

## INAPPLICABILITY OF SECTION

Section inapplicable to 1984 and subsequent crops of extra long staple cotton, see section 3 of Pub. L. 98-88, set out as a note under section 1342 of this title.

Section inapplicable to 2014 through 2018 crops of covered commodities, cotton, and sugar and inapplicable to milk during period beginning Feb. 7, 2014, through Dec. 31, 2018, see section 9092(a)(1) of this title.

Section inapplicable to 2008 through 2012 crops of covered commodities, peanuts, and sugar and inapplicable to milk during period beginning June 18, 2008, through Dec. 31, 2012, see section 8782(a)(1) of this title.

Section inapplicable to 2002 through 2007 crops of covered commodities, peanuts, and sugar and inapplicable to milk during period beginning May 13, 2002, through Dec. 31, 2007, see section 7992(a)(1) of this title.

Section inapplicable to 1996 through 2001 crops of loan commodities, peanuts, and sugar and inapplicable to milk during period beginning Apr. 4, 1996, and ending Dec. 31, 2002, see section 7301(a)(1)(A) of this title.

Pub. L. 91-524, title VI, §601(3)(2), Nov. 30, 1970, 84 Stat. 1372, as amended by Pub. L. 93-86, §1(19)(A), Aug. 10, 1973, 87 Stat. 233, provided that: "Subdivisions (ii), (iv), (v), and (vi) of subsection (b) [of this section], the last sentence of subsection (b) [of this section] and subsections (e) and (h) [of this section] shall not be applicable to the 1971 through 1977 crops: *Provided*, That no farm allotment may be sold or leased for transfer to a farm in another county unless the Agricultural Stabilization and Conservation Committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended [16 U.S.C. 590h(b)], for the county from which such transfers are being made (1) finds that a demand for such acreage allotments no longer exists in such county and (2) approves any transfers of allotments to farms outside such county."

### § 1345. Farm marketing quotas; farm marketing excess

The farm marketing quota for any crop of cotton shall be the actual production of the acreage planted to cotton on the farm less the farm marketing excess. The farm marketing excess shall be the normal production of that acreage planted to cotton on the farm which is in excess of the farm acreage allotment: *Provided*, That such farm marketing excess shall not be larger than the amount by which the actual production of cotton on the farm exceeds the normal production of the farm acreage allotment, if the producer establishes such actual production to the satisfaction of the Secretary.

(Feb. 16, 1938, ch. 30, title III, §345, 52 Stat. 58; July 3, 1948, ch. 827, title II, §205, 62 Stat. 1256; Aug. 29, 1949, ch. 518, §1, 63 Stat. 674; Oct. 31, 1949, ch. 792, title IV, §415(e), 63 Stat. 1058.)

#### Editorial Notes

##### AMENDMENTS

1949—Act Oct. 31, 1949, repealed amendatory provisions of act July 3, 1948.

Act Aug. 29, 1949, stated what the farm marketing quota shall be and what the farm marketing excess shall be.

1948—Act July 3, 1948, changed conditions which must be determined by Secretary to exist before marketing quotas can be imposed.

#### Statutory Notes and Related Subsidiaries

##### EFFECTIVE DATE OF 1948 AMENDMENT

Amendment by act July 3, 1948, effective Jan. 1, 1950, see section 303 of act July 3, 1948, set out as a note under section 1301 of this title.

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Section inapplicable to 1991 through 1995 crops of upland cotton, see section 502 of Pub. L. 101-624, set out as a note under section 1342 of this title.

Section inapplicable to 1986 through 1990 crops of upland cotton, see section 502 of Pub. L. 99-198, set out as a note under section 1342 of this title.

Section inapplicable to 1982 through 1985 crops of upland cotton, see section 501 of Pub. L. 97-98, set out as a note under section 1342 of this title.

Section inapplicable to 1978 through 1981 crops of upland cotton, see section 601 of Pub. L. 95-113, set out as a note under section 1342 of this title.

Pub. L. 91-524, title VI, §601(1), Nov. 30, 1970, 84 Stat. 1371, as amended by Pub. L. 93-86, §1(19)(A), Aug. 10, 1973, 87 Stat. 233, provided that this section is inapplicable to 1971 through 1977 crops of upland cotton.

### § 1346. Penalties

(a) Whenever farm marketing quotas are in effect with respect to any crop of cotton, the producer shall be subject to a penalty on the farm marketing excess at a rate per pound equal to 50 per centum of the parity price per pound for cotton as of June 15 of the calendar year in which such crop is produced.

(b) The farm marketing excess of cotton shall be regarded as available for marketing and the amount of penalty shall be computed upon the normal production of the acreage on the farm planted to cotton in excess of the farm acreage allotment. If a downward adjustment in the amount of the farm marketing excess is made pursuant to the proviso in section 1345 of this title, the difference between the amount of the penalty computed upon the farm marketing excess before such adjustment and as computed upon the adjusted farm marketing excess shall be returned to or allowed the producer.

(c) The person liable for payment or collection of the penalty shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

(d) Until the penalty on the farm marketing excess is paid, all cotton produced on the farm and marketed by the producer shall be subject to the penalty provided by this section and a lien on the entire crop of cotton produced on the farm shall be in effect in favor of the United States.

(e) Notwithstanding any other provision of this chapter, for the 1966 through 1970 crops of upland cotton, if the farm operator elects to forgo price support for any such crop of cotton

by applying to the county committee of the county in which the farm is located for additional acreage under this subsection, he may plant an acreage not in excess of the farm acreage allotment established under section 1344 of this title plus the acreage apportioned to the farm from the national export market acreage reserve, and all cotton of such crop produced on the farm may be marketed for export free of any penalty under this section: *Provided*, That the foregoing shall be applicable only to farms which had upland cotton allotments for 1965 and are operated by the same operator as in 1965 or by his heir.

For the 1966 crop the national export market acreage reserve shall be 250,000 acres. For each subsequent crop—

If the carryover at the end of the marketing year for the preceding crop is estimated to be less than the carryover at the beginning of such marketing year by—	The national export market acreage reserve shall be—
At least 1,000,000 bales .....	250,000 acres.
At least 750,000 bales, but not as much as 1,000,000 bales.	187,500 acres.
At least 500,000 bales, but not as much as 750,000 bales.	125,000 acres.
At least 250,000 bales, but not as much as 500,000 bales.	62,500 acres.
Less than 250,000 bales .....	None.

The national export market acreage reserve shall be apportioned to farms by the Secretary on the basis of the applications therefor. No application shall be accepted for a greater acreage than is available on the farm for the production of upland cotton. After apportionments are thus made to farms, the Secretary shall provide farm operators a reasonable time in which to cancel their applications (and agreements to forgo price support) and surrender to the Secretary through the county committee the export market acreage assigned to the farm. Acreage so surrendered shall be available for reassignment by the Secretary to other eligible farms to which export market acreage has been apportioned on the basis of the applications remaining outstanding. The operator of any farm who elects to forgo price support for any such crop under this subsection shall not be eligible for price support on cotton of such crop produced on any other farm in which he has a controlling or substantial interest as determined by the Secretary. Acreage planted to cotton in excess of the farm acreage allotment established under section 1344 of this title shall not be taken into account in establishing future State, county, and farm acreage allotments. The operator of any farm to which export market acreage is apportioned, or the purchasers of cotton produced on such farm, shall, under regulations issued by the Secretary, furnish a bond or other undertaking prescribed by the Secretary providing for the exportation, without benefit of any Government cotton export subsidy and within such time as the Secretary may specify, of all cotton produced on such farm for such year. The bond or other undertaking given pursuant to this subsection shall provide that, upon failure to comply with the terms and conditions thereof, the person furnishing such bond or other undertaking shall be liable for liquidated damages in

an amount which the Secretary determines and specifies in such undertaking will approximate the amount payable on excess cotton under subsection (a). The Secretary may, in lieu of the furnishing of a bond or other undertaking, provide for the payment of an amount equal to that which would be payable as liquidated damages under such bond or other undertaking. If such bond or other undertaking is not furnished, or if payment in lieu thereof is not made as provided herein, at such time and in the manner required by regulations of the Secretary, or if the acreage planted to cotton on the farm exceeds the sum of the farm acreage allotment established under section 1344 of this title and the acreage apportioned to the farm from the national export market acreage reserve, the acreage planted to cotton in excess of the farm acreage allotment established under section 1344 of this title shall be regarded as excess acreage for purposes of this section and section 1345 of this title. Amounts collected by the Secretary under this subsection shall be remitted to the Commodity Credit Corporation.

(Feb. 16, 1938, ch. 30, title III, §346, 52 Stat. 59; Aug. 29, 1949, ch. 518, §1, 63 Stat. 674; Pub. L. 89-321, title IV, §401(2), Nov. 3, 1965, 79 Stat. 1192; Pub. L. 90-559, §1(2), Oct. 11, 1968, 82 Stat. 996.)

**Editorial Notes**

AMENDMENTS

1968—Subsec. (e). Pub. L. 90-559 provided for a one year extension, substituting “1966 through 1970” for “1966, 1967, 1968, and 1969”.

1965—Subsec. (e). Pub. L. 89-321 added subsec. (e).  
1949—Act Aug. 29, 1949, amended section generally. Former provisions of section were covered by section 1345 of this title.

**Statutory Notes and Related Subsidiaries**

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Pub. L. 91-524, title VI, §601(1), Nov. 30, 1970, 84 Stat. 1371, as amended by Pub. L. 93-86, §1(19)(A), Aug. 10,

1973, 87 Stat. 233, provided that this section is inapplicable to 1971 through 1977 crops of upland cotton.

