

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.

(c) Time for payment**(1) Payment in installments**

The payments required under the contracts shall be provided in 5 equal installments not later than September 30 of each of fiscal years 2002 through 2006.

(2) Single payment

At the request of an eligible peanut quota holder entitled to payments under a contract, the Secretary shall provide the entire payment amount determined under subsection (d) with respect to the eligible peanut quota holder for the 5 fiscal years in a single lump sum during the fiscal year specified by the eligible peanut quota holder.

(d) Payment amount

The amount of the payment for a fiscal year to an eligible peanut quota holder under a contract shall be equal to the product obtained by multiplying—

- (1) \$0.11 per pound; by
- (2) the number of pounds of quota with respect to which the person qualifies as a peanut quota holder under subsection (f).

(e) Assignment of payments

The provisions of section 590h(g) of title 16, relating to assignment of payments, shall apply to the payments made under the contracts. A person making an assignment of the payment, or the assignee, shall provide the Secretary with notice, in such manner as the Secretary may require, of any assignment made under this subsection.

(f) Eligible peanut quota holder**(1) In general**

Except as otherwise provided in this subsection, the Secretary shall consider a person to be an eligible peanut quota holder for the purposes of this section if the person, as of May 13, 2002, owned a farm that, also as of that date, was eligible for a permanent peanut quota under section 358-1(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358-1(b)), irrespective of temporary leases, transfers of quotas for seed, or quotas for experimental purposes.

(2) Effect of purchase contract

If there was a written contract for the purchase of all or a portion of a farm described in paragraph (1) as of May 13, 2002, and the parties to the sale are unable to agree to the disposition of eligibility for payments under this section, the Secretary, taking into account any incomplete permanent transfer of quota that has otherwise been agreed to, shall provide for the equitable division of the payments among the parties by adjusting the determination of who is the eligible peanut quota holder with respect to particular pounds of the quota.

(3) Effect of agreement for permanent quota transfer

If the Secretary determines that there was in existence, as of May 13, 2002, an agreement for the permanent transfer of quota, but that the transfer was not completed by that date, the Secretary shall consider the peanut quota

holder to be the party to the agreement who, as of that date, was the owner of the farm to which the quota was to be transferred.

(4) Protected bases

A person that owns a farm with a peanut poundage quota which is protected under a conservation reserve program contract entered into under section 3831 of title 16 shall be considered to be an eligible quota holder with respect to the protected poundage.

(5) Secretarial discretion

Notwithstanding the preceding paragraphs, the Secretary may declare a person to be the eligible peanut quota holder with respect to certain pounds of quota or otherwise for purposes of this section if the Secretary considers the declaration is needed to insure a fair and equitable administration of the payments provided for in this section, so long as the Secretary does not, in exercising this authority, effectively increase the total quota in excess of the quota that was available to all producers for the 2001 crop year for other than seed or experimental use.

(6) Limitation on quantity of quota held

A person shall be considered an eligible peanut quota holder for purposes of this section only with respect to that number of permanent pounds that qualifies the person as a peanut quota holder under one of the preceding paragraphs. The determination of the peanut poundage amount for which the person qualifies shall be made based on the 2001 crop quota levels and shall take into account sales of the farm that occurred before May 13, 2002, and any permanent transfers of quota that took place before that date, consistent with the preceding paragraphs. The Secretary shall not take into account, or allow eligibility for, quotas for seed, granted as experimental quotas, or obtained by temporary lease or transfer.

(g) Successions in payment eligibility and attachment of eligibility to persons**(1) Eligibility attaches to persons**

Once a person is eligible for payments under this section, as determined under subsection (f), the continued eligibility of the person for the payments does not run with a farm, but shall remain with the person for the term of this section irrespective of whether the person sells, or continues to have an interest in, the farm that had the quota that qualified the person as an eligible peanut quota holder under subsection (f) and irrespective of whether the person has a continuing interest in the production of peanuts.

(2) Succession

If a person eligible for payments under this section dies, in the case of an individual, or ceases to exist, in the case of other persons, the payment eligibility of the person shall pass to the person's personal or organizational successor, as determined by the Secretary.

(Pub. L. 107-171, title I, §1309, May 13, 2002, 116 Stat. 179.)

