

Commodity Credit Corporation, USDA

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(b) *Agency* means the Farm Service Agency (FSA).

(c) *Agreement* means the Value-Added Wheat Gluten and Wheat Starch Product Market Development Program Application and Contract.

(d) *Modified wheat gluten or modified wheat starch* means any processed product derived from vital wheat gluten or wheat starch that has been obtained through refining or processing that adds value to the basic product.

(e) *Value-Added* means changes in vital wheat gluten or wheat starch that result in a further processed product having a higher market value than the vital wheat gluten or wheat starch.

(f) *Wheat gluten producer* means agricultural processors, including producer-owned corporations, that produce vital wheat gluten.

§ 1482.4 Eligibility.

(a) To be eligible to receive payments, a wheat gluten producer must:

(1) Have produced in the United States not less than 1,000,000 pounds of vital wheat gluten from July 1, 1998 through June 30, 2000.

(2) Have been engaged in the business of producing and marketing vital wheat gluten or modified wheat gluten from July 1, 1998 through June 30, 2000.

(3) Have reported specific adjustment efforts as part of the 1998 adjustment plan submitted by the Wheat Gluten Industry Council to the International Trade Commission in Investigation Number TA-201-67.

(4) Submit a timely application and comply with the terms and conditions of the program and instructions issued by CCC and FSA.

b. [Reserved]

§ 1482.5 Application.

(a) To receive payments, eligible producers must submit an application within the application period announced by CCC. The application must include the following:

(1) Name of the applicant and name of firm, if applicable;

(2) Address of the applicant and firm;

(3) Name of agent for service of process;

(4) Telephone and fax numbers for the applicant and firm;

(5) Internal Revenue Service tax identification number under which the applicant is conducting business;

(6) Bank account number for electronic submission of funds (optional)

(7) Quantity of vital wheat gluten produced from July 1, 1998 through June 30, 2000;

(8) Submission of information in paragraph (b) of this section.

(9) Information as to the applicant's eligibility under §1482.4

(b) Eligible producers must submit a proposal for a Value-Added Wheat Gluten and Wheat Starch Product Market Development Program Agreement. The proposal must include the following information:

(1) Nature of the adjustment plan through production development and market activities;

(2) Specific listing of activities and estimated costs;

(3) Goals for completion during the two-year program.

§ 1482.6 Costs.

(a) Costs of market development activities set forth in an applicant's Agreement for which CCC funds may be used to pay include, but are not limited to, the following:

(1) The cost of producing and distributing advertising material;

(2) The cost of product reformulation and testing;

(3) The cost of developing and expanding uses for existing value-added products;

(4) The cost of product demonstrations;

(5) Participation fees for retail and trade exhibitions and shows;

(6) The cost of educational training;

(7) The cost of food service promotions;

(8) Salaries associated with contractors and employees engaged in the above activities; and

(9) Capital costs relating to expanding production of modified wheat gluten or modified wheat starch for value-added products.

(b) Costs that may not be paid using CCC funds are:

(1) Fees paid for helping to prepare the application for program benefits;

(2) Political fund raising activities; and

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(3) Costs that CCC determines are not consistent with the intent of the program.

§ 1482.7 Reports.

(a) A producer submitting an application must maintain accurate records and accounts that will document that all eligibility requirements under this Part and other requirements as may be determined by CCC are met. Such records and accounts must be retained for three years after the date of payment to the wheat gluten or wheat starch producer under this program. Such records shall be available at all reasonable times for an audit or inspection by authorized representatives of CCC, U.S. Department of Agriculture, or the Comptroller General of the United States. Failure to keep, or make available, such records may result in refund to CCC of all payments received plus interest thereon, as determined by CCC.

(b) Producers participating in the Value-Added Wheat Gluten and Wheat Starch Product Market Development Program must submit a quarterly report listing completion of activities and costs incurred under the program.

(c) Participating producers must also submit a project performance report 60 days after the end of the first year of the program and 60 days after the end of the second year of the program. The report should explain the activities undertaken to adjust to import competition that were included in the Agreement. CCC will review the report following the first program year. If a participating producer has not made significant progress in completing the stated activities in the first program year as determined by CCC, CCC may cancel the producer's eligibility for the second program year, and CCC may require the producer to refund with interest all or some of the funds received from CCC. If a participating producer has not made significant progress in completing the stated activities in the second program year as determined by CCC, CCC may require the producer to refund with interest some or all of the funds received from CCC in the second year of the program.

§ 1482.8 Payment.

(a) The total amount of CCC funds available to eligible producers for the first year of this program is \$27 million and the total amount available for the second (final) year of this program is \$13 million.

(b) The maximum payment rate to an applicant will be based on an applicant's average annual production of vital wheat gluten from July 1, 1998 through June 30, 2000 relative to the total average annual U.S. production of vital wheat gluten of all eligible applicants.

(c) After receipt and approval of an eligible producer's application and proposal, CCC will issue payment for the first program year to the applicant. Upon satisfactory completion of the activities included in the producer's Agreement for the first program year, as determined by CCC after receipt of the report required in § 1482.7 (c), CCC will issue payment for the second program year to the producer.

§ 1482.9 Debarment and suspension.

The Government-wide debarment and suspension (Nonprocurement) regulations and Government Requirements for Drug-Free Workplace (Grants), 7 CFR part 3017, Subparts A through E, apply to this Part.

§ 1482.10 Misrepresentation and scheme or device.

(a) A producer shall be ineligible to receive payments under this program if CCC determines the producer:

(1) Adopted any scheme or device which tends to defeat the purpose of the program in this Part;

(2) Made any fraudulent representation; or

(3) Misrepresented any fact affecting a program determination.

(b) Any funds disbursed pursuant to this Part to a producer engaged in a misrepresentation, scheme, or device, or to any other person as a result of the producer's actions, shall be refunded with interest together with such other sums as may become due, plus damages as may be determined by CCC.

(c) Interest charged under this part shall accrue at the rate of interest which the United States Treasury