

oilseeds shall be established at such level as the Secretary determines is fair and reasonable in relation to the loan rate available for soybeans, except in no event shall the rate for the oilseeds (other than cottonseed) be less than the rate established for soybeans on a per-pound basis for the same crop.

(Pub. L. 104-127, title I, §132, Apr. 4, 1996, 110 Stat. 905.)

§ 7233. Term of loans

(a) Term of loan

In the case of each loan commodity (other than upland cotton or extra long staple cotton), a marketing assistance loan under section 7231 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) Special rule for cotton

A marketing assistance loan for upland cotton or extra long staple cotton shall have a term of 10 months beginning on the first day of the month in which the loan is made.

(c) Extensions prohibited

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

(Pub. L. 104-127, title I, §133, Apr. 4, 1996, 110 Stat. 907.)

§ 7234. Repayment of loans

(a) Repayment rates for wheat, feed grains, and oilseeds

The Secretary shall permit a producer to repay a marketing assistance loan under section 7231 of this title for wheat, corn, grain sorghum, barley, oats, and oilseeds at a rate that is the lesser of—

(1) the loan rate established for the commodity under section 7232 of this title, plus interest (as determined by the Secretary); 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; and

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

(b) Repayment rates for upland cotton and rice

The Secretary shall permit producers to repay a marketing assistance loan under section 7231 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 7232 of this title, plus interest (as determined by the Secretary); 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 7232 of this title, plus interest (as determined by the Secretary).

(d) Prevailing world market price

For purposes of this section and section 7236 of this title, the Secretary shall prescribe by regulation—

(1) a formula to determine the prevailing world market price for each loan commodity, adjusted to United States quality and location; and

(2) a mechanism by which the Secretary shall announce periodically the prevailing world market price for each loan commodity.

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

(1) In general

During the period ending July 31, 2003, 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 7232 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 $\frac{3}{8}$ -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 $\frac{3}{8}$ -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 $\frac{3}{8}$ -inch cotton delivered C.I.F. Northern Europe; and

(B) the Northern Europe price.

(Pub. L. 104-127, title I, §134, Apr. 4, 1996, 110 Stat. 908.)

§ 7235. Loan deficiency payments

(a) Availability of loan deficiency payments

Except as provided in subsection (d), the Secretary may make loan deficiency payments available to—