

## Commodity Credit Corporation, USDA

## § 1425.2

(1) Adopted any scheme or device that 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 bioenergy 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) Any producer or person engaged in an act prohibited by this section and any producer or person receiving payment under this part shall be jointly and severally liable for any refund due under this part and for related charges.

(d) The remedies provided in this part shall be in addition to other civil, criminal, or administrative remedies that may apply.

(e) Late payment interest shall be assessed on all refunds in accordance with the provisions and rates prescribed in part 1403 of this chapter.

### § 1424.14 Offsets, assignments, interest and waivers.

(a) Any payment or portion thereof to any person shall be made without regard to questions of title under State law and without regard to any claim or lien against the bioenergy, or proceeds thereof, in favor of the owner or any other creditor except agencies of the U.S. Government. The regulations governing offsets and withholdings found in part 1403 of this chapter shall be applicable to agreement payments.

(b) Any producer entitled to any payment may assign any payments in accordance with regulations governing the assignment of payments found at part 1404 of this chapter.

(c) Interest charged by CCC under this part shall be at the rate of interest that the United States Treasury charges CCC for funds, as of the date CCC made such funds available. Such interest shall accrue from the date such payments were made available to the date of repayment or the date interest increases as determined in accordance with applicable regulations.

(d) CCC may waive the accrual of interest and/or damages if CCC determines that the cause of the erroneous determination was not due to any action of the bioenergy producer.

## PART 1425—COOPERATIVE MARKETING ASSOCIATIONS

Sec.

- 1425.1 Applicability.
- 1425.2 Administration.
- 1425.3 Definitions.
- 1425.4 Approval.
- 1425.5 Confidentiality.
- 1425.6 Approved CMA's.
- 1425.7 Suspension and termination of approval.
- 1425.8 Ownership and control.
- 1425.9 Open membership.
- 1425.10 Financial ratio requirement.
- 1425.11–1425.12 [Reserved]
- 1425.13 Uniform marketing agreement.
- 1425.14 Member business.
- 1425.15 Vested authority.
- 1425.16 Payment limitation.
- 1425.17 Eligible commodity and pooling.
- 1425.18 Distribution of proceeds.
- 1425.19 Member cooperatives.
- 1425.20 [Reserved]
- 1425.21 Records required.
- 1425.22 Inspection and investigation.
- 1425.23 Reports.
- 1425.24 OMB control number assigned pursuant to Paperwork Reduction Act.
- 1425.25 Appeals.

AUTHORITY: 7 U.S.C. 1441 and 1421, 7 U.S.C. 7931–7939; and 15 U.S.C. 714b, 714c, and 714j.

SOURCE: 63 FR 17312, Apr. 9, 1998, unless otherwise noted.

### § 1425.1 Applicability.

This part sets forth the terms and conditions an approved Cooperative Marketing Association (CMA) must meet to obtain commodity marketing assistance loans (loans) and loan deficiency payments (LDP's) from CCC on behalf of its members. A CMA meeting these terms and conditions may obtain loans and LDP's for any eligible commodity for which a loan and LDP program is in effect.

### § 1425.2 Administration.

On behalf of CCC, the Farm Service Agency will administer the provisions of this part under the general direction and supervision of the Deputy Administrator for Farm Programs. In the field,

### § 1425.3

the provisions of this part will be administered by the State and county FSA committees.

#### § 1425.3 Definitions.

The definitions set forth in this section shall be applicable for all purposes of program administration. The terms defined in parts 718 of this title and parts 1421 and 1427 of this chapter shall also be applicable, except where those definitions conflict with the definitions in this section.

*Active member* is a member who has utilized the services offered by a CMA in one of the three preceding CMA fiscal years or such shorter period as may be provided in the CMA's articles of incorporation or bylaws.

*Approved cooperative marketing association (CMA)* is a cooperative approved by CCC to participate in loan and LDP programs for any authorized commodity.

*Authorized commodity* is a commodity for which a CMA is approved by CCC to obtain marketing assistance loans or Loan deficiency payments.

*Cooperative* is a business owned and controlled by the producers who use its services and operated under generally accepted cooperative principles.

*Eligible commodity* is a commodity which meets the commodity's eligibility requirements set forth in chapter XIV of this title, and is produced and delivered to the CMA from a producer eligible for loan or LDP.

*Loan pool* is any CMA pool containing commodities used by the CMA to obtain either loans or LDP's.

*Market gain* is the sum of loan rate, minus the repayment rate on loans repaid with less than the loan rate, plus for LDP's, the same rate, times the quantity of commodity. Market gains cannot exceed the producer's applicable payment limitation as set out in part 1400 of this chapter.

*Member* is a producer who:

- (a) Has fully paid for membership stock or earned equity credits in the CMA;
- (b) Has executed a uniform marketing agreement with the CMA; and
- (c) Is entitled to all CMA membership rights.

[63 FR 17312, Apr. 9, 1998, as amended at 67 FR 64453, Oct. 18, 2002]

### 7 CFR Ch. XIV (1-1-10 Edition)

#### § 1425.4 Approval.

(a) For a cooperative to gain CMA status to participate in a marketing assistance loan or Loan deficiency payment program for the 2002 through 2007 crop years, a cooperative must submit an application for approval to CCC. An application must include:

(1) A completed Form CCC-846 indicating commodities for which it seeks approval;

(2) A balance sheet, dated within the last year, prepared for the cooperative and accompanied by a letter from an independent Certified Public Accountant, certifying that the balance sheet was prepared in accordance with generally accepted accounting principles;

(3) A copy of the articles of incorporation or articles of association and all marketing agreements for loan pools, together with a certification that this material is current;

(4) Resolutions made by the cooperative's board of directors stating the cooperative will abide by provisions of this part, the nondiscrimination provisions thereof, and all other related CCC policies;

(5) A detailed description of how proceeds from each loan pool will be distributed to members as provided for in § 1425.18;

(6) An executed form CCC-Cotton G, Cotton Cooperative Loan Agreement, by cooperatives applying for approval to participate in the cotton loan and LDP program; and

(7) Other information as requested by CCC concerning the organizational, operational, financial or any other aspect of the cooperative requested by CCC related to the cooperative's proposed methods of conducting CCC loan and LDP business.

(b) A CMA must submit, on an annual basis, the following information to CCC:

(1) A completed Form CCC-846-1, which shall disclose:

- (i) The number of active and inactive CMA members;
- (ii) The CMA's allocated equity;
- (iii) The CMA's unallocated equity; and