan commodities, peanuts, and sugar and inapplicable to milk during period beginning Apr. 4, 1996, and ending Dec. 31, 2002, see section 7301(b)(1)(J) of this title.

#### PROHIBITION ON USE OF FUNDS FOR HONEY PAYMENTS OR LOAN FORFEITURES

Pub. L. 104-37, title VII, §718, Oct. 21, 1995, 109 Stat. 331, provided that none of the funds appropriated or otherwise made available by Pub. L. 104-37 were to be used by the Secretary of Agriculture to provide total amount of payments and/or total amount of loan forfeitures to a person to support the price of honey under this section or former section 1446h of this title in excess of zero dollars in the 1994, 1995, and 1996 crop years.

Similar provisions were contained in the following prior appropriation acts:

Pub. L. 103-330, title VII, §723, Sept. 30, 1994, 108 Stat. 2469.

Pub. L. 103-111, title VII, §728, Oct. 21, 1993, 107 Stat. 1081.

### § 1426. Repealed. Pub. L. 104-127, title I, § 171(b)(2)(I), Apr. 4, 1996, 110 Stat. 938

Section, acts Oct. 31, 1949, ch. 792, title IV, §406, 63 Stat. 1055; Dec. 23, 1985, Pub. L. 99-198, title X, §1016, 99 Stat. 1457; Nov. 28, 1990, Pub. L. 101-624, title XI, §1129, 104 Stat. 3508; Dec. 13, 1991, Pub. L. 102-237, title I, §113(11), 105 Stat. 1838, provided for advance announcement of price support levels.

### § 1427. Commodity Credit Corporation sales price restrictions

#### (a) In general

The Commodity Credit Corporation may sell any farm commodity owned or controlled by the Corporation at any price not prohibited by this section.

#### (b) Inventories

In determining sales policies for basic agricultural commodities or storable nonbasic commodities, the Corporation should consider the establishment of such policies with respect to prices, terms, and conditions as the Corporation determines will not discourage or deter manufacturers, processors, and dealers from acquiring