

**(c) Extent of personal liability**

The loan contracts of the Commodity Credit Corporation entered into with producers of honey shall clearly indicate the extent to which a producer of honey may be personally liable for repayment of a loan under this section.

**(d) Promulgation of regulations**

The Commodity Credit Corporation may issue such regulations as the Corporation deems necessary to carry out this section. The regulations shall provide for the attribution of the value of collateral forfeited on loans described in subsection (a).

(Oct. 31, 1949, ch. 792, title IV, § 405A, as added Pub. L. 100-460, title VI, § 634(b), Oct. 1, 1988, 102 Stat. 2263; amended Pub. L. 101-624, title X, § 1002, title XI, § 1161(d), Nov. 28, 1990, 104 Stat. 3490, 3521.)

**Editorial Notes**

## REFERENCES IN TEXT

Section 1446h of this title, referred to in subsec. (a), was repealed by Pub. L. 104-127, title I, § 171(b)(2)(H), Apr. 4, 1996, 110 Stat. 938.

## AMENDMENTS

1990—Subsec. (a). Pub. L. 101-624, § 1161(d), substituted references to sections 1446h and 1446h(b)(2) of this title for references to sections 1446(b) and 1446(b)(2)(B) of this title, respectively.

Pub. L. 101-624, § 1002(1), substituted “person for such crop of honey under section 1446h of this title, does not exceed \$200,000 in the 1991 crop year, \$175,000 in the 1992 crop year, \$150,000 in the 1993 crop year, and \$125,000 in each of the 1994 and subsequent crop years” for “producer for such crop of honey under section 1446(b) of this title, does not exceed \$250,000”.

Subsec. (d). Pub. L. 101-624, § 1002(2), inserted provisions requiring that the regulations issued pursuant to this subsection provide for the attribution of the value of collateral forfeited on loans described in subsec. (a).

**Statutory Notes and Related Subsidiaries**

## 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.

## 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.

## PROHIBITION ON USE OF FUNDS FOR HONEY PAYMENTS OR LOAN FORFEITURES

Pub. L. 104-37, title VII, § 718, Oct. 21, 1995, 109 Stat. 331, provided that none of the funds appropriated or otherwise made available by Pub. L. 104-37 were to be

used by the Secretary of Agriculture to provide total amount of payments and/or total amount of loan forfeitures to a person to support the price of honey under this section or former section 1446h of this title in excess of zero dollars in the 1994, 1995, and 1996 crop years.

Similar provisions were contained in the following prior appropriation acts:

Pub. L. 103-330, title VII, § 723, Sept. 30, 1994, 108 Stat. 2469.

Pub. L. 103-111, title VII, § 728, Oct. 21, 1993, 107 Stat. 1081.

**§ 1426. Repealed. Pub. L. 104-127, title I, § 171(b)(2)(I), Apr. 4, 1996, 110 Stat. 938**

Section, acts Oct. 31, 1949, ch. 792, title IV, § 406, 63 Stat. 1055; Dec. 23, 1985, Pub. L. 99-198, title X, § 1016, 99 Stat. 1457; Nov. 28, 1990, Pub. L. 101-624, title XI, § 1129, 104 Stat. 3508; Dec. 13, 1991, Pub. L. 102-237, title I, § 113(11), 105 Stat. 1838, provided for advance announcement of price support levels.

**§ 1427. Commodity Credit Corporation sales price restrictions****(a) In general**

The Commodity Credit Corporation may sell any farm commodity owned or controlled by the Corporation at any price not prohibited by this section.

**(b) Inventories**

In determining sales policies for basic agricultural commodities or storable nonbasic commodities, the Corporation should consider the establishment of such policies with respect to prices, terms, and conditions as the Corporation determines will not discourage or deter manufacturers, processors, and dealers from acquiring and carrying normal inventories of the commodity of the current crop.

**(c) Sales price restrictions****(1) In general**

Except as otherwise provided in this section, the Corporation shall not sell any basic agricultural commodity or storable nonbasic commodity at less than 115 percent of the lower of—

- (A) the current national average price support loan rate for the commodity adjusted for the current market differentials reflecting grade, quality, location, reasonable carrying charges, and other factors determined appropriate by the Corporation; or
- (B) the loan repayment level.

