

**(b) Transfer or change of interest in farm****(1) Termination**

Except as provided in paragraph (2), a transfer of (or change in) the interest of the producers on a farm in base acres for which direct payments or counter-cyclical payments are made shall result in the termination of the payments with respect to the base acres, unless the transferee or owner of the acreage agrees to assume all obligations under subsection (a). The termination shall take effect on the date determined by the Secretary.

**(2) Exception**

If a producer entitled to a direct payment or counter-cyclical payment dies, becomes incompetent, or is otherwise unable to receive the payment, the Secretary shall make the payment, in accordance with rules issued by the Secretary.

**(c) Acreage reports**

As a condition on the receipt of any benefits under this subchapter or subchapter II, the Secretary shall require producers on a farm to submit to the Secretary annual acreage reports with respect to all cropland on the farm.

**(d) Tenants and sharecroppers**

In carrying out this subchapter, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

**(e) Sharing of payments**

The Secretary shall provide for the sharing of direct payments and counter-cyclical payments among the producers on a farm on a fair and equitable basis.

(Pub. L. 107-171, title I, §1105, May 13, 2002, 116 Stat. 152.)

**Editorial Notes**

## REFERENCES IN TEXT

The Food Security Act of 1985, referred to in subsec. (a)(1)(A), (B), is Pub. L. 99-198, Dec. 23, 1985, 99 Stat. 1354. Subtitles B and C of title XII of the Act are classified generally to subchapters II (§3811 et seq.) and III (§3821 et seq.), respectively, of chapter 58 of Title 16, Conservation. For complete classification of this Act to the Code, see Short Title of 1985 Amendment note set out under section 1281 of this title and Tables.

Subchapter III, referred to in subsec. (a)(1)(D), was in the original “subtitle C”, meaning subtitle C (§§1301-1310) of title I of Pub. L. 107-171, May 13, 2002, 116 Stat. 166, which is classified principally to subchapter III of this chapter. For complete classification of subtitle C to the Code, see References in Text note set out under section 7951 of this title and Tables.

Subchapter II, referred to in subsec. (c), was in the original “subtitle B”, meaning subtitle B (§§1201-1209) of title I of Pub. L. 107-171, May 13, 2002, 116 Stat. 155, which is classified principally to subchapter II of this chapter. For complete classification of subtitle B to the Code, see Tables.

**§ 7916. Planting flexibility****(a) Permitted crops**

Subject to subsection (b), any commodity or crop may be planted on base acres on a farm.

**(b) Limitations regarding certain commodities****(1) General limitation**

The planting of an agricultural commodity specified in paragraph (3) shall be prohibited

on base acres unless the commodity, if planted, is destroyed before harvest.

**(2) Treatment of trees and other perennials**

The planting of an agricultural commodity specified in paragraph (3) that is produced on a tree or other perennial plant shall be prohibited on base acres.

**(3) Covered agricultural commodities**

Paragraphs (1) and (2) apply to the following agricultural commodities:

(A) Fruits.

(B) Vegetables (other than lentils, mung beans, and dry peas).

(C) Wild rice.

**(c) Exceptions**

Paragraphs (1) and (2) of subsection (b) shall not limit the planting of an agricultural commodity specified in paragraph (3) of that subsection—

(1) in any region in which there is a history of double-cropping of covered commodities with agricultural commodities specified in subsection (b)(3), as determined by the Secretary, in which case the double-cropping shall be permitted;

(2) on a farm that the Secretary determines has a history of planting agricultural commodities specified in subsection (b)(3) on base acres, except that direct payments and counter-cyclical payments shall be reduced by an acre for each acre planted to such an agricultural commodity; or

(3) by the producers on a farm that the Secretary determines has an established planting history of a specific agricultural commodity specified in subsection (b)(3), except that—

(A) the quantity planted may not exceed the average annual planting history of such agricultural commodity by the producers on the farm in the 1991 through 1995 or 1998 through 2001 crop years (excluding any crop year in which no plantings were made), as determined by the Secretary; and

(B) direct payments and counter-cyclical payments shall be reduced by an acre for each acre planted to such agricultural commodity.

**(d) Special rule for 2002 crop year**

For the 2002 crop year only, if the calculation of base acres under section 7911(a) of this title results in total base acres for a farm in excess of the contract acreage (as defined in section 7202 of this title) for the farm used to calculate the fiscal year 2002 payment authorized under section 7214 of this title, paragraphs (1) and (2) of subsection (b) shall not limit the harvesting of an agricultural commodity specified in paragraph (3) of that subsection on the excess base acres, except that direct payments and counter-cyclical payments for the 2002 crop year shall be reduced by an acre for each acre of the excess base acres planted to such an agricultural commodity.

(Pub. L. 107-171, title I, §1106, May 13, 2002, 116 Stat. 153.)

