

## Commodity Credit Corporation, USDA

## § 1412.501

such land from weeds and erosion, including providing sufficient cover if determined necessary by the county committee. The first violation of this provision by a producer will result in a reduction in the producer's payment for the farm by an amount equal to 3 times the cost of maintenance of the acreage, but not to exceed 50 percent of the payment for the farm for that fiscal year. The second violation of this provision will result in a reduction in the payment for the farm by an amount equal to 3 times the cost of maintenance of the acreage, not to exceed the payment for the farm for that fiscal year.

[61 FR 37575, July 18, 1996; 61 FR 49050, Sept. 18, 1996]

### **§ 1412.402 Violations of highly erodible land and wetland conservation provisions.**

The provisions of part 12 of this title, apply to this part.

### **§ 1412.403 Violations regarding controlled substances.**

The provisions of § 718.11 of this title apply to this part.

[61 FR 37575, July 18, 1996; 61 FR 49050, Sept. 18, 1996]

### **§ 1412.404 Contract liability.**

All producers receiving a share of the contract payment are jointly and severally liable for contract violations and resulting repayments.

### **§ 1412.405 Misrepresentation and scheme or device.**

(a) A producer who is determined to have erroneously represented any fact affecting a program determination made in accordance with this part shall not be entitled to contract payments and must refund all payments, plus interest determined in accordance with part 1403 of this chapter.

(b) A producer who is determined to have knowingly:

(1) Adopted any scheme or device that tends to defeat the purpose of the program;

(2) Made any fraudulent representation; or

(3) Misrepresented any fact affecting a program determination shall refund to CCC all payments, plus interest determined in accordance with part 1403

of this chapter received by such producer with respect to all contracts. The producer's interest in all contracts shall be terminated.

### **§ 1412.406 Offsets and assignments.**

(a) Except as provided in paragraph (b) of this section, any payment or portion thereof to any person shall be made without regard to questions of title under State law and without regard to any claim or lien against the crop, or proceeds thereof, in favor of the owner or any other creditor except agencies of the U.S. Government. The regulations governing offsets and withholdings found at part 1403 of this chapter shall be applicable to contract payments.

(b) Any producer entitled to any payment may assign any payments in accordance with regulations governing assignment of payment found at part 1404 of this chapter.

### **§ 1412.407 Certification.**

As a condition of eligibility for contract payments, the operator or owner must timely submit a report of fruit and vegetable acreage in accordance with part 718 of this title. If such operator or owner does not report all of the fruits and vegetables planted on contract acreage, the contract shall be terminated with respect to such farm unless the provisions of § 1412.401(b)(1) and (2) are applicable.

[61 FR 37575, July 18, 1996; 61 FR 49050, Sept. 18, 1996]

## **Subpart E—Production Flexibility and Conservation Reserve Programs**

### **§ 1412.501 Timing for enrollment and termination of production flexibility contracts.**

(a) At the beginning of each fiscal year, the Secretary shall allow an eligible producer on a farm with acreage enrolled in a Conservation Reserve Program contract in accordance with parts 704 or 1410 of this title that terminates after August 1, 1996, to enter into or modify an existing production

flexibility contract if such land otherwise would have been eligible for enrollment under this part as of August 1, 1996.

(b) A production flexibility contract shall begin with the 1996 crop of a contract commodity or in the case of acreage that was enrolled in the Conservation Reserve Program, the date the production flexibility contract was entered into or modified to include the acreage previously subject to the Conservation Reserve Program contract.

(c) All contracts shall terminate on September 30, 2002, unless terminated at an earlier date by mutual consent of all parties.

(d)(1) Subject to the provisions of paragraphs (d)(2) and (3) of this section, land that could not previously have been enrolled in a production flexibility contract because of participation in the Conservation Reserve Contract but which becomes available for enrollment because of the expiration of a Conservation Reserve Program contract may be enrolled in a production flexibility contract.

(2) Land qualifying for a production flexibility contract under paragraph (d)(1) of this section may be enrolled in a production flexibility contract no later than November 30 of the fiscal year following the final fiscal year of the Conservation Reserve Program contract unless the Conservation Reserve Program contract terminated after August 1, 1998, in which case the land shall be enrolled in a production flexibility contract no later than April 1 of the fiscal year following the final fiscal year of the Conservation Reserve Program contract.

(3) In fiscal years 1997 through 2002, if a conservation reserve contract is terminated, and the land that was subject to the conservation reserve contract is enrolled in a production flexibility contract, the owner or producer may elect to receive either the production flexibility contract payment or a prorated Conservation Reserve Program payment for the fiscal year, but not both.

[61 FR 37575, July 18, 1996, as amended at 65 FR 7954, Feb. 16, 2000]

## PART 1421—GRAINS AND SIMILARLY HANDLED COMMODITIES

### Subpart—Loan and Loan Deficiency Payment Regulations for the 1996 Through 2002 Crops of Wheat, Feed Grains, Rice, Oilseeds, (Canola, Crambe, Flaxseed, Mustard Seed, Rapeseed, Safflower, Soybeans, and Sunflower Seed), and Farm-Stored Peanuts

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### Subpart—Regulations Governing the Wheat and Feed Grain Farmer-Owned Reserve Program for 1990 through 1995 Crops

- 1421.200 Administration.