**(2) Extra long staple cotton**

The Corporation may sell extra long staple cotton for unrestricted use at such price as the Corporation determines is appropriate to maintain and expand export and domestic markets.

**(3) Oilseeds**

The Corporation shall not sell oilseeds at less than the lower of—

- (A) 105 percent of the current national average price support loan rate for the oilseed, adjusted for the current market differentials reflecting grade, quality, location, reasonable carrying charges, and other factors determined appropriate by the Corporation; or
- (B) 115 percent of the loan repayment level.

**(4) Wheat and feed grains**

Whenever the producer reserve program for wheat and feed grains established under section 1445e of this title is in effect, the Corporation may not sell any of its stocks of wheat or feed grains at a level that is less than 150 percent of the then current loan rate for wheat or feed grains.

**(5) Upland cotton**

The Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same price the Corporation sells upland cotton for export, but in no event at less than the amount provided for in paragraph (1).

**(d) Nonapplication of sales price restrictions**

The foregoing restrictions of this section shall not apply to—

- (1) sales for new or byproduct uses;
- (2) sales of peanuts and oilseeds for the extraction of oil;
- (3) sales for seed or feed if the sales will not substantially impair any price support program;
- (4) sales of commodities that have substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage;
- (5) sales for the purpose of establishing claims arising out of contract or against persons who have committed fraud, misrepresentation, or other wrongful acts with respect to the commodity;
- (6) sales for export (excluding sales of upland cotton for export);
- (7) sales of wool; and
- (8) sales for other than primary uses.

**(e) Distress, disaster, and livestock emergency areas****(1) In general**

Notwithstanding the foregoing provisions of this section, the Corporation, on such terms and conditions as the Secretary may consider in the public interest, may—

(A) make available any farm commodity or product thereof owned or controlled by the Corporation for use in relieving distress—

(i) in any area in the United States (including the Virgin Islands) declared by the President to be an acute distress area because of unemployment or other economic cause, if the President finds that the use will not displace or interfere with normal marketing of agricultural commodities; and

(ii) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under the Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.); and

(B) donate or sell commodities in accordance with subchapter V.

**(2) Costs**

Except on a reimbursable basis, the Corporation shall not bear any costs in connection with making the commodity available under

this subsection beyond the cost of the commodities to the Corporation in—

(A) the storage of the commodity; and

(B) the handling and transportation costs in making delivery of the commodity to designated agencies at one or more central locations in each State or other area.

**(f) Efficient operations****(1) In general**

Subject to paragraph (2), the foregoing restrictions of this section shall not apply to sales of commodities the disposition of which is desirable in the interest of the effective and efficient conduct of the operations of the Corporation because of the small quantities involved, or because of age, location or questionable continued storability of the commodity.

**(2) Offsets**

The sales shall be offset (if necessary) by the purchases of commodities as the Corporation determines is appropriate to prevent the sales from substantially impairing any price support program or unduly affecting market prices, except that the purchase price shall not exceed the Corporation's minimum sales price for the commodities for unrestricted use.

**(3) Competitive bid basis**

Subject to the sales price restrictions contained in this section, the Corporation may sell any basic agricultural commodity or storable nonbasic commodity on a competitive bid basis, if the sale is determined to be appropriate by the Secretary.

**(g) Sales for export**

For the purposes of this section, sales for export shall include—

- (1) sales made on condition that the identical commodities sold be exported; and
- (2) sales made on condition that commodities of the same kind and of comparable value or quantity be exported, either in raw or processed form.

