

the loan, the Secretary shall permit the producers to repay the loan at the applicable repayment rate that was in effect for peanuts under this subsection on the date that the producers lost beneficial interest, as determined by the Secretary, if the Secretary determines the producers acted in good faith.

**(e) Loan deficiency payments**

**(1) Availability**

The Secretary may make loan deficiency payments available to producers on a farm that, although eligible to obtain a marketing assistance loan for peanuts under subsection (a), agree to forgo obtaining the loan for the peanuts in return for loan deficiency payments under this subsection.

**(2) Computation**

A loan deficiency payment under this subsection shall be computed by multiplying—

(A) the payment rate determined under paragraph (3) for peanuts; by

(B) the quantity of the peanuts produced by the producers, excluding any quantity for which the producers obtain a marketing assistance loan under subsection (a).

**(3) Payment rate**

For purposes of this subsection, the payment rate shall be the amount by which—

(A) the loan rate established under subsection (b); exceeds

(B) the rate at which a loan may be repaid under subsection (d).

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

**(A) In general**

The Secretary shall determine the amount of the loan deficiency payment to be made under this subsection to the producers on a farm with respect to a quantity of peanuts using the payment rate in effect under paragraph (3) as of the date the producers request the payment.

**(B) Special rule for 2002 crop year**

For the 2002 crop year only, the Secretary shall determine the amount of the loan deficiency payment to be made under this subsection to the producers on a farm with respect to a quantity of peanuts using the payment rate in effect under paragraph (3) as of the earlier of the following:

(i) The date on which the producers marketed or otherwise lost beneficial interest in the crop, as determined by the Secretary.

(ii) The date the producers request the payment.

**(f) Compliance with conservation and wetlands requirements**

As a condition of the receipt of a marketing assistance loan under subsection (a), the producer shall comply with applicable conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.) and applicable wetland protection requirements under subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.) during the term of the loan.

**(g) Reimbursable agreements and payment of administrative expenses**

The Secretary may implement any reimbursable agreements or provide for the payment of administrative expenses under this subchapter only in a manner that is consistent with such activities in regard to other commodities.

(Pub. L. 107-171, title I, §1307, May 13, 2002, 116 Stat. 175.)

REFERENCES IN TEXT

The Food Security Act of 1985, referred to in subsec. (f), is Pub. L. 99-198, Dec. 23, 1985, 99 Stat. 1354, as amended. Subtitles B and C of title XII of the Act are classified generally to subchapters II (§3811 et seq.) and III (§3821 et seq.), respectively, of chapter 58 of Title 16, Conservation. For complete classification of this Act to the Code, see Short Title of 1985 Amendment note set out under section 1281 of this title and Tables.

This subchapter, referred to in subsec. (g), was in the original "this subtitle", meaning subtitle C (§§1301-1310) of Pub. L. 107-171, title I, May 13, 2002, 116 Stat. 166, which is classified principally to this subchapter. For complete classification of subtitle C to the Code, see References in Text note set out under section 7951 of this title and Tables.

**§ 7958. Miscellaneous provisions**

**(a) Mandatory inspection**

All peanuts marketed in the United States shall be officially inspected and graded by Federal or Federal-State inspectors.

**(b) Termination of Peanut Administrative Committee**

The Peanut Administrative Committee established under Marketing Agreement No. 146 issued pursuant to the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is terminated.

**(c) Peanut Standards Board**

**(1) Establishment and purpose**

The Secretary shall establish a Peanut Standards Board for the purpose of advising the Secretary regarding the establishment of quality and handling standards for domestically produced and imported peanuts.

**(2) Membership and appointment**

**(A) Total members**

The Board shall consist of 18 members, with representation equally divided between peanut producers and peanut industry representatives.

**(B) Appointment process for producers**

The Secretary shall appoint—

(i) 3 producers from the Southeast (Alabama, Georgia, and Florida) peanut producing region;

(ii) 3 producers from the Southwest (Texas, Oklahoma, and New Mexico) peanut producing region; and

(iii) 3 producers from the Virginia/Carolina (Virginia and North Carolina) peanut producing region.

