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Commodity Credit Corporation

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[Docket ID FSA–2026–0067]

RIN 0560–AI84

Supplemental Disaster Assistance Programs, Marketing Assistance Loans, and Sugar Provisions

AGENCY: Commodity Credit Corporation, Farm Service Agency (FSA), U.S. Department of Agriculture (USDA).

ACTION: Final rule.

SUMMARY: This rule revises the regulations of the Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP), the Livestock Forage Disaster Program (LFP), the Livestock Indemnity Program (LIP), the Tree Assistance Program (TAP), the Marketing Assistance Loan (MAL) and Loan Deficiency Payments (LDP) Programs, and the Sugar Program to conform with provisions of the One Big Beautiful Bill Act (OBBBA). Changes to the supplemental disaster assistance programs include ELAP assistance for losses due to bird depredation and a change to honeybee colony loss normal mortality; a lower drought threshold for LFP eligibility; LIP assistance for unborn death losses and changes to compensation for predation losses and the market values used in the LIP payment calculations; and changes to the TAP eligibility threshold and reimbursement percentage for certain costs. This rule increases the MAL and LDP loan rates for all eligible commodities for the 2026 through 2031 crop years as specified by OBBBA. Additional MAL and LDP changes for upland and extra-long staple (ELS) cotton required by OBBBA include revised formulas to calculate the prevailing world market price for upland cotton, the introduction of a prevailing world market price and adjusted world price for ELS cotton, and changes to the payment of cotton storage costs by area. Additionally, FSA is amending regulations to add provisions for a 30-day post-repayment loan review in which a refund for upland cotton repayment or an additional LDP disbursement could occur. Sugar Program changes are related to effective loan rates, storage rates, and sugar marketing allocation provisions. This rule also makes minor administrative changes to the Sugar Program regulations. Technical amendments are included for grains and similarly handled commodities, and honey. This rule also makes additional changes to the regulations for those programs to update eligibility and payment provisions, clarify program requirements, and improve program integrity. This rule also updates the Feedstock Flexibility Program (FFP) provisions to indicate that 2026 is the final crop year covered by the program, and makes corrections to the regulations for the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) Programs and Dairy Margin Coverage (DMC) Program.

DATES: This rule is effective on July 9, 2026.

FOR FURTHER INFORMATION CONTACT: For ELAP, Seth Cross; telephone: (402) 309–3338; or email: Seth.C*ross@usda.gov.* For LFP and LIP, Kelly Breinig; telephone: (202) 774–7437; email: *Kelly.Breinig@usda.gov.* For TAP, Jenae Orso; telephone: (229) 850–0194; or email: *Jenae.Prescott@usda.gov.* For MAL and LDP, Shayla Watson; telephone: (202) 690–2350; or email: *Shayla.Watson@usda.gov.* For cotton provisions, Dana Wood; telephone: (202) 692–5288; or email: *Dana.Wood@usda.gov.* For the Sugar Program, Shanita Landon; telephone: (202) 690–1612; or email: *Shanita.Landon@usda.gov;* and Carlann Unger; telephone: (773) 573–5163; or email: *Carlann.Unger@usda.gov.* For ARC and PLC, Jamie Garriott; telephone: (202) 253–9843; or email: *Jamie.Garriott@usda.gov.* For DMC, Douglas E. Kilgore; telephone: (717) 887–0963; or email: *Douglas.E.Kilgore@usda.gov.* Individuals with disabilities who require alternative means for communication should contact the USDA Target Center at (202) 720–2600 (voice and text telephone (TTY mode)) or dial 711 for Telecommunications Relay Service (both voice and text telephone users can initiate this call from any telephone).

SUPPLEMENTARY INFORMATION:

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I. Background

On July 4, 2025, President Trump signed into law H.R. 1 (Pub. L. 119–21), also known as the One Big Beautiful Bill Act (OBBBA). This rule amends the provisions of the supplemental disaster assistance programs (ELAP, LFP, LIP, and TAP), MAL, LDP, and the Sugar

Program to implement changes made by OBBBA. This rule also makes discretionary changes to those programs to improve program administration and clarify existing policy, in addition to minor administrative changes such as updating references to the applicable program years and removing outdated provisions.

CCC is updating the regulations for the supplemental disaster assistance programs as mandated by OBBBA. These updates include ELAP assistance for losses due to bird depredation and a change to honeybee colony loss normal mortality, a lower drought threshold for LFP eligibility, LIP assistance for unborn death losses and changes to compensation for predation losses and the market values used in the LIP payment calculations, and changes to the TAP eligibility threshold and reimbursement percentage for certain costs. This rule also makes additional changes to the regulations for these programs to clarify program provisions and requirements and improve program integrity.

This rule increases the MAL and LDP loan rates for all eligible commodities for the 2026 through 2031 crop years as specified by OBBBA. Additional MAL and LDP changes for upland and extra-long staple (ELS) cotton required by OBBBA include revised formulas to calculate the prevailing world market price for upland cotton, the introduction of a prevailing world market price and adjusted world price for ELS cotton, and changes to the payment of cotton storage costs by area. Additionally, CCC is amending the regulations to add provisions for a 30-day post-repayment loan review in which a refund for upland cotton repayment or an additional LDP disbursement could occur. Sugar Program changes are related to effective loan rates, storage rates, and sugar marketing allocation provisions. This rule also makes minor administrative changes to the Sugar Program regulations. Technical amendments are included for grains and similarly handled commodities and honey. This rule updates the Feedstock Flexibility Program (FFP) provisions to indicate that 2026 is the final crop year covered by the program. This rule also amends definitions in the ARC and PLC regulation and corrects a cross-reference in the DMC regulation.

II. Supplemental Agricultural Disaster Assistance Programs

ELAP, LFP, LIP, and TAP were authorized by section 1501 of the Agricultural Act of 2014 (Pub. L. 113–79, 7 U.S.C. 9081). Section 10401 of OBBBA included mandatory changes for each of these programs. This rule implements those changes and includes additional discretionary changes for these programs.

This rule also amends the general administrative provisions for the supplemental agricultural disaster assistance programs in 7 CFR 1416.2, subpart A, for consistency with other FSA and CCC programs and updates references to USDA's debt management provisions, which are provided in 7 CFR part 3. CCC previously issued a rule on June 2, 2026 (91 FR 32880) to implement changes to the payment limitation provisions for qualified pass-through entities and average adjusted gross income (AGI) limitation provisions that were mandated by OBBBA. This rule revises § 1416.6 to remove outdated payment limitation and AGI provisions and to refer to the current provisions in 7 CFR part 1400.

A. ELAP

ELAP provides financial assistance to eligible producers of livestock, honeybees, and farm-raised fish for losses due to disease, certain adverse weather events, or loss conditions, including blizzards and wildfires, as determined by the CCC. In accordance with section 10401(c) of OBBBA, this rule amends the ELAP regulations to add provisions for losses due to bird depredation and establish a honeybee normal mortality rate for determining eligible honeybee colony losses. It also makes additional discretionary changes including adding definitions for terms related to transportation assistance and other minor updates for clarity and consistency.

1. Assistance for Losses Due to Bird Depredation

This rule amends the ELAP regulations to conform with OBBBA provisions that provide assistance for freshwater farm-raised fish damage or loss due to bird depredation, which were not previously covered under ELAP. OBBBA provides that the payment rate for this assistance will take the following factors into account: (1) costs associated with the deterrence of piscivorous birds; (2) the value of lost fish and revenue due to bird depredation; and (3) costs associated with disease loss from bird depredation. OBBBA specifies that the minimum payment rate shall be not less than $600 per acre of farm-raised fish. As provided in this final rule at § 1416.109(e), for program year 2026, CCC has determined that the payment rate will be $600 per eligible acre because CCC does not have data to justify increasing the payment rate above the minimum rate at this time. CCC may increase the rate per acre in future program years if there is documented evidence justifying an increase in the payment rate. For example, CCC welcomes information from independent third-parties, such as a university or cooperative extension service with expertise related to the farm-raised fish industry, that provides documented evidence relating to the costs associated with the deterrence of piscivorous birds, the value of lost fish and revenue due to bird depredation, and costs associated with disease loss from bird depredation. A producer may earn only $600 per eligible acre for each program year; repeated bird depredation events during a year will not result in multiple payments for the same acres. The payment rate is applicable for all eligible farm-raised fish.

In accordance with section 10401(c) of OBBBA, payments for eligible losses due to bird depredation will be equal to the applicable payment rate described above, multiplied by 85 percent of the total number of acres of farm-raised fish farms that the producer has in production for the calendar year (referred to as the ''program year'' in the ELAP regulations). This rule adds that payment calculation in § 1416.112(c). To be considered eligible acres, the producer must have reported them to FSA on a timely filed acreage report [1] in accordance with 7 CFR part 718, as determined by CCC, and they must have been in use for fish production at the time of bird depredation (§ 1416.103(k)). Unused ponds or waterways, bodies of water not under control of the producer, and any water that is reduced due to drought are not eligible acres for bird depredation losses.

In order to administer assistance for losses due to bird depredation, CCC is also adding and amending several definitions in § 1416.102. This rule adds definitions of ''bird depredation'', in alignment with OBBBA, and ''freshwater'' for clarity. It also amends the definition of ''eligible loss condition'' to include bird depredation. This rule updates the definition of ''farm-raised fish'' to specify that, for the purpose of loss due to bird depredation, the term means ''fish propagated and reared in a controlled freshwater environment'' as provided by OBBBA and clarifies that it does not include crawfish or crayfish for that purpose. Crawfish and crayfish are excluded from ''farm-raised fish'' for losses due to bird depredation because they are

[1] Collection of acreage reports for administration of ELAP is exempt from the Paperwork Reduction Act (44 U.S.C. chapter 35) as specified in 7 U.S.C. 9091(c)(2).

crustaceans, not fish, and producers do not have a standard method to track crawfish and crayfish inventory. Residual inventory from prior years is often present, and producers cannot accurately track current inventory because crawfish and crayfish lay hundreds of eggs, which are not hatched prior to seeding.

To be eligible for payment, a producer must have produced eligible farm-raised fish for commercial use as part of a farming operation and must have had a loss due to bird depredation, as described above (§ 1416.105(d)). The farm-raised fish must be propagated or reared in a controlled freshwater environment, have been maintained for commercial use as part of the farming operation, and have been physically located in the county where the piscivorous birds were present on the beginning day of the loss condition (§ 1416.104(f)(3)).

To apply for losses due to bird depredation, a producer must timely file an acreage report as provided in 7 CFR part 718. By March 1 of the following program year, the producer must also file a notice of loss, an Emergency Loss Assistance for Farm-Raised Fish Application, a report indicating eligible acres of freshwater in use at the time of bird depredation, and an active U.S. Fish and Wildlife Depredation permit with cormorant, American white pelican, heron, or Great egret listed on the permit. If requested by FSA, the producer must also submit documentation to substantiate the producer's use of eligible acres of freshwater reported, inventory losses, and a minimum of 3 of the following 5 items:

- Documentation that losses are from bird depredation, supported by evidence including bird sightings, fish mortality records, aerial surveys, or third-party assessments;
- Documentation of annual expenditures on non-lethal and lethal methods to prevent or reduce bird presence in the area;
- Documentation of costs attributed to disease spread by birds, including prescriptions for medicated feed or any other costs showing disease loss from bird depredation;
- A USDA-Wildlife Services or U.S. Fish and Wildlife Service approved bird harassment plan; and
- A year-end collecting report of the number of birds terminated and reported to the U.S. Fish and Wildlife Service.

2. Honeybee Colony Loss Normal Mortality

Section 10401(c) of OBBBA (7 U.S.C. 9081(d)) provides that a normal mortality rate of 15 percent will be used with respect to eligible honeybee colony losses. Prior to this change, the normal mortality rate was established by FSA for each program year based on published data. This rule updates § 1416.111(b)(2) to conform with OBBBA and specifies the normal mortality rate of 15 percent for program year 2026 and subsequent years.

3. Assistance for Transportation Costs

CCC is adding definitions of ''harvested feed or feedstuffs,'' ''miles above normal,'' and ''truckload'' to clarify provisions related to assistance for transportation costs and improve program integrity. As provided in the definition, ''harvested feed or feedstuffs'' includes mechanically harvested production that must be wrapped, twined, stacked, or combined in a manner that the harvested product can be transported from one area to another, which aligns with the definition of ''harvested'' under the Noninsured Crop Disaster Assistance Program (NAP; § 1437.3). This definition is intended to alleviate confusion in situations where a producer has cut a crop but has not further processed it into a condition that allows it to be removed from the field. It clarifies that windrows that have not been mechanically processed into a transportable state are not considered harvested. Similarly, straw left in the field that has not been mechanically processed is also not considered harvested.

The definition of ''truckload'' and new § 1416.110(r) are intended to clarify how FSA will determine eligibility for payment for feed or livestock transportation. The truckload definition specifies that the transportation must be by a motorized land vehicle, which does not include trains, planes, or ships. A truckload is considered a single trip and includes only the mileage from one point to another, not multiple end points or more than one stop. It also excludes mileage for delivery that is not clearly identified by the mileage rate on verifiable documentation. In addition, the definition and § 1416.110(r) exclude transportation provided through services such as the U.S. Postal Service, FedEx, and UPS. Fees from these transportation service providers are considered part of a commercial shipping service and therefore do not qualify as personal vehicle mileage or an eligible trucking-rate expense.

The definition of ''miles above normal'' specifies that the term only includes transportation from one point to another, and does not include multiple end points where items are offloaded and then reloaded for transport to additional locations. It also clarifies that eligibility requires verifiable documentation that delineates a mileage rate that is quantitatively separate from the price of the feed or animals being transported. This definition has been added to remove confusion in situations where a producer pays for the transport of feed or animals, but the vendor incorporates transportation costs into the total price and does not separately identify the miles above normal used to calculate ELAP assistance.

4. Other Changes

This rule amends § 1416.110(a) to specify that livestock feed payments for an eligible livestock producer will be calculated based on losses for no more than 150 grazing days during the program year. The clarification of ''grazing'' days was previously omitted from the regulation and this addition provides consistency with payments for grazing losses in § 1416.110(g)(2).

This rule also amends the definition of ''program year'' for clarity and removes unnecessary references to prior years. CCC is adding definitions of ''adult water buffalo bull'', ''adult water buffalo cow'' and ''non-adult water buffalo'' in § 1416.102 and adding adult and non-adult water buffalo as separate categories of livestock in § 1416.104. Water buffalo were previously considered eligible under the categories for adult and non-adult buffalo; this change is intended to improve clarity and reduce confusion. This rule also amends § 1416.106 to update the provisions for applications for payment for honeybees and farm-raised fish, which now use separate application forms.

CCC is revising § 1416.107(a) to clarify the requirement to file an acreage report. Acreage reports are required by § 1416.106, and they must be filed in accordance with the provisions of §§ 718.101 through 718.112 that generally apply to FSA and CCC programs. As provided in § 718.101(c), acreage reports must be filed by the final reporting date established by the Deputy Administrator, and late-filed acreage reports are subject to the provisions of § 718.104. CCC is also adding § 1416.107(b) to provide the deadline for producers to submit any additional documentation requested by CCC to verify the producer's eligibility or losses. Such documentation must be provided by a producer by the later of March 1 after the end of the applicable program year or 60 days after the date of the request. This rule also amends paragraph references throughout the regulations where necessary due to the changes discussed above.

B. LFP

LFP provides financial assistance to livestock producers who suffer eligible grazing losses due to a qualifying drought during the normal grazing period or when a Federal agency prohibits grazing the normal permitted livestock on managed rangeland due to a qualifying fire. LFP payments for drought are based on the drought severity, as determined in accordance with the U.S. Drought Monitor. Section 10401(b) of OBBBA (7 U.S.C. 9081) lowered the drought threshold for program eligibility.

