

(E) to effectively control noxious weeds and otherwise maintain the land in accordance with sound agricultural practices, as determined by the Secretary, if the agricultural or conserving use involves the noncultivation of any portion of the land referred to in subparagraph (D).

(2) Compliance

The Secretary may issue such rules as the Secretary considers necessary to ensure producer compliance with the requirements of paragraph (1).

(3) Modification

At the request of the transferee or owner, the Secretary may modify the requirements of this subsection if the modifications are consistent with the objectives of this subsection, as determined by the Secretary.

(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 the base acres for peanuts for which direct payments or counter-cyclical payments are made shall result in the termination of the payments with respect to those 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 direct payments, counter-cyclical payments, marketing assistance loans, or loan deficiency payments under this subchapter, the Secretary shall require the producers on a farm to which a payment yield and base acres for peanuts are assigned under section 7952 of this title 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, §1305, May 13, 2002, 116 Stat. 173.)

Editorial Notes

REFERENCES IN TEXT

This subchapter, referred to in subsecs. (a)(1), (c), and (d), was in the original "this subtitle", meaning subtitle C (§§1301-1310) of Pub. L. 107-171, title I, May 13, 2002, 116 Stat. 166, which is classified principally to this

subchapter. For complete classification of subtitle C to the Code, see References in Text note set out under section 7951 of this title and Tables.

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.

§ 7956. Planting flexibility

(a) Permitted crops

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

(b) Limitations regarding certain commodities

(1) General limitation

The planting of an agricultural commodity specified in paragraph (2) shall be prohibited on base acres for peanuts 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 for peanuts.

(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 peanuts 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 the base acres for peanuts, 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.

(Pub. L. 107-171, title I, §1306, May 13, 2002, 116 Stat. 174.)

§ 7957. Marketing assistance loans and loan deficiency payments for peanuts

(a) Nonrecourse loans available

(1) Availability

For each of the 2002 through 2007 crops of peanuts, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for peanuts produced on the farm. The loans shall be made under terms and conditions that are prescribed by the Secretary and at the loan rate established under subsection (b).

(2) Eligible production

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

(3) Treatment of certain commingled commodities

In carrying out this subsection, 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 peanuts owned by the producers on the farm are commingled with other peanuts 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 collateral in accordance with section 7286 of this title.

(4) Options for obtaining loan

A marketing assistance loan under this subsection, and loan deficiency payments under subsection (e), may be obtained at the option of the producers on a farm through—

- (A) a designated marketing association or marketing cooperative of producers that is approved by the Secretary; or
- (B) the Farm Service Agency.

(5) Storage of loan peanuts

As a condition on the Secretary's approval of an individual or entity to provide storage for peanuts for which a marketing assistance loan is made under this section, the individual or entity shall agree—

- (A) to provide such storage on a non-discriminatory basis; and
- (B) to comply with such additional requirements as the Secretary considers appropriate to accomplish the purposes of this section and promote fairness in the administration of the benefits of this section.

(6) Payment of peanut storage costs

Effective for the 2002 through 2006 crops of peanuts, to ensure proper storage of peanuts for which a loan is made under this section, the Secretary shall use the funds of the Commodity Credit Corporation to pay storage, handling, and other associated costs. This authority terminates beginning with the 2007 crop of peanuts.

(7) Marketing

A marketing association or cooperative may market peanuts for which a loan is made under this section in any manner that con-

forms to consumer needs, including the separation of peanuts by type and quality.

(b) Loan rate

The loan rate for a marketing assistance loan under for peanuts subsection (a) shall be equal to \$355 per ton.

(c) Term of loan

(1) In general

A marketing assistance loan for peanuts under subsection (a) shall have a term of 9 months beginning on the first day of the first month after the month in which the loan is made.

(2) Extensions prohibited

The Secretary may not extend the term of a marketing assistance loan for peanuts under subsection (a).

(d) Repayment rate

(1) In general

The Secretary shall permit producers on a farm to repay a marketing assistance loan for peanuts under subsection (a) at a rate that is the lesser of—

- (A) the loan rate established for peanuts under subsection (b), plus interest (determined in accordance with section 7283 of this title); or
- (B) a rate that the Secretary determines will—
 - (i) minimize potential loan forfeitures;
 - (ii) minimize the accumulation of stocks of peanuts by the Federal Government;
 - (iii) minimize the cost incurred by the Federal Government in storing peanuts; and
 - (iv) allow peanuts produced in the United States to be marketed freely and competitively, both domestically and internationally.

(2) Good faith exception to beneficial interest requirement

For the 2002 crop year only, in the case of the producers on a farm that marketed or otherwise lost beneficial interest in the peanuts for which a marketing assistance loan was made under this section before repaying the loan, the Secretary shall permit the producers to repay the loan at the applicable repayment rate that was in effect for peanuts under this subsection on the date that the producers lost beneficial interest, as determined by the Secretary, if the Secretary determines the producers acted in good faith.

(e) Loan deficiency payments

(1) Availability

The Secretary may make loan deficiency payments available to producers on a farm that, although eligible to obtain a marketing assistance loan for peanuts under subsection (a), agree to forgo obtaining the loan for the peanuts in return for loan deficiency payments under this subsection.

(2) Computation

A loan deficiency payment under this subsection shall be computed by multiplying—