

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

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.

## 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

and carrying normal inventories of the commodity of the current crop.

**(c) Sales price restrictions****(1) In general**

Except as otherwise provided in this section, the Corporation shall not sell any basic agricultural commodity or storable nonbasic commodity at less than 115 percent of the lower of—

- (A) the current national average price support loan rate for the commodity adjusted for the current market differentials reflecting grade, quality, location, reasonable carrying charges, and other factors determined appropriate by the Corporation; or
- (B) the loan repayment level.

**(2) Extra long staple cotton**

The Corporation may sell extra long staple cotton for unrestricted use at such price as the Corporation determines is appropriate to maintain and expand export and domestic markets.

**(3) Oilseeds**

The Corporation shall not sell oilseeds at less than the lower of—

- (A) 105 percent of the current national average price support loan rate for the oilseed, adjusted for the current market differentials reflecting grade, quality, location, reasonable carrying charges, and other factors determined appropriate by the Corporation; or
- (B) 115 percent of the loan repayment level.

**(4) Wheat and feed grains**

Whenever the producer reserve program for wheat and feed grains established under section 1445e of this title is in effect, the Corporation may not sell any of its stocks of wheat or feed grains at a level that is less than 150 percent of the then current loan rate for wheat or feed grains.

**(5) Upland cotton**

The Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same price the Corporation sells upland cotton for export, but in no event at less than the amount provided for in paragraph (1).

**(d) Nonapplication of sales price restrictions**

The foregoing restrictions of this section shall not apply to—

- (1) sales for new or byproduct uses;
- (2) sales of peanuts and oilseeds for the extraction of oil;
- (3) sales for seed or feed if the sales will not substantially impair any price support program;
- (4) sales of commodities that have substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage;
- (5) sales for the purpose of establishing claims arising out of contract or against persons who have committed fraud, misrepresentation, or other wrongful acts with respect to the commodity;
- (6) sales for export (excluding sales of upland cotton for export);