Prior to this rule, LFP eligibility required eight consecutive weeks of qualifying severe drought (D2) intensity during the normal grazing period before livestock producers were eligible for drought assistance. OBBBA lowered this threshold to four consecutive weeks of qualifying severe drought (D2) conditions for program eligibility in order for a producer to receive a one-month payment. OBBBA also adds eligibility for a two-month payment if severe drought (D2) conditions continue for 7 out of 8 consecutive weeks during the normal grazing period. All other drought intensities, durations, and payment months for LFP eligibility remain the same. These changes will be effective for program year 2026 and subsequent years.

CCC is adding definitions of ''adult water buffalo bull'', ''adult water buffalo cow'' and ''non-adult water buffalo'' in § 1416.202 and adding adult and non-adult water buffalo as separate categories of covered livestock in § 1416.204(b). Water buffalo were previously considered eligible under the categories for adult and non-adult buffalo; this change is intended to improve clarity and reduce confusion.

C. LIP

As authorized by section 1501(b) of the Agricultural Act of 2014 (7 U.S.C. 9081(b)), LIP provides financial assistance to eligible livestock producers for eligible death losses, in excess of normal mortality, caused by an eligible cause of loss, including adverse weather, disease, and attacks by animals reintroduced into the wild by the Federal government or protected by Federal law. The program also compensates eligible livestock owners who sell livestock at reduced prices due to injury from an eligible loss condition.

1. Assistance for Unborn Death Losses

i. Background

As mandated by section 10401(a)(2) (7 U.S.C. 9081(b)) of OBBBA, this rule adds provisions to provide compensation to eligible livestock producers for unborn livestock death losses, in excess of normal mortality, that occurred on or after January 1, 2024. Unborn death loss compensation is determined based on losses of eligible adult livestock that were gestating on the date of their death due to an eligible loss condition. Livestock sold due to injury from an eligible loss event and livestock that are stillborn or aborted from adult females that did not die as a result of an eligible loss event are not eligible for unborn death loss compensation.

Section 10401(a)(2) (7 U.S.C. 9081(b)) of OBBBA requires that payments for unborn death losses will be compensated at a rate that is less than or equal to 85 percent of the payment rate established with respect to the lowest weight class of the same kind and type of livestock. As required by OBBBA, the payment amount will be equal to that payment rate multiplied by an applicable number, referred to in this rule as the ''birthing factor'' (7 U.S.C. 9081(b)(5)(C)). OBBBA established the birthing factors for cattle, bison, horses, sheep, and swine. For other species of livestock, OBBBA requires that the birthing factor for such livestock would be the average number of birthed animals per gestational cycle for each species. This rule adds these birthing factors to § 1416.306(i). Unborn death losses will be compensated based on the number of eligible adult females that were gestating at the time of the adult female livestock's death, after normal mortality has been applied; no additional normal mortality reductions will apply to unborn death losses.

Eligible livestock categories for unborn death losses include alpacas, beef cattle, beefalo, buffalo, bison, caribou (reindeer), dairy cattle, deer, elk, equine, goats, llamas, sheep, swine, and water buffalo, or other species. Historically, the eligible livestock categories for LIP have been identified by livestock kind, type (adults, non-adults, including sex), and weight class, as applicable, for beef cattle, beefalo, buffalo, bison, dairy cattle, goats, sheep, and water buffalo; however, losses of alpacas, caribou, deer, elk, equine, and llamas have been reported under a single category for each livestock kind that encompasses all adults, non-adults, sexes, and weight ranges due to that livestock kind's limited market data and low program participation. Swine have been identified by types and weights of livestock; however, they have not been separately identified by sex.

TABLE 1—EXAMPLES OF LIVESTOCK KIND, TYPE, AND WEIGHT CLASS STRUCTURE ESTABLISHED FOR LIP PRIOR TO OBBBA IMPLEMENTATION

Livestock kind	Type	Weight class
Alpacas	All	
Beef Cattle	Adult	Bull.
		Cow.
	Non-adult	Less than 400 pounds.
		400 pounds or more.
Swine	Suckling/Nursery Pigs	Less than 50 pounds.
	Lightweight Barrows/Gilts	50 to 150 pounds.
	Sows/Boars/Barrows/Gilts	151 to 450 pounds.
	Boars/Sows	451 pounds or more.

OBBBA provides that eligible livestock producers will be compensated for eligible unborn livestock death losses that occurred on or after January 1, 2024. As discussed below, to administer this assistance, CCC is updating the way livestock are categorized for 2026 and subsequent years to collect additional information that is relevant to determining unborn livestock death losses. For the 2024 and 2025 program (calendar) years, FSA will use information that was previously reported, as described below.

ii. Implementation for Program Year 2026 and Subsequent Years

Beginning in program year 2026, CCC will update the livestock categories for livestock kinds that were previously reported under a single category, establishing payment rates separately for adults and non-adults using national market data that is available. For those categories that lack ample market data, CCC will use a comparative model of the price ratios between adults and non-adults for other livestock categories that do have ample market data, as applicable. For example, the ratio between the 2025 payment rate for an adult beef cow ($1,810.09) to the payment rate of non-adult beef cattle-less than 400 pounds ($770.86) is 43 percent or a 43:100 ratio. An example of when this scenario could be used is to establish payment rates for alpacas when no market data are available to establish a non-adult rate.

This rule amends the definitions in § 1416.302 to establish separate definitions for adult and non-adult livestock for livestock kinds that were previously reported under a single category and updates the category list to reflect those defined terms in § 1416.304. Form CCC–852, LIP Application for Payment, has been updated to allow producers to certify the number of eligible adult female livestock death losses for livestock that were bred and gestating at the time of the adult female livestock's death. This update enables payments to be calculated for unborn livestock death losses based on the number of eligible adult bred female death losses, after applying normal mortality adjustments. As defined in § 1416.302, ''bred'' means that an eligible adult female livestock has been exposed to an adult male breeding animal and is gestating or deliberately bred through controlled reproduction. This term does not apply to poultry. Payments will be based on the number of eligible adult bred female death losses identified by the producer on the Application For Payment—livestock producers typically use the term ''bred'' rather than ''gestating'' when identifying pregnant livestock and track breeding dates and expected gestation status in accordance with the producer's specific breeding practices for their operation rather than confirmed gestation.

CCC may request additional supporting documentation from eligible livestock producers or conduct spot checks to confirm that livestock were gestating at the time of the eligible loss of the adult female. Additional information that may be requested includes, but is not limited to, verification of breeding records, exposure dates, herd health or veterinary documentation, inventory logs, and other supporting operational records consistent with the producer's normal business practices. A spot check or request for additional information is appropriate when CCC identifies any of the following:

- Missing, inconsistent, or incomplete breeding or inventory records;
- Reported death losses that appear excessive or outside normal expectations for the operation type, size, or production practices;
- Conflicting information between the application, supporting documentation, or prior-year program participation;
- Patterns of repeated corrections, revisions, or documentation gaps by the producer; or
- Situations where CCC has reason to question whether livestock were bred at the time of loss based on reported exposure dates, breeding windows, or herd management practices.

If discrepancies are identified, further documentation may be requested and adjustments may be made to approved death loss numbers.

Payment rates for unborn livestock death losses will be 85 percent of the lowest non-adult weight class, as applicable, of the same livestock kind; this is the maximum payment rate authorized by OBBBA.

iii. Implementation for Program Years 2024 and 2025

The application periods for the 2024 and 2025 program (calendar) years have ended, and CCC's implementation of this provision is intended to minimize the burden on producers who have previously applied for LIP compensation for the adult female in those prior years. To implement this provision retroactively for the 2024 and 2025 program years, CCC is using a two-pronged approach: one approach for eligible livestock categories where producer data on file already identifies eligible adult female losses, and another for livestock categories for which losses of adults, non-adults, males, and females were reported collectively and not identified by type.

For program years 2024 and 2025, FSA records indicate that approximately 4,400 LIP applications have been approved that may require review for unborn death losses. CCC has established LIP payment rates based on livestock kind, type, and weight range for the categories of adult beef, beefalo, bison, buffalo, dairy, and water buffalo cows, nanny goats, and ewes (sheep); as a result, CCC can identify all eligible adult female livestock death losses, after normal mortality, from producers' approved applications. However, CCC does not have the data on file to identify the number of those adult females that were gestating at the time of death. Additionally, CCC can identify all approved eligible losses for livestock categories for which adults, non-adults, males, and females were combined, as applicable, but cannot identify the number of eligible adult females included in those losses.

CCC evaluated the operational challenges of implementing this provision retroactively because all 2024 and 2025 LIP applications would need to be reviewed and revised to indicate whether livestock were female and, if applicable, gestating at the time of death. Instead, CCC reviewed available loss data and typical breeding and disaster patterns to determine an approach based on the best available data. Records show that 86 percent of LIP applications submitted for these program years were for beef cattle losses, and within this category, CCC can identify adult female losses classified as ''adult beef cow.'' Furthermore, FSA records indicate that 52 percent of eligible loss events in 2024 and 2025 occurred in January, February, and March; this period typically aligns with beef cow gestation in preparation for late winter and spring calving. Under U.S. commercial livestock production practices, breeding females of major livestock species are typically gestating for a substantial portion of the calendar year, commonly more than half the year and, for some species, approaching three-quarters or more (including beef and dairy cattle). Requiring producers to self-certify bred livestock or submit breeding records for 2024 and 2025 losses—information not previously required for LIP participation—would create significant administrative burden and impede timely delivery of critical disaster assistance authorized by OBBBA. These considerations support CCC's decision for 2024 and 2025 to focus on livestock categories where accurate identification is feasible and to apply reasonable assumptions regarding timing and gestation while maintaining program integrity and minimizing producer burden and operational risk.

Accordingly, rather than requiring all producers to revise their 2024 or 2025 LIP application to identify which females were bred at the time of death, CCC will implement a streamlined approach in 2024 and 2025 for producers who reported losses for livestock categories for which the number of eligible adult female livestock is already on file. Based on the rationale and analysis of the timing of loss events, and the livestock categories experiencing the losses, all approved female livestock deaths in 2024 and 2025 will be presumed gestating at the time of loss, and CCC will automatically issue an unborn livestock death loss payment to the applicant based on the number of eligible adult female losses after normal mortality has been applied. No additional action is required by the LIP applicant to receive this payment. The payment for these specific livestock categories will be calculated at 85 percent of the payment rate of the lowest weight range category established for the applicable livestock, multiplied by the applicable birthing factor.

Losses for livestock categories for which adults, non-adults, males, and females were reported collectively, and for which livestock types were not separated by sex for program years 2024 and 2025, account for approximately 100 applications, primarily for deer, elk, equine, and llamas. These species have gestational periods ranging from roughly 200 days to 11 months. Because CCC does not have data to determine how many of these losses were female, applicants with approved losses in these categories may revise their previously approved 2024 and 2025 CCC–852 LIP applications to identify the number of adult females included in their reported losses. Swine have established adult livestock types that combine boars and sows, and they also have established payment rates for adults and non-adults. Applications for these types for program years 2024 and 2025 will need to be revised to identify females specifically. Other revisions to 2024 and 2025 applications, such as any increases to adult livestock losses, are not authorized.

To maintain consistency across the two reporting situations (those who have identified livestock deaths by gender at the time of adult female loss and those who have reported collectively without separating by gender), CCC will only require identification of female losses retroactively for the latter group and will not request additional documentation or proof of breeding status for either group. Once producers identify female livestock and the revised application is reviewed and determined to be accurate, CCC may issue an additional payment to compensate for unborn death losses. With the exception of swine, this payment will be based on the newly determined eligible female losses after normal mortality and will be calculated at 40 percent of the payment rate, since the payment rate for these categories includes both adults and non-adults and does not have an established lower weight class rate. This 40 percent factor was determined using similar ratios of adult and non-adult LIP payment rates in other livestock categories. Swine that are newly identified as sows will be compensated at 85 percent of the lowest weight category already established (sucklings or nursery pigs). The payment calculation will also incorporate the applicable birthing factor that accounts for the average number of offspring per birthing cycle.

For applications that require identification of female losses to receive a payment for unborn livestock death losses, FSA will notify all eligible producers of the opportunity to submit revisions to their approved 2024 or 2025 LIP applications by an established deadline. Any applications that are not revised by this deadline will remain unchanged, and no additional payment will be issued. CCC is not extending the original deadlines to submit an application for these years, and no other revisions to approved applications are authorized.

2. Updates to Compensation for Predation Losses to 100 Percent of Market Values

Section 10401(a) of OBBBA (7 U.S.C. 9081(b)) required changes to the payment calculation for eligible livestock losses due to predation, which includes attacks by animals reintroduced into the wild by the Federal Government or protected by Federal law, including wolves and avian predators. Previously, losses due to predation were compensated at 75 percent of the market value established by CCC. Under OBBBA, losses due to predation must be compensated at 100 percent of the market value as determined by CCC. CCC has added § 1416.306(d) and (f) to provide the updated payment calculation for predation losses and will implement this change starting with the 2026 program year.

3. Updates to Market Values Used in Payment Calculations, Including Adding a Producer's Alternative Price Option

Section 10401(a) of OBBBA (7 U.S.C. 9081(b)) amends the Agricultural Act of 2014 to require that indemnity payments to eligible producers must be based on the applicable percentage of the market value of the affected livestock on the ''applicable date,'' as determined by CCC. In accordance with these OBBBA amendments, the ''applicable date'' is defined as ''the day before the date of death of the livestock'' or ''the day before the date of the event that caused the harm to the livestock that resulted in a reduced sale price.'' Since LIP began, the daily market prices have not been established because consistent market data and resources are not available for most livestock kinds, types, and weight classes. Therefore, payment rates have been set nationally using the previous year's national average market data from USDA's National Agricultural Statistical Service (NASS) or Agricultural Marketing Service (AMS) for most livestock species.

OBBBA includes provisions that allow producers to document regional price premiums that exceed the national average market price established by CCC. Beginning with the 2026 program year, CCC will enhance the process for establishing LIP payment rates to better reflect accurate market values for eligible livestock categories. CCC will continue to set national payment rates using national average market data, but will also provide additional options to allow compensation to be based on the highest of the following:

- National average market value by livestock kind, type, and weight class at the beginning of the program year, based on prior-year market data as determined by CCC;
- National average market value by livestock kind, type, and weight class at the end of the program year, based on current-year market data as determined by CCC;
- The producer's verifiable market value for livestock of the same kind, type, and weight class, based on the market value closest to the date of loss or date of event that caused the injury, specific to the producer's operation and program year, not to exceed 145 percent of the higher of the national average market values established by CCC; or
- Another price approved by CCC on data showing market value the day before the livestock loss or the day before the date of the event that caused the loss.

Effective for 2026 and subsequent program years, LIP payment rates are based on the higher of the national average market values determined by CCC or the producer's approved alternative market value, not to exceed 145 percent of the national average market value. The determined market values are multiplied by 75 percent for losses due to an eligible adverse weather event or disease, and 100 percent for losses due to an eligible attack.

For 2026 and subsequent program years, CCC has updated the CCC–852 LIP Application to separate the ''Notice of Loss'' from the ''Application for Payment'' to be consistent with other CCC disaster programs and to align with policy and software development. The revised Application for Payment allows producers to document an alternative market price specific to their operation for eligible livestock losses, including unborn livestock, which will use the alternative market price for the lowest weight category within the applicable livestock category.

Acceptable documentation for an alternative market price includes, but is not limited to, a producer's verifiable third-party sales or marketing document for their operation. The documentation must include the producer's name as the seller; the buyer's name and contact information; the date and location of the sales transaction; the number of livestock marketed by kind, type, and weight; and the sales price received per head. Alternative pricing must be supported by producer-specific market data for the applicable livestock kind, type, and weight class in the applicable program year.

The CCC–852, LIP Notice of Loss and Application for Payment, including all required supporting documentation and any alternative price documentation, must be submitted by the program deadline of March 1 following the calendar year in which the loss occurred.

