

**§ 1421.26**

(1) The market value of bran contained in the rough rice, computed by multiplying the domestic unit market value of bran by the estimated national average quantity of bran produced in milling 100 pounds of rice; and

(2) The market value of broken kernels contained in the rough rice, computed by multiplying the estimated world market value of broken kernels by the estimated national average quantity of broken kernels produced in milling 100 pounds of rice;

(B) Deducing from such price:

(1) An estimated cost of milling rough rice; and

(2) An estimated cost of transporting rough rice from farm to mill locations.

(vi) The price determined in accordance with paragraph (a)(5)(v) may be adjusted to a whole kernel loan rate basis by deducting the estimated world market value of the total quantity of broken kernels contained in such rice and dividing the resulting value by the estimated national average quantity of milled whole kernels produced in milling 100 pounds of rice.

(6)(i) The adjusted world price for each class for rice, loan rate basis, shall be determined by CCC and shall be announced, to the extent practicable, on or after 3 p.m. eastern time each Tuesday, but may be announced more frequently, as determined by CCC, continuing through the later of:

(A) The last Tuesday of July 2003; or

(B) The last Tuesday of the latest month the 2002-crop rice loans mature.

(ii) In the event that Tuesday is a non-workday, the determination will be made on the next workday, on or after 3 p.m. eastern time.

(iii) The announced prices will be effective upon announcement and will remain in effect for a period as announced by the CCC.

(7) Notwithstanding any other provision of this section, on the day of the announcement of the adjusted world price, between 2 p.m. eastern time and the time of the world price announcement, CCC will not accept repayments of rice loans at a world market price level not previously locked-in, and applications for lock-in of a rice loan repayment rate.

(b) For 1996 through 2002 crops of barley, corn, grain sorghum, oats, wheat,

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and oilseeds, a producer may repay a nonrecourse loan at a rate that is the lesser of:

(1) The loan rate and charges, plus interest determined for such crop; or

(2) The alternative repayment rate for barley, corn, grain sorghum, oats, wheat, and oilseeds.

(c) To the extent practicable, CCC shall determine and announce the alternative repayment rate, based upon the previous day's market prices at appropriate U.S. terminal markets as determined by CCC, adjusted to reflect quality and location for each crop of a commodity as follows:

(1) On a weekly basis in each county for oilseeds, except soybeans; and

(2) On a daily basis in each county for barley, corn, grain sorghum, oats, soybeans, and wheat.

**§ 1421.26 Transfer of farm-stored loan to warehouse-stored association loan.**

Producers may deliver peanuts under a farm-stored loan to the association and obtain loan advances on such peanuts with the prior approval of the county office anytime on or before January 31 following the calendar year in which the crop was grown. Association advances shall be payable jointly to the producer and the CCC and shall be used to settle the farm-stored loan.

**§ 1421.27 Producer-handler purchases of additional peanuts pledged as collateral for a loan.**

(a) Producer-handlers may, at any time before loan maturity, forfeit their additional peanuts to CCC and immediately repurchase such peanuts from CCC by paying the amount necessary under the following sales policies:

(1) For unrestricted use, at a price determined by CCC but, for the applicable type, not less than 105 percent of the quota loan rate, if purchased before December 31 of the calendar year in which the crop was grown, and at not less than 107 percent of the quota loan rate, if purchased after December 31 of the calendar year in which the crop was grown;

(2) For edible export, at a price determined by CCC but not less than any minimum sales price determined and announced by CCC; and

(3) For crushing (either domestic or export), at a price determined by CCC but not less than the additional loan rate for the applicable type.

(b) For purchases on or before January 31 following the calendar year in which the crop was grown, the county committee shall determine the sale price under the appropriate sales policy specified in paragraph (a). Loans will be settled at the county office, and amounts collected in excess of that necessary to settle loans will be remitted to the association for the respective area. The association will credit such amounts to the appropriate loan pool. The producer should be listed as a participant in the loan pool for the purpose of determining and distributing net gains from the loan pool.

(c) For purchases after January 31 following the calendar year in which the crop was grown, the county committee shall determine the sale price under the appropriate sales policy specified in paragraph (a). Any amount collected in excess of the loan indebtedness shall accrue to CCC.

[61 FR 37581, July 18, 1996, as amended at 62 FR 62692, Nov. 25, 1997]

**§ 1421.28 Required producer-handler records and supervision of farm-stored additional peanuts pledged as collateral for a loan or purchased by a producer-handler from loan.**

(a)(1) Each producer-handler shall maintain records as required in part 1446 of this chapter for all additional peanuts that are purchased and sold for which an ASCS-1007, Inspection Certificate and Sales Memorandum, is issued.

(2) The following records shall be maintained for all peanuts purchased from CCC that are not inspected. Each producer-handler shall maintain records that show all sales and other disposals of peanuts. Such records shall show date of sale, quantity, type, and to whom sold. Records shall be maintained in such a manner that will enable the county office to readily reconcile quantities sold with all peanuts produced by the producer. All records shall be maintained for a period of three years following the end of the marketing year in which the peanuts were produced.

(b)(1) The county office shall inspect and account for all additional peanuts pledged as collateral for a loan as determined necessary by the county committee.

(2) The county office shall supervise the disposition of all additional peanuts purchased for use as seed and not inspected. The identical peanuts pledged as collateral for a loan must be disposed of and the producer must account for all peanuts that were under additional loan. The producer-handler shall request a county office representative to supervise the disposition of the peanuts and shall give the county office at least 3 working days notice of the date of such disposition. The county office shall determine the extent to which supervision is needed.

(3) With respect to additional peanuts on which ASCS-1007 is issued, the producer-handler shall be subject to all provisions in part 1446 of this chapter relating to the disposition of additional peanuts.

(c) The producer-handler shall pay all costs of supervision, as determined by the county committee for county office supervision when county office supervision is completed, and or determined by the association for peanuts supervised by association representatives when association supervision is completed.

(d) The producer-handler is subject to penalties as provided in part 1446 of this chapter with respect to any peanuts purchased in accordance with § 1421.27.

**§ 1421.29 Loan deficiency payments.**

(a) CCC will announce whether loan deficiency payments will be made available to producers on a farm for a specific crop for a crop year.

(b) In order to be eligible to receive loan deficiency payments if such payments are made available for a crop, the producer of such commodity must:

(1) Comply with all of the program requirements to be eligible to obtain loans in accordance with this part;

(2) Agree to forego obtaining such loans;