**(C) Appointment process for industry representatives**

The Secretary shall appoint 3 peanut industry representatives from each of the 3

peanut producing regions in the United States.

**(3) Terms**

**(A) In general**

A member of the Board shall serve a 3-year term.

**(B) Initial appointment**

In making the initial appointments to the Board, the Secretary shall stagger the terms of the members so that—

(i) 1 producer member and peanut industry member from each peanut producing region serves a 1-year term;

(ii) 1 producer member and peanut industry member from each peanut producing region serves a 2-year term; and

(iii) 1 producer member and peanut industry member from each peanut producing region serves a 3-year term.

**(4) Consultation required**

The Secretary shall consult with the Board in advance whenever the Secretary establishes or changes, or considers the establishment of or a change to, quality and handling standards for peanuts.

**(5) Federal Advisory Committee Act**

The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Board.

**(d) Priority**

The Secretary shall make identifying and combating the presence of all quality concerns related to peanuts a priority in the development of quality and handling standards for peanuts and in the inspection of domestically produced and imported peanuts. The Secretary shall consult with appropriate Federal and State agencies to provide adequate safeguards against all quality concerns related to peanuts.

**(e) Consistent standards**

Imported peanuts shall be subject to the same quality and handling standards as apply to domestically produced peanuts.

**(f) Authorization of appropriations**

**(1) In general**

In addition to other funds that are available to carry out this section, there is authorized to be appropriated such sums as are necessary to carry out this section.

**(2) Treatment of Board expenses**

The expenses of the Peanut Standards Board shall not be counted toward any general limitation on the expenses of advisory committees, panels, commissions, and task forces of the Department of Agriculture, whether enacted before, on, or after May 13, 2002, unless the limitation specifically refers to this paragraph and specifically includes the Peanut Standards Board within the general limitation.

**(g) Transition rule**

**(1) Temporary designation of Peanut Administrative Committee members**

Notwithstanding the appointment process specified in subsection (c) for the Peanut

Standards Board, during the transition period, the Secretary may designate persons serving as members of the Peanut Administrative Committee on the day before May 13, 2002, to serve as members of the Peanut Standards Board for the purpose of carrying out the duties of the Board described in this section.

**(2) Funds**

The Secretary may transfer any funds available to carry out the activities of the Peanut Administrative Committee to the Peanut Standards Board to carry out the duties of the Board described in this section.

**(3) Transition period**

In paragraph (1), the term “transition period” means the period beginning on May 13, 2002, and ending on the earlier of—

(A) the date the Secretary appoints the members of the Peanut Standards Board pursuant to subsection (c); or

(B) 180 days after May 13, 2002.

**(h) Effective date**

This section shall take effect with the 2002 crop of peanuts.

(Pub. L. 107-171, title I, §1308, May 13, 2002, 116 Stat. 178.)

REFERENCES IN TEXT

The Agricultural Adjustment Act, as reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, referred to in subsec. (b), is title I of act May 12, 1933, ch. 25, 48 Stat. 31, as amended, which is classified generally to chapter 26 (§601 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 601 of this title and Tables.

The Federal Advisory Committee Act, referred to in subsec. (c)(5), is Pub. L. 92-463, Oct. 6, 1972, 86 Stat. 770, as amended, which is set out in the Appendix to Title 5, Government Organization and Employees.

**§ 7959. Termination of marketing quota programs for peanuts and compensation to peanut quota holders for loss of quota asset value**

**(a) Repeal of marketing quota**

**(1) Omitted**

**(2) Treatment of 2001 crop**

Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357-1359a), as in effect on the day before May 13, 2002, shall continue to apply with respect to the 2001 crop of peanuts notwithstanding the amendment made by paragraph (1). Section 7958(g)(2) of this title shall also apply to the 2001 crop of peanuts.

**(b) Compensation contract required**

**(1) In general**

The Secretary shall offer to enter into a contract with each person that the Secretary determines is an eligible peanut quota holder under subsection (f) for the purpose of providing compensation for the lost value of the quota on account of the repeal of the marketing quota program for peanuts under subsection (a).

**(2) Payment period**

The Secretary shall make payments under the contracts during fiscal years 2002 through 2006.