

(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 domestically-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, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary.

(2) Sufficient prices

The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under subsection (b).

(d) Special rule for butter and nonfat dry milk purchase prices

(1) Allocation of purchase prices

The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. Not later than 10 days after making or changing an allocation, the Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation. Section 553 of title 5 shall not apply with respect to the implementation of this section.

(2) Timing of purchase price adjustments

The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(e) Commodity Credit Corporation

The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

(Pub. L. 107-171, title I, §1501, May 13, 2002, 116 Stat. 205.)

§ 7982. National dairy market loss payments

(a) Definitions

In this section:

(1) Class I milk

The term “Class I milk” means milk (including milk components) classified as Class I milk under a Federal milk marketing order.