

of section 9017(b) of this title, the loan rate for seed cotton shall be deemed to be equal to \$0.25 per pound.

**(2) Effect**

Nothing in this subsection authorizes any nonrecourse marketing assistance loan under this subchapter for seed cotton.

(Pub. L. 113–79, title I, §1202, Feb. 7, 2014, 128 Stat. 675; Pub. L. 115–123, div. F, §60101(a)(9), Feb. 9, 2018, 132 Stat. 310; Pub. L. 115–334, title I, §1202(a), Dec. 20, 2018, 132 Stat. 4509.)

AMENDMENTS

2018—Subsec. (a). Pub. L. 115–334, §1202(a)(1), substituted “2014 through 2018 crop years” for “In general” in heading.

Subsec. (b). Pub. L. 115–334, §1202(a)(3), added subsec. (b). Former subsec. (b) redesignated (c).

Subsec. (c). Pub. L. 115–334, §1202(a)(2), (4), redesignated subsec. (b) as (c) and substituted “subsections (a)(11) and (b)(11)” for “subsection (a)(11)”. Former subsec. (c) redesignated (d).

Pub. L. 115–123 added subsec. (c).

Subsec. (d). Pub. L. 115–334, §1202(a)(2), redesignated subsec. (c) as (d).

EFFECTIVE DATE OF 2018 AMENDMENT

Amendment by Pub. L. 115–123 applicable beginning with the 2018 crop year, see section 60101(a)(13) of Pub. L. 115–123, set out as a note under section 9011 of this title.

**§ 9033. Term of loans**

**(a) Term of loan**

In the case of each loan commodity, a marketing assistance loan under section 9031 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. 113–79, title I, §1203, Feb. 7, 2014, 128 Stat. 676.)

**§ 9034. Repayment of loans**

**(a) General rule**

The Secretary shall permit the producers on a farm to repay a marketing assistance loan under section 9031 of this title for a loan commodity (other than upland cotton, long grain rice, medium grain rice, extra long staple cotton, peanuts 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 9032 of this title, plus interest (determined in accordance with section 7283 of this title);

(2) a rate (as determined by the Secretary) that—

(A) is calculated based on average market prices for the loan commodity during the preceding 30-day period; and

(B) will minimize discrepancies in marketing loan benefits across State boundaries and across county boundaries; or

(3) a rate that the Secretary may develop using alternative methods for calculating a re-

payment rate for a loan commodity 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, long grain rice, and medium grain rice**

The Secretary shall permit producers to repay a marketing assistance loan under section 9031 of this title for upland cotton, long grain rice, and medium grain rice at a rate that is the lesser of—

(1) the loan rate established for the commodity under section 9032 of this title, plus interest (determined in accordance with section 7283 of this title); or

(2) the prevailing world market price for the commodity, as determined and adjusted by the Secretary in accordance with this section.

**(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 9032 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 9037 of this title, the Secretary shall prescribe by regulation—

(1) a formula to determine the prevailing world market price for each of upland cotton, long grain rice, and medium grain rice; and

(2) a mechanism by which the Secretary shall announce periodically those prevailing world market prices.

**(e) Adjustment of prevailing world market price for upland cotton, long grain rice, and medium grain rice**

**(1) Rice**

The prevailing world market price for long grain rice and medium grain rice determined under subsection (d) shall be adjusted to United States quality and location.

**(2) Cotton**

The prevailing world market price for upland cotton determined under subsection (d)—

(A) shall be adjusted to United States quality and location, with the adjustment to include—

(i) a reduction equal to any United States Premium Factor for upland cotton of a quality higher than Middling (M) 1<sup>3</sup>/<sub>2</sub>-inch; and

(ii) the average costs to market the commodity, including average transportation costs, as determined by the Secretary; and

(B) may be further adjusted, during the period beginning on February 7, 2014, and end-

ing on July 31, 2024, if the Secretary determines the adjustment is necessary—

(i) to minimize potential loan forfeitures;

(ii) to minimize the accumulation of stocks of upland cotton by the Federal Government;

(iii) to ensure that upland cotton produced in the United States can be marketed freely and competitively, both domestically and internationally; and

(iv) to ensure an appropriate transition between current-crop and forward-crop price quotations, except that the Secretary may use forward-crop price quotations prior to July 31 of a marketing year if—

(I) there are insufficient current-crop price quotations; and

(II) the forward-crop price quotation is the lowest such quotation available.

**(3) Guidelines for additional adjustments**

In making adjustments under this subsection, the Secretary shall establish a mechanism for determining and announcing the adjustments in order to avoid undue disruption in the United States market.

**(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 9031 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 9032 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) Payment of cotton storage costs**

Effective for each of the 2014 through 2023 crop years, the Secretary shall make cotton storage payments available in the same manner, and at the same rates as the Secretary provided storage payments for the 2006 crop of cotton, except that the rates shall be reduced by 10 percent.

**(h) Repayment rate for peanuts**

The Secretary shall permit producers on a farm to repay a marketing assistance loan for peanuts under section 9031 of this title at a rate that is the lesser of—

(1) the loan rate established for peanuts under subsection (a)(20) or (b)(20), as applicable, of section 9032 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 peanuts by the Federal Government;

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

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

**(i) Authority to temporarily adjust repayment rates**

**(1) Adjustment authority**

In the event of a severe disruption to marketing, transportation, or related infrastructure, the Secretary may modify the repayment rate otherwise applicable under this section for marketing assistance loans under section 9031 of this title for a loan commodity.

**(2) Duration**

Any adjustment made under paragraph (1) in the repayment rate for marketing assistance loans for a loan commodity shall be in effect on a short-term and temporary basis, as determined by the Secretary.

(Pub. L. 113–79, title I, §1204, Feb. 7, 2014, 128 Stat. 676; Pub. L. 115–334, title I, §§1201(b), 1202(b), Dec. 20, 2018, 132 Stat. 4509, 4510.)

AMENDMENTS

2018—Subsec. (e)(2)(B). Pub. L. 115–334, §1201(b)(1), substituted “2024” for “2019” in introductory provisions.

Subsec. (g). Pub. L. 115–334, §1201(b)(2), substituted “2023” for “2018”.

Subsec. (h)(1). Pub. L. 115–334, §1202(b), substituted “subsection (a)(20) or (b)(20), as applicable, of section 9032” for “section 9032(a)(20)”.

**§ 9035. 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 9031 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**

**(A) Marketing assistance loans**

Subject to subparagraph (B), 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 9031 of this title.

**(B) Loan deficiency payment**

Effective for each of the 2014 through 2023 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 equal to the product obtained 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 9031 of this title.