(Oct. 31, 1949, ch. 792, title IV, § 407, 63 Stat. 1055; July 10, 1954, ch. 469, title III, § 308, formerly § 301, 68 Stat. 458, renumbered § 308, Pub. L. 95-88, title II, § 211(a)(1), Aug. 3, 1977, 91 Stat. 548; amended July 29, 1954, ch. 643, 68 Stat. 583; Jan. 28, 1956, ch. 14, 70 Stat. 6; Pub. L. 85-835, title I, § 109, Aug. 28, 1958, 72 Stat. 993; Pub. L. 87-127, Aug. 7, 1961, 75 Stat. 293; Pub. L. 87-703, title III, § 325(2), title IV, § 404, Sept. 27, 1962, 76 Stat. 631, 632; Pub. L. 88-297, title I, § 104, title II, § 204, Apr. 11, 1964, 78 Stat. 175, 183; Pub. L. 88-585, § 1, Sept. 11, 1964, 78 Stat. 927; Pub. L. 89-321, title IV, § 404, Nov. 3, 1965, 79 Stat. 1197; Pub. L. 89-808, § 3(e), Nov. 11, 1966, 80 Stat. 1538; Pub. L. 90-475, § 7, Aug. 11, 1968, 82 Stat. 703; Pub. L. 90-559, § 1(5), Oct. 11, 1968, 82 Stat. 996; Pub. L. 91-524, title IV, § 409, title VI, § 603, Nov. 30, 1970, 84 Stat. 1367, 1377; Pub. L. 95-113, title IV, § 408, title VI, § 603, Sept. 29, 1977, 91 Stat. 927, 939; Pub. L. 97-98, title V, § 503, title XI, §§ 1103, 1111(a), Dec. 22, 1981, 95 Stat. 1240, 1264, 1267; Pub. L. 98-88, § 5, Aug. 26, 1983, 97 Stat. 499; Pub. L. 99-198, title V, § 503, title X, § 1007, title XVII, § 1763(b), Dec. 23, 1985, 99 Stat. 1418, 1451, 1651; Pub. L. 100-387, title I, § 101(b)(2), Aug. 11, 1988, 102 Stat. 931; Pub. L. 100-707, title I, § 109(a)(2), Nov. 23, 1988, 102 Stat.

4708; Pub. L. 101-624, title XI, §1130, Nov. 28, 1990, 104 Stat. 3509.)

### Editorial Notes

#### REFERENCES IN TEXT

The Disaster Relief and Emergency Assistance Act, referred to in subsec. (e)(1)(A)(ii), is Pub. L. 93-288, May 22, 1974, 88 Stat. 143, as amended, known as the Robert T. Stafford Disaster Relief and Emergency Assistance Act, which is classified principally to chapter 68 (§5121 et seq.) of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see Short Title note set out under section 5121 of Title 42 and Tables.

#### PRIOR PROVISIONS

A prior section 308 of act July 10, 1954, ch. 469, title III, as added Sept. 21, 1959, Pub. L. 86-341, title I, §13, 73 Stat. 609; amended Sept. 27, 1962, Pub. L. 87-703, title II, §203, 76 Stat. 611, cited as a credit to this section, which enacted section 1697 of this title, was repealed by Pub. L. 89-808, §2(D), Nov. 11, 1966, 80 Stat. 1535.

#### AMENDMENTS

1990—Pub. L. 101-624 amended section generally, designating part of existing text as subsecs. (a) to (g), and as so designated, in subsec. (c), substituting provisions restricting sales of nonbasic or agricultural commodities at less than 115 percent of the levels of the current national price support level or the loan repayment level for provisions restricting such sales at less than 5 percent above the current support price, substituting provisions authorizing the sale of extra long staple cotton at any price determined appropriate for provisions that it sell at not less than 15 percent above the current support price, adding provisions relating to oilseeds, and wheat and feed grains, deleting provisions relating to sales of extra long staple cotton for unrestricted use and the authority of Secretary in carrying out this section.

1988—Pub. L. 100-707, substituted “the Disaster Relief and Emergency Assistance Act” for “Public Law 875, Eighty-first Congress, as amended (42 U.S.C. 1855)”.

Pub. L. 100-387 substituted provision authorizing the Commodity Credit Corporation to donate or sell commodities in accordance with subchapter V of this chapter for provision authorizing the Commodity Credit Corporation to make feed for livestock available to certain persons in certain areas during emergencies.

1985—Pub. L. 99-198, §1007, temporarily reenacted substantially without change the amendments made in 1981 by section 1103 of Pub. L. 97-98, which had established a floor for sales of wheat and feed grains in inventory for unrestricted use at 115 per centum of the current national average loan rate for the commodity adjusted for current market differentials reflecting grade, quality, location, and other value factors, plus reasonable carrying charges; designated such provisions as thus reenacted as cl. (A) of the proviso involved and added cl. (B) relating to the Secretary's permitting the repayment of loans at a loan rate less than the loan level determined for such crop; and reenacted, also without change, the amendments by Pub. L. 97-98 which had the price at which purchases had to be made to offset sales in the interest of the efficient conduct of the Corporation's operations to an amount not exceeding the minimum sales price for the commodity for unrestricted use. See Effective and Termination Dates of 1985 Amendment note below.

