

**Statutory Notes and Related Subsidiaries****EFFECTIVE DATE OF 1981 AMENDMENT**

Amendment by Pub. L. 97-98 effective Dec. 22, 1981, see section 1801 of Pub. L. 97-98, set out as an Effective Date note under section 4301 of this title.

**EFFECTIVE DATE**

Section effective Oct. 1, 1977, see section 1901 of Pub. L. 95-113, set out as an Effective Date of 1977 Amendment note under section 1307 of this title.

**§ 1445e. Farmer owned reserve program****(a) In general**

The Secretary shall formulate and administer a farmer owned reserve program under which producers of wheat and feed grains will be able to store wheat and feed grains when the commodities are in abundant supply, extend the time period for the orderly marketing of the commodities, and provide for adequate carry-over stocks to ensure a reliable supply of the commodities.

**(b) Terms of program****(1) Price support loans**

In carrying out this program, the Secretary shall provide extended price support loans for wheat and feed grains. An extended loan shall only be made to a producer after the expiration of a 9-month price support loan (hereafter in this section referred to as the "original loan") made in accordance with this subchapter.

**(2) Level of loans**

Loans made under this section shall not be less than the then current level of support under the wheat and feed grain programs established under this subchapter.

**(3) Other terms and conditions**

The Secretary shall provide for—

(A) repayment of the extended price support loan 27 months from the date on which the original loan expired unless, at the discretion of the Secretary, the loan has been extended for one 6-month period;

(B) a rate of interest as provided under subsection (c); and

(C) payments to producers for storage as provided in subsection (d).

**(4) Regional differences**

The Secretary shall ensure that producers are afforded a fair and equitable opportunity to participate in the program established under this section, taking into account regional differences in the time of harvest.

**(c) Interest charges****(1) Levying of interest**

The Secretary may charge interest on loans under this section whenever the price of wheat or feed grains is equal to or exceeds 105 percent of the then current established price for the commodity.

**(2) 90-day period**

If interest is levied on the loans under paragraph (1), the interest may be charged for a period of 90 days after the last day on which the

price of wheat or feed grains was equal to or in excess of 105 percent of the established price for the commodities.

**(3) Rate of interest**

The rate of interest charged participants in this program shall not be less than the rate of interest charged by the Commodity Credit Corporation by the United States Treasury, except that the Secretary may waive or adjust the interest as the Secretary considers appropriate to effectuate the purposes of this section.

**(d) Storage payments****(1) In general**

The Secretary shall provide storage payments to producers for storage of wheat or feed grains under the program established in this section in such amounts and under such conditions as the Secretary determines appropriate to encourage producers to participate in the program.

**(2) Timing**

The Secretary shall make storage payments available to participants in this program at the end of each quarter.

**(3) Duration**

The Secretary shall cease making storage payments whenever the price of wheat or feed grains is equal to or exceeds 95 percent of the then current established price for the commodities, and for any 90-day period immediately following the last day on which the price of wheat or feed grains was equal to or in excess of 95 percent of the then current established price for the commodities.

**(e) Emergencies**

Notwithstanding any other provision of law, the Secretary may require producers to repay loans made under this section, plus accrued interest and such other charges as may be required by regulation prior to the maturity date thereof, if the Secretary determines that emergency conditions exist that require that the commodity be made available in the market to meet urgent domestic or international needs and the Secretary reports the determination and the reasons for the determination to the President, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate at least 14 days before taking the action.

**(f) Quantity of commodities in program**

The Secretary may establish maximum quantities of wheat and feed grains that may receive loans and storage payments under this program as follows:

(1) The maximum quantities of wheat may not be established at less than 300 million bushels, nor more than 450 million bushels.

(2) The maximum quantities of feed grains may not be established at less than 600 million bushels, nor more than 900 million bushels.

**(g) Announcement of program****(1) Time of announcement**

The Secretary shall announce the terms and conditions of the producer storage program for a crop of wheat and feed grains by—

(A) in the case of wheat, December 15 of the year in which the crop of wheat was harvested; and

(B) in the case of feed grains, March 15 of the year following the year in which the crop of corn was harvested.

**(2) Discretionary entry**

The Secretary may make extended loans available to producers of wheat or feed grains if—

(A) the Secretary determines that the average market price for wheat or corn, respectively, for the 90-day period prior to the dates specified in paragraph (1) is less than 120 percent of the current loan rate for wheat or corn, respectively; or

(B) as of the appropriate date specified in paragraph (1), the Secretary estimates that the stocks-to-use ratio on the last day of the current marketing year will be—

(i) in the case of wheat, more than 37.5 percent; and

(ii) in the case of corn, more than 22.5 percent.