REMOVAL OF MARKETING PENALTIES ON CERTAIN LONG STAPLE COTTON

Act Jan. 9, 1951, ch. 1215, 64 Stat. 1237, provided that the marketing penalty provided in this section, shall not be applied to long staple cotton of the 1950 crop ginned on saw type gins where such action was necessary to conserve the cotton because of frost or weather damage.

**§ 1347. Repealed. Pub. L. 98-88, § 2, Aug. 26, 1983, 97 Stat. 494**

Section, acts Feb. 16, 1938, ch. 30, title III, §347, 52 Stat. 59; Aug. 29, 1949, ch. 518, §1, 63 Stat. 675; July 17, 1952, ch. 933, §4, 66 Stat. 759; Aug. 28, 1958, Pub. L. 85-835, title I, § 103(3), 72 Stat. 990; Sept. 21, 1959, Pub. L. 86-341, title II, §203, 73 Stat. 611; June 30, 1960, Pub. L. 86-566, 74 Stat. 295; Aug. 11, 1968, Pub. L. 90-475, §§4, 6, 82 Stat. 701, 702, set out a program for long staple cotton. See section 1444(h) of this title.

**Statutory Notes and Related Subsidiaries**

EFFECTIVE DATE OF REPEAL

Pub. L. 98-88, §2, Aug. 26, 1983, 97 Stat. 494, provided that the repeal of this section is effective beginning with the 1984 crop of extra long staple cotton.

**§ 1348. Payments in kind to equalize cost of cotton to domestic and foreign users; rules and regulations; termination date; persons eligible; amount; terms and conditions; raw cotton in inventory**

In order to maintain and expand domestic consumption of upland cotton produced in the United States and to prevent discrimination against the domestic users of such cotton, notwithstanding any other provision of law, the Commodity Credit Corporation, under such rules and regulations as the Secretary may prescribe, is authorized and directed for the period beginning with April 11, 1964 and ending July 31, 1966, to make payments through the issuance of payment-in-kind certificates to persons other than producers in such amounts and subject to such terms and conditions as the Secretary determines will eliminate inequities due to differences in the cost of raw cotton between domestic and foreign users of such cotton, including such payments as may be necessary to make raw cotton in inventory on April 11, 1964 available for consumption at prices consistent with the purposes of this section: *Provided*, That for the period beginning August 1 of the marketing year for the first crop for which price support is made available under section 1444(b) of this title, and ending July 31, 1966, such payments shall be made in an amount which will make upland cotton produced in the United States available for domestic use at a price which is not in excess of the price at which such cotton is made available for export. The Secretary may extend the period for performance of obligations incurred in connection with payments made for the period ending July 31, 1966, or may make payments on raw cotton in inventory on July 31, 1966, at the rate in effect on such date. No payments shall be made hereunder with respect to 1966 crop cotton.

(Feb. 16, 1938, ch. 30, title III, §348, as added Pub. L. 88-297, title I, §101, Apr. 11, 1964, 78 Stat. 173;

amended Pub. L. 89-321, title IV, §401(1), Nov. 3, 1965, 79 Stat. 1192.)

**Editorial Notes**

PRIOR PROVISIONS

A prior section 1348, acts Feb. 16, 1938, ch. 30, title III, §348, 52 Stat. 59; Aug. 29, 1949, ch. 518, §1, 63 Stat. 675; Aug. 28, 1954, ch. 1041, title III, §311(a), 68 Stat. 904, prohibited agricultural conservation program payments to any farmer who knowingly harvested any basic commodity in excess of his acreage allotment and was repealed by act May 23, 1955, ch. 45, 69 Stat. 65, effective with respect to 1955 and subsequent crops.

AMENDMENTS

1965—Pub. L. 89-321 authorized Secretary to extend period for performance of obligations incurred in connection with payments made for period ending July 31, 1966, or to make payments in raw cotton in inventory on July 31, 1966.

**Statutory Notes and Related Subsidiaries**

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**§ 1349. Export market acreage**

**(a) Supplementary allotments for 1964 and 1965; acreage limitation; apportionment among States and farms; "export market acreage" on any farm; farm acreage allotment for farms with export acreage; additional allotment; establishment of future allotments without regard to export acreage; exclusion of extra-long-staple cotton and farms receiving additional price support for 1964 and 1965**

The acreage allotment established under the provisions of section 1344 of this title for each farm for the 1964 crop may be supplemented by the Secretary by an acreage equal to such percentage, but not more than 10 per centum, of such acreage allotment as he determines will not increase the carryover of upland cotton at the beginning of the marketing year for the next succeeding crop above one million bales less than the carryover on the same date one year earlier, if the carryover on such earlier date exceeds eight million bales. For the 1965 crop, the Secretary may, after such hearing and investigation as he finds necessary, announce an export market acreage which he finds will not increase the carryover of upland cotton at the beginning of the marketing year for the next succeeding crop above one million bales less than the carryover on the same date one year earlier, if the carryover on such earlier date exceeds eight million bales. Such export market acreage