Pub. L. 99-198, §1763(b), inserted provision giving the Commodity Credit Corporation authority to (1) make available feed for livestock to certain persons during emergencies in areas in which feed grains are normally produced and normally available for feed purposes, but in which they are unavailable because of a catastrophe described in the fourth sentence of this section, (2) make such feed available to such persons through feed dealers in the areas, (3) make such feed available at a

price not less than the price prescribed in the fourth sentence of this section, and (4) bear any expenses incurred in connection with making such feed available to such persons under this sentence, including transportation and handling costs.

Pub. L. 99-198, §503, temporarily reenacted substantially without change the amendments made in 1981 by section 503 of Pub. L. 97-98, which provided that the Commodity Credit Corporation sell upland cotton for unrestricted use at the same prices as it sells cotton for export, but in no event at less than 115 per centum of the loan rate for Strict Low Middling one and one-sixteenth inch upland cotton, micronaire 3.5 through 4.9, adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate plus reasonable carrying charges, and substituted “as it sells upland cotton” for “as it sells cotton” and “percent” for “per centum”; designated such provisions as thus reenacted as cl. (A), and added cl. (B) relating to the Secretary's permitting the repayment of loans at a loan rate less than the loan level determined for such crop. See Effective and Termination Dates of 1985 Amendment note below.

1983—Pub. L. 98-88 inserted provision that, beginning Aug. 26, 1983, the Commodity Credit Corporation may sell extra long staple cotton for unrestricted use at such price levels as the Secretary determines appropriate to maintain and expand export and domestic markets for such cotton.

1981—Pub. L. 97-98 temporarily reenacted without change the amendments made in 1977 by section 408 of Pub. L. 95-113, which had established a floor for sales of wheat and feed grains in inventory for unrestricted use at 115 per centum of the current national average loan rate for the commodity adjusted for current market differentials reflecting grade, quality, location, and other value factors, plus reasonable carrying charges, and which had changed the price at which purchases had to be made to offset sales in the interest of the efficient conduct of the Corporation's operations to an amount not exceeding the minimum sales price for the commodity for unrestricted use, and the amendment made in 1977 by section 603 of Pub. L. 95-113, which provided that the Commodity Credit Corporation sell upland cotton for unrestricted use at the same prices as it sells cotton for export, but in no event at less than 115 per centum of the loan rate for Strict Middling one and one-sixteenth inch upland cotton, micronaire 3.5 through 4.9, adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate plus reasonable carrying charges, and substituted “may make available” for “shall make available” and “may make feed” for “shall make feed”. See Effective and Termination Dates of 1981 Amendment note below.

1977—Pub. L. 95-113 temporarily reenacted without change the amendments made in 1970 by section 409 of Pub. L. 91-524 which had established a floor for sales of wheat and feed grains in inventory for unrestricted use at 115 per centum of the current national average loan rate for the commodity adjusted for current market differentials reflecting grade, quality, location, and other value factors, plus reasonable carrying charges, and which had changed the price at which purchases had to be made to offset sales in the interest of the efficient conduct of the Corporation's operations to an amount not exceeding the minimum sales price for the commodity for unrestricted use, and reenacted the amendment made in 1970 by section 603 of Pub. L. 91-524 with regard to the sale of upland cotton by the Corporation with the single change of substituting “at less than 115 per centum of the loan rate for Strict Low Middling one and one-sixteenth inch upland cotton” for “at less than 110 per centum of the loan rate for Middling one-inch upland cotton” in provisions setting the minimum price at which the Corporation shall sell upland cotton for unrestricted use. See Effective and Termination Dates of 1977 Amendment note below.

1970—Pub. L. 91-524 temporarily established a floor for sales of wheat and feed grains in inventory for unre-

stricted use at 115 per centum of the current national average loan rate for the commodity adjusted for current market differentials reflecting grade, quality, location, and other value factors, plus reasonable carrying charges, changed the price at which purchases must be made to offset sales in the interest of the efficient conduct of the Corporation's operations to an amount not exceeding the minimum sales price for the commodity for unrestricted use, and provided for sale of upland cotton by the Corporation for unrestricted use at the same prices as it sold for export, in no event, however, at less than 110 percent of the loan rate for Middling one-inch cotton (micronaire 3.5 through 4.9) adjusted for such current market differentials reflecting grade, quality, location, and other value factors as deemed appropriate by the Secretary, plus reasonable carrying charges. See Effective and Termination Dates of 1970 Amendment note below.