REFERENCES IN TEXT

The Agricultural Adjustment Act of 1938, referred to in subsecs. (a)(2) and (f)(1), is act Feb. 16, 1938, ch. 30, 52 Stat. 31, as amended. Part VI of subtitle B of title III of the Act was classified generally to subpart VI (§1357 et seq.) of part B of subchapter II of chapter 35 of this title prior to repeal by subsec. (a)(1) of this section. For complete classification of this Act to the Code, see section 1281 of this title and Tables.

CODIFICATION

Section is comprised of section 1309 of Pub. L. 107-171. Subsec. (a)(1) of section 1309 of Pub. L. 107-171 repealed sections 1357 to 1359a of this title. Subsec. (h) of section 1309 amended sections 1361, 1371, 1373, and 1378 of this title.

§ 7960. Repeal of superseded price support authority and effect of repeal

(a) Omitted

(b) Disposal

Notwithstanding any other provision of law or previous declaration made by the Secretary, the Secretary shall ensure that the disposal of all peanuts for which a loan for the 2001 crop of peanuts was made under section 7271 of this title before May 13, 2002, is carried out in a manner that prevents price disruptions in the domestic and international markets for peanuts.

(c) Treatment of crop insurance policies for 2002 crop year

(1) Applicability

This subsection shall apply for the 2002 crop year only notwithstanding any other provision of law or crop insurance policy.

(2) Price election

The nonquota price election for segregation I, II, and III peanuts shall be 17.75 cents per pound and shall be used for all aspects of the policy relating to the calculations of premium, liability, and indemnities.

(3) Quality adjustment

For the purposes of quality adjustment only, the average support price per pound of peanuts shall be a price equal to 17.75 cents per pound. Quality under the crop insurance policy for peanuts shall be adjusted under procedures issued by the Federal Crop Insurance Corporation.

(Pub. L. 107-171, title I, §1310, May 13, 2002, 116 Stat. 182.)

CODIFICATION

Section is comprised of section 1310 of Pub. L. 107-171. Subsec. (a) of section 1310 of Pub. L. 107-171 amended sections 1428 and 1441 of this title and repealed 7271 of this title.

SUBCHAPTER IV—SUGAR

§ 7971. Storage facility loans

(a) In general

Notwithstanding any other provision of law and as soon as practicable after May 13, 2002, the Commodity Credit Corporation shall amend part 1436 of title 7, Code of Federal Regulations, to establish a sugar storage facility loan program to provide financing for processors of domesti-

cally-produced sugarcane and sugar beets to construct or upgrade storage and handling facilities for raw sugars and refined sugars.

(b) Eligible processors

A storage facility loan described in subsection (a) shall be made available to any processor of domestically produced sugarcane or sugar beets that (as determined by the Secretary)—

- (1) has a satisfactory credit history;
- (2) has a need for increased storage capacity, taking into account the effects of marketing allotments; and
- (3) demonstrates an ability to repay the loan.

(c) Term of loans

A storage facility loan described in subsection (a) shall—

- (1) have a minimum term of 7 years;
- (2) not include any penalty for prepayment; and
- (3) be in such amounts and on such other terms and conditions (including terms and conditions relating to downpayments, collateral, and eligible facilities) as are normal, customary, and appropriate for the size and commercial nature of the borrower.

(Pub. L. 107-171, title I, §1402, May 13, 2002, 116 Stat. 187; Pub. L. 110-234, title I, §1404, May 22, 2008, 122 Stat. 989; Pub. L. 110-246, §4(a), title I, §1404, June 18, 2008, 122 Stat. 1664, 1718.)

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.

AMENDMENTS

2008—Subsec. (c)(2), (3). Pub. L. 110-246, §1404, added par. (2), redesignated former par. (2) as (3), and, in par. (3), inserted “other” after “on such”.

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.

SUBCHAPTER V—DAIRY

§ 7981. Milk price support program

(a) Support activities

During the period beginning on June 1, 2002, and ending on December 31, 2007, the Secretary of Agriculture shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

(b) Rate

During the period specified in subsection (a), the price of milk shall be supported at a rate equal to \$9.90 per hundredweight for milk containing 3.67 percent butterfat.

(c) Purchase prices

(1) Uniform prices

The support purchase prices under this section for each of the products of milk (butter,