4. Other Changes

CCC is updating and adding definitions in § 1416.302 for clarity. In addition to updates to the definitions of livestock categories to administer assistance for unborn death losses, this rule also specifies in the definitions of adult and non-adult ''caribou'' that reindeer and caribou are synonymous, as they are the same species (Rangifer tarandus). It also adds definitions for the categories of water buffalo that are separate from the categories for buffalo; previously, water buffalo were included under ''buffalo'' for LFP, and this change is intended to reduce confusion. In addition, the rule adds definitions for ''program year,'' which for LIP means the calendar year, and for ''reliable record or documentation'' and ''verifiable record or documentation'' to align with other CCC and FSA disaster programs. This rule also amends § 1416.305 to remove a reference to prior program years in paragraph (c), correct a typographical error in paragraph (d)(8), and clarify that paragraph (g) applies to eligible diseases. It also updates cross-references in § 1416.306.

D. TAP

TAP provides assistance to eligible orchardists and nursery tree growers (collectively referred to as ''producers'') to replant or rehabilitate trees, bushes, and vines that were lost because of an eligible natural disaster. To receive TAP assistance, a producer must first suffer a qualifying tree, bush, or vine mortality loss in the calendar year (or loss period in the case of plant disease); once that threshold is met, the producer may receive assistance for both loss and damage of eligible trees, bushes, and vines. Prior to OBBBA, a producer had to suffer a minimum 15 percent loss, adjusted for normal mortality, in the calendar year (or loss period in the case of plant disease) to be eligible for TAP payments. OBBBA lowered the loss threshold so that a producer qualifies for TAP if they exceed the normal mortality for a tree, bush, or vine, and this rule amends §§ 1416.403(a) and 1416.406(b) to be consistent with that change.

Additionally, OBBBA increases the portion of a producer's lost or damaged trees, bushes, or vines for which they may receive assistance. This rule amends § 1416.400(b) and § 1416.406(a) to provide that payments will be calculated for the cost of replanting or rehabilitating trees, bushes, or vines that were damaged or lost due to a natural disaster, in excess of normal damage or normal mortality, consistent with OBBBA. Previously, payments were calculated based on the trees, bushes, or vines in excess of 15 percent damage or mortality, adjusted for normal damage or mortality.

To illustrate these changes, suppose a producer has a stand of 1,000 citrus trees and normal mortality for the stand is 3 percent. The producer lost 200 citrus trees due to an eligible natural disaster. Prior to OBBBA implementation, the producer would have had to lose more than 180 trees in the stand (18 percent of the trees, which represents the 15 percent statutory threshold plus 3 percent normal mortality) to be eligible for TAP. With the OBBBA change, the producer is eligible for a TAP payment if they lose more than 30 trees, which represents 3 percent normal mortality.

Prior to OBBBA implementation, the producer would have been eligible for reimbursement for replanting costs for 164 of the 200 citrus trees lost. To calculate this number, the number of trees lost (200 trees) was multiplied by 18 percent (15 percent threshold plus 3 percent normal mortality), which equals 36 trees. That number was then subtracted from the total trees lost (200 − 36 = 164). With the change in this rule, the number of trees lost (200 trees) is multiplied by 3 percent normal mortality, which equals 6 trees, and that number is subtracted from the total trees lost, resulting in 194 trees for which the producer would be eligible for payment.

This rule also increases the reimbursement percentage from 50 percent to 65 percent for the cost of pruning, removal, and other costs to salvage existing trees, bushes, or vines, or, in the case of mortality, to prepare the land for replanting, as mandated by OBBBA (§ 1416.406(a)(2)(i)). The reimbursement amount of 65 percent for replanting costs is not changing, and beginning and veteran farmers and ranchers, as defined in § 718.2, are still eligible for an increased reimbursement amount of 75 percent for both categories of expenses.

The regulatory amendments to implement OBBBA provisions will be effective for the 2026 and subsequent program years, including for any losses in the 2026 program year that occurred prior to the publication of this rule.

In addition to the OBBBA changes, CCC is also amending § 1416.407(a) to extend the time for participants to execute required documents and complete TAP practices from 12 months to 24 months after the application is approved, and to allow CCC to grant an extension of up to 36 months when delays are due to circumstances beyond a participant's control. These changes are intended to allow CCC to address situations where participants need additional time for reasons such as backorders or cancellations of orders of replacement trees, which often occur when suppliers are also affected by disaster events. This rule also removes unnecessary provisions in §§ 1416.400(c) and 1416.403(a) related to the loss threshold for pecan tree losses for the 2017 and 2018 calendar years.

III. Marketing Assistance Loans and Loan Deficiency Payments

Producers of eligible commodities may apply for MALs or LDPs, subject to requirements codified at 7 U.S.C. 9031 and 7 CFR part 1421. MALs are loans that typically mature within 9 months with the commodity pledged as collateral. Alternatively, a producer eligible for an MAL may elect to receive an LDP instead when the alternative repayment rate for the commodity falls below the loan rate, without requiring the commodity to be pledged as collateral.

Section 10309 of OBBBA increased loan rates for crop years 2026 through 2031 for all commodities eligible under the MAL and LDP programs but did not otherwise change the structure of the MAL and LDP programs. Commodities included in these programs include wheat, feed grains, soybeans and other oilseeds, peanuts, pulse crops, rice, cotton, honey, wool (including unshorn pelts), and mohair.

MALs and LDPs are available beginning with harvest or shearing season for each commodity and extend through the remainder of that commodity's crop year. Nearly all MALs are nonrecourse, meaning that the commodity is used as collateral and may be delivered at maturity as full repayment of the loan. Recourse loans are available for a few commodities that are low quality, contaminated, or for which long term storage is not readily available, meaning that the collateral cannot be delivered as full repayment of the loan. MALs and LDPs must be requested on or before the final loan availability date for the commodity.

Producers may repay the MAL at a rate that is the lesser of the loan rate plus interest or at a repayment rate announced by USDA. The repayment rate is based on average market prices for the preceding 30 days or an alternative rate set by USDA. If the repayment rate is below the loan rate for that commodity, producers can redeem an MAL at the repayment rate and receive the financial benefit of the difference between the loan rate and the repayment rate, referred to as a marketing loan gain. Hence, MALs act as a price floor. This price floor ensures that producers have a guaranteed minimum price for their commodity and helps stabilize producer incomes during periods of low market prices.

As an alternative to taking an MAL, a producer may choose to receive an LDP on their crop, provided an LDP is available for the commodity, and the producer is eligible for an MAL. LDPs provide a payment when the repayment rate for a commodity is lower than its loan rate.

This rule makes technical revisions to the MAL program at 7 CFR part 1421. These revisions include clarification of the role of the Agricultural Marketing Service (AMS) in CCC activities involving Electronic Warehouse Receipts (EWR). Historically, this functionality fell under FSA until Commodity Operations roles moved to AMS in 2018. References to Grain Inspection, Packers and Stockyards Administration (GIPSA) functions were also updated to be functions of AMS. References at 7 CFR part 1421 to Designated Marketing Association (DMA) drawdown accounts for peanuts have been removed because the process to transfer loan or LDP funds to alternative delivery partners, as necessary for disbursement to producers, has been enhanced by using a direct wire process offered by the Federal Reserve Banks known as Fedwire. Parts 1421 and 1427 are amended to make clear that price support provided to producers is limited to commodities produced in the United States. Other technical corrections add clarity to the regulations.

A. Honey Nonrecourse Loans

Section 10309(b) of OBBBA extends the honey MAL and LDP programs from crop years 2026 through 2031 and increases the honey loan rate. This rule also makes minor technical corrections to the honey regulations in 7 CFR part 1434.

B. Upland and ELS Cotton

This rule updates 7 CFR part 1427 to reflect OBBBA changes for the 2026 through 2031 crop years, including higher storage rates for upland and ELS cotton, a revised formula for the prevailing world market price for upland cotton to include the 3 lowest-price quotes (rather than the use of 5 lowest-priced quotes), introduction of a prevailing world market price and adjusted world price for ELS cotton, and a formula to determine a refund amount for upland cotton loan redemptions when the adjusted world price (AWP) [2] declines within 30-days of the loan repayment date. This rule also makes technical clarifying changes and removes expired provisions.

1. Payment of Cotton Storage Costs

USDA does not pay for storage on non-forfeited commodities; however, for cotton, USDA credits storage (up to the maximum storage credit rate) toward the loan at redemption when the loan rate plus interest plus storage exceeds the AWP. Depending on the AWP, this can result in a partial or full storage credit. Storage payment rates are calculated as the lower of the current marketing year warehouse storage charge or the area-specific storage payment rate cap. Section 10309 of OBBBA (7 U.S.C. 9034(g)) increases storage payment rates compared to previous levels established by CCC in 2006. Effective with the 2026 cotton crop, these storage payment rates are capped at $4.90 for locations in California and Arizona, and at $3.00 for all other states. Additionally effective with the 2026 cotton crop, OBBBA eliminates the prior percentage-based reduction of 10 percent of the storage payment rate cap that was included in section 1204 of the Agricultural Act of 2014 (7 U.S.C. 9034(g)).

2. Upland Cotton Prevailing World Market Price Change

Historically, the prevailing world market price for upland cotton, referred to as the ''Far East price'' (FE), was based on the average of the quotations from the preceding Friday through Thursday for the 5 lowest-priced growths of Middling one and three-thirty-second inch (M 1 3/32 inch) cotton, CFR (cost and freight) Far East. Section 10310 of OBBBA changed the prevailing world market price for upland cotton to be based on the 3 lowest-priced growth quotes, effective retroactively starting from the date of OBBBA's enactment on July 4, 2025. As has been the case historically, the world market price for upland cotton, which is a benchmark for global upland cotton prices, is adjusted for quality and the estimated cost to market for U.S. producers to calculate the upland cotton AWP (repayment rate).

3. ELS Prevailing World Market Price Calculation

Historically, ELS cotton was redeemed at the loan rate plus interest with no alternative repayment rate, and a prevailing world market price and adjusted world price were not calculated. Section 10310 of OBBBA (7 U.S.C. 9034) provides that a prevailing world market price will be calculated and announced weekly in a manner similar to the process for upland cotton—using the 3 lowest-priced growth quotes adjusted for quality. The prevailing world market price (''extra long staple Far East price'' or ELSFE), regardless of whether or not a quality adjustment is made, will then be adjusted for the U.S. producers' average cost to market to calculate the ELS cotton AWP used for repayments.

4. 30-Day Loan Optimization Window (LOW) for Upland Cotton

Upland cotton redemptions are to be made at the lesser of the loan rate, plus interest and other charges, or the AWP (repayment rate) as announced by CCC at 4 p.m. Eastern time each Thursday. Section 10310 of OBBBA, which amends section 1204(b) of the Agricultural Act of 2014, states that in

[2] The upland cotton Adjusted World Price (AWP) is the upland cotton prevailing world market price (also referred to as the ''Far East price'' (FE)), adjusted for location (reflected in the cost to market) and quality, and may be further adjusted in accordance with 7 CFR 1427.25. The AWP is also referred to as the repayment rate.

the event that a lower AWP is announced within the 30 calendar days immediately following the date of loan repayment, FSA will issue a refund to the producer equal to the difference between the lowest AWP during the 30-day period and the AWP in effect on the date of loan repayment. The term ''producer'' includes the remitter or redeemer of the marketing assistance loan. This provision ensures that if market prices drop shortly after repayment, the producer benefits from the lower price through a refund. If a producer requests an LDP in lieu of an MAL, and a lower AWP is announced during the 30-day period immediately following the request, the producer will receive an additional LDP disbursement. The additional LDP disbursement will be equal to the difference in the LDP rate used in the producer's initial LDP request and the lowest AWP during the 30-day period. The term ''producer'' in this case, will be the requestor of the initial LDP. Producers who elect to receive an LDP in lieu of an MAL cannot pledge the same cotton as collateral under the MAL program and therefore any LDP recipients forfeit any storage credits or other benefits associated with MAL participation.[3] A recalculated rate may not, under any circumstances, result in an LDP for which the producer has not already submitted an approved application. This rule amends §§ 1427.19 and 1427.23.

5. Additional Changes for Cotton

In addition to implementing OBBBA changes, FSA is making some technical changes for clarity and consistency within the regulations.

This rule amends § 1427.3 to remove the definition for ''cotton commercial bank'' and to clarify the definitions of ''upland cotton'' and ''ELS cotton.'' ELS cotton is cotton of the Gossypium barbadense variety or any hybrid where the barbadense variety predominates. Upland cotton is any strain of the Gossypium variety or a variety that does not include the barbadense species.

Section 1427.22 is updated to include the availability of Commodity Certificate Exchanges (CCE) for ELS cotton on or before loan maturity. Under this rule, CCEs will allow a producer to redeem collateral at the prevailing world market price using a certificate exchange process that provides a market loan gain that is not subject to payment limits and AGI provisions.

This rule also makes technical corrections to §§ 1427.6, 1427.19, and 1427.23. References to ''cotton commercial bank'' are removed and contact information is provided for AMS's Warehouse and Commodity Management Division. References to the tariff storage rate for warehouse storage for cotton crops under loan are updated to reflect the current marketing year. The term ''upland'' is removed where it applies to both upland and ELS cotton. With the introduction of the ELS cotton AWP (repayment rate), storage credit applied to loan repayments when the adjusted world market price is less than the combined value of loan principal, accrued interest, and warehouse storage, are now applicable to both upland and ELS cotton.

C. Sugar Program

This rule amends the Sugar Program regulations in 7 CFR part 1435 to implement the changes in section 10312(a) of OBBBA (42 U.S.C. 7272), which extends the Sugar Program from crop year 2025 to 2031 and increased raw cane and refined beet sugar loan rates (§ 1435.101(a) and (b)). Section 10312(b)(1)(a) of OBBBA (7 U.S.C. 7287) also requires the CCC to establish storage rates for forfeited sugar in amounts not less than newly established rates (§ 1435.105(j)).

OBBBA added an exception to certain procedures that apply when reassigning beet sugar allocations following an upward adjustment in the Overall Allotment Quantity (§ 1435.303(d)). If an upward adjustment in sugar marketing allotments was made at the beginning of the fiscal year, each processor's allocation will be increased by the same percentage that the allotment increased. Section 10312(c)(2) of OBBBA (7 U.S.C. 1359cc(g)(2)) added an exception such that when adjusting beet sugar allocations priority will be given to beet sugar processors with available sugar (§ 1435.303(d)). Section 10312(c)(3) of OBBBA (7 U.S.C. 1359ee(b)(2)) also provides consistency for beet sugar processors who will need additional allocations to market their sugar supplies. Under the requirements established by OBBBA, the first reassignment of sugar marketing allocations now must be published no later than 30 days after the publication of each January's World Supply and Demand Estimates report (§ 1435.309(d)(5)).

This rule also makes technical corrections to other sugar provisions, such as clarifying that FSA, Farm Production and Conservation (FPAC), and AMS will administer the Sugar Program for the CCC (§ 1435.1(a)). This rule specifies that sugar pledged as collateral during the crop year may not be pledged as collateral in a subsequent crop year (§ 1435.102(c)(6)). Additionally, this rule provides the rates of storage to be used for crop years 2012 through 2024 that were inadvertently omitted from 7 CFR part 1435 (§ 1435.105(j)).

This rule also updates definitions related to sugar. Section 1435.2 adds a definition for the domestic sugar industry. Three definitional changes are made in § 1435.2: (1) the definition of ''crop year'' is updated to clarify that a crop year relates to the year in which harvest and processing of the crop begins; (2) clarifying language is added to the definition of ''imports'' to provide the same level of specificity used in USDA's survey for importers; and (3) a definition of ''new entrant'' is added because §§ 1435.305, 1435.306, and 1435.308 all relate to new entrant provisions, yet the term had not yet been defined. In addition, § 1435.200h(i) is amended to reflect specific audit terms that have been adopted over time. USDA found that the previous terms were too rigid for sugar industry reporters (who are required to report data monthly to USDA) to manage without incurring burdensome costs.

D. Feedstock Flexibility Program

Although the Feedstock Flexibility Program (FFP) was not mentioned in OBBBA, this rule also updates the regulations in Subpart G to extend FFP through crop year 2026 as authorized in the Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act, 2026 (Pub. L. 119–37). FFP provides an alternative for USDA to dispose of sugar when the marketplace is oversupplied.