1968—Pub. L. 90-559 extended termination date for sale of upland cotton from July 31, 1970, to July 31, 1971.

Pub. L. 90-475 required that notwithstanding any other provision of this section, effective Aug. 1, 1968, the Commodity Credit Corporation make available for sale for unrestricted use at current market prices a quantity of American grown extra long staple cotton equal to the specified amount, with the proviso that beginning with the marketing year for which the national marketing quota is not established pursuant to section 1347(b)(3) of this title, no sales shall be made at less than 115 percent of the loan rate for extra long staple cotton under section 1441(f) of this title, and required the Secretary to make adjustments in the quantities of cotton to be made available.

1966—Pub. L. 89-808 inserted proviso to third sentence prohibiting, whenever carryover at end of any marketing year of a price supported agricultural commodity for which a voluntary adjustment program is in effect will be less than 25 per centum (35 per centum in the case of wheat) of the estimated export and domestic consumption of such commodity during such marketing year, sale of CCC stocks of such commodity during such year for unrestricted use at less than 115 per centum (120 per centum in the case of wheat whenever its carryover will be less than 25 per centum of such estimated export and domestic consumption) of the current price support loan plus reasonable carrying charges.

1965—Pub. L. 89-321 required that notwithstanding any other provision of this section, for the period August 1, 1966, through July 31, 1970, (1) the Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same prices as it sells cotton for export, in no event, however, at less than 110 per centum of the loan rate, and (2) the Commodity Credit Corporation shall sell or make available for unrestricted use at current market prices in each marketing year a quantity of upland cotton equal to the amount by which the production of upland cotton is less than the estimated requirements for domestic use and for export for such marketing year, permitted the Secretary to make such estimates and adjustments therein at such times as he determines will best effectuate the provisions of part (2) of the foregoing sentence, and required such quantities of cotton as are required to be sold under such sentence to be offered for sale in an orderly manner and so as not to affect market prices unduly.

1964—Pub. L. 88-585 provided that the Corporation, in providing feed to distressed areas, may charge not less than 75 percent of the current basic county support rate including the value of any applicable price support payment in kind, included the Virgin Islands within those areas where such feed can be made obtainable, authorized the Secretary to provide feed by feed dealers under such arrangement that the feed so furnished would be replaced with feed owned or controlled by the Corporation and sold to such persons, and inserted "or other area" after "one or more central locations in each State".

Pub. L. 88-297, §104, inserted proviso that beginning Aug. 1, 1964, the Corporation may sell upland cotton for

unrestricted use at not less than 105 per centum of the current loan rate for such cotton under section 1444(a) of this title plus reasonable carrying charges.

Pub. L. 88-297, §204, temporarily substituted proviso that if wheat marketing allocation program is in effect, the current price for wheat shall be the support price for wheat not accompanied by marketing certificates for proviso prescribing support price for wheat accompanied by marketing certificate and sale of wheat to be accompanied by marketing certificate, respectively. See Effective and Termination Dates of 1964 Amendment note below.

1962—Pub. L. 87-703 prescribed that a marketing certificate accompany the support price for wheat and wheat sold and authorized the Secretary to make Commodity Credit Corporation feed available, prior to Dec. 31, 1963, to milk producers to assure supply free of radioactive fallout contamination, respectively.

1961—Pub. L. 87-127 empowered Corporation to sell, at not less than 75 percent of the current support price, feed owned or controlled by it to assist in the preservation and maintenance of foundation herds of cattle, sheep, and goats in such areas where the Secretary determines an emergency exists warranting such assistance.

1958—Pub. L. 85-835 required Corporation to sell cotton for unrestricted use at not less than 15 per centum above support price plus reasonable carrying charges, and authorized Corporation to sell at market price a number of bales equal to that by which the national marketing quota is less than domestic consumption and exports.

1956—Act Jan. 28, 1956, included as "sales for export" sales made on condition that like commodities of comparable value or quantity be exported in raw or processed form.

1954—Act July 29, 1954, exempted from the minimum price requirement any sales where disposition is desirable in the interest of effective and efficient conduct of the Corporation's operations because of the small quantities involved or because of age, location, or questionable storability.

