

follows: “In the case of other oilseeds, \$0.0960 per pound.”

Subsec. (b)(10). Pub. L. 108-7, § 763(b)(2), added par. (10) and struck out former par. (10) which read as follows: “In the case of other oilseeds, \$0.0930 per pound.”

Subsecs. (c), (d). Pub. L. 108-7, § 763(b)(3), added subsecs. (c) and (d).

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.

§ 7933. Term of loans

(a) Term of loan

In the case of each loan commodity, a marketing assistance loan under section 7931 of this title shall have a term of 9 months beginning on the first day of the first month after the month in which the loan is made.

(b) Extensions prohibited

The Secretary may not extend the term of a marketing assistance loan for any loan commodity.

(Pub. L. 107-171, title I, § 1203, May 13, 2002, 116 Stat. 156.)

§ 7934. Repayment of loans

(a) General rule

The Secretary shall permit the producers on a farm to repay a marketing assistance loan under section 7931 of this title for a loan commodity (other than upland cotton, rice, extra long staple cotton, and confectionery and each other kind of sunflower seed (other than oil sunflower seed)) at a rate that is the lesser of—

(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) a rate that the Secretary determines will—

(A) minimize potential loan forfeitures;

(B) minimize the accumulation of stocks of the commodity by the Federal Government;

(C) minimize the cost incurred by the Federal Government in storing the commodity;

(D) allow the commodity produced in the United States to be marketed freely and competitively, both domestically and internationally; and

(E) minimize discrepancies in marketing loan benefits across State boundaries and across county boundaries.

(b) Repayment rates for upland cotton and rice

The Secretary shall permit producers to repay a marketing assistance loan under section 7931 of this title for upland cotton and rice at a rate that is the lesser of—

(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 prevailing world market price for the commodity (adjusted to United States quality and location), as determined by the Secretary.

(c) Repayment rates for extra long staple cotton

Repayment of a marketing assistance loan for extra long staple cotton shall be at the loan rate

established for the commodity under section 7932 of this title, plus interest (determined in accordance with section 7283 of this title).

(d) Prevailing world market price

For purposes of this section and section 7937 of this title, the Secretary shall prescribe by regulation—

(1) a formula to determine the prevailing world market price for upland cotton and rice, adjusted to United States quality and location; and

(2) a mechanism by which the Secretary shall announce periodically the prevailing world market price for upland cotton and rice.

(e) Adjustment of prevailing world market price for upland cotton

(1) In general

During the period beginning on May 13, 2002, through July 31, 2008, the prevailing world market price for upland cotton (adjusted to United States quality and location) established under subsection (d) shall be further adjusted if—

(A) the adjusted prevailing world market price is less than 115 percent of the loan rate for upland cotton established under section 7932 of this title, as determined by the Secretary; and

(B) the Friday through Thursday average price quotation for the lowest-priced United States growth as quoted for Middling (M) 1 $\frac{3}{32}$ -inch cotton delivered C.I.F. Northern Europe is greater than the Friday through Thursday average price of the 5 lowest-priced growths of upland cotton, as quoted for Middling (M) 1 $\frac{3}{32}$ -inch cotton, delivered C.I.F. Northern Europe (referred to in this section as the “Northern Europe price”).

(2) Further adjustment

Except as provided in paragraph (3), the adjusted prevailing world market price for upland cotton shall be further adjusted on the basis of some or all of the following data, as available:

(A) The United States share of world exports.

(B) The current level of cotton export sales and cotton export shipments.

(C) Other data determined by the Secretary to be relevant in establishing an accurate prevailing world market price for upland cotton (adjusted to United States quality and location).

(3) Limitation on further adjustment

The adjustment under paragraph (2) may not exceed the difference between—

(A) the Friday through Thursday average price for the lowest-priced United States growth as quoted for Middling 1 $\frac{3}{32}$ -inch cotton delivered C.I.F. Northern Europe; and

(B) the Northern Europe price.

(f) Repayment rates for confectionery and other kinds of sunflower seeds

The Secretary shall permit the producers on a farm to repay a marketing assistance loan under section 7931 of this title for confectionery and each other kind of sunflower seed (other than oil sunflower seed) at a rate that is the lesser of—

(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), 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) shall be computed by multiplying—

(1) the payment rate determined under subsection (c) 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) using the payment rate in effect under subsection (c) 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.