

peanuts under subsection (a) at a rate that is the lesser of—

(A) the loan rate established for peanuts under subsection (b), plus interest (determined in accordance with section 7283 of this title); or

(B) a rate that the Secretary determines will—

- (i) minimize potential loan forfeitures;
- (ii) minimize the accumulation of stocks of peanuts by the Federal Government;
- (iii) minimize the cost incurred by the Federal Government in storing peanuts; and
- (iv) allow peanuts produced in the United States to be marketed freely and competitively, both domestically and internationally.

(2) Good faith exception to beneficial interest requirement

For the 2002 crop year only, in the case of the producers on a farm that marketed or otherwise lost beneficial interest in the peanuts for which a marketing assistance loan was made under this section before repaying the loan, the Secretary shall permit the producers to repay the loan at the applicable repayment rate that was in effect for peanuts under this subsection on the date that the producers lost beneficial interest, as determined by the Secretary, if the Secretary determines the producers acted in good faith.

(e) Loan deficiency payments

(1) Availability

The Secretary may make loan deficiency payments available to producers on a farm that, although eligible to obtain a marketing assistance loan for peanuts under subsection (a), agree to forgo obtaining the loan for the peanuts in return for loan deficiency payments under this subsection.

(2) Computation

A loan deficiency payment under this subsection shall be computed by multiplying—

(A) the payment rate determined under paragraph (3) for peanuts; by

(B) the quantity of the peanuts produced by the producers, excluding any quantity for which the producers obtain a marketing assistance loan under subsection (a).

(3) Payment rate

For purposes of this subsection, the payment rate shall be the amount by which—

(A) the loan rate established under subsection (b); exceeds

(B) the rate at which a loan may be repaid under subsection (d).

(4) Effective date for payment rate determination

(A) In general

The Secretary shall determine the amount of the loan deficiency payment to be made under this subsection to the producers on a farm with respect to a quantity of peanuts using the payment rate in effect under paragraph (3) as of the date the producers request the payment.

(B) Special rule for 2002 crop year

For the 2002 crop year only, the Secretary shall determine the amount of the loan deficiency payment to be made under this subsection to the producers on a farm with respect to a quantity of peanuts using the payment rate in effect under paragraph (3) as of the earlier of the following:

(i) The date on which the producers marketed or otherwise lost beneficial interest in the crop, as determined by the Secretary.

(ii) The date the producers request the payment.

(f) Compliance with conservation and wetlands requirements

As a condition of the receipt of a marketing assistance loan under subsection (a), the producer shall comply with applicable conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.) and applicable wetland protection requirements under subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.) during the term of the loan.

(g) Reimbursable agreements and payment of administrative expenses

The Secretary may implement any reimbursable agreements or provide for the payment of administrative expenses under this subchapter only in a manner that is consistent with such activities in regard to other commodities.

(Pub. L. 107-171, title I, §1307, May 13, 2002, 116 Stat. 175.)

Editorial Notes

REFERENCES IN TEXT

The Food Security Act of 1985, referred to in subsec. (f), is Pub. L. 99-198, Dec. 23, 1985, 99 Stat. 1354, as amended. Subtitles B and C of title XII of the Act are classified generally to subchapters II (§3811 et seq.) and III (§3821 et seq.), respectively, of chapter 58 of Title 16, Conservation. For complete classification of this Act to the Code, see Short Title of 1985 Amendment note set out under section 1281 of this title and Tables.

This subchapter, referred to in subsec. (g), was in the original “this subtitle”, meaning subtitle C (§§1301-1310) of Pub. L. 107-171, title I, May 13, 2002, 116 Stat. 166, which is classified principally to this subchapter. For complete classification of subtitle C to the Code, see References in Text note set out under section 7951 of this title and Tables.

§ 7958. Miscellaneous provisions

(a) Mandatory inspection

All peanuts marketed in the United States shall be officially inspected and graded by Federal or Federal-State inspectors.

(b) Termination of Peanut Administrative Committee

The Peanut Administrative Committee established under Marketing Agreement No. 146 issued pursuant to the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is terminated.

(c) Peanut Standards Board

(1) Establishment and purpose

The Secretary shall establish a Peanut Standards Board for the purpose of advising

the Secretary regarding the establishment of quality and handling standards for domestically produced and imported peanuts.

(2) Membership and appointment

(A) Total members

The Board shall consist of 18 members, with representation equally divided between peanut producers and peanut industry representatives.

(B) Appointment process for producers

The Secretary shall appoint—

(i) 3 producers from the Southeast (Alabama, Georgia, and Florida) peanut producing region;

(ii) 3 producers from the Southwest (Texas, Oklahoma, and New Mexico) peanut producing region; and

(iii) 3 producers from the Virginia/Carolina (Virginia, North Carolina, and South Carolina) peanut producing region.

(C) Appointment process for industry representatives

The Secretary shall appoint 3 peanut industry representatives from each of the 3 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; Pub. L. 115–334, title XII, §12517, Dec. 20, 2018, 132 Stat. 5000.)

Editorial Notes

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.

AMENDMENTS

2018—Subsec. (c)(2)(B)(iii). Pub. L. 115–334 substituted “Virginia, North Carolina, and South Carolina” for “Virginia and North Carolina”.

§ 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,