**(3) Mandatory entry**

The Secretary shall make extended loans available to producers of wheat or feed grains if the conditions specified in subparagraphs (A) and (B) of paragraph (2) are met for wheat or feed grains, respectively.

**(4) Content of announcement**

In the announcement, the Secretary shall specify the maximum quantity of wheat or feed grains to be stored under this program that the Secretary determines appropriate to promote the orderly marketing of the commodities.

**(h) Discretionary exit**

A producer may repay a loan extended under this section at any time.

**(i) Reconciliation of grain**

The Secretary may, with the concurrence of the owner of grain stored under this program, reconcentrate all such grain stored in commercial warehouses at such points as the Secretary considers to be in the public interest, taking into account such factors as transportation and normal marketing patterns. The Secretary shall permit rotation of stocks and facilitate maintenance of quality under regulations that assure that the holding producer or warehouseman shall, at all times, have available for delivery at the designated place of storage both the quantity and quality of grain covered by the producer's or warehouseman's commitment.

**(j) Management of grain**

Whenever grain is stored under this section, the Secretary may buy and sell at an equivalent price, allowing for the customary location and grade differentials, substantially equivalent quantities of grain in different locations or warehouses to the extent needed to properly handle, rotate, distribute, and locate the commodities that the Commodity Credit Corporation owns or controls. The purchases to offset sales shall be made within 2 market days following the sales. The Secretary shall make a

daily list available showing the price, location, and quantity of the transactions.

**(k) Use of Commodity Credit Corporation**

The Secretary shall use the Commodity Credit Corporation, to the extent feasible, to fulfill the purposes of this section. To the maximum extent practicable consistent with the fulfillment of the purposes of this section and the effective and efficient administration of this section, the Secretary shall utilize the usual and customary channels, facilities, and arrangements of trade and commerce.

**(l) Use of commodity certificates**

Notwithstanding any other provision of law, if a producer has substituted purchased or other commodities for the commodities originally pledged as collateral for a loan made under this section, the Secretary may allow a producer to repay the loan using a generic commodity certificate that may be exchanged for commodities owned by the Commodity Credit Corporation, if the substitute commodities have been pledged as loan collateral and redeemed only within the same county.

**(m) Additional authority**

The authority provided by this section shall be in addition to other authorities available to the Secretary for carrying out producer loan and storage operations.

**(n) Regulations**

The Secretary of Agriculture shall issue such regulations as are necessary to carry out this section not later than 60 days after November 28, 1990.

**(o) Review**

In announcing the terms and conditions of the producer storage program under this section, the Secretary shall review standards concerning the quality of grain that shall be allowed to be stored under the program, and such standards should encourage only quality grain, as determined by the Secretary, to be pledged as collateral for such loans. The Secretary shall review inspection, maintenance, and stock rotation requirements and take the necessary steps to maintain the quality of such grain.

**(p) Crops**

Notwithstanding any other provision of law, this section shall become effective December 1, 1990.

(Oct. 31, 1949, ch. 792, title I, §110, as added Pub. L. 95-113, title XI, §1101, Sept. 29, 1977, 91 Stat. 951; amended Pub. L. 96-234, §§1, 2, Apr. 11, 1980, 94 Stat. 333; Pub. L. 96-494, title II, §§203(a), 204, 205, Dec. 3, 1980, 94 Stat. 2571, 2572; Pub. L. 97-24, §2, July 23, 1981, 95 Stat. 143; Pub. L. 97-98, title X, §1001, Dec. 22, 1981, 95 Stat. 1257; Pub. L. 99-198, title X, §1012(a), Dec. 23, 1985, 99 Stat. 1455; Pub. L. 100-203, title I, §1108, Dec. 22, 1987, 101 Stat. 1330-6; Pub. L. 100-387, title III, §303(b), Aug. 11, 1988, 102 Stat. 947; Pub. L. 101-624, title XI, §1123, title XX, §2010, Nov. 28, 1990, 104 Stat. 3503, 3932; Pub. L. 102-237, title I, §113(7), Dec. 13, 1991, 105 Stat. 1837.)

## Editorial Notes

## AMENDMENTS

1991—Subsec. (k). Pub. L. 102-237, §113(7)(C)(i), redesignated subsec. (k), relating to review, as (o).

Subsec. (n). Pub. L. 102-237, §113(7)(A), substituted “November 28, 1990” for “the date of enactment of this section”.

Subsec. (o). Pub. L. 102-237, §113(7)(C), redesignated subsec. (k), relating to review, as (o), inserted heading, and substituted “this section” for “subsection (e)(1)”.

Pub. L. 102-237, §113(7)(B), redesignated subsec. (o) as (p).

Subsec. (p). Pub. L. 102-237, §113(7)(B), redesignated subsec. (o) as (p).

1990—Pub. L. 101-624, §1123, amended section generally, substituting provisions relating to the farmer owned reserve program for provisions relating to the establishment and maintenance of the producer reserve program for wheat and feed grains.

Subsec. (k). Pub. L. 101-624, §2010, added subsec. (k) relating to review.

1988—Subsec. (j). Pub. L. 100-387 temporarily added subsec. (j). See Effective and Termination Dates of 1988 Amendment note.

1987—Subsec. (b)(A)(i). Pub. L. 100-203, §1108(1), substituted “300 million bushels” for “17 percent of the estimated total domestic and export usage of wheat during the then current marketing year for wheat, as determined by the Secretary”.

Subsec. (b)(A)(ii). Pub. L. 100-203, §1108(2), substituted “450 million bushels” for “7 percent of the estimated total domestic and export usage of feed grains during the then current marketing year for feed grains, as determined by the Secretary”.

1985—Subsec. (a). Pub. L. 99-198 in first sentence substituted “abundant supply, extend” for “abundant supply and extend” and inserted “, and provide for adequate, but not excessive, carryover stocks to ensure a reliable supply of the commodities” after “for their orderly marketing”.

Subsec. (b). Pub. L. 99-198 in third sentence substituted “, with extensions as warranted by market conditions” for “nor more than five years” in cl. (1), substituted “when the total amount of wheat or feed grains in storage under programs under this section is below the upper limits for such storage as set forth in clauses (A) and (B) of subsection (e)(2) of this section and the market price for wheat or feed grains is below” for “before the market price for wheat or feed grains has reached” in cl. (4), substituted “the higher of 140 percent of the nonrecourse loan rate for the commodity or the established price for such commodity, as determined under this subchapter” for “a specified level, as determined by the Secretary” in cl. (5), and at end inserted provisions requiring Secretary to encourage participation in the programs authorized under this section by offering producers increased storage payments and loan levels, interest waivers, or such other incentives as the Secretary determines necessary to maintain total amount of storage at specified levels, whenever the total quantity of wheat and feed grains stored under this section is less than 17 and 7 percent, respectively, of the estimated total usage thereof during the then current marketing year, and the marketing price does not exceed 140 percent of the nonrecourse loan rate for the commodity, and inserted provision requiring Secretary to ensure that producers are afforded a fair and equitable opportunity to participate in each producer storage program.

Subsec. (e). Pub. L. 99-198 designated existing provisions as par. (1), inserted “, subject to the upper limits on the total quantity of wheat and feed grains that may be stored under storage programs established under this section set out in paragraph (2)” in second sentence, struck out third sentence which authorized the Secretary to place an upper limit of not less than seven hundred million bushels for wheat and one billion bushels for feed grains placed in the reserve, and added par. (2).

1981—Subsec. (a). Pub. L. 97-98 struck out discretionary authority of Secretary with regard to permitting producers of feed grains to store wheat and feed grains.

Subsec. (b). Pub. L. 97-98 substituted “Secretary shall provide” for “Secretary may provide”, struck out “at the same level of support as provided by this Act” after “loans for wheat and feed grains”, and substituted provisions that loans be made at such levels of support as Secretary determines appropriate, except that the loan rate not be less than the then current level of support under the wheat and feed grains programs established under this subchapter for provisions relating to the level of price support loans to be made available to producers for the 1980 and 1981 crops of wheat and feed grains necessary to mitigate the adverse effects of the restrictions on the export of agricultural products to the Union of Soviet Socialist Republics and providing that the level of price support loans for the 1980 and 1981 crops of wheat and feed grains not be used in determining the levels at which producers repay loans and redeem commodities prior to the maturity dates of the loans or levels at which Secretary may call for the repayment of loans prior to their maturity dates and “program may provide” for “program shall provide”.

Subsec. (b)(2). Pub. L. 97-98 substituted “for storage in such amounts and under such conditions as the Secretary determines appropriate to encourage producers to participate in the program” for “of such amounts as the Secretary determines appropriate to cover the cost of storing wheat and feed grains held under the program”.

Subsec. (b)(3). Pub. L. 97-98 substituted “as determined under subsection (c) of this section” for “determined by the Secretary based upon the rate of interest charged the Commodity Credit Corporation by the United States Treasury, except that the Secretary may waive or adjust such interest”.

Pub. L. 97-24 struck out “, and the Secretary shall waive such interest on loans made on the 1980 and 1981 crops of wheat and feed grains” after “a rate of interest determined by the Secretary based upon the rate of interest charged the Commodity Credit Corporation by the United States Treasury, except that the Secretary may waive or adjust such interest”.

Subsec. (b)(4). Pub. L. 97-98 substituted “if such loans” for “in the event such loans” and “determined under clause (5) of this sentence” for “specified in clause (5) of this subsection”.

Subsec. (b)(6). Pub. L. 97-98 struck out cl. (6) which authorized the program to contain conditions prescribed by Secretary under which Secretary may require producers to repay such loans, plus accrued interest thereon, refund amounts paid for storage, and pay such additional interest and other charges as may be required by regulation, whenever Secretary determines that the market price for the commodity is not less than such appropriate level, as determined by Secretary.

Subsec. (c). Pub. L. 97-98 substituted provision prescribing rate of interest charged to participants in the program authorized by this section for provision authorizing payments to producers of the 1979 crops of corn and wheat who did not comply with the 1979 program requirements.

Subsec. (d). Pub. L. 97-98 added subsec. (d) and redesignated former subsec. (d) as (e).

Subsec. (e). Pub. L. 97-98 redesignated former subsec. (d) as (e) and substituted provision authorizing Secretary to place an upper limit on the amount of wheat and feed grains placed in the reserve, with such upper limit not less than seven hundred million bushels for wheat and one billion bushels for feed grains, for provision authorizing the maximum amount of wheat stored as not less than three hundred million bushels nor more than seven hundred million bushels, with authority for Secretary to adjust this amount as necessary to meet commitments by the United States pursuant to international agreements. Former subsec. (e) redesignated (f).

Subsec. (f). Pub. L. 97-98 redesignated former subsec. (e) as (f) and substituted in provision preceding par. (1) “the program authorized” for “the extended loan program authorized”, “110 per centum” for “105 per centum”, “Secretary may encourage repayment” for “Secretary may call for repayment”, and “clause (5) of the third sentence of subsection (b) of this section. The foregoing restriction” for “clause (6) of the second sentence of subsection (b) of this section: *Provided*, That such restriction” and in provision following par. (3) “clause (5) of the third sentence” for “clause (5) of the second sentence”. Former subsec. (f) redesignated (g).

Subsec. (g). Pub. L. 97-98 redesignated former subsec. (f) as (g) and substituted “by the producer’s or warehouseman’s commitment” for “by his commitment”. Former subsec. (g) redesignated (h).

Subsec. (h). Pub. L. 97-98 redesignated former subsec. (g) as (h). Former subsec. (h) redesignated (i).

Subsec. (i). Pub. L. 97-98 redesignated former subsec. (h) as (i) and substituted “To the maximum extent” for “In addition, to the maximum extent”.

1980—Subsec. (b). Pub. L. 96-494, §203(a)(1), inserted two provisos in provisions permitting Secretary to provide original or extended price support loans for wheat and feed grains at the same level of support as provided by this Act, in carrying out the producer storage program, under terms and conditions designed to encourage producers to store wheat and feed grains for extended periods of time to promote orderly marketing when wheat or feed grains are in abundant supply.

Subsec. (b)(3). Pub. L. 96-494, §203(a)(2), inserted provisions requiring Secretary to waive interest on loans made on the 1980 and 1981 crops of wheat and feed grains.

Subsec. (b)(5). Pub. L. 96-494, §204, substituted “for the commodity has attained a specified level” for “of wheat has attained a specified level which is not less than 140 per centum nor more than 160 per centum of the then current level of price support for wheat or such appropriate level for feed grains”.

Subsec. (b)(6). Pub. L. 96-494, §204, substituted “such appropriate level, as determined by the Secretary” for “175 per centum of the then current level of the price support for wheat or such appropriate level for feed grains as determined by the Secretary under this Act”.

Subsecs. (c), (d). Pub. L. 96-234, §1, added subsec. (c) and redesignated former subsecs. (c) and (d) as (d) and (e), respectively.

Subsec. (e). Pub. L. 96-494, §205(1), (2), substituted “except as otherwise provided under section 1736f-1 of this title and section 4001 of this title, whenever the extended loan program authorized by this section is in effect, the Commodity Credit Corporation may not sell any of its stocks of wheat or feed grains at less than 105 per centum of the then current level at which the Secretary may call for repayment of producer storage loans on the commodity prior to the maturity dates of the loans, as determined under clause (6) of the second sentence of subsection (b) of this section” for “whenever the extended loan program authorized by this section is in effect, the Commodity Credit Corporation may not sell any of its stocks of wheat or feed grains at less than 150 per centum of the then current level of price support for such commodity”.

Pub. L. 96-234, §1(1), (2), redesignated former subsec. (d) as (e) and added cl. (3). Former subsec. (e) redesignated (f).

Subsec. (e)(3). Pub. L. 96-494, §205(3), in provisions preceding subpar. (A), substituted “sales of corn” for “sales of corn when sold at not less than the release level under the extended loan program”, and inserted “when sold at not less than the price at which producers may repay producer storage loans and redeem corn prior to the maturity dates of loans, as determined under clause (5) of the second sentence of subsection (b) of this section, or, whenever the fuel conversion price (as defined in section 4005 of this title) for corn exceeds such price, at not less than the fuel conversion price”.

Subsecs. (f) to (h). Pub. L. 96-234, §1(1), redesignated former subsecs. (e) to (g) as (f) to (h), respectively.

## Statutory Notes and Related Subsidiaries

### EFFECTIVE DATE OF 1990 AMENDMENT

Amendment by section 1123 of Pub. L. 101-624 effective beginning with 1991 crop of an agricultural commodity, with provision for prior crops, see section 1171 of Pub. L. 101-624, set out as a note under section 1421 of this title.

### EFFECTIVE AND TERMINATION DATES OF 1988 AMENDMENT

Pub. L. 100-387, title III, §303(b), Aug. 11, 1988, 102 Stat. 947, provided that the amendment made by section 303(b) is effective only for the 1988 marketing year for wheat and feed grains.

### EFFECTIVE DATE OF 1985 AMENDMENT

Pub. L. 99-198, title X, §1012(a), Dec. 23, 1985, 99 Stat. 1455, provided that, except as provided in section 1012(b) of Pub. L. 99-198 (set out below), the amendments by section 1012(a) are effective beginning with the 1986 crops.

Pub. L. 99-198, title X, §1012(b), Dec. 23, 1985, 99 Stat. 1456, provided that: “The amendment made by subsection (a)(2)(B) of this section [amending this section] shall take effect with respect to any loan made under section 110 of the Agricultural Act of 1949 (7 U.S.C. 1445e) the date for repayment of which occurs after the date of enactment of this Act [Dec. 23, 1985].”

### EFFECTIVE DATE OF 1981 AMENDMENT

Pub. L. 97-98, title X, §1001, Dec. 22, 1981, 95 Stat. 1257, provided that the amendment made by section 1001 is effective beginning with the 1982 crops.

### EFFECTIVE DATE OF 1980 AMENDMENT

Pub. L. 96-494, title II, §203(b), Dec. 3, 1980, 94 Stat. 2571, provided that: “Subsection (a) of this section [amending this section] shall become effective October 1, 1980, and any producers who, prior to such date, receive loans on the 1980 crop of the commodity as computed under the Agricultural Act of 1949 [see Short Title note set out under section 1421 of this title], as amended prior to the enactment of this Act [Dec. 3, 1980], may elect after September 30, 1980, to receive loans as authorized under subsection (a) of this section.”

Amendment by sections 204 and 205 of Pub. L. 96-494 effective Dec. 3, 1980, see section 213 of Pub. L. 96-494, set out as an Effective Date note under section 4001 of this title.

### EFFECTIVE DATE

Section effective Oct. 1, 1977, see section 1901 of Pub. L. 95-113, set out as an Effective Date of 1977 Amendment note under section 1307 of this title.

### INAPPLICABILITY OF SECTION

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(b)(5) 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(b)(5) 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(b)(5) of this title.

Section inapplicable to 1996 through 2002 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(b)(1)(E) of this title.

### COMPARABILITY OF STORAGE PAYMENTS

Pub. L. 101-624, title XI, §1124, Nov. 28, 1990, 104 Stat. 3506, as amended by Pub. L. 102-237, title I, §114(a)(1),

Dec. 13, 1991, 105 Stat. 1838, provided that: "In making storage payments to producers under section 110 of the Agricultural Act of 1949 (7 U.S.C. 1445e) and to commercial warehousemen in accordance with the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Commodity Credit Corporation and the Secretary of Agriculture shall, to the extent practicable, ensure that the rates of the storage payments made to producers are equivalent to average rates paid for commercial storage, taking into account the current demand for storage for commodities, efficiency, location, regulatory compliance costs, bonding requirements, and impact of user fees as determined by the Secretary, except that the rates paid to producers and commercial warehousemen shall be established at rates that will result in no increase in current or projected combined outlays of the Commodity Credit Corporation for the storage payments made to producers and commercial warehousemen as a result of the adjustment of storage rates under this section."

#### REPAYMENT OF LOANS WITHOUT PENALTY

Pub. L. 100-387, title III, §303(a), Aug. 11, 1988, 102 Stat. 947, provided that effective for the 1988 marketing year for wheat or feed grains, once the market price described in former clause (5) of the third sentence of subsection (b) of this section had been reached at any time during such marketing year with respect to such commodity, producers could repay loans made under this section for such commodity during the remainder of that marketing year without the payment of a penalty.

#### § 1445f. International Emergency Food Reserve

The President is encouraged to enter into negotiations with other nations to develop an international system of food reserves to provide for humanitarian food relief needs and to establish and maintain a food reserve, as a contribution of the United States toward the development of such a system, to be made available in the event of food emergencies in foreign countries. The reserves shall be known as the International Emergency Food Reserve.

(Oct. 31, 1949, ch. 792, title I, §111, as added Pub. L. 95-113, title XI, §1102, Sept. 29, 1977, 91 Stat. 953.)

#### Statutory Notes and Related Subsidiaries

##### EFFECTIVE DATE

Section effective Oct. 1, 1977, see section 1901 of Pub. L. 95-113, set out as an Effective Date of 1977 Amendment note under section 1307 of this title.

#### § 1445g. Production of commodities for conversion into industrial hydrocarbons; terms and conditions; incentive payments; regulations; appropriations; effective date

Notwithstanding any other provision of this Act—

(a) The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the acreage set aside or diverted from the production of a commodity for any crop year under this subchapter to be devoted to the production of any commodity (other than the commodities for which acreage is being set aside or diverted) for conversion into industrial hydrocarbons and blending with gasoline or other fossil fuels for use as motor or industrial fuel, if the Secretary determines that such production is desirable in order to provide an adequate supply of commodities for such pur-

pose, is not likely to increase the cost of the price support programs, and will not adversely affect farm income.

(b)(1) During any year in which there is no set-aside or diversion of acreage under this subchapter, the Secretary may formulate and administer a program for the production, subject to such terms and conditions as the Secretary may prescribe, of commodities for conversion into industrial hydrocarbons and blending with gasoline or other fossil fuels for use as motor or industrial fuel, if the Secretary determines that such production is desirable in order to provide an adequate supply of commodities for such purpose, is not likely to increase the cost of the price support programs, and will not adversely affect farm income. Under the program, producers of wheat, feed grains, upland cotton, and rice shall be paid incentive payments to devote a portion of their acreage to the production of commodities for conversion into industrial hydrocarbons and blending with gasoline or other fossil fuels for use as motor or industrial fuel.

(2) The payments under this subsection shall be at such rate or rates as the Secretary determines to be fair and reasonable, taking into consideration the participation necessary to ensure an adequate supply of the agricultural commodities for conversion into industrial hydrocarbons and blending with gasoline or other fossil fuels for use as motor or industrial fuels.

(3) The Secretary may issue such regulations as the Secretary deems necessary to carry out the provisions of this subsection.

(4) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this subsection.

(5) The provisions of this subsection shall become effective October 1, 1978.

(Oct. 31, 1949, ch. 792, title I, §112, as added Pub. L. 95-279, title II, §201, May 15, 1978, 92 Stat. 241.)

#### Editorial Notes

##### REFERENCES IN TEXT

This Act, referred to in provision preceding subsection (a), is act Oct. 31, 1949, ch. 792, 63 Stat. 1051, known as the Agricultural Act of 1949, which is classified principally to this chapter (§1421 et seq.). For complete classification of this Act to the Code, see Short Title note set out under section 1421 of this title and Tables.

#### Statutory Notes and Related Subsidiaries

##### INAPPLICABILITY OF SECTION

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(b)(6) 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(b)(6) 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(b)(6) of this title.

Section inapplicable to 1996 through 2002 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(b)(1)(F) of this title.