

## REFERENCES IN TEXT

This Act, referred to in subsec. (a), is act Oct. 31, 1949, ch. 792, 63 Stat. 1051, as amended, known as the Agricultural Act of 1949, which is classified principally to this chapter (§1421 et seq.). For complete classification of this Act to the Code, see Short Title note set out under section 1421 of this title and Tables.

## AMENDMENTS

1990—Pub. L. 101-624 designated existing provisions as subsec. (a) and added subsec. (b).

## EFFECTIVE DATE OF 1990 AMENDMENT

Amendment by Pub. L. 101-624 effective beginning with 1991 crop of an agricultural commodity, with provision for prior crops, see section 1171 of Pub. L. 101-624, set out as a note under section 1421 of this title.

## EXCEPTIONS FROM TRANSFER OF FUNCTIONS

Functions of Corporations of Department of Agriculture, boards of directors and officers of such corporations; Advisory Board of Commodity Credit Corporation; and Farm Credit Administration or any agency, officer, or entity of, under, or subject to supervision of said Administration excepted from functions of officers, agencies, and employees transferred to Secretary of Agriculture by 1953 Reorg. Plan No. 2, §1, effective June 4, 1953, 18 F.R. 3219, 67 Stat. 633, set out as a note under section 2201 of this title.

## INAPPLICABILITY OF SECTION

Section inapplicable to 2014 through 2018 crops of covered commodities, cotton, and sugar and inapplicable to milk during period beginning Feb. 7, 2014, through Dec. 31, 2018, see section 9092(b)(10) of this title.

Section inapplicable to 2008 through 2012 crops of covered commodities, peanuts, and sugar and inapplicable to milk during period beginning June 18, 2008, through Dec. 31, 2012, see section 8782(b)(10) of this title.

Section inapplicable to 2002 through 2007 crops of covered commodities, peanuts, and sugar and inapplicable to milk during period beginning May 13, 2002, through Dec. 31, 2007, see section 7992(b)(10) of this title.

Section inapplicable to 1996 through 2002 crops of loan commodities, peanuts, and sugar and inapplicable to milk during period beginning Apr. 4, 1996, and ending Dec. 31, 2002, see section 7301(b)(1)(J) of this title.

**§ 1423. Adjustments of support prices****(a) In general**

The Secretary may make appropriate adjustments in the support price for any commodity (excluding cotton) for differences in grade, type, quality, location and other factors. The adjustments shall, so far as practicable, be made in such manner that the average support price for the commodity will, on the basis of the anticipated incidence of such factors be equal to the level of support determined as provided in this Act. Beginning with the 1991 crops of wheat, feed grains, and soybeans for which price support is provided under this Act, the Secretary shall establish premiums and discounts related to cleanliness factors in addition to any other premiums or discounts related to quality.

**(b) Adjustment in support prices for cotton**

The Secretary may make appropriate adjustments in the support price for cotton for differences in quality factors and location. Beginning with the 1991 crop, the quality differences (premiums and discounts for quality factors) for the upland cotton loan program shall be established by the Secretary by giving equal weight to (1) loan differences for the preceding crop,

and (2) market differences for such crop in the designated United States spot markets.

**(c) Limitation on adjustments for wheat and feed grains**

Notwithstanding any other provision of this section, for each of the 1990 through 1995 crops of wheat and feed grains, no adjustment in the loan rate applicable to a particular region, State, or county for the purpose of reflecting transportation differentials may increase or decrease the regional, State, or county loan rate from the level established for the previous year by more than the percentage change in the national average loan rate plus or minus 3 percent.

(Oct. 31, 1949, ch. 792, title IV, §403, 63 Stat. 1054; Pub. L. 85-835, title I, §§108, 111, Aug. 28, 1958, 72 Stat. 993; Pub. L. 89-321, title VIII, §802, Nov. 3, 1965, 79 Stat. 1213; Pub. L. 97-98, title V, §507, Dec. 22, 1981, 95 Stat. 1241; Pub. L. 100-203, title I, §1105, Dec. 22, 1987, 101 Stat. 1330-5; Pub. L. 101-624, title XI, §1128, title XX, §2011, Nov. 28, 1990, 104 Stat. 3508, 3932.)