**§ 7917. Relation to remaining payment authority under production flexibility contracts**

**(a) Termination of superseded payment authority**

Notwithstanding section 7213(a)(7) of this title or any other provision of law, the Secretary shall not make payments for fiscal year 2002 after May 13, 2002, under a production flexibility contract entered into under section 7211 of this title unless requested by the producer that is a party to the contract.

**(b) Contract payments made before enactment**

If a producer receives all or any portion of the payment authorized for fiscal year 2002 under a production flexibility contract, the Secretary shall reduce the amount of the direct payment otherwise due the producer for the 2002 crop year under section 7913 of this title by the amount of the fiscal year 2002 payment received by the producer under the production flexibility contract.

(Pub. L. 107-171, title I, §1107, May 13, 2002, 116 Stat. 154.)

**§ 7918. Period of effectiveness**

This subchapter shall be effective beginning with the 2002 crop year of each covered commodity through the 2007 crop year.

(Pub. L. 107-171, title I, §1108, May 13, 2002, 116 Stat. 155.)

**SUBCHAPTER II—MARKETING ASSISTANCE LOANS AND LOAN DEFICIENCY PAYMENTS**

**§ 7931. Availability of nonrecourse marketing assistance loans for loan commodities**

**(a) Nonrecourse loans available**

**(1) Availability**

For each of the 2002 through 2007 crops of each loan commodity, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for loan commodities produced on the farm.

**(2) Terms and conditions**

The marketing assistance loans shall be made under terms and conditions that are prescribed by the Secretary and at the loan rate established under section 7932 of this title for the loan commodity.

**(b) Eligible production**

The producers on a farm shall be eligible for a marketing assistance loan under subsection (a) for any quantity of a loan commodity produced on the farm.

**(c) Treatment of certain commingled commodities**

In carrying out this subchapter, the Secretary shall make loans to producers on a farm that would be eligible to obtain a marketing assistance loan, but for the fact the loan commodity owned by the producers on the farm commingled with loan commodities of other producers in facilities unlicensed for the storage of agricultural commodities by the Secretary or a State licensing authority, if the producers obtaining the loan agree to immediately redeem the loan col-

lateral in accordance with section 166 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7286).

**(d) Compliance with conservation and wetlands requirements**

As a condition of the receipt of a marketing assistance loan under subsection (a), the producer shall comply with applicable conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.) and applicable wetland protection requirements under subtitle C of title XII of the Act (16 U.S.C. 3821 et seq.) during the term of the loan.

**(e) Termination of superseded loan authority**

Notwithstanding section 131 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7231), nonrecourse marketing assistance loans shall not be made for the 2002 crop of loan commodities under subtitle C of title I of such Act [7 U.S.C. 7231 et seq.].

(Pub. L. 107-171, title I, §1201, May 13, 2002, 116 Stat. 155.)

**Editorial Notes**

**REFERENCES IN TEXT**

This subchapter, referred to in subsec. (c), was in the original "this subtitle", meaning subtitle B (§§1201-1209) of title I of Pub. L. 107-171, May 13, 2002, 116 Stat. 155, which is classified principally to this subchapter. For complete classification of subtitle B to the Code, see Tables.

The Food Security Act of 1985, referred to in subsec. (d), is Pub. L. 99-198, Dec. 23, 1985, 99 Stat. 1354. Subtitles B and C of title XII of the Act are classified generally to subchapters II (§3811 et seq.) and III (§3821 et seq.), respectively, of chapter 58 of Title 16, Conservation. For complete classification of this Act to the Code, see Short Title of 1985 Amendment note set out under section 1281 of this title and Tables.

The Federal Agriculture Improvement and Reform Act of 1996, referred to in subsec. (e), is Pub. L. 104-127, Apr. 4, 1996, 110 Stat. 888. Subtitle C of title I of the Act is classified generally to subchapter III (§7231 et seq.) of chapter 100 of this title. For complete classification of this Act to the Code, see Short Title note set out under section 7201 of this title and Tables.

**§ 7932. Loan rates for nonrecourse marketing assistance loans**

**(a) 2002 and 2003 crop years**

For purposes of the 2002 and 2003 crop years, the loan rate for a marketing assistance loan under section 7931 of this title for a loan commodity shall be equal to the following:

- (1) In the case of wheat, \$2.80 per bushel.
- (2) In the case of corn, \$1.98 per bushel.
- (3) In the case of grain sorghum, \$1.98 per bushel.
- (4) In the case of barley, \$1.88 per bushel.
- (5) In the case of oats, \$1.35 per bushel.
- (6) In the case of upland cotton, \$0.52 per pound.
- (7) In the case of extra long staple cotton, \$0.7977 per pound.
- (8) In the case of rice, \$6.50 per hundred-weight.
- (9) In the case of soybeans, \$5.00 per bushel.
- (10) In the case of other oilseeds, \$.0960 per pound for each of the following kinds of oilseeds: