

CODIFICATION

Section was enacted as part of the Food Security Act of 1985, and not as part of the Agricultural Adjustment Act of 1938 which comprises this chapter.

EFFECTIVE DATE

Section 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 an Effective Date of 1990 Amendment note under section 1421 of this title.

§ 1308a. Cost reduction options**(a) Authority of Secretary to take action**

Notwithstanding any other provision of law, whenever the Secretary of Agriculture determines that an action authorized under subsection (c), (d), or (e) of this section will reduce the total of the direct and indirect costs to the Federal Government of a commodity program administered by the Secretary without adversely affecting income to small- and medium-sized producers participating in such program, the Secretary shall take such action with respect to the commodity program involved.

(b) Reservation of Secretary's right to reopen or change contracts if producer agrees

In the announcement of the specific provisions of any commodity program administered by the Secretary of Agriculture, the Secretary shall include a statement setting forth which, if any, of the actions are to be initially included in the program, and a statement that the Secretary reserves the right to initiate at a later date any action not previously included but authorized by this section, including the right to reopen and change a contract entered into by a producer under the program if the producer voluntarily agrees to the change.

(c) Purchase from other sources of commodities covered by nonrecourse loans

When a nonrecourse loan program is in effect for a crop of a commodity, the Secretary may enter the commercial market to purchase such commodity if the Secretary determines that the cost of such purchases plus appropriate carrying charges will probably be less than the comparable cost of later acquiring the commodity through defaults on nonrecourse loans under the program.

(d) Reduction in settlement price of nonrecourse loans

When the domestic market price of a commodity for which a nonrecourse loan program (including the program authorized by section 1445e of this title) is in effect is insufficient to cover the principal and accumulated interest on a loan made under such program, thereby encouraging default by a producer, the Secretary may provide for settlement of such loan and redemption by the producer of the commodity securing such loan for less than the total of the principal and all interest accumulated thereon if the Secretary determines that such reduction in the settlement price will yield benefits to the Federal Government due to—

- (1) receipt by the Federal Government of a portion rather than none of the accumulated interest;

- (2) avoidance of default; or

- (3) elimination of storage, handling, and carrying charges on the forfeited commodity.

(e) Reopening of production control or loan programs to allow for payment in kind

When a production control or loan program is in effect for a crop of a major agricultural commodity, the Secretary may at any time prior to harvest reopen the program to participating producers for the purpose of accepting bids from producers for the conversion of acreage planted to such crop to diverted acres in return for payment in kind from Commodity Credit Corporation surplus stocks of the commodity to which the acreage was planted, if the Secretary determines that (1) changes in domestic or world supply or demand conditions have substantially changed after announcement of the program for that crop, and (2) without action to further adjust production, the Federal Government and producers will be faced with a burdensome and costly surplus. Such payments in kind shall not be included within the payment limitation per person established under section 1308 of this title, but shall be limited to a total \$20,000 per year per producer for any one commodity.

(f) Other authorities of Secretary not affected

The authority provided in this section shall be in addition to, and not in place of, any authority granted to the Secretary under any other provision of law.

(Pub. L. 99-198, title X, §1009, Dec. 23, 1985, 99 Stat. 1453; Pub. L. 101-134, §3, Oct. 30, 1989, 103 Stat. 781; Pub. L. 110-234, title I, §1603(g)(1), May 22, 2008, 122 Stat. 1011; Pub. L. 110-246, §4(a), title I, §1603(g)(1), June 18, 2008, 122 Stat. 1664, 1739.)

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.

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AMENDMENTS

2008—Subsec. (e). Pub. L. 110-246, §1603(g)(1), struck out “of \$50,000” before “per person” in second sentence. 1989—Subsec. (d). Pub. L. 101-134, in introductory provisions, inserted “(including the program authorized by section 1445e of this title)” after “nonrecourse loan program” and substituted “benefits” for “savings” and struck out concluding provisions which read as follows: “but the Secretary may not reduce the settlement price to less than the principal due on the loan”.

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.

§ 1309. Normally planted acreage and target prices**(a) Authorized planted acreage for 1982 through 1995 crops of wheat and feed grains as prerequisite for loan, etc.; eligibility; determinations; records**

Notwithstanding any other provision of law, whenever a set-aside program is in effect for one