

113TH CONGRESS  
2D SESSION

# H. R. 5542

To amend the Agricultural Act of 2014 to require the Secretary of Agriculture to extend the term of a marketing assistance loan and the deadline for repayment of a farm ownership, operating, or emergency loan when the purchaser of the agricultural commodity subject to the marketing assistance loan declared bankruptcy before paying the farmer for the commodity.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 18, 2014

Mr. CRAWFORD (for himself, Mr. GRIFFIN of Arkansas, Mr. WOMACK, and Mr. COTTON) introduced the following bill; which was referred to the Committee on Agriculture

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## A BILL

To amend the Agricultural Act of 2014 to require the Secretary of Agriculture to extend the term of a marketing assistance loan and the deadline for repayment of a farm ownership, operating, or emergency loan when the purchaser of the agricultural commodity subject to the marketing assistance loan declared bankruptcy before paying the farmer for the commodity.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2        This Act may be cited as the “Farm Protection Act  
3 of 2014”.

4 **SEC. 2. EXTENSION OF MARKETING ASSISTANCE LOANS**

5                   **AND DEADLINE FOR REPAYMENT OF FARM  
6 OWNERSHIP, OPERATING, OR EMERGENCY  
7 LOANS IN CERTAIN CASES OF BANKRUPTCY.**

8        Section 1203(b) of the Agricultural Act of 2014 (7  
9 U.S.C. 9033(b)) is amended—

10                  (1) by striking “The Secretary” and inserting  
11 the following:

12                  “(1) IN GENERAL.—Except as provided in para-  
13 graph (2), the Secretary”; and

14                  (2) by adding at the end the following new  
15 paragraph:

16                  “(2) EXTENSION OF CERTAIN LOANS IN EVENT  
17 OF PURCHASER BANKRUPTCY.—

18                  “(A) IN GENERAL.—This paragraph ap-  
19 plies whenever—

20                  “(i) the producers on a farm have a  
21 marketing assistance loan under section  
22 1201 for a loan commodity;

23                  “(ii) the producers have sold, trans-  
24 ferred, or delivered the loan commodity  
25 subject to the loan to a purchaser; and

1                 “(iii) a case under any chapter of title  
2                 11, United States Code (in this paragraph  
3                 referred to as a ‘chapter 11 bankruptcy’),  
4                 has been commenced in which the pur-  
5                 chaser is the debtor.

6                 “(B) EXTENSION FOR NON-PAYMENT.—If  
7                 a chapter 11 bankruptcy in which the purchaser  
8                 of a loan commodity is the debtor, as described  
9                 in subparagraph (A), is commenced before the  
10                purchaser pays the producers in full for the  
11                loan commodity, the Secretary shall extend, to  
12                a date that is not less than 180 days after the  
13                date on which the chapter 11 bankruptcy is  
14                closed or dismissed—

15                “(i) the term and any due date for  
16                any payment or obligation pursuant to the  
17                marketing assistance loan of the producers;  
18                and

19                “(ii) the due date for any payment or  
20                obligation pursuant to any ownership, op-  
21                erating, or emergency loan made to the  
22                producers under the Consolidated Farm  
23                and Rural Development Act (7 U.S.C.  
24                1921 et seq.).

25                 “(C) RELATED SUSPENSIONS.—

1                     “(i) ACCRUAL OF INTEREST.—If the  
2                     purchaser of the loan commodity has al-  
3                     ready taken possession of the loan com-  
4                     modity, the Secretary also shall suspend  
5                     the accruing of interest on the loans de-  
6                     scribed in subparagraph (B) during the pe-  
7                     riod of the extension under such subpara-  
8                     graph.

9                     “(ii) RECOVERY ACTIONS.—If a trust-  
10                    ee in the purchaser’s chapter 11 bank-  
11                    ruptcy seeks recovery of all or any portion  
12                    of a purchase price paid to or on behalf of  
13                    the producers for the loan commodity, the  
14                    Secretary also shall suspend any efforts to  
15                    collect from the producers any amounts re-  
16                    lated to such recovery or potential recovery  
17                    until a date that is not less than 180 days  
18                    after the final resolution of the action to  
19                    recover all or any portion of the purchase  
20                    price.”.

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