Act July 10, 1954, inserted provisions relating to use of farm commodities and products in relieving distress.

#### Statutory Notes and Related Subsidiaries

##### 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.

##### EFFECTIVE AND TERMINATION DATES OF 1988 AMENDMENT

Pub. L. 100-387, title I, §101(c), Aug. 11, 1988, 102 Stat. 932, provided that:

"(1) This section and the amendments made by this section [enacting sections 1471 to 1471j of this title, amending this section, repealing sections 1433 and 2267 of this title, enacting provisions set out as a note under section 1421 of this title, and repealing provisions set out as notes under this section] shall become effective 15 days after the date of the enactment of this Act [Aug. 11, 1988].

"(2) The provisions of section 604(d), 605(c), 606(a)(2)(A), 606(e), 609(c), and 609(d) of the Agricultural Act of 1949, as added by subsection (a) [7 U.S.C. 1471b(d), 1471c(c), 1471d(a)(2)(A), (e), 1471g(c), (d)], shall apply only with respect to any livestock emergency in 1988."

##### EFFECTIVE AND TERMINATION DATES OF 1985 AMENDMENT

Pub. L. 99-198, title V, §503, Dec. 23, 1985, 99 Stat. 1418, provided that the amendment made by section 503 is effective only with respect to the period beginning Aug. 1, 1978, and ending July 31, 1991.

Pub. L. 99-198, title X, §1007, Dec. 23, 1985, 99 Stat. 1451, provided that the amendment made by section

1007 is effective only for the marketing years for the 1986 through 1990 crops.

EFFECTIVE AND TERMINATION DATES OF 1981  
AMENDMENT

Pub. L. 97-98, title V, §503, Dec. 22, 1981, 95 Stat. 1240, provided that the amendment made by section 503 is effective only with respect to the period beginning Aug. 1, 1978, and ending July 31, 1986.

Pub. L. 97-98, title XI, §1103, Dec. 22, 1981, 95 Stat. 1264, provided that the amendment made by section 1103 is effective only for the marketing years for the 1982 through 1985 crops.

Amendment by §1111(a) of 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.

EFFECTIVE AND TERMINATION DATES OF 1977  
AMENDMENT

Pub. L. 95-113, title IV, §408, Sept. 29, 1977, 91 Stat. 927, provided that the amendment made by section 408 (which reenacted without change the amendment first made by section 409 of Pub. L. 91-524 establishing a floor for sales of wheat and feed grains and changing price at which purchases must be made to offset sales in interest of efficient conduct of Corporation's operations) is effective only with respect to the marketing years for the 1978 through 1981 crops.

Pub. L. 95-113, title VI, §603, Sept. 29, 1977, 91 Stat. 939, provided that the amendment made by section 603, which reenacted with some changes (see 1977 Amendment note above) the amendment first made by section 603 of Pub. L. 91-524 relating to sale of upland cotton by Corporation, is effective only with respect to the period beginning Aug. 1, 1978, and ending July 31, 1982.

EFFECTIVE AND TERMINATION DATES OF 1970  
AMENDMENT

Pub. L. 91-524, title IV, §409, Nov. 30, 1970, 84 Stat. 1367, as amended by Pub. L. 93-86, §1(16), Aug. 10, 1973, 87 Stat. 230, provided that the amendment made by section 409 (establishing a floor for sales of wheat and feed grains and changing price at which purchases must be made to offset sales in interest of efficient conduct of Corporation's operations) is effective only with respect to the marketing years for 1971 through 1977 crops of the commodity.

Pub. L. 91-524, title VI, §603, Nov. 30, 1970, 84 Stat. 1377, as amended by Pub. L. 93-86, §1(21), Aug. 10, 1973, 87 Stat. 235, provided that the amendment made by section 603 (covering sale of upland cotton by Corporation) is effective only with respect to the period beginning Aug. 1, 1971, and ending July 31, 1978.

EFFECTIVE DATE OF 1966 AMENDMENT

Amendment by Pub. L. 89-808 effective Jan. 1, 1967, see section 5 of Pub. L. 89-808, set out as a note under section 1691 of this title.