VI. ARC and PLC Correction

On January 12, 2026, CCC published a final rule amending the regulations for the ARC and PLC programs to conform to OBBBA provisions and make minor administrative changes and updates (91 FR 1043). In that rule, CCC revised the definition of ''historically irrigated percentage'' in § 1412.3 to update the applicable years; however, CCC inadvertently omitted an update to reflect that it will be calculated using both the planted and considered planted (P&CP) acreage of the commodity plus subsequently planted acreage of the commodity. Use of both P&CP and subsequently planted crop acreage provides a more accurate reflection of a farm's historical irrigation of a commodity. This rule also corrects a typographical error in the applicable

[3] MAL provides producers with short-term operating capital, while the LDP is a one-time payment option chosen in place of the loan and any benefits that would accrue under MAL provisions.

beginning year in paragraph (1) of the definition of ''reference price'' in § 1412.3. As specified in section 10301(b) of OBBBA, the references prices in paragraph (1) are effective beginning with the 2025 crop year.

V. DMC Correction

On January 12, 2026, CCC published a final rule amending the regulations for the DMC Program to conform to OBBBA provisions and make minor administrative changes and updates (91 FR 1043). In that rule, CCC revised § 1430.407(i) but it contained an erroneous cross-reference. That error is corrected in this rule.

VI. Severability

The modifications to ARC, PLC, DMC, ELAP, LFP, LIP, TAP, MAL, LDP, and the Sugar Program authorized by OBBBA are distinct and severable from one another, as well as from the minor administrative changes and updates to the regulations. Each provision is designed to function independently, ensuring that the rule as a whole remains effective and aligned with the agency's intent, even if certain provisions were to be invalidated.

VII. Regulatory Analyses

A. Effective Date, Notice and Comment, and Paperwork Reduction Act

As specified in 7 U.S.C. 9091(c)(2), the regulations to implement ARC, PLC, DMC, ELAP, LFP, LIP, TAP, MAL, LDP, and the Sugar Program are exempt from:

- The Paperwork Reduction Act (44 U.S.C. chapter 35), and
- The notice and comment provisions of 5 U.S.C. 553.

Further, the Administrative Procedure Act (APA, 5 U.S.C. 553(a)(2)) provides that the provisions requiring notice and comment and a 30-day delay in the effective date do not apply when the rule involves specified actions, including matters relating to benefits or contracts. This rule governs payments to agricultural producers and therefore falls within the benefits exemption.

The Office of Information and Regulatory Affairs has found that this rule meets the criteria at 5 U.S.C. 804(2) of the Congressional Review Act (CRA). Ordinarily, such a finding would necessitate delaying its effective date for 60 days (5 U.S.C. 801(a)(3)(A)). However, 7 U.S.C. 9091(c)(3) directs the Secretary to use the authority provided by the CRA at 5 U.S.C. 808(2), which allows an agency to make such regulations effective immediately with good cause. USDA has determined that such good cause exists. For the reasons noted above—the APA exception at 7 U.S.C. 9091(c)(2)(B) and the applicability of 5 U.S.C. 553(a)(2)—such notice and public procedure are unnecessary for this rule. Further, this rule implements mandatory requirements of the OBBBA, and the assistance provided by this rule is necessary to help beneficiaries sustain their normal business operations. As a result, USDA finds that notice and public procedure are contrary to the public interest. Therefore, USDA is not required to delay the effective date for 60 days from the date of publication. Accordingly, this rule is effective upon publication in the **Federal Register**.

This rule is exempt from the regulatory analysis requirements of the Regulatory Flexibility Act (5 U.S.C. 601–612), as amended by the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA) because it involves matters relating to benefits. The requirements for the regulatory flexibility analysis in 5 U.S.C. 603 and 604 are specifically tied to the requirement for a proposed rule by section 553 or any other law; in addition, the definition of rule in 5 U.S.C. 601 is tied to the publication of a proposed rule.

B. Executive Orders 12866, 13563, and 14192

Executive Order 12866, ''Regulatory Planning and Review,'' and Executive Order 13563, ''Improving Regulation and Regulatory Review,'' direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasized the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. Executive Order 14192, ''Unleashing Prosperity Through Deregulation,'' announced the Administration policy to significantly reduce the private expenditures required to comply with Federal regulations to secure America's economic prosperity and national security and the highest possible quality of life for each citizen and to alleviate unnecessary regulatory burdens placed on the American people. In line with the Executive order requirements, the Agency chose this regulatory approach, which implements mandatory provisions of the OBBBA and clarifies and simplifies program requirements, to maximize benefits and minimize burden on American producers. This rule is not an Executive Order 14192 regulatory action because it does not impose any more than de minimis regulatory costs.

The Office of Management and Budget (OMB) designated this rule as economically significant under Executive Order 12866, section 3(f)(1), and therefore, OMB has reviewed this rule. The costs and benefits of this rule are summarized below. The full CBA is available on *regulations.gov.*

C. Cost Benefit Analysis Summary

The program changes in this rule are, except in the case of MALs and LDPs, largely independent of one another and, generally, affect payment parameters or expand the situations that are now eligible for payment.

- *Supplemental Disaster Assistance*—CCC is making numerous changes to the supplemental disaster assistance programs, which encompass ELAP, LFP, LIP, and TAP. Examples of OBBBA-driven changes include setting a fixed mortality rate for honeybees for ELAP and increasing the timeliness and amount of LFP payments. By far, the largest increase in projected outlays within this category is due to the LFP changes, which are estimated at $343 million annually. For the other disaster programs combined, the annual increase is $39 million, bringing the total for this category to $382 million annually.
- *MALs and LDPs*—The major driver increasing MALs and LDPs is the OBBBA increase in marketing assistance loan rates. In addition, OBBBA mandates certain changes to the cotton and sugar programs. The intertwined nature of the OBBBA changes (including for cotton and sugar) is analyzed in a composite fashion and the aggregate estimate (taking into account the intertwined nature of the changes) results in a projected outlay increase of $545 million annually. The cotton and sugar changes are embedded within this estimate.

The total cost of these changes is estimated at $927 million ($382 million + $545 million) annually.

D. Environmental Review

The environmental impacts have been considered in a manner consistent with the provisions of the National Environmental Policy Act (NEPA, 42 U.S.C. 4321–4347) and the USDA regulation for compliance with NEPA (7 CFR part 1b).

This rule implements primarily mandatory changes to the ELAP, LFP, LIP, TAP, MAL, LDP, and Sugar Program provisions that are required by the OBBBA, with limited discretionary aspects that do not have the potential to impact the human environment as they are administrative. Accordingly, these discretionary aspects are covered by the FSA Categorical Exclusions specified in 7 CFR 1b.4(c)(16)(ix) that applies to safety net programs and § 1b.(c)(16)(vii) that applies to price support programs.

No Extraordinary Circumstances (§ 1b.3(f)) exist because these are administrative payment programs. As such, the implementation of and participation in the ELAP, LFP, LIP, TAP, MAL, LDP, and Sugar Program do not constitute major Federal actions that would significantly affect the quality of the human environment, individually or cumulatively. Therefore, FSA will not prepare an environmental assessment or environmental impact statement for this action and, consistent with § 1b.3(g), this document serves as the programmatic finding of applicability and no extraordinary circumstance (FANEC) for this Federal action.

E. Executive Order 13175

This rule has been reviewed in accordance with the requirements of Executive Order 13175, ''Consultation and Coordination with Indian Tribal Governments.'' Executive Order 13175 requires Federal agencies to consult and coordinate with Tribes on a Government-to-Government basis on policies that have Tribal implications, including regulations, legislative comments or proposed legislation, and other policy statements or actions that have substantial direct effects on one or more Indian Tribes, on the relationship between the Federal Government and Indian Tribes, or on the distribution of power and responsibilities between the Federal Government and Indian Tribes.

USDA has assessed the impact of this rule on Indian Tribes and determined that this rule does not, to our knowledge, have Tribal implications that required Tribal consultation at this time. If a Tribe requests consultation, the USDA Farm Service Agency will work with the FSA Federal Preservation Officer, who will engage the Office of Tribal Relations as needed, to ensure meaningful consultation is provided.

F. Unfunded Mandates Reform Act

Title II of the Unfunded Mandates Reform Act of 1995 (UMRA, Pub. L. 104–4) requires Federal agencies to assess the effects of their regulatory actions on State, local, and Tribal governments, or the private sector. Agencies generally must prepare a written statement, including cost benefit analysis, for proposed and final rules with Federal mandates that may result in expenditures of $100 million or more in any 1 year for State, local, or Tribal governments, in the aggregate, or to the private sector. UMRA generally requires agencies to consider alternatives and adopt the more cost effective or least burdensome alternative that achieves the objectives of the rule. This rule contains no Federal mandates, as defined in Title II of UMRA, for State, local, and Tribal governments or the private sector. Therefore, this rule is not subject to the requirements of sections 202 and 205 of UMRA.

G. E-Government Act Compliance

FSA is committed to complying with the E-Government Act of 2002, to promote the use of the internet and other information technologies to provide increased opportunities for citizen access to Government information and services, and for other purposes.

Federal Assistance Programs

The titles and numbers of the Federal assistance programs, as found in the Assistance Listing, to which this document applies are 10.112—Price Loss Coverage, 10.113—Agriculture Risk Coverage, 10.127—Dairy Margin Coverage, 10.051—Commodity Loans and Loan Deficiency Payments, 10.088—Livestock Indemnity Program, 10.089—Livestock Forage Disaster Program, 10.091—Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program, and 10.092—Tree Assistance Program.

List of Subjects

7 CFR Part 1412

Acreage allotments, Cotton, Feed grains, Oilseeds, Peanuts, Price support programs, Reporting and recordkeeping requirements, Rice, Soil conservation, Wheat.

7 CFR Part 1416

Administrative practice and procedure, Agriculture, Bees, Dairy products, Disaster assistance, Fruits, Livestock, Nursery stock, Reporting and recordkeeping requirements, Seafood.

7 CFR Part 1421

Barley, Feed grains, Grains, Loan programs—agriculture, Oats, Oilseeds, Peanuts, Price support programs, Reporting and recordkeeping requirements, Soybeans, Surety bonds, Warehouses, Wheat.

7 CFR Part 1427

Cotton, Cottonseeds, Loan programs—agriculture, Packaging and containers, Price support programs, Reporting and recordkeeping requirements, Surety bonds, Warehouses.

7 CFR Part 1430

Dairy products, Fraud, Penalties, Price support programs, Reporting and recordkeeping requirements.

7 CFR Part 1434

Honey, Loan programs—agriculture, Price support programs, Reporting and recordkeeping requirements.

7 CFR Part 1435

Loan programs—agriculture, Marketing quotas, Penalties, Price support programs, Reporting and recordkeeping requirements, Sugar.

For the reasons discussed above, CCC amends the regulations in 7 CFR parts 1412, 1416, 1421, 1427, 1430, 1434, and 1435 as follows:

PART 1412—AGRICULTURE RISK COVERAGE AND PRICE LOSS COVERAGE

■ 1. The authority citation for part 1412 continues to read as follows:

Authority: 7 U.S.C. 1508b, 7911–7912, 7916, 8702, 8711–8712, 8751–8752, 9011–9018, and 15 U.S.C. 714b and 714c.

■ 2. Amend § 1412.3 as follows:
■ a. Revise the definition of ''Historical irrigated percentage''; and
■ b. In the definition of ''Reference price'', in paragraph (1) introductory text, remove ''2026'' and add ''2025'' in its place.

The revision reads as follows:

§ 1412.3 Definitions.

* * * * *

Historical irrigated percentage means the percentage of the covered commodity on a farm that was irrigated, including both P&CP and subsequently planted crop acreage, divided by the total acreage of the P&CP and subsequently planted covered commodity between the years 2019 through 2023 on the farm.

* * * * *

PART 1416—EMERGENCY AGRICULTURAL DISASTER ASSISTANCE PROGRAMS

■ 3. The authority citation for part 1416 is revised to read as follows:

Authority: 7 U.S.C. 9081 and 15 U.S.C. 714b and 714c.

Subpart A—General Provisions for Supplemental Agricultural Disaster Assistance Programs

■ 4. Amend § 1416.2 as follows:
■ a. Revise paragraphs (a), (b), and (d); and
■ b. Remove and reserve paragraph (e).

The revisions read as follows:

§ 1416.2 Administration of ELAP, LFP, LIP, and TAP.

(a) The programs in subparts B through E of this part will be administered under the general supervision and direction of the Executive Vice President, CCC, and will be carried out in the field by FSA State and county committees, respectively.

(b) State and county committees, and representatives and their employees, do not have authority to modify or waive any of the provisions of the regulations set forth in this part.

* * * * *

(d) No provision or delegation to an FSA State or county committee will preclude the Executive Vice President, CCC, or a designee, from determining any question arising under this part, or from reversing or modifying any determination made by an FSA State or county committee.

* * * * *

■ 5. Amend § 1416.6 by revising paragraphs (a) and (c) to read as follows:

§ 1416.6 Payment eligibility and limitation.

(a) Payment limitation will apply to LFP in accordance with part 1400 of this chapter.

* * * * *

(c) LIP, LFP, ELAP, and TAP will be administered in accordance with the average adjusted gross income (AGI) limitation provisions in part 1400 of this chapter.

* * * * *

§ 1416.7 [Amended]

■ 6. Amend § 1416.7 in paragraph (a) by removing ''part 1403 of this chapter'' and adding ''part 3 of this title'' in its place.

§ 1416.9 [Amended]

■ 7. Amend § 1416.9 in paragraph (a) by removing ''part 1403 of this chapter'' and adding ''part 3 of this title'' in its place.

§ 1416.11 [Amended]

■ 8. Amend § 1416.11 in paragraph (a) by removing ''part 1403 of this chapter'' and adding ''part 3 of this title'' in its place.

Subpart B—Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program

■ 9. Amend § 1416.102 as follows:

■ a. Add the definitions of ''Adult water buffalo bull'', ''Adult water buffalo cow'', and ''Bird depredation'' in alphabetical order;

■ b. In the definition of ''Eligible loss condition'', remove the words ''and colony collapse disorder'' and add ''colony collapse disorder, and bird depredation'' in their place;

■ c. Revise the definition of ''Farm-raised fish'';

■ d. Add the definitions of ''Freshwater'', ''Harvested feed or feedstuffs'', ''Miles above normal'', and ''Non-adult water buffalo'' in alphabetical order;

■ e. Revise the definition of ''Program year''; and

■ f. Add the definition of ''Truckload'' in alphabetical order.

The additions and revision read as follows:

§ 1416.102 Definitions.

* * * * *

Adult water buffalo bull means a male animal of that breed that was used for breeding purposes and was at least 2 years old before the beginning date of the eligible adverse weather or eligible loss condition.

Adult water buffalo cow means a female animal of that breed that had delivered one or more offspring before the beginning date of the eligible adverse weather or eligible loss condition. A first-time bred water buffalo heifer is also considered an adult water buffalo cow if it was pregnant by the beginning date of the eligible adverse weather or eligible loss condition.

* * * * *

Bird depredation means damage or loss caused by piscivorous birds, to freshwater farm-raised fish.

* * * * *

Farm-raised fish means:

(1) For losses other than losses due to bird depredation, any aquatic species that is propagated and reared in a controlled environment; and

(2) For losses due to bird depredation, fish propagated and reared in a controlled freshwater environment, excluding crayfish and crawfish.

Freshwater means water that is low in salinity with dissolved salt concentrations of less than 0.5 parts per thousand and suitable for species that thrive outside marine environments.

* * * * *

Harvested feed or feedstuffs means, for the purpose of purchased or produced feed under ELAP, feed or feedstuffs that are mechanically harvested in the field, and wrapped, twined, stacked, or combined in a manner that the harvested product can be transported from one area to another. It does not include material left in a windrow or as straw in the field.

* * * * *

Miles above normal means mileage from a single trip from 1 point to another, and not multiple stops or end points, and it does not include mileage for delivery that is not identified clearly by mileage rate on verifiable documentation.

* * * * *

Non-adult water buffalo means a weaned animal of that breed that on or before the beginning date of the eligible adverse weather or loss condition does not meet the definition of adult water buffalo cow or bull in this section.

* * * * *

Program year means the calendar year, January 1 through December 31.

* * * * *

Truckload means, for transportation of livestock, feed, or feedstuff, a load that:

(1) Is transported by a motorized land vehicle that is clearly intended for operation on highways, and is either owned by the producer or for which the producer directly pays for the transportation of livestock, feed, or feedstuffs based on a rate per loaded mile from the distribution point to the first delivery location;

(2) Is considered a single trip and only includes mileage from distribution point to the producer's delivery location of the eligible livestock, not multiple end points or more than one stop; and

(3) Must include a clearly identified mileage rate on verifiable documentation.

* * * * *

■ 10. Amend § 1416.103 by adding paragraph (k) to read as follows:

§ 1416.103 Eligible losses, adverse weather, and other loss conditions.

* * * * *

(k) For losses due to bird depredation, the producer must have propagated or reared eligible farm-raised fish in a controlled environment and have suffered eligible damage or loss due to bird depredation, including costs associated with the deterrence of piscivorous birds, the value of lost fish and revenue due to bird depredation, and costs associated with disease loss from bird depredation. Losses of crawfish, crayfish, saltwater fish, or any other fish not considered freshwater are not eligible. The losses must have been associated with acres of freshwater that were reported to FSA on a timely filed acreage report, as determined by CCC, as water used for propagating and growing eligible freshwater farm-raised fish in a controlled environment and were in use at the time of bird depredation. Unused ponds or waterways, bodies of water not under control of the producer, and any water that is reduced due to drought are not eligible acres for bird depredation losses. Payments can only be earned once per program year for total eligible acres.

■ 11. Amend § 1416.104 as follows:

■ a. In paragraph (a)(1), add the words ''adult or non-adult water buffalo,'' after ''bison,'';

■ b. Redesignate paragraphs (b)(5) through (15) and (16) through (18) as paragraphs (b)(6) through (16) and (18) through (20), respectively;

■ c. Add new paragraphs (b)(5) and (17);

■ d. In paragraph (c)(6), remove the words ''and buffalo or bison and beefalo'' and add ''buffalo or bison, beefalo, and water buffalo'' in their place; and

■ e. Add paragraph (f)(3).

The additions read as follows:

§ 1416.104 Eligible livestock, honeybees, and farm-raised fish.

* * * * *

(b) * * *

(5) Adult water buffalo cows or bulls;

* * * * *

(17) Non-adult water buffalo;

* * * * *

(f) * * *

(3) For losses due to bird depredation, the farm-raised fish must:

(i) Be propagated or reared in a controlled freshwater environment;

(ii) Have been maintained for commercial use as part of the farming operation; and

(iii) Have been physically located in the county where the piscivorous birds were present on the beginning day of the loss condition.

* * * * *

■ 12. Amend § 1416.105 by revising paragraph (d) to read as follows:

§ 1416.105 Eligible producers, owners, and contract growers.

* * * * *

(d) To be considered an eligible farm-raised fish producer for feed, death, and bird depredation loss purposes, the participant must have produced eligible farm-raised fish, as specified in § 1416.104(f) for commercial use as part of a farming operation and must have had a loss that is determined to be eligible as specified in § 1416.103(i) for feed and death losses or § 1416.103(k) for bird depredation losses.

* * * * *

■ 13. Amend § 1416.106 as follows:

■ a. Revise paragraph (a)(2)(ii);

■ b. Redesignate paragraph (a)(2)(iii) as paragraph (a)(2)(iv);

■ c. Add new paragraph (a)(2)(iii) and paragraph (g).

The revision and additions read as follows:

§ 1416.106 Notice of loss and application process.

(a) * * *

(2) * * *

(ii) For honeybee feed, honeybee colony, and honeybee hive losses a completed Emergency Loss Assistance for Honeybees Application;

(iii) For farm-raised fish feed or death losses and damage and loss due to bird depredation, a completed Emergency Loss Assistance for Farm-Raised Fish Application; and

* * * * *

(g) For farm-raised fish losses due to bird depredation:

(1) A producer must submit by March 1 after the end of the applicable program year:

(i) A report indicating acres of ponds in use at the time of bird depredation, updated from the timely filed acreage report per § 1416.107(a)(1); and

(ii) An active U.S. Fish and Wildlife Depredation permit with cormorant, American white pelican, heron, or Great egret listed on the permit; and

(2) If requested by FSA, a producer must also provide:

(i) Documentation to substantiate the producer's use of eligible acres of freshwater reported;

(ii) Documentation of the producer's inventory losses; and

(iii) A minimum of 3 of the following 5 items:

(A) Documentation that losses are from bird depredation, supported by evidence like bird sightings, fish mortality records, Aerial Surveys, or third-party assessments;

(B) Documentation of annual expenditures on non-lethal and lethal methods to prevent or reduce bird presence;

(C) Documentation of costs attributed to disease spread by birds, such as prescriptions for medicated feed or any other costs showing disease loss from bird depredation;

(D) A USDA-Wildlife Services or U.S. Fish and Wildlife Service approved bird harassment plan; and

(E) A year-end collection report of the number of birds terminated and reported to the U.S. Fish and Wildlife Service.

■ 14. Revise § 1416.107 to read as follows:

§ 1416.107 Notice of loss and application period.

(a) To receive an ELAP payment, the participant must submit:

(1) A timely filed acreage report in accordance with §§ 1416.106 and 718.101 through 718.112 of this title; and

(2) The following to the FSA county office by March 1 after the end of the applicable program year:

(i) A notice of loss;

(ii) A complete application for payment; and

(iii) Any other documentation required by this subpart.

(b) If additional information is requested by FSA to verify the producer's eligibility or losses under this subpart, the producer must submit the requested information by the later of March 1 after the end of the applicable program year or 60 days after the date of the request.

■ 15. Amend § 1416.109 as follows:

■ a. In paragraph (a), remove ''§§ 1416.110 through 1416.112'' and add ''§§ 1416.110, 1416.111, and 1416.112(a) through (d)'' in its place; and

■ b. Add paragraph (e).

The addition reads as follows:

§ 1416.109 National payment rate.

* * * * *

(e) For an eligible farm-raised fish producer for eligible damage and loss due to bird depredation, payments calculated in § 1416.112(c) will be based on a payment rate of not less than $600 per eligible acre of freshwater. For program year 2026, the rate will be $600 for all species of eligible farm-raised fish. For subsequent program years, CCC may increase the payment rate if CCC determines an increase in the payment rate is warranted. When determining the payment rate, CCC will take into account:

(1) Costs associated with the deterrence of piscivorous birds;

(2) The value of lost fish and revenue due to bird depredation; and

(3) Costs associated with disease loss from bird depredation.

■ 16. Amend § 1416.110 as follows:

■ a. In paragraph (a), add the word ''grazing'' before the word ''days'';

■ b. Redesignate paragraph (r) as paragraph (s); and

■ c. Add new paragraph (r).

The addition reads as follows:

§ 1416.110 Livestock payment calculations.

* * * * *

(r) For the purpose of payments under paragraph (n) of this section, reimbursable transportation costs for a truckload are limited to mileage of the truckload supported by an established, published hauling rate per loaded mile. Any parcel delivery or distribution-center delivery service including UPS, FedEx, U.S. Postal Service, or similar carriers and any transportation fees or handling fees applied are not eligible for reimbursement.

* * * * *

■ 17. Amend § 1416.111 by revising paragraph (b)(2) to read as follows:

§ 1416.111 Honeybee payment calculations.

* * * * *

(b) * * *

(2) Number of eligible honeybee colonies that were damaged or destroyed due to an eligible adverse weather or eligible loss condition, in excess of normal honeybee mortality. For 2026 and subsequent program years, normal honeybee mortality is 15 percent.

* * * * *

■ 18. Amend § 1416.112 as follows:
■ a. Redesignate paragraph (c) as paragraph (d); and
■ b. Add new paragraph (c).

The addition reads as follows:

§ 1416.112 Farm-raised fish payment calculations.

* * * * *

(c) An eligible producer of freshwater farm-raised fish may receive payments for eligible damage and loss due to bird depredation, as specified in § 1416.103(k), based on the payment rate determined in accordance with § 1416.109(e), multiplied by 85 percent of the total eligible acres of freshwater in production for the program year, as provided in 1416.103(k).

* * * * *

Subpart C—Livestock Forage Disaster Program

■ 19. Amend § 1416.202 by adding the definitions of ''Adult water buffalo bull'', ''Adult water buffalo cow'', and ''Non-adult water buffalo'' in alphabetical order to read as follows:

§ 1416.202 Definitions.

* * * * *

Adult water buffalo bull means a male animal of that breed that was used for breeding purposes and was at least 2 years old before the beginning date of the qualifying drought or fire.

Adult water buffalo cow means a female animal of that breed that had delivered one or more offspring before the beginning date of the qualifying drought or fire. A first-time bred water buffalo heifer is also considered an adult water buffalo cow if it was pregnant by the beginning date of the qualifying drought or fire.

* * * * *

Non-adult water buffalo means a weaned animal of that breed that on or before the beginning date of the qualifying drought or fire does not meet the definition of adult water buffalo cow or bull in this section.

* * * * *

■ 20. Amend § 1416.204 as follows:
■ a. In paragraph (b)(16), remove '', and'' and add a comma in its place;
■ b. In paragraph (b)(17), remove the period and add a comma in its place; and
■ c. Add paragraphs (b)(18) and (19).

The additions read as follows:

§ 1416.204 Covered livestock.

* * * * *

(b) * * *

(18) Adult water buffalo cows and bulls, and

(19) Non-adult water buffalo.

* * * * *

§ 1416.205 [Amended]

■ 21. Amend § 1416.205 in paragraph (a)(3)(i) by removing ''8'' and add ''4'' in its place.

§ 1416.206 [Amended]

■ 22. Amend § 1416.206 in paragraph (a) by removing ''for the 2019 and subsequent program years''.

■ 23. Amend § 1416.207 as follows:
■ a. In paragraph (a):
■ i. Remove the cross-reference ''paragraphs (f) or (h)'' and add the cross-reference ''paragraph (g) or (i)'' in its place;
■ ii. Add ''a ''2-month'' payment,'' after ''a ''1-month'' payment,''; and
■ iii. Remove the cross-reference ''paragraphs (b) through (e)'' and add the cross-reference ''paragraphs (b) through (f)'' in its place;
■ b. In paragraph (b);
■ i. Remove the cross-reference ''paragraph (h)'' and add the cross-reference ''paragraph (i)'' in its place; and
■ ii. Remove ''8'' and add ''4'' in its place;
■ c. Redesignate paragraphs (c) through (m) as paragraphs (d) through (n);
■ d. Add new paragraph (c);
■ e. In newly redesignated paragraphs (d), (e), and (f), and paragraph (g) introductory text, remove the cross-reference ''paragraph (h)'' and add the cross-reference ''paragraph (i)'' in its place;
■ f. In newly redesignated paragraph (g)(1), remove the cross-reference ''paragraph (i)'' and add the cross-reference ''paragraph (j)'' in its place;
■ g. In newly redesignated paragraph (g)(2), remove the cross-reference ''paragraph (l)'' and add the cross-reference ''paragraph (m)'' in its place;
■ h. In newly redesignated paragraph (i), remove the cross-reference ''paragraph (f)'' and add the cross-reference ''paragraph (g)'' in its place;
■ i. In newly redesignated paragraph (j)(2), remove the cross-reference ''paragraph (j)'' and add the cross-reference ''paragraph (k)'' in its place;
■ j. In newly redesignated paragraphs (j)(3) and (m)(3), remove the cross-reference ''paragraph (k)'' and add the cross-reference ''paragraph (l)'' in its place; and
■ k. In newly redesignated paragraph (n)(3), remove the cross-reference ''paragraph (i)'' and add the cross-reference ''paragraph (j)'' in its place.

The addition reads as follows:

§ 1416.207 Payment calculation.

* * * * *

(c) To be eligible to receive a 2-month payment, that is a payment equal to the monthly feed cost as determined under paragraph (i) of this section, the eligible livestock producer must own or lease grazing land or pastureland that is physically located in a county that is rated by the U.S. Drought Monitor as having at least a D2 severe drought (intensity) in any area of the county for at least 7 of the previous 8 consecutive weeks during the normal grazing period for the specific type of grazing land or pastureland in the county.

* * * * *

Subpart D—Livestock Indemnity Program

■ 24. Amend § 1416.302 as follows:
■ a. Add the definitions of ''Adult alpaca'', ''Adult caribou'', ''Adult deer'', ''Adult elk'', ''Adult equine'', ''Adult goat, buck'', ''Adult goat, nanny'', ''Adult llama'', ''Adult sheep, ewe'', ''Adult sheep, ram'', ''Adult swine, boars or barrows'', ''Adult swine, sows or gilts'', ''Adult water buffalo bull'', and ''Adult water buffalo cow'' in alphabetical order;
■ b. Revise the definition of ''Application'';
■ c. Add the definitions of ''Birthing factor'' and ''Bred'' in alphabetical order;
■ d. Remove the definitions of ''Buck'', ''Equine animal'', and ''Ewe'';
■ e. Add the definition of ''Gestating'' in alphabetical order;
■ f. Remove the definitions of ''Kid'', ''Lamb'', and ''Nanny'';
■ g. Add the definitions of ''National average market value'', ''Non-adult alpaca'', ''Non-adult caribou'', ''Non-adult deer'', ''Non-adult elk'', ''Non-adult equine'', ''Non-adult goat, slaughter goat or kid'', ''Non-adult llama'', ''Non-adult sheep, lamb'', ''Non-adult swine, suckling or nursery pig'', ''Non-adult swine, lightweight barrow

or gilt'', ''Non-adult water buffalo'', and ''Program year'' in alphabetical order;

■ h. Remove the definition of ''Ram''; and

■ i. Add the definitions of ''Reliable record or documentation'', ''Unborn death losses'', and ''Verifiable record or documentation'' in alphabetical order.

The additions and revisions read as follows:

§ 1416.302 Definitions.

* * * * *

Adult alpaca means a male or female of that species that is at least 1 year old and used for breeding purposes.

* * * * *

Adult caribou means a male or female of that species that is of breeding age, at least 1.5 years old. This term includes adult reindeer, which are the same species.

* * * * *

Adult deer means a male or female of that species that is of breeding age, at least 6 months old.

Adult elk means a male or female of that species that is of breeding age, at least 1.5 years old.

Adult equine means a male or female domesticated horse, mule, or donkey that is of breeding age, at least 1 year old.

Adult goat, buck means a male goat that is of breeding age, at least 1 year old.

Adult goat, nanny means an adult female goat that is of breeding age, at least 1 year old.

Adult llama means a male or female of that species that is of breeding age, at least 1 year old.

Adult sheep, ewe means an adult female sheep that is of breeding age, at least 1 year old.

Adult sheep, ram means a male sheep that is of breeding age, at least 1 year old.

Adult swine, boars or barrows means male swine further delineated in weight classes 151 to 450 pounds and 451 pounds or more.

Adult swine, sows or gilts means female swine of breeding age further delineated in weight classes 151 to 450 pounds and 451 pounds or more.

Adult water buffalo bull means a male animal of that breed that was at least 2 years old and used for breeding purposes.

Adult water buffalo cow means a female animal of that breed that had delivered one or more offspring before it died or was injured and sold at a reduced price. A first-time bred water buffalo heifer is also considered an adult water buffalo cow if it was pregnant at the time it died or was sold at a reduced price.

* * * * *

Application means the LIP Notice of Loss and Application for Payment forms.

* * * * *

Birthing factor means:

(1) The factor established by 7 U.S.C. 9081(b)(5)(C) for cattle, bison, horses, sheep, and swine; or

(2) The factor established by CCC that is equal to the average number of birthed animals for one gestational cycle for other species of livestock, as determined by CCC.

* * * * *

Bred means that an eligible adult female livestock has been exposed to an adult male breeding animal and is gestating or deliberately bred through controlled reproduction. This term does not apply to poultry.

* * * * *

Gestating means the period of pregnancy of female livestock, excluding poultry, which is the time between conception and birth.

