

(c) Recourse loans available for contaminated commodities

In the case of a loan commodity that is ineligible for 100 percent of the nonrecourse marketing loan rate in the county due to a determination that the commodity is contaminated yet still merchantable, for each of the 2019 through 2023 crops of such loan commodity, the Secretary shall make available recourse commodity loans, at the rate provided under section 9032 of this title, on any production.

(d) Repayment rates

Repayment of a recourse loan made under this section shall be at the loan rate established for the commodity by the Secretary, plus interest (determined in accordance with section 7283 of this title).

(Pub. L. 113-79, title I, §1209, Feb. 7, 2014, 128 Stat. 685; Pub. L. 115-334, title I, §1205, Dec. 20, 2018, 132 Stat. 4510.)

AMENDMENTS

2018—Subsecs. (a)(2), (b). Pub. L. 115-334, §1205(a), substituted “2023” for “2018”.

Subsecs. (c), (d). Pub. L. 115-334, §1205(b), added subsec. (c) and redesignated former subsec. (c) as (d).

§ 9040. Adjustments of loans**(a) Adjustment authority**

Subject to subsection (e), the Secretary may make appropriate adjustments in the loan rates for any loan commodity (other than cotton) for differences in grade, type, quality, location, and other factors.

(b) Manner of adjustment

The adjustments under subsection (a) shall, to the maximum extent practicable, be made in such a manner that the average loan level for the commodity will, on the basis of the anticipated incidence of the factors, be equal to the level of support determined in accordance with this subchapter and subtitle C.

(c) Adjustment on county basis**(1) In general**

The Secretary may establish loan rates for a crop for producers in individual counties in a manner that results in the lowest loan rate being 95 percent of the national average loan rate, if those loan rates do not result in an increase in outlays.

(2) Prohibition

Adjustments under this subsection shall not result in an increase in the national average loan rate for any year.

(d) Adjustment in loan rate for cotton**(1) In general**

The Secretary may make appropriate adjustments in the loan rate for cotton for differences in quality factors.

(2) Types of adjustments

Loan rate adjustments under paragraph (1) may include—

(A) the use of non-spot market price data, in addition to spot market price data, that would enhance the accuracy of the price in-

formation used in determining quality adjustments under this subsection;

(B) adjustments in the premiums or discounts associated with upland cotton with a staple length of 33 or above due to microaire with the goal of eliminating any unnecessary artificial splits in the calculations of the premiums or discounts; and

(C) such other adjustments as the Secretary determines appropriate, after consultations conducted in accordance with paragraph (3).

(3) Consultation with private sector**(A) Prior to revision**

In making adjustments to the loan rate for cotton (including any review of the adjustments) as provided in this subsection, the Secretary shall consult with representatives of the United States cotton industry.

(B) Inapplicability of Federal Advisory Committee Act

The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to consultations under this subsection.

(4) Review of adjustments

The Secretary may review the operation of the upland cotton quality adjustments implemented pursuant to this subsection and may make further adjustments to the administration of the loan program for upland cotton, by revoking or revising any adjustment taken under paragraph (2).

(e) Rice

The Secretary shall not make adjustments in the loan rates for long grain rice and medium grain rice, except for differences in grade and quality (including milling yields).

(Pub. L. 113-79, title I, §1210, Feb. 7, 2014, 128 Stat. 686.)

REFERENCES IN TEXT

Subtitle C, referred to in subsec. (b), means subtitle C of title I of Pub. L. 113-79, Feb. 7, 2014, 128 Stat. 687, which amended sections 1359bb, 1359ll, and 7272 of this title.

The Federal Advisory Committee Act, referred to in subsec. (d)(3)(B), is Pub. L. 92-463, Oct. 6, 1972, 86 Stat. 770, which is set out in the Appendix to Title 5, Government Organization and Employees.

SUBCHAPTER III—DAIRY

PART A—DAIRY MARGIN COVERAGE

CODIFICATION

Pub. L. 115-334, title I, §1401(k)(1), Dec. 20, 2018, 132 Stat. 4516, substituted “Dairy Margin Coverage” for “Margin Protection Program for Dairy Producers” in part heading.

§ 9051. Definitions

In this part:

(1) Actual dairy production margin

The term “actual dairy production margin” means the difference between the all-milk price and the average feed cost, as calculated under section 9052 of this title.

(2) All-milk price

The term “all-milk price” means the average price received, per hundredweight of milk,

by dairy operations for all milk sold to plants and dealers in the United States, as determined by the Secretary.

(3) Average feed cost

The term “average feed cost” means the average cost of feed used by a dairy operation to produce a hundredweight of milk, determined under section 9052 of this title using the sum of the following:

(A) The product determined by multiplying 1.0728 by the price of corn per bushel.