## REFERENCES IN TEXT

This Act, referred to in subsec. (a), is act Oct. 31, 1949, ch. 792, 63 Stat. 1051, as amended, known as the Agricultural Act of 1949, which is classified principally to this chapter (§1421 et seq.). For complete classification of this Act to the Code, see Short Title note set out under section 1421 of this title and Tables.

## AMENDMENTS

1990—Pub. L. 101-624, §2011, inserted at end of subsec. (a) “Beginning with the 1991 crops of wheat, feed grains, and soybeans for which price support is provided under this Act, the Secretary shall establish premiums and discounts related to cleanliness factors in addition to any other premiums or discounts related to quality.”

Pub. L. 101-624, §1128, in amending section generally, designated part of existing text as subsecs. (a), (b), and (c), and in subsec. (a) inserted provisions excluding cotton, in subsec. (b) substituted reference to 1991 crop for reference to 1982 crop, and substituted reference to quality factors for reference to grade, staple and micronaire, and in subsec. (c) substituted reference to 1990 through 1995 crops for reference to 1988 through 1990 crops, substituted reference to 3 percent for reference to 2 percent, and struck out provisions relating to establishment and duties of a study committee and authority of Secretary to review and revise procedures and criteria for establishing values of premiums and discounts for grade, staple and micronaire for upland cotton program.

1987—Pub. L. 100-203 inserted at end “Notwithstanding the preceding provisions of this section, for each of the 1988 through 1990 crops of wheat and feed grains, no adjustment in the loan rate applicable to a particular region, State, or county for the purpose of reflecting transportation differentials may increase or decrease such regional, State, or county loan rate from the level established for the previous year by more than the percentage change in the national average loan rate plus or minus 2 percent.”

1981—Pub. L. 97-98 inserted provision directing that beginning with 1982 crop of upland cotton, the quality differences for the loan program be established by giving equal weight to the loan differences for the preceding crop and to the market differences for the crop in the nine designated United States spot markets and authorizing the Secretary to establish a study committee to study and report on alternative methods of establishing values of premiums and discounts for grade, staple, and micronaire for the upland cotton loan program that accurately represent true relative market values

and reflect actual market demand for upland cotton produced in the United States and to review procedures and criteria for determining quality differences, prior to the announcement of the loan rate differences for the 1982 crop of upland cotton, and based on such review, revise such procedures and criteria to actually reflect the actual market value of upland cotton produced in the United States.

1965—Pub. L. 89-321 provided that, in determining support prices for 1966 and 1967 rice crops, the Secretary shall use head and broken rice value factors for the various varieties which are not lower than those with respect to the 1965 crop and which do not differ as between any two varieties by a greater amount than the value factors used with respect to the 1965 crop for such two varieties differed.

1958—Pub. L. 85-835 provided for support of split grades and struck out, effective with the 1961 crop, sentence prescribing standard cotton grade for parity and price support purposes.

#### EFFECTIVE DATE OF 1990 AMENDMENT

Amendment by section 1128 of Pub. L. 101-624 effective beginning with 1991 crop of an agricultural commodity, with provision for prior crops, see section 1171 of Pub. L. 101-624, set out as a note under section 1421 of this title.

#### EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97-98 effective Dec. 22, 1981, see section 1801 of Pub. L. 97-98, set out as an Effective Date note under section 4301 of this title.

#### EXCEPTIONS FROM TRANSFER OF FUNCTIONS

Functions of Corporations of Department of Agriculture, boards of directors and officers of such corporations; Advisory Board of Commodity Credit Corporation; and Farm Credit Administration or any agency, officer, or entity of, under, or subject to supervision of said Administration excepted from functions of officers, agencies, and employees transferred to Secretary of Agriculture by 1953 Reorg. Plan No. 2, §1, effective June 4, 1953, 18 F.R. 3219, 67 Stat. 633, set out as a note under section 2201 of this title.