* * * * *

National average market value means livestock values established by CCC based on national market data provided by USDA's National Agricultural Statistical Service (NASS) or Agricultural Marketing Service (AMS) for the applicable period.

* * * * *

Non-adult alpaca means an animal that on or before the beginning date of the eligible adverse weather or loss condition does not meet the definition of adult alpaca.

* * * * *

Non-adult caribou means a male or female of that species that does not meet the definition of an adult caribou. The term includes non-adult reindeer, which are the same species.

* * * * *

Non-adult deer means a male or female of that species that does not meet the definition of an adult deer.

Non-adult elk means a male or female of that species that does not meet the definition of an adult elk.

Non-adult equine means a male or female domesticated horse, mule, or donkey that does not meet the definition of an adult equine.

Non-adult goat, slaughter goat or kid means a goat less than 1 year old.

Non-adult llama means a male or female of that species that does not meet the definition of an adult llama.

Non-adult sheep, lamb means a sheep less than 1 year old.

Non-adult swine, suckling or nursery pig means a young piglet weighing less than 50 pounds.

Non-adult swine, lightweight barrow or gilt means a castrated male swine (barrow) or a female swine that has not given birth (gilt), weighing 50 to 150 pounds.

Non-adult water buffalo means an animal of that breed that does not meet the definition of adult water buffalo cow or bull. Non-adult water buffalo are further delineated by weight categories of either less than 400 pounds or 400 pounds or more at the time they died or were sold at a reduced price.

* * * * *

Program year means the calendar year the loss occurred.

Reliable record or documentation means any non-verifiable document provided by the producer that reasonably supports the eligible loss as determined acceptable by CCC.

* * * * *

Unborn death losses means losses of eligible livestock, excluding poultry, that was gestating on the date of the death of the eligible adult female livestock due to an eligible loss condition.

* * * * *

Verifiable record or documentation means a document provided by the producer that can be verified by CCC through an independent source.

* * * * *

■ 25. Amend § 1416.304 as follows:

■ a. Revise paragraphs (a), (d), and (e);

■ b. Redesignate paragraph (f) as paragraph (g);

■ c. Add new paragraph (f); and

■ d. In newly redesignated paragraph (g), add a sentence at the end of the paragraph.

The revisions and additions read as follows:

§ 1416.304 Eligible livestock.

(a) To be considered eligible livestock for livestock owners, the kind of livestock must be adult or non-adult alpacas, dairy cattle, beef cattle, beefalo, bison, buffalo, caribou, elk, equine, llamas, sheep, goats, swine, deer, or water buffalo; or emus, poultry, or ostriches; and meet all the conditions in paragraph (c) of this section.

* * * * *

(d) The following categories of animals owned by a livestock owner are eligible livestock and calculations of eligibility for payments will be calculated separately for each producer with respect to each category:

(1) Adult alpacas;

(2) Adult beef bulls;

(3) Adult beef cows;

(4) Adult beefalo bulls;
(5) Adult beefalo cows;
(6) Adult buffalo or bison bulls;
(7) Adult buffalo or bison cows;
(8) Adult caribou;
(9) Adult dairy bulls;
(10) Adult dairy cows;
(11) Adult deer;
(12) Adult elk;
(13) Adult equine;
(14) Adult goats, bucks;
(15) Adult goats, nannies;
(16) Adult llamas;
(17) Adult sheep, ewes;
(18) Adult sheep, rams;
(19) Adult swine, boars or barrows, 151 to 450 pounds;
(20) Adult swine, boars or barrows, 451 pounds or more;
(21) Adult swine, sows or gilts, 151 to 450 pounds;
(22) Adult swine, sows or gilts, 451 pounds or more;
(23) Adult water buffalo bull;
(24) Adult water buffalo cow;
(25) Chickens, broilers, pullets (regular size), 4.26 to 6.25 pounds;
(26) Chickens, chicks;
(27) Chickens, layers;
(28) Chickens, pullets or Cornish hens (small size), less than 4.26 pounds;
(29) Chickens, roasters, 6.26 to 7.75 pounds;
(30) Chickens, super roasters or parts, 7.76 pounds or more;
(31) Ducks;
(32) Ducks, ducklings;
(33) Emus;
(34) Geese, goose;
(35) Geese, gosling;
(36) Non-adult alpacas;
(37) Non-adult beef cattle, less than 400 pounds;
(38) Non-adult beef cattle, 400 to 799 pounds;
(39) Non-adult beef cattle, 800 pounds or more;
(40) Non-adult beefalo, less than 400 pounds;
(41) Non-adult beefalo, 400 to 799 pounds;
(42) Non-adult beefalo, 800 pounds or more;
(43) Non-adult buffalo or bison, less than 400 pounds;
(44) Non-adult buffalo or bison, 400 to 799 pounds;
(45) Non-adult buffalo or bison, 800 pounds or more;
(46) Non-adult caribou;
(47) Non-adult dairy cattle, less than 400 pounds;
(48) Non-adult dairy cattle, 400 to 799 pounds;
(49) Non-adult dairy cattle, 800 pounds or more;
(50) Non-adult deer;
(51) Non-adult elk;
(52) Non-adult equine;
(53) Non-adult llamas;
(54) Non-adult goats, slaughter or goats or kids;
(55) Non-adult sheet, lambs;
(56) Non-adult swine, suckling or nursery pigs, less than 50 pounds;
(57) Non-adult swine, lightweight barrows or gilts, 50 to 100 pounds;
(58) Non-adult water buffalo, less than 400 pounds;
(59) Non-adult water buffalo, 400 to 799 pounds;
(60) Non-adult water buffalo, 800 pounds or more;
(61) Ostriches;
(62) Turkeys, poults; and
(63) Turkeys, toms, fryers, and roasters.

(e) The following categories of animals are eligible livestock for contract growers and calculations of eligibility for payments will be calculated separately for each producer with respect to each category:
(1) Adult swine, boars or barrows, 151 to 450 pounds;
(2) Adult swine, boars or barrows, 451 pounds or more;
(3) Adult swine, sows or gilts, 151 to 450 pounds;
(4) Adult swine, sows or gilts, 451 pounds or more;
(5) Chickens, broilers, pullets (regular size), 4.26 to 6.25 pounds;
(6) Chickens, chicks;
(7) Chickens, layers;
(8) Chickens, pullets or Cornish hens (small size), less than 4.26 pounds;
(9) Chickens, roasters, 6.26 to 7.75 pounds;
(10) Chickens, super roasters or parts, 7.76 pounds or more;
(11) Ducks;
(12) Ducks, ducklings;
(13) Geese;
(14) Non-adult swine, suckling or nursery pigs, less than 50 pounds;
(15) Non-adult swine, lightweight barrows or gilts, 50 to 150 pounds;
(16) Turkeys, poults; and
(17) Turkeys, toms, fryers, and roasters.

(f) To be eligible for unborn death loss compensation in accordance with § 1416.306(h), eligible livestock includes adult female livestock that were gestating on the date of death and that died as a direct result of an eligible loss condition in the program year for which benefits are sought. Eligible adult livestock categories for unborn death losses include alpacas, beef cattle, beefalo, buffalo, bison, caribou, dairy cattle, deer, elk, equine, goats, llamas, sheep, swine, water buffalo, and any other livestock determined eligible by CCC, excluding poultry. Losses must have been incurred on or after January 1, 2024, and calculations of eligibility for payments will be determined separately for each producer.

(g) * * * Ineligible livestock for unborn death loss compensation include injured livestock that were sold due to an eligible livestock condition and livestock that are stillborn or aborted from adult females that did not die as a result of an eligible loss condition.

■ 26. Amend § 1416.305 as follows:
■ a. In paragraph (c), remove the words ''for losses apparent in 2024 and subsequent years, by'' and add '', to FSA'' in their place;
■ b. In paragraph (d)(8) introductory text, remove the period at the end of the paragraph and add a colon in its place;
■ c. Redesignate paragraph (d)(10) as paragraph (d)(11);
■ d. Add new paragraph (d)(10);
■ e. In paragraph (g) introductory text, add the words ''an eligible'' before the word ''disease''; and
■ f. Add paragraphs (k) and (l).

The additions read as follows:

§ 1416.305 Application process.

* * * * *

(d) * * *

(10) For unborn death losses, additional information requested may include, but is not limited to verification of breeding records, exposure dates, herd health or veterinary documentation, inventory logs, or other supporting operational records consistent with the producer's normal business practices.

* * * * *

(k) For program year 2026 and subsequent years, eligible livestock producers may provide verifiable sales documentation to support and request an alternative market price for their eligible livestock, by kind, type, and weight range as applicable, that may be used for the payment calculation in § 1416.306. Acceptable alternative price market documentation must be a verifiable sales transaction in the name of the producer applying for benefits. The documentation must include the name and contact information of the buyer; the producer applying for benefits as the seller; the number of livestock sold and the market price received per head by livestock kind, type, and weight class, as applicable; and the location and date of the sale, which must be within the same program year of the eligible loss event.

(l) For unborn livestock death losses:

(1) For program years 2024 and 2025, eligible producers with an approved application that contains eligible livestock death losses for the livestock categories of alpacas, caribou, deer, elk,

equine, llamas or swine may revise their 2024 or 2025 application for payment by a deadline established and announced by CCC to include a certification of the number of eligible livestock for which benefits were requested and approved that were female for purposes of determining eligibility for an additional payment for unborn death losses as calculated in accordance with § 1416.306(i);

(2) For program years 2024 and 2025, producers with an approved application that contains eligible livestock death losses for the livestock categories of adult beef, beefalo, bison, buffalo, dairy, or water buffalo cows, nanny goats, and ewes (sheep) are not required to take additional action for purposes of determining eligibility for an additional payment for unborn death losses as calculated in accordance with § 1416.306(i); and

(3) For program year 2026 and subsequent years, eligible producers with eligible livestock death losses must certify on the application for payment, the number of adult female livestock that were bred and gestating on the date of death for purposes of determining eligibility for an additional payment for unborn death losses as calculated in accordance with § 1416.306(i).

(i) CCC may request additional supporting documentation from eligible livestock producers or conduct spot checks to confirm that livestock were gestating at the time of the eligible loss of the adult female. Additional information requested includes, but is not limited to, verification of breeding records, exposure dates, herd health or veterinary documentation, inventory logs, and other supporting operational records consistent with the producer's normal business practices. A spot check or request for additional information is appropriate when CCC identifies any of the following:

(A) Missing, inconsistent, or incomplete breeding or inventory records;

(B) Reported death losses that appear excessive or outside normal expectations for the operation type, size, or production practices;

(C) Conflicting information between the application, supporting documentation, or prior-year program participation;

(D) Patterns of repeated corrections, revisions, or documentation gaps by the producer; or

(E) Situations where CCC has reason to question whether livestock were bred at the time of loss based on reported exposure dates, breeding windows, or herd management practices.

(ii) If discrepancies are identified, further documentation may be requested and adjustments may be made to approved death loss numbers.

■ 27. Revise § 1416.306 to read as follows:

§ 1416.306 Payment calculation.

(a) Under this subpart, separate payment rates for eligible livestock owners and eligible livestock contract growers are specified in paragraphs (c) through (f) of this section, respectively. Payments for death losses are calculated by multiplying the national payment rate for each livestock category by the number of eligible livestock in excess of normal mortality in each category that died as a result of an eligible loss condition. Normal mortality for each livestock category will be determined by CCC on a State-by-State basis using local data sources including, but not limited to, State livestock organizations and the Cooperative Extension Service for the State. Adjustments will be applied as specified in paragraph (g) of this section.

(b) The market values of livestock, by kind, type, and weight class, as applicable, for the establishment of payment rates used in the payment calculation, are determined using the higher of:

(1) The national average market value by livestock kind, type, and weight class, at the beginning of the program year based on the prior-year market data as determined by CCC;

(2) The national average market value by livestock kind, type, and weight class, at the end of the program year based on the current-year market data, as determined by CCC;

(3) A producer's verifiable market value for livestock of the same kind, type, and weight class, based on the market value closest to the date of loss or date of event that caused the injury, specific to the producer's operation and program year, established in accordance with § 1416.305(k), not to exceed 145 percent of the higher of the national average market values established in accordance with paragraphs (b)(1) and (2) of this section; or

(4) Another price approved by CCC based on data showing market value the day before the livestock loss or the day before the date of the event that caused the loss.

(c) For losses due to an eligible adverse weather event or eligible disease, the LIP payment rate for eligible livestock owners is based on 75 percent of the determined market value of the applicable livestock kind, type, and weight class in accordance with paragraph (b) of this section.

(d) For losses due to an eligible attack, the LIP payment rate for eligible livestock owners is based on 100 percent of the determined market value of the applicable livestock kind, type, and weight class in accordance with paragraph (b) of this section.

(e) For losses due to an eligible adverse weather event or eligible disease, the LIP national payment rate for eligible livestock contract growers is based on 75 percent of the average income loss sustained by the contract grower with respect to the dead livestock. The rate that applies is based on the type, class, and weight of the animal at the time of the eligible loss condition and death.

(f) For losses due to an eligible attack, the LIP payment rate for eligible livestock contract growers is based on 100 percent of the average income loss sustained by the contract grower based on the applicable livestock kind, type, and weight of the animal at the time of the eligible loss condition and death.

(g) The LIP payment calculated for eligible livestock contract growers will be reduced by the amount the participant received from the party who contracted with the producer to raise the livestock for the loss of income from the dead livestock.

(h) Payments to livestock owners for losses due to sale of livestock at a reduced price because of injury from an eligible loss condition are calculated by multiplying the payment rate for each livestock category by the number of eligible livestock sold at a reduced price as a result of an eligible loss condition, minus the gross amount the eligible livestock owner received for the livestock up to the applicable established payment rate. In the event livestock sells for a reduced price that is in excess of the established payment rate, the payment rate will be subtracted, resulting in no payment for that livestock.

(i) Payments to livestock owners and contract growers for eligible unborn death losses are calculated as follows:

(1) For program year 2024 and 2025, multiplying the number of eligible adult female livestock death losses, including losses due to eligible attacks, as provided in § 1416.305(l)(1), excluding swine, after normal mortality, by 40 percent of the payment rate established in accordance with paragraph (c) or (e) of this section for the livestock category, multiplied by the applicable birthing factor in paragraph (j) of this section;

(2) For program year 2024 and 2025, multiplying the number of eligible adult female livestock death losses, including losses due to eligible attacks, as provided in § 1416.305(l)(2), including

swine, after normal mortality, by 85 percent of the payment rate established in accordance with paragraph (c) or (e) of this section for the lowest weight class of the same kind and type of livestock, multiplied by the applicable birthing factor in paragraph (j) of this section; and

(3) For program year 2026 and subsequent years, multiplying the number of eligible adult female livestock death losses that were bred and gestating at the time of death or injury, after normal mortality, by 85 percent of the payment rate established in accordance with paragraphs (c) through (f) of this section for the lowest weight class of the same kind and type of livestock multiplied by the applicable birthing factor in paragraph (j) of this section.

(j) The birthing factor for unborn livestock loss payment calculation is:

(1) One for cattle (beef and dairy), bison, buffalo, beefalo, water buffalo, alpacas, caribou, horses, llamas, and elk;

(2) Two for deer, goats, and sheep;

(3) Twelve for swine; and

(4) The factor established by CCC for any other livestock determined eligible by CCC.

Subpart E—Tree Assistance Program

■ 28. Amend § 1416.400 as follows:

■ a. Revise paragraph (b); and

■ b. Remove paragraph (c).

The revision reads as follows:

§ 1416.400 Applicability.

* * * * *

(b) Eligible orchardists and nursery tree growers will be compensated as specified in § 1416.406 for eligible tree, bush, and vine losses in excess of normal mortality, or, where applicable, damage in excess of normal mortality and normal damage, that occurred in the calendar year (or loss period in the case of plant disease) for which benefits are being requested and as a direct result of a natural disaster.

■ 29. Amend § 1416.403 by revising paragraph (a) to read as follows:

§ 1416.403 Eligible losses.

