

(1) the loan rate established for the commodity under section 7932 of this title, plus interest (determined in accordance with section 7283 of this title); or

(2) the repayment rate established for oil sunflower seed.

**(g) Quality grades for dry peas, lentils, and small chickpeas**

The loan repayment rate for dry peas, lentils, and small chickpeas shall be based on the quality grades for the applicable commodity specified in section 7932(d) of this title.

**(h) Good faith exception to beneficial interest requirement**

For the 2001 crop year only, in the case of the producers on a farm that marketed or otherwise lost beneficial interest in a loan commodity for which a marketing assistance loan was made under section 7231 of this title before repaying the loan, the Secretary shall permit the producers to repay the loan at the appropriate repayment rate that was in effect for the loan commodity under section 7234 of this title on the date that the producers lost beneficial interest, as determined by the Secretary, if the Secretary determines the producers acted in good faith.

(Pub. L. 107-171, title I, §1204, May 13, 2002, 116 Stat. 156; Pub. L. 108-7, div. A, title VII, §763(c), Feb. 20, 2003, 117 Stat. 47.)

AMENDMENTS

2003—Subsec. (a). Pub. L. 108-7, §763(c)(1), substituted “extra long staple cotton, and confectionery and each other kind of sunflower seed (other than oil sunflower seed)” for “and extra long staple cotton”.

Subsecs. (f) to (h). Pub. L. 108-7, §763(c)(2), (3), added subsecs. (f) and (g) and redesignated former subsec. (f) as (h).

EFFECTIVE DATE OF 2003 AMENDMENT

Amendment by Pub. L. 108-7 applicable beginning with the 2003 crop of other oilseeds, dry peas, lentils, and small chickpeas, see section 763(d) of Pub. L. 108-7, set out as a note under section 7901 of this title.

**§ 7935. Loan deficiency payments**

**(a) Availability of loan deficiency payments**

**(1) In general**

Except as provided in subsection (d) of this section, the Secretary may make loan deficiency payments available to producers on a farm that, although eligible to obtain a marketing assistance loan under section 7931 of this title with respect to a loan commodity, agree to forgo obtaining the loan for the commodity in return for loan deficiency payments under this section.

**(2) Unshorn pelts, hay, and silage**

Nongraded wool in the form of unshorn pelts and hay and silage derived from a loan commodity are not eligible for a marketing assistance loan under section 7931 of this title. However, effective for the 2002 through 2007 crop years, the Secretary may make loan deficiency payments available under this section to producers on a farm that produce unshorn pelts or hay and silage derived from a loan commodity.

**(b) Computation**

A loan deficiency payment for a loan commodity or commodity referred to in subsection (a)(2)

of this section shall be computed by multiplying—

(1) the payment rate determined under subsection (c) of this section for the commodity; by

(2) the quantity of the commodity produced by the eligible producers, excluding any quantity for which the producers obtain a marketing assistance loan under section 7931 of this title.

**(c) Payment rate**

**(1) In general**

In the case of a loan commodity, the payment rate shall be the amount by which—

(A) the loan rate established under section 7932 of this title for the loan commodity; exceeds

(B) the rate at which a marketing assistance loan for the loan commodity may be repaid under section 7934 of this title.

**(2) Unshorn pelts**

In the case of unshorn pelts, the payment rate shall be the amount by which—

(A) the loan rate established under section 7932 of this title for ungraded wool; exceeds

(B) the rate at which a marketing assistance loan for ungraded wool may be repaid under section 7934 of this title.

**(3) Hay and silage**

In the case of hay or silage derived from a loan commodity, the payment rate shall be the amount by which—

(A) the loan rate established under section 7932 of this title for the loan commodity from which the hay or silage is derived; exceeds

(B) the rate at which a marketing assistance loan for the loan commodity may be repaid under section 7934 of this title.

**(d) Exception for extra long staple cotton**

This section shall not apply with respect to extra long staple cotton.

**(e) Effective date for payment rate determination**

The Secretary shall determine the amount of the loan deficiency payment to be made under this section to the producers on a farm with respect to a quantity of a loan commodity or commodity referred to in subsection (a)(2) of this section using the payment rate in effect under subsection (c) of this section as of the date the producers request the payment.

**(f) Special loan deficiency payment rules**

**(1) First-time loan commodities**

For the 2002 crop of wool, mohair, honey, dry peas, lentils and small chickpeas, in the case of producers of such a crop that would be eligible for a loan deficiency payment under this section except for the fact that the producers lost beneficial interest in the crop prior to the date of publication of the regulations implementing this section, the producers shall be eligible for a loan deficiency payment as of the date producers marketed or otherwise lost beneficial interest in the crop, as determined by the Secretary.