#### INAPPLICABILITY OF SECTION

Section inapplicable to 2014 through 2018 crops of covered commodities, cotton, and sugar and inapplicable to milk during period beginning Feb. 7, 2014, through Dec. 31, 2018, see section 9092(b)(10) of this title.

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Section inapplicable to 1996 through 2002 crops of loan commodities, peanuts, and sugar and inapplicable to milk during period beginning Apr. 4, 1996, and ending Dec. 31, 2002, see section 7301(b)(1)(J) of this title.

### § 1424. Utilization of services and facilities of Commodity Credit Corporation

The Secretary, in carrying out programs under section 612c of this title and section 1755 of title 42, may utilize the services and facilities of the Commodity Credit Corporation (including but not limited to procurement by contract), and make advance payments to it.

(Oct. 31, 1949, ch. 792, title IV, § 404, 63 Stat. 1054; Pub. L. 106-78, title VII, § 752(b)(2), Oct. 22, 1999, 113 Stat. 1169.)

#### AMENDMENTS

1999—Pub. L. 106-78 made technical amendment to reference in original act which appears in text as reference to section 1755 of title 42.

#### EXCEPTIONS FROM TRANSFER OF FUNCTIONS

Functions of Corporations of Department of Agriculture, boards of directors and officers of such corporations; Advisory Board of Commodity Credit Corporation; and Farm Credit Administration or any agency, officer, or entity of, under, or subject to supervision of said Administration excepted from functions of officers, agencies, and employees transferred to Secretary of Agriculture by 1953 Reorg. Plan No. 2, §1, effective June 4, 1953, 18 F.R. 3219, 67 Stat. 633, set out as a note under section 2201 of this title.

### § 1425. Producer rights and liabilities

#### (a) Liability for deficiencies

Except as otherwise provided in section 1425a of this title, no producer shall be personally liable for any deficiency arising from the sale of the collateral securing any loan made under authority of this Act unless such loan was obtained through fraudulent representations by the producer. This provision shall not, however, be construed to prevent the Commodity Credit Corporation or the Secretary from requiring producers to assume liability for deficiencies in the grade, quality, or quantity of commodities stored on the farm or delivered by them, for failure properly to care for and preserve commodities, or for failure or refusal to deliver commodities in accordance with the requirements of the program. There is authorized to be included in the terms and conditions of any such non-recourse loan a provision whereby on and after the maturity of the loan or any extension thereof Commodity Credit Corporation shall have the right to acquire title to the unredeemed collateral without obligation to pay for any market value which such collateral may have in excess of the loan indebtedness.

#### (b) Sugarcane and sugar beets

The security interests obtained by the Commodity Credit Corporation as a result of the execution of security agreements by the processors of sugarcane and sugar beets shall be superior to all statutory and common law liens on raw cane sugar and refined beet sugar in favor of the producers of sugarcane and sugar beets and all prior recorded and unrecorded liens on the crops of sugarcane and sugar beets from which the sugar was derived. The preceding sentence shall not affect the application of section 1421(e)(2) of this title.

(Oct. 31, 1949, ch. 792, title IV, § 405, 63 Stat. 1054; Pub. L. 85-835, title V, § 502, Aug. 28, 1958, 72 Stat. 996; Pub. L. 99-198, title X, § 1004, Dec. 23, 1985, 99 Stat. 1447; Pub. L. 100-460, title VI, § 634(a), Oct. 1, 1988, 102 Stat. 2263; Pub. L. 102-237, title I, § 111(b), Dec. 13, 1991, 105 Stat. 1830.)

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#### AMENDMENTS

1991—Subsec. (b). Pub. L. 102-237 amended subsec. (b) generally. Prior to amendment, subsec. (b) read as follows: