

SUBCHAPTER III—NONRECOURSE MARKETING ASSISTANCE LOANS AND LOAN DEFICIENCY PAYMENTS

**§ 7231. Availability of nonrecourse marketing assistance loans**

**(a) Nonrecourse loans available**

For each of the 1996 through 2002 crops of each loan commodity, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for loan commodities 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 section 7232 of this title for the loan commodity.

**(b) Eligible production**

The following production shall be eligible for a marketing assistance loan under subsection (a) of this section:

(1) In the case of a marketing assistance loan for a contract commodity, any production by a producer on a farm containing eligible cropland covered by a production flexibility contract.

(2) In the case of a marketing assistance loan for extra long staple cotton and oilseeds, any production.

**(c) 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 the Act (16 U.S.C. 3821 et seq.) during the term of the loan.

**(d) Additional outlays prohibited**

The Secretary shall carry out this subchapter in such a manner that there are no additional outlays under this subchapter as a result of the reconstitution of a farm that occurs as a result of the combination of another farm that does not contain eligible cropland covered by a production flexibility contract.

(Pub. L. 104-127, title I, §131, Apr. 4, 1996, 110 Stat. 905.)

REFERENCES IN TEXT

The Food Security Act of 1985, referred to in subsec. (c), 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.

**§ 7232. Loan rates for marketing assistance loans**

**(a) Wheat**

**(1) Loan rate**

Subject to paragraph (2), the loan rate for a marketing assistance loan under section 7231 of this title for wheat shall be—

(A) not less than 85 percent of the simple average price received by producers of

wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than \$2.58 per bushel.

**(2) Stocks to use ratio adjustment**

If the Secretary estimates for any marketing year that the ratio of ending stocks of wheat to total use for the marketing year will be—

(A) equal to or greater than 30 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 10 percent in any year;

(B) less than 30 percent but not less than 15 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 5 percent in any year; or

(C) less than 15 percent, the Secretary may not reduce the loan rate for wheat for the corresponding crop.

**(b) Feed grains**

**(1) Loan rate for corn**

Subject to paragraph (2), the loan rate for a marketing assistance loan under section 7231 of this title for corn shall be—

(A) not less than 85 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than \$1.89 per bushel.

**(2) Stocks to use ratio adjustment**

If the Secretary estimates for any marketing year that the ratio of ending stocks of corn to total use for the marketing year will be—

(A) equal to or greater than 25 percent, the Secretary may reduce the loan rate for corn for the corresponding crop by an amount not to exceed 10 percent in any year;

(B) less than 25 percent but not less than 12.5 percent, the Secretary may reduce the loan rate for corn for the corresponding crop by an amount not to exceed 5 percent in any year; or

(C) less than 12.5 percent, the Secretary may not reduce the loan rate for corn for the corresponding crop.

**(3) Other feed grains**

The loan rate for a marketing assistance loan under section 7231 of this title for grain sorghum, barley, and oats, respectively, shall be established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn.

**(c) Upland cotton**

**(1) Loan rate**

Subject to paragraph (2), the loan rate for a marketing assistance loan under section 7231