(a) To qualify for any assistance under this subpart, except for assistance under § 1416.400(c), the eligible orchardist or nursery tree grower must first have suffered a mortality loss on a stand in excess of normal mortality as a result of a natural disaster as determined by CCC.

* * * * *

§ 1416.406 [Amended]

■ 30. Amend § 1416.406 as follows:

■ a. In paragraph (a) introductory text, remove ''15 percent damage or mortality (adjusted for normal damage or mortality)'' and add ''normal damage or normal mortality'' in its place;

■ b. In paragraph (a)(2)(i), remove ''50 percent'' and add ''65 percent'' in its place; and

■ c. In paragraph (b), remove ''15 percent mortality (adjusted for normal mortality)'' and add ''normal mortality'' in its place.

■ 31. Amend § 1416.407 by revising paragraph (a) to read as follows:

§ 1416.407 Obligations of a participant.

(a) Eligible orchardists and nursery tree growers must execute all required documents and complete the TAP-funded practice within 24 months of application approval unless the participant requests an extension and CCC determines the delay is due to circumstances beyond the participant's control. Extensions are limited to a maximum of 36 months.

* * * * *

PART 1421—GRAINS AND SIMILARLY HANDLED COMMODITIES—MARKETING ASSISTANCE LOANS AND LOAN DEFICIENCY PAYMENTS

■ 32. The authority citation for part 1421 is revised to read as follows:

Authority: 7 U.S.C. 9031–9040 and 15 U.S.C. 714b and c.

Subpart A—General

■ 33. Amend § 1421.2 as follows:

■ a. In paragraph (a), add the words ''and direction'' after the word ''supervision'';

■ b. Revise paragraphs (b) through (d); and

■ c. Remove and reserve paragraph (e).

The revisions read as follows:

§ 1421.2 Administration.

* * * * *

(b) State and county committees, and representatives and their employees, do not have authority to modify or waive any of the provisions of the regulations set forth in this part.

(c) The State committee will take any action required by the regulations of this part that the county committee has not taken. The State committee will also:

(1) Correct, or require a county committee to correct, any action taken by such county committee that is not in accordance with the regulations of this part; or

(2) Require a county committee to withhold taking any action that is not in accordance with this part.

(d) No provision or delegation to an FSA State or county committee will preclude the Executive Vice President, CCC, or a designee, from determining any question arising under this part, or from reversing or modifying any determination made by an FSA State or county committee.

* * * * *

■ 34. Amend § 1421.3 as follows:

■ a. Add the definition of ''AMS'' in alphabetical order;

■ b. Revise the definition of ''Chickpeas'';

■ c. In the definition of ''DMA Service County Office'', remove the words ''accept, process, and disburse'' and add the words ''aid in the processing and servicing of'' in their place;

■ d. Remove the definition of ''Drawdown account'';

■ e. In the definition of ''Electronic warehouse receipt (EWR)'', remove the words ''Farm Service Agency'' and add the words ''Agricultural Marketing Service'' in their place;

■ f. Add the definition of ''Fedwire participant'' in alphabetical order; and

■ g. In the definition of ''Warehouse receipt'', in paragraph (2), remove ''FSA'' and add ''AMS'' in its place.

The additions and revision read as follows:

§ 1421.3 Definitions.

* * * * *

AMS means the Agricultural Marketing Service of the United States Department of Agriculture.

* * * * *

Chickpeas means any chickpea that meets the definition of a chickpea in accordance with the Federal Grain Inspection Service (FGIS) of AMS.

* * * * *

Fedwire participant means a banking institute that participates in the Fedwire Funds Service provided by the Federal Reserve Banks.

* * * * *

■ 35. Amend § 1421.4 as follows:

■ a. Revise paragraph (a)(2)(vii); and

■ b. In paragraph (f), remove the word ''and'' and add the word ''or'' in its place.

The revision reads as follows:

§ 1421.4 Eligible producers.

(a) * * *

(2) * * *

(vii) 7 CFR part 3—Debt Management;

* * * * *

■ 36. Amend § 1421.5 by adding paragraph (g) to read as follows:

§ 1421.5 Eligible commodities.

* * * * *

(g) Any commodity pledged as collateral for a loan under this part must have been grown in the United States.

§ 1421.6 [Amended]

■ 37. Amend § 1421.6 in paragraph (c)(3) by removing the word ''decisionmaking'' and adding ''decision-making'' in their place.

Subpart B—Marketing Assistance Loans

§ 1421.107 [Amended]

■ 38. Amend § 1421.107 in paragraph (g)(2) by removing the words ''the Kansas City Commodity Office'' and adding ''AMS'' in their place.

Subpart D—Grazing Payments for Wheat, Barley, Oats, and Triticale

■ 39. Amend § 1421.301 as follows:
■ a. Revise paragraphs (a) through (c); and
■ b. Remove paragraph (e).

The revisions read as follows:

§ 1421.301 Administration.

(a) This subpart will be administered by the FSA under the general direction and supervision of the Executive Vice President, CCC, and will be carried out in the field by FSA State and county committees, respectively.

(b) State and county committees, and representatives and their employees, do not have the authority to modify or waive any of the provisions of the regulations in this part.

(c) The State committee will take any action required by the regulations of this part that the county committee has not taken. The State committee will also:

(1) Correct, or require a county committee to correct, any action taken by such county committee that is not in accordance with the regulations of this part; or

(2) Require a county committee to withhold taking any action which is not in accordance with the regulations of this part.

* * * * *

Subpart E—Designated Marketing Associations for Peanuts

■ 40. Amend § 1421.417 by revising paragraphs (a), (b), (c), and (e) as follows:

§ 1421.417 Disbursing MAL and LDP proceeds.

(a) A DMA must establish an account with the financial institution they wish to use from which to disburse MAL and LDP amounts to producers.

(b) CCC will determine whether the financial institute is a Fedwire participant and capable of receiving funds by wire.

(c) MAL and LDP proceeds are to be distributed to the producer within 3 work days from the date the DMA receives MAL or LDP proceeds from CCC, after deduction of authorized charges or fees for services.

* * * * *

(e) CCC will provide the amount as necessary as funds are requested.

* * * * *

§ 1421.418 [Amended]

■ 41. Amend § 1421.418 in paragraph (d) by removing the word ''drawdown''.

PART 1427—COTTON

■ 42. The authority citation for part 1427 is revised to read as follows:

Authority: 7 U.S.C. 7231–7237, 7931–7936, 9011, and 9031–40, 15 U.S.C. 714b and c.

Subpart A—Nonrecourse Cotton Loan and Loan Deficiency Payments

■ 43. Amend § 1427.2 as follows:
■ a. Revise paragraphs (a) through (d); and
■ b. Remove and reserve paragraph (e).

The revisions read as follows:

§ 1427.2 Administration.

(a) The MAL and LDP Programs will be administered under the general supervision and direction of the Executive Vice President, CCC, and will be carried out in the field by FSA state and county committees, respectively.

(b) State and county committees, and representatives and their employees, do not have authority to modify or waive any of the provisions of the regulations set forth in this subpart.

(c) The State committee will take any action required by the regulations of this subpart that the county committee has not taken. The State committee will also:

(1) Correct, or require a county committee to correct, any action by such committee that is not in accordance with this subpart; or

(2) Require a county committee to withhold taking any action that is not in accordance with the regulations of this subpart.

(d) No provision or delegation to an FSA State or county committee will preclude the Executive Vice President, CCC, or a designee, from determining any question arising under this subpart, or from reversing or modifying any determination made by an FSA State or county committee.

* * * * *

■ 44. Amend § 1427.3 as follows:
■ a. Remove the definition of ''Cotton commercial bank''; and
■ b. Revise the definitions of ''Extra long staple (ELS) cotton'' and ''Upland cotton''.

The revisions read as follows:

§ 1427.3 Definitions.

* * * * *

Extra long staple (ELS) cotton means cotton that is produced in the United States and is ginned on a roller gin and includes any of the following varieties:

(1) American-Pima;

(2) All other varieties of the Gossypium barbadense species of cotton; and

(3) Any other variety of cotton, including first generation (F1) hybrids, in which one or more of these barbadense varieties predominate.

* * * * *

Upland cotton means planted and stub of the Gossypium species cotton that is produced in the United States and is ginned on either saw or roller gin and meets any of the following:

(1) Is not a pure strain variety of the barbadense species or first generation (F1) hybrid thereof; or

(2) Is not any other variety of cotton in which one or more of the barbadense varieties predominate.

* * * * *

■ 45. Amend § 1427.4 by revising paragraph (a)(2)(iv) to read as follows:

§ 1427.4 Eligible producer.

(a) * * *

(2) * * *

(iv) 7 CFR part 3—Debt Management; and

* * * * *

■ 46. Amend § 1427.5 by adding paragraph (o) to read as follows:

§ 1427.5 General eligibility requirements.

* * * * *

(o) Cotton pledged as collateral for a loan under this part must have been grown in the United States.

§ 1427.6 [Amended]

■ 47. Amend § 1427.6 in paragraph (b) by removing the words ''a cotton commercial bank'' and adding the words ''an approved CMA or loan servicing agent'' in their place.

■ 48. Amend § 1427.10 by revising paragraph (a)(1) to read as follows:

§ 1427.10 Approved storage.

(a) * * *

(1) Persons desiring approval of their facilities should contact the Warehouse and Commodity Management Division, Agricultural Marketing Service, by calling (816) 926–6474 or emailing *warehousing@usda.gov.*

* * * * *

■ 49. Amend § 1427.19 as follows:
■ a. In paragraph (c)(1)(ii), remove the words ''commercial bank'' and add ''CMA'' in their place;

■ b. Revise paragraph (c)(2);
■ c. In paragraph (d), add the words ''and ELS cotton'' after the words ''upland cotton'';
■ d. In paragraph (g), remove ''§ 1427.25(e)'' and add ''§§ 1427.25(e) and 1427.26'' in its place;
■ e. Revise paragraphs (h)(1)(i) and (ii);
■ f. In paragraph (i)(1), remove the words ''An upland cotton loan'' and add ''A loan'' in their place;
■ g. In paragraph (i)(2), add the words ''or ELS cotton, as determined under § 1427.26,'' after ''§ 1427.25,''; and
■ h. Add paragraphs (i)(3) and (m).

The revisions and additions read as follows:

§ 1427.19 Repayment of MALs.

* * * * *

(c) * * *

(2) For ELS cotton, at a level that is the lesser of:

(i) The loan level and charges, plus interest determined for such bales; or

(ii) The adjusted world price, as determined by CCC under § 1427.26, in effect on the day the repayment is received by the FSA county office, loan servicing agent, or cotton CMA that disbursed the loan.

* * * * *

(h) * * *

(1) * * *

(i) The tariff storage rate for the warehouse for the current marketing year; or

(ii) The maximum storage rate set by area.

* * * * *

(i) * * *

(3) In no case will the principal forgiven as part of a market gain for a bale exceed the LDP rate of the bale had it been offered for an LDP.

* * * * *

(m) For upland cotton, if a lower adjusted world price is announced, as determined under § 1427.25, at any time during the 30 calendar days immediately following repayment of the marketing assistance loan, CCC shall provide a refund to the producer:

(1) The refund is an amount equal to the difference between the adjusted world price in effect at the time of loan redemption and the lowest adjusted world price during the 30 calendar days following the redemption date:

(i) To be issued at a frequency determined by CCC; but

(ii) Not less than every 30 days.

(2) For the purposes of this paragraph (m), the term *producer* includes the remitter or redeemer of the marketing assistance loan.

(3) For members of approved CMAs and loan servicing agents, all eligibility discrepancies in § 1425.17(d) must be resolved prior to refund being issued.

§ 1427.20 [Amended]

■ 50. Amend § 1427.20 in paragraph (b) by removing the words ''Deficiencies of $24.99 or less'' and add the words ''Total aggregate deficiencies of $24.99 or less involving the same facts or basis of liability'' in their place.

§ 1427.22 [Amended]

■ 51. Amend § 1427.22 as follows:
■ a. In paragraph (a), add the words ''or ELS'' after the word ''upland''; and
■ b. In paragraph (b)(2), add the words ''or ELS cotton'' after the words ''upland cotton''.

■ 52. Amend § 1427.23 as follows:
■ a. In paragraph (a)(5), remove the word ''and'';
■ b. In paragraph (a)(6), remove the period at the end of the paragraph and add ''; and'' in its place;
■ c. Add paragraph (a)(7);
■ d. In paragraph (c), remove the words ''FSA county office, loan servicing agent, or cotton commercial bank'' and add ''FSA county office or loan servicing agent'' in their place;
■ e. In paragraph (e)(2), remove the word ''or'';
■ f. In paragraph (e)(3), remove the period at the end of the paragraph and add ''; or'' in its place; and
■ g. Add paragraph (e)(4).

The additions read as follows:

§ 1427.23 Cotton LDPs.

(a) * * *

(7) For members of approved CMAs and loan servicing agents, all eligibility discrepancies in § 1425.17(d) must be resolved prior to an LDP being issued.

* * * * *

(e) * * *

(4) Notwithstanding paragraphs (e)(1) through (3) of this section, if the applicable rate for upland cotton used to calculate the original LDP decreases within 30 calendar days of that rate being applied, CCC will issue an additional payment equal to the difference between the original rate and the lower rate for upland cotton in effect during that 30-day period, provided the producer remains otherwise eligible under this part.

* * * * *

§ 1427.25 [Amended]

■ 53. Amend § 1427.25 in paragraphs (a)(1) and (2) by removing the words ''5 lowest-priced growths'' and adding ''3 lowest-priced growths'' in their place.

■ 54. Add § 1427.26 to read as follows:

§ 1427.26 Determination of the prevailing world market price and the adjusted world price for ELS cotton.

(a) CCC will determine the world market price for ELS cotton as follows:

(1) During the period when only one daily price quotation is available for each growth quoted for long staple cotton, CFR (cost and freight) Far East, the prevailing world market price for ELS cotton will be based on the average of the quotations for the preceding Friday through Thursday for the 3 lowest-priced growths of the growths quoted for long staple cotton, CFR Far East.

(2) During the period when both a price quotation for cotton for shipment no later than August or September of the current calendar year (current Far East shipment price) and a price quotation for cotton for shipment no earlier than October or November of the current calendar year (forward Far East shipment price) are available for growths quoted for long staple cotton, CFR Far East, the prevailing world market price for ELS cotton will be based on the average of the current Far East shipment prices for the preceding Friday through Thursday for the 3 lowest-priced growths of the growths quoted for long staple cotton, CFR Far East, except as specified in paragraph (c)(2)(iv) of this section.

(3) Quotes specified in paragraphs (a)(1) and (2) of this section may be adjusted to account for quality differences between the respective foreign growth and U.S. Pima, of the base quality.

(4) The ELS cotton prevailing world market price determined as specified in paragraph (a)(1) or (2) of this section is referred to as the ''Extra-Long Staple Far East price'' (ELSFE).

(5) If quotes are not available for 1 or more days in the 5-day period, the available quotes during the period will be used. If no quotes are available during the Friday through Thursday period, the prevailing world market price will be based on the best available world price information, as CCC determines.

(b) The ELS cotton prevailing world market price, adjusted as specified in paragraph (c) of this section (adjusted world price (AWP)), will apply to crops of ELS cotton.

(c) The ELS cotton AWP will equal the ELSFE determined as specified in paragraph (a) of this section, adjusted as follows:

(1) ELSFE will be adjusted to U.S. location by deducting the average costs to market, including average transportation costs, as determined by CCC.

(2) The prevailing world market price, adjusted as specified in paragraph (c)(1) of this section, may be further adjusted if it is determined that the adjustment is necessary to:

(i) Minimize potential loan forfeitures;

(ii) Minimize the accumulation of stocks of ELS cotton by the Federal Government;

(iii) Ensure that ELS cotton produced in the United States can be marketed freely and competitively, both domestically and internationally; and

(iv) Ensure an appropriate transition between current-crop and forward-crop price quotations, except that forward-crop price quotations may be used prior to July 31 of a marketing year only if there are insufficient current crop quotations and the forward-crop price quotation is the lowest such quotation available.