(B) The product determined by multiplying 0.00735 by the price of soybean meal per ton.

(C) The product determined by multiplying 0.0137 by the price of alfalfa hay per ton.

(4) Dairy operation

(A) In general

The term “dairy operation” means, as determined by the Secretary, 1 or more dairy producers that produce and market milk as a single dairy operation in which each dairy producer—

(i) shares in the risk of producing milk; and

(ii) makes contributions (including land, labor, management, equipment, or capital) to the dairy operation of the individual or entity, which are at least commensurate with the individual or entity’s share of the proceeds of the operation.

(B) Additional ownership structures

The Secretary shall determine additional ownership structures to be covered by the definition of dairy operation.

(5) Dairy margin coverage

The term “dairy margin coverage” means the dairy margin coverage program required by section 9053 of this title.

(6) Dairy margin coverage payment

The term “dairy margin coverage payment” means a payment made to a participating dairy operation under dairy margin coverage pursuant to section 9056 of this title.

(7) Participating dairy operation

The term “participating dairy operation” means a dairy operation that registers under section 9054 of this title to participate in dairy margin coverage.

(8) Production history

The term “production history” means the production history determined for a participating dairy operation under subsection (a) or (b) of section 9055 of this title when the participating dairy operation first registers to participate in dairy margin coverage.

(9) Secretary

The term “Secretary” means the Secretary of Agriculture.

(10) United States

The term “United States”, in a geographical sense, means the 50 States, the District of Columbia, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, the Virgin

Islands of the United States, and any other territory or possession of the United States.

(Pub. L. 113–79, title I, §1401, Feb. 7, 2014, 128 Stat. 688; Pub. L. 115–123, div. F, §60101(b)(1)(A), Feb. 9, 2018, 132 Stat. 311; Pub. L. 115–334, title I, §§1401(k)(2), 1404(b)(2), Dec. 20, 2018, 132 Stat. 4516, 4521.)

AMENDMENTS

2018—Pub. L. 115–334, §1404(b)(2), struck out “and part B” after “this part” in introductory provisions.

Par. (4). Pub. L. 115–123 redesignated par. (5) as (4) and struck out former par. (4). Prior to amendment, text read as follows: “The term ‘consecutive 2-month period’ refers to the 2-month period consisting of the months of January and February, March and April, May and June, July and August, September and October, or November and December, respectively.”

Pars. (5), (6). Pub. L. 115–334, §1401(k)(2)(A), added pars. (5) and (6) and struck out former pars. (5) and (6) which defined the terms “margin protection program” and “margin protection program payment”, respectively.

Pub. L. 115–123, §60101(b)(1)(A)(ii), redesignated pars. (6) and (7) as (5) and (6), respectively. Former par. (5) redesignated (4).

Pars. (7), (8). Pub. L. 115–334, §1401(k)(2)(B), substituted “dairy margin coverage” for “the margin protection program”.

Pub. L. 115–123, §60101(b)(1)(A)(ii), redesignated pars. (8) and (9) as (7) and (8), respectively. Former par. (7) redesignated (6).

Pars. (9) to (11). Pub. L. 115–123, §60101(b)(1)(A)(ii), redesignated pars. (10) and (11) as (9) and (10), respectively. Former par. (9) redesignated (8).

EFFECTIVE DATE OF 2018 AMENDMENT

Pub. L. 115–334, title I, §1401(m), Dec. 20, 2018, 132 Stat. 4518, provided that: “The amendments made by this section [amending this section and sections 9052 to 9060 of this title] shall take effect on January 1, 2019.”

Pub. L. 115–123, div. F, §60101(b)(5), Feb. 9, 2018, 132 Stat. 312, provided that: “The amendments made by this subsection [amending this section and sections 9052 and 9054 to 9057 of this title] shall apply beginning with the 2018 calendar year.”

§9052. Calculation of average feed cost and actual dairy production margins

(a) Calculation of average feed cost

The Secretary shall calculate the national average feed cost for each month using the following data:

(1) The price of corn for a month shall be the price received during that month by farmers in the United States for corn, as reported in the monthly Agricultural Prices report by the Secretary.

(2) The price of soybean meal for a month shall be the central Illinois price for soybean meal, as reported in the Market News–Monthly Soybean Meal Price Report by the Secretary.

(3) The price of alfalfa hay for a month shall be the price received during that month by farmers in the United States for alfalfa hay, as reported in the monthly Agricultural Prices report by the Secretary.

(b) Calculation of actual dairy production margin

(1) In general

For use in dairy margin coverage, the Secretary shall calculate the actual dairy production margin for each month by subtracting—