

**§ 1427.