(d) The ELS cotton AWP, determined as specified in paragraph (c) of this section, and the amount of the additional adjustment determined as specified in paragraphs (e) and (f) of this section, will be announced, to the extent practicable, at 4 p.m. eastern time each Thursday. In the event that Thursday is a non-workday, the determination will be announced, to the extent practicable, at 8 a.m. eastern time the next work day.

PART 1430—DAIRY PRODUCTS

■ 55. The authority citation for part 1430 continues to read as follows:

Authority: 7 U.S.C. 9051–9060 and 9071 and 15 U.S.C. 714b and 714c.

Subpart D—Dairy Margin Coverage Program

§ 1430.407 [Amended]

■ 56. Amend § 1430.407 in paragraph (i) by removing the cross-reference ''paragraph (g)'' and adding the cross-reference ''paragraph (h)'' in its place.

PART 1434—NONRECOURSE MARKETING ASSISTANCE LOANS AND LOAN DEFICIENCY PAYMENTS FOR HONEY

■ 57. The authority citation for part 1434 is revised to read as follows:

Authority: 7 U.S.C. 7231–7237, 7931–7936, and 9031–9040; and 15 U.S.C. 714b and c.

■ 58. Amend § 1434.2 as follows:

■ a. Revise paragraphs (a), (b), (c) introductory text, and (d); and

■ b. Remove and reserve paragraph (e).

The revisions read as follows:

§ 1434.2 Administration.

(a) The regulations of this part will be administered under the general supervision and direction of the Executive Vice President, CCC, and are carried out in the field by FSA State and county committees.

(b) State and county committees, and representatives and their employees, do not have the authority to modify or waive any of the provisions of the regulations set forth in this part.

(c) The State committee will take any action required by the regulations of this part that the county committee has not taken. The State committee will also:

* * * * *

(d) No provision or delegation to an FSA State or county committee will preclude the Executive Vice President, CCC, or a designee, from determining any question arising under this part or from reversing or modifying any determination made by an FSA State or county committee.

* * * * *

§ 1434.10 [Amended]

■ 59. Amend § 1434.10 in paragraph (f) by removing ''part 1403'' and adding ''part 3'' in its place.

§ 1434.11 [Amended]

■ 60. Amend § 1434.11 in paragraph (b) by removing ''wil'' and adding ''will'' in its place.

§ 1434.15 [Amended]

■ 61. Amend § 1434.15 in paragraph (i)(1)(ii)(E) by removing ''part 1403'' and adding ''part 3'' in its place.

§ 1434.17 [Amended]

■ 62. Amend § 1434.17 in paragraph (b) by removing ''part 1403'' and adding ''part 3'' in its place.

PART 1435—SUGAR PROGRAM

■ 63. The authority citation for part 1435 continues to read as follows:

Authority: 7 U.S.C. 1359aa–1359jj, 7272, and 8110; 15 U.S.C. 714b and 714c.

Subpart A—General Provisions

§ 1435.1 [Amended]

■ 64. Amend § 1435.1 in paragraph (a) introductory text by adding the words ''and the Agricultural Marketing Service (AMS)'' after ''(FSA)''.

■ 65. Amend § 1435.2 as follows:

■ a. Revise the definition of ''Crop year'';

■ b. Add the definition of ''Domestic sugar industry'' in alphabetical order;

■ c. Revise the definition of ''Imports'';

■ d. In the definition of ''Market or marketing'', remove the words ''Polyhydric Alcohol program'' and add ''Polyhydric Alcohol Program'' in their place;

■ e. Add the definition of ''New entrant'' in alphabetical order;

■ f. In the definition of ''Proportionate share'', add the words ''in a proportionate share State'' after ''producer'';

■ g. In the definition of ''Raw sugar'', add the words ''regardless of polarity'' after ''quality'';

■ h. Add the definition of ''Sugar Storage Agreement'' in alphabetical order; and

■ i. In the definition of ''U.S. market value'', remove the words ''New York Board of Trade No. 14'' and add ''International Continental Exchange (ICE) No. 16'' in their place.

The additions and revision read as follows:

§ 1435.2 Definitions.

* * * * *

Crop year means, for sugar, the period from October 1 through September 30, inclusive, and is identified by the year in which harvest and processing of the crop begins. For example, the 2025 crop year for sugar beets or sugarcane begins on October 1, 2025, and refers to domestically grown sugar beets or sugar cane whose harvest and processing began in autumn 2025. Sugar from de-sugaring molasses is considered to be from the crop year the de-sugaring occurred.

* * * * *

Domestic sugar industry means domestic:

(1) Sugar beet producers and processors;

(2) Producers and processors of sugar cane; and

(3) Refiners of raw cane sugar.

* * * * *

Imports means sugar originating in foreign countries or areas and entered, or to be entered, into the United States customs territory. Imports are considered entered in the month recorded on the Department of Homeland Security, U.S. Customs and Border Protection Entry Summary form 7501, or equivalent electronic form if using the Automated Broker Interface (ABI).

* * * * *

New entrant means an individual, corporation, or other entity that does not have an allocation and is not affiliated with any individual, corporation, or entity that has an allocation.

* * * * *

Sugar Storage Agreement means the agreement between CCC and a warehouse operator that defines terms for storing and handling of CCC-owned sugar or sugar pledged as collateral for a CCC marketing assistance loan.

* * * * *

■ 66. Amend § 1435.4 as follows:

■ a. Revise paragraphs (a), (b), and (d); and

■ b. Remove and reserve paragraph (e).

The revisions read as follows:

§ 1435.4 Administration.

(a) This program will be administered under the general supervision and direction of the Executive Vice President, CCC, and will be carried out in the field by FSA State and county committees.

(b) State and county committees, and representatives and employees thereof, do not have authority to modify or waive any of the provisions of the regulations set forth in this part.

* * * * *

(d) No provision or delegation herein to a State or county committee shall preclude the Executive Vice President, CCC, or a designee, from determining any question arising under this part or from reversing or modifying any State or county committee determination.

* * * * *

■ 67. Amend § 1435.5 by revising paragraph (d) to read as follows:

§ 1435.5 Other regulations.

* * * * *

(d) Part 3—Debt Management.

* * * * *

Subpart B—Sugar Loan Program

§ 1435.101 [Amended]

■ 68. Amend § 1435.101 in paragraph (c) by adding '', regardless of storage location'' at the end of the sentence.

■ 69. Amend § 1435.102 as follows:

■ a. Revise paragraph (c)(2);

■ b. In paragraph (c)(4), remove the word ''and'';

■ c. In paragraph (c)(5), remove the period and add ''; and'' in its place;

■ d. Add paragraph (c)(6); and

■ e. In paragraph (d)(2) introductory text, add the words ''and refined'' after ''Raw''.

The revision and addition read as follows:

§ 1435.102 Eligibility requirements.

* * * * *

(c) * * *

(2) Must be processed and owned by the eligible processor and stored in a CCC-approved warehouse, unless CCC and the warehouse operator agree, in writing, to store the sugar at another location in accordance with the Sugar Storage Agreement;

* * * * *

(6) May not be pledged as collateral in a subsequent crop year.

* * * * *

■ 70. Amend § 1435.103 by adding paragraph (c)(4) to read as follows:

§ 1435.103 Availability, disbursement, and maturity of loans.

* * * * *

(c) * * *

(4) Sugar may not be pledged as collateral in a subsequent crop year.

* * * * *

■ 71. Amend § 1435.105 as follows:

■ a. In paragraph (d) introductory text, remove the semicolon and add a colon in its place;

■ b. In paragraph (i)(1), remove ''part 1403'' and add ''part 3'' in its place; and

■ c. Revise paragraph (j).

The revision reads as follows:

§ 1435.105 Loan settlement and foreclosure.

* * * * *

(j) The CCC rates for the storage of forfeited sugar to approved warehouses for the 2025 crop year and each subsequent crop year will be at least:

(1) For refined sugar, 34 cents per hundredweight per month; and

(2) For raw cane sugar, 27 cents per hundredweight per month.

(3) For each of the 2012 through 2024 crop years, CCC shall establish rates for the storage of forfeited sugar in the same manner as was used on the day before the date of July 9, 2026.

(4) For sugar located in space not approved by CCC for storage, the payment rate will be zero until such time as the processor delivers such sugar to a CCC-approved warehouse or a location agreed to by CCC and the warehouse operator, accordance with the Sugar Storage Agreement.

§ 1435.106 [Amended]

■ 72. Amend § 1435.106 in paragraph (a) by removing the words ''parts 3 and 1403'' and adding ''part 3'' in their place.

Subpart C—Information Reporting and Recordkeeping Requirements

■ 73. Amend § 1435.200 by revising paragraph (i) to read as follows:

§ 1435.200 Information reporting.

* * * * *

(i) Sugar beet processors, sugarcane processors, and sugarcane refiners will submit to CCC within 90 days of the company's annual year-end audit a report from an independent Certified Public Accountant certifying that the information submitted to CCC during the previous 12-month period is within 5 percent of the physical count of that same information conducted during the audit.

* * * * *

Subpart D—Flexible Marketing Allotments For Sugar

§ 1435.302 [Amended]

■ 74. Amend § 1435.302 in paragraph (a)(2) by removing the word ''that'' and adding ''than'' in its place.

■ 75. Amend § 1435.303 as follows:

■ a. Redesignate paragraph (d) as paragraph (e); and

■ b. Add new paragraph (d).

The addition reads as follows:

§ 1435.303 Adjustment of the overall allotment quantity.

* * * * *

(d) When making upward adjustments in allocations among beet processors, CCC will give priority to beet sugar processors with available sugar.

* * * * *

§ 1435.306 [Amended]

■ 76. Amend § 1435.306 as follows:

■ a. Remove paragraph (g); and

■ b. Redesignate paragraph (h) as paragraph (g).

■ 77. Amend § 1435.307 as follows:

■ a. In paragraph (a), remove the word ''allotment''; and

■ b. Revise paragraph (b)(4) and paragraph (f) introductory text.

The revisions read as follows:

§ 1435.307 Transfer of allocation.

* * * * *

(b) * * *

(4) Allocation transfers will be effective on October 1 of the next fiscal year after the request is submitted to CCC.

* * * * *

(f) If a processor of beet sugar purchases some, but not all, of the assets of another processor, then CCC will assign a pro rata portion of the allocation to the buyer to reflect the historical contribution of the sold facilities, unless the buyer and seller have agreed upon a different allocation amount, in which case CCC will transfer that amount agreed upon to the buyer.

* * * * *

■ 78. Amend § 1435.308 as follows:

■ a. In paragraph (a) introductory text, remove the word ''entrant''; and

■ b. Revise paragraph (d)(1).

The revision reads as follows:

§ 1435.308 New entrants.

* * * * *

(d) * * *

(1) Assign, upon the mutual agreement of new entrant and the current processor, an allocation to the buyer to reflect the historical contribution of the sold facilities, unless the buyer and seller have agreed upon

a different allocation amount, in which case that agreed upon portion will instead be transferred; or

* * * * *

■ 79. Amend § 1435.309 as follows:

■ a. In paragraphs (c)(2) through (4), add the words ''it shall'' before the words ''be reassigned'';

■ b. Remove paragraph (d);

■ c. Redesignate paragraph (e) as paragraph (d);

■ d. In newly redesignated paragraph (d)(2):

■ i. Remove ''(e)(1)'' and add ''(d)(1)'' in its place; and

■ ii. Add the words ''it shall'' before the words ''be reassigned'';

■ e. In newly redesignated paragraph (d)(3), remove ''(e)(1) and (e)(2)'' and add ''(d)(1) and (2)'' in its place;

■ f. Add paragraphs (d)(4) and (5); and

■ g. Redesignate paragraph (f) as paragraph (e).

The additions read as follows:

§ 1435.309 Reassignment of deficits.

* * * * *

(d) * * *

(4) CCC will make an initial determination based on the World Agricultural Supply and Demand Estimates approved by the World Agricultural Outlook Board for January of the applicable crop year.

(5) CCC will provide an initial reassignment of allocations not later than 30 days after the publication of the January World Agricultural Supply and Demand Estimates report.

* * * * *

Subpart E—Disposition of CCC Inventory

§ 1435.401 [Amended]

■ 80. Amend § 1435.401 in paragraph (a)(1) by adding the words ''through crop year 2026,'' after the word ''Program''.

Subpart F—Processor Sugar Payment-In-Kind (PIK) Program

■ 81. Amend § 1435.501 by revising paragraph (a)(1)(ii) to read as follows:

§ 1435.501 Bid submission procedures.

(a) * * *

(1) * * *

(ii) The previous consecutive 3-year simple average sugar beet or sugarcane yield on that acreage while under contract. Years with no production contracted with a producer will not be considered. For first-time producers, the previous consecutive 3-year simple average sugar beet or sugarcane yield for all the producers under contract who delivered to the applicable factory will be used;

* * * * *

Subpart G—Feedstock Flexibility Program

■ 82. Amend § 1435.600 as follows:

■ a. In paragraph (b)(1), remove '', an'' and add ''; and'' in its place; and

■ b. Add paragraph (c).

The addition reads as follows:

§ 1435.600 General statement.

* * * * *

(c) This subpart will be applicable until the end of crop year 2026.

William Beam,

Executive Vice President, Commodity Credit Corporation.

[FR Doc. 2026–13878 Filed 7–8–26; 8:45 am]

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DEPARTMENT OF AGRICULTURE

Rural Business-Cooperative Service

7 CFR Part 4287

[Docket No. RBS–26–BUSINESS–0364]

RIN 0570–AB14

Revisions to the Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Loan Program

AGENCY: Rural Business—Cooperative Service, USDA

ACTION: Final rule.

SUMMARY: The Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Program (also referred to as the Section 9003 program) provides loan guarantees up to $250 million to assist in the development, construction, and retrofitting of new and emerging technologies. These technologies are: advanced biofuels, renewable chemicals, and biobased products. Collectively, Rural Development's guaranteed loan programs assist in building and maintaining sustainable rural communities. This final rule incorporates revisions intended to clarify, improve, and enhance the delivery of the loan guarantee program.

DATES: This rule is effective July 9, 2026.

FOR FURTHER INFORMATION CONTACT: Brian Wiles, Director of the Program Processing Division, Rural Business Cooperative Service, U.S. Department of Agriculture, 1400 Independence Ave. SW, Washington, DC 20250; telephone 405–612–4839; email: *brian.wiles@usda.gov.*

SUPPLEMENTARY INFORMATION:

I. Background

The Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Program, administered under 7 CFR 4279 Subpart C and 7 CFR 4287 Subpart D, provides loan guarantees up to $250 million to eligible applicants to develop advanced biofuels, renewable chemicals, and biobased-products manufacturing facilities to deliver new and innovative technologies. These loan guarantees assist to develop, build, or retrofit facilities to support new and emerging technologies and produce advanced biofuels, renewable chemicals, and biobased products.

II. Summary of Changes to Rule

This updated final rule for the Section 9003 program strengthens the $250 million loan guarantee framework for advanced biofuels, renewable chemicals, and biobased products by introducing critical integrity measures. These revisions to the regulation will strengthen oversight and management of the growing Section 9003 loan guarantee portfolios. The revisions aim to prevent fraud and abuse by barring any borrower or guarantor from remaining involved in a project if it results in a monetary loss to the Agency. These changes ensure that participants remain fully committed to the long-term success of their operations rather than relying on debt reductions or government-backed bailouts to mitigate poor performance. For example, consider a borrower with a failed project due to cost overruns or bad management. In this example, if the Agency pays the Lender's final loss claim, and the Lender writes down the borrower's debt, but the borrower continues operating the project, the government bore the cost of the borrower's poor management. If the Agency permits a borrower or guarantor to remain involved in a project following the Agency's loss, the borrower or guarantor may eventually profit from the project at the government's expense, effectively turning this government assistance into a grant. This arrangement creates perverse incentives for unethical parties to not execute their project to the best of their ability, seek to write down the loss paid by the taxpayer, and later earn a profit based on the government's loss. These regulatory changes close any loophole that would allow for a borrower or guarantor to later profit from a failed project funded by the Agency.