**(2) Omitted**

(Pub. L. 107-171, title I, §1205, May 13, 2002, 116 Stat. 158.)

## CODIFICATION

Section is comprised of section 1205 of Pub. L. 107-171. Subsec. (f)(2) of section 1205 of Pub. L. 107-171 amended section 7235 of this title.

**§ 7936. Payments in lieu of loan deficiency payments for grazed acreage****(a) Eligible producers****(1) In general**

Effective for the 2002 through 2007 crop years, in the case of a producer that would be eligible for a loan deficiency payment under section 7935 of this title for wheat, barley, or oats, but that elects to use acreage planted to the wheat, barley, or oats for the grazing of livestock, the Secretary shall make a payment to the producer under this section if the producer enters into an agreement with the Secretary to forgo any other harvesting of the wheat, barley, or oats on that acreage.

**(2) Grazing of triticale acreage**

Effective for the 2002 through 2007 crop years, with respect to a producer on a farm that uses acreage planted to triticale for the grazing of livestock, the Secretary shall make a payment to the producer under this section if the producer enters into an agreement with the Secretary to forgo any other harvesting of triticale on that acreage.

**(b) Payment amount****(1) In general**

The amount of a payment made under this section to a producer on a farm described in subsection (a)(1) of this section shall be equal to the amount determined by multiplying—

(A) the loan deficiency payment rate determined under section 7935(c) of this title in effect, as of the date of the agreement, for the county in which the farm is located; by

(B) the payment quantity determined by multiplying—

(i) the quantity of the grazed acreage on the farm with respect to which the producer elects to forgo harvesting of wheat, barley, or oats; and

(ii) the payment yield in effect for the calculation of direct payments under subchapter I of this chapter with respect to that loan commodity on the farm or, in the case of a farm without a payment yield for that loan commodity, an appropriate yield established by the Secretary in a manner consistent with section 7912(c) of this title.

**(2) Grazing of triticale acreage**

The amount of a payment made under this section to a producer on a farm described in subsection (a)(2) of this section shall be equal to the amount determined by multiplying—

(A) the loan deficiency payment rate determined under section 7935(c) of this title in effect for wheat, as of the date of the agreement, for the county in which the farm is located; by

(B) the payment quantity determined by multiplying—

(i) the quantity of the grazed acreage on the farm with respect to which the producer elects to forgo harvesting of triticale; and

(ii) the payment yield in effect for the calculation of direct payments under subchapter I of this chapter with respect to wheat on the farm or, in the case of a farm without a payment yield for wheat, an appropriate yield established by the Secretary in a manner consistent with section 7912(c) of this title.

**(c) Time, manner, and availability of payment****(1) Time and manner**

A payment under this section shall be made at the same time and in the same manner as loan deficiency payments are made under section 7935 of this title.

**(2) Availability**

The Secretary shall establish an availability period for the payments authorized by this section. In the case of wheat, barley, and oats, the availability period shall be consistent with the availability period for the commodity established by the Secretary for marketing assistance loans authorized by this subchapter.

**(d) Prohibition on crop insurance indemnity or noninsured crop assistance**

A 2002 through 2007 crop of wheat, barley, oats, or triticale planted on acreage that a producer elects, in the agreement required by subsection (a) of this section, to use for the grazing of livestock in lieu of any other harvesting of the crop shall not be eligible for an indemnity under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) or noninsured crop assistance under section 7333 of this title.

(Pub. L. 107-171, title I, §1206, May 13, 2002, 116 Stat. 159.)

## REFERENCES IN TEXT

This subchapter, referred to in subsec. (c)(2), was in the original “this subtitle”, meaning subtitle B (§§1201-1209) of title I of Pub. L. 107-171, May 13, 2002, 116 Stat. 155, which is classified principally to this subchapter. For complete classification of subtitle B to the Code, see Tables.

The Federal Crop Insurance Act, referred to in subsec. (d), is subtitle A of title V of act Feb. 16, 1938, ch. 30, 52 Stat. 72, which is classified generally to subchapter I (§1501 et seq.) of chapter 36 of this title. For complete classification of this Act to the Code, see section 1501 of this title and Tables.

**§ 7937. Special marketing loan provisions for upland cotton**

**(a) Repealed. Pub. L. 109-171, title I, § 1103(a)(1), Feb. 8, 2006, 120 Stat. 5**

**(b) Special import quota****(1) Establishment****(A) In general**

The President shall carry out an import quota program during the period beginning on May 13, 2002, through July 31, 2008, as provided in this subsection.