EFFECTIVE AND TERMINATION DATES OF 1964  
AMENDMENT

Pub. L. 88-297, title II, §204, Apr. 11, 1964, 78 Stat. 183, as amended by Pub. L. 89-321, title V, §505(3), Nov. 3, 1965, 79 Stat. 1203; Pub. L. 90-559, §1(1), Oct. 11, 1968, 82 Stat. 996, provided that the amendment made by section 204 is effective only with respect to the marketing years beginning in calendar years 1964 through 1970.

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.

SALE OF CORN TO ETHANOL PRODUCERS

Pub. L. 100-387, title III, §332, Aug. 11, 1988, 102 Stat. 951, provided that:

“(a) IN GENERAL.—Except as otherwise provided in this section and notwithstanding section 110(f) of the Agricultural Act of 1949 (7 U.S.C. 1445e(f)) or any other provision of law, if, during any month commencing after July 31, 1988, the average corn price (as determined under subsection (d)) exceeds the fuel conversion price (as defined in section 212 of the Agricultural Trade Suspension Adjustment Act of 1980 (7 U.S.C. 4005)), the Secretary of Agriculture may make available for sale to domestic producers of ethanol fuel, for the production of ethanol, not more than 12,000,000 bushels per month of corn owned by the Commodity Credit Corporation.

“(b) PRICE.—Corn shall be sold under this section at a price that is not more than such fuel conversion price, except that such price shall not be less than 110 percent of the basic county loan rate for corn, prior to any adjustment made under section 105C(a)(3) of the Agricultural Act of 1949 (7 U.S.C. 1444e(a)(3)).

“(c) MAXIMUM AMOUNT.—The total quantity of corn sold to any ethanol producer under this section may not exceed 2,000,000 bushels per month.

“(d) AVERAGE CORN PRICE.—The average corn price under this section shall be determined by the Secretary based on the average corn price in markets used for determinations made under clause (5) of the third sentence of section 110(b) of the Agricultural Act of 1949 (7 U.S.C. 1445e(b)).

“(e) TERMS.—(1) The Secretary may not make corn or other commodities available under this section to any domestic producer of ethanol that uses in excess of 30,000,000 bushels of corn or comparable commodity annually in producing ethanol.

“(2) Domestic producers of ethanol fuel purchasing corn under this section shall agree not to resell such corn and to make available a quantity of feed byproducts equivalent to the quantity processed from such corn for sale to domestic livestock producers and feeders in a manner and subject to such terms and conditions as are approved by the Secretary.

“(f) TERMINATION.—The Secretary shall terminate any program established under this section no later than September 1, 1989. The Secretary shall terminate the program on an earlier date if the Secretary determines that—

“(1) such program is no longer necessary to maintain the economic viability of the ethanol industry; or

“(2) a sufficient supply of corn otherwise would not be available to fulfill estimated obligations of the Commodity Credit Corporation under emergency livestock feeding programs during the subsequent 180-day period.

“(g) OTHER COMMODITIES.—The Secretary may, at the request of a domestic producer of ethanol, substitute other feed grains (such as grain sorghum) for corn on an equitable basis, taking into account variations in the value of such commodities in the production of ethanol.”

EMERGENCY FEED ASSISTANCE

Pub. L. 98-180, title III, §303, Nov. 29, 1983, 97 Stat. 1151, which authorized Secretary of Agriculture to make damaged corn available to assist eligible farmers and ranchers in areas adversely affected by drought, hot weather, or related disaster to preserve and maintain foundation herds of livestock and poultry, which corn was to be available until Sept. 30, 1984, or date, as determined by the Secretary, on which emergency no

longer exists, was repealed by Pub. L. 100-387, title I, §101(b)(5), Aug. 11, 1988, 102 Stat. 932, eff. 15 days after Aug. 11, 1988.

**SALE OF FEED FOR LIVESTOCK IN EMERGENCY AREAS; DESIGNATION OF EMERGENCY AREA; CONDITIONS; PENALTY**

Pub. L. 86-299, Sept. 21, 1959, 73 Stat. 574, as amended by Pub. L. 88-585, §3, Sept. 11, 1964, 78 Stat. 927, which authorized Secretary of Agriculture to sell feed grains to provide feed for livestock in any area determined by Secretary to be an emergency area, and provided penalty for any person disposing of such feed other than by feeding livestock owned by him, was repealed by Pub. L. 100-387, title I, §101(b)(4), Aug. 11, 1988, 102 Stat. 931, eff. 15 days after Aug. 11, 1988.

**FEED GRAIN; SALE BY CCC; TERMINATION DATE**

Act Aug. 28, 1954, ch. 1041, title II, §208, 68 Stat. 901, authorized the Commodity Credit Corporation until March 1, 1955, to sell at the point of storage any feed grain owned by the Corporation at 10 per centum above the current support price for the commodity.

**AUTHORIZATION FOR COMMODITY CREDIT CORPORATION TO SELL WHEAT AND CORN**

Pub. L. 85-683, Aug. 19, 1958, 72 Stat. 635, as authorizing Commodity Credit Corporation to purchase flour and cornmeal for donation and to sell, without regard to this section, an equivalent amount of wheat and corn, see note set out under section 1431 of this title.

**SALE OF COMMODITIES FOR FOREIGN CURRENCIES**

Sale of surplus agricultural commodities for foreign currencies, see section 1691 et seq., of this title.

**Executive Documents**

**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.

**EX. ORD. NO. 11336. DELEGATION OF AUTHORITY RELATING TO EMERGENCY LIVESTOCK FEED**

Ex. Ord. No. 11336, Mar. 22, 1967, 32 F.R. 4489, provided: By virtue of the authority vested in me by section 301 of Title 3 of the United States Code, and as President of the United States, it is ordered as follows:

SECTION 1. (a) The Secretary of Agriculture is hereby designated and empowered to exercise, without the approval, ratification, or other action of the President, the authority vested in the President by clause (1) of the fifth sentence of section 407 of the Agricultural Act of 1949, as amended (7 U.S.C. 1427), to the extent prescribed in subsection (b) of this section.

(b) Whenever the Secretary of Agriculture determines that the chronic economic distress of the needy members of an Indian tribe is materially increased by severe drought, flood, hurricane, blizzard, or other uncontrollable catastrophe affecting any reservation or other land designated for Indian use which is utilized by members of such tribe for grazing livestock, he may, under subsection (a) of this section, declare such reservation or other land to be an acute distress area because of unemployment or other economic reasons if he finds that the use of farm commodities or the products thereof made available by the Commodity Credit Corporation for livestock feed in that area will not displace or interfere with normal marketing of agricultural commodities.

SEC. 2. Federal assistance in relieving distress, extended as a result of action by the Secretary of Agriculture under the authority delegated by section 1 of this order, shall terminate in each instance upon notice by the Secretary of Agriculture.

SEC. 3. In carrying out the provisions of this order the Secretary of Agriculture shall maintain liaison with the Secretary of the Interior and shall consult with the latter as may be appropriate.

SEC. 4. The declaration contained in the letter of the President to the Secretary of Agriculture, dated February 1, 1965, that reservation lands in Arizona, Utah and New Mexico, which are grazed in common by Indian tribes, are an acute distress area shall continue in effect until January 1, 1968, or until such earlier date as may be fixed by notice of the Secretary of Agriculture published in the Federal Register.

LYNDON B. JOHNSON.

**§ 1427-1. Quality requirements for Commodity Credit Corporation owned grain**

**(a) Establishment of minimum standards**

Notwithstanding any other provision of law, the Secretary shall establish minimum quality standards that shall apply to grain that is deposited for storage for the account of the Commodity Credit Corporation. In establishing such standards, the Secretary shall take into consideration factors related to the ability of grain to withstand storage and assurance of acceptable end-use performance.

**(b) Inspection of grain acquisitions**

The Commodity Credit Corporation shall utilize Federal Grain Inspection Service approved procedures to inspect and evaluate the condition of the grain it acquires from producers. In no case shall this section require the use of an official inspection unless the producer so requests.

(Oct. 31, 1949, ch. 792, title IV, §407A, as added Pub. L. 101-624, title XX, §2012, Nov. 28, 1990, 104 Stat. 3933.)

**Statutory Notes and Related Subsidiaries**

**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.

**§ 1427a. Reserve inventories for alleviation of distress of natural disaster**

**(a) Establishment, maintenance and disposal by Secretary; amount and nature of reserve**

Notwithstanding any other provision of law, the Secretary of Agriculture may under the provisions of this Act establish, maintain, and dispose of a separate reserve of inventories of not to exceed 75 million bushels of wheat, feed grains, and soybeans for the purpose of alleviating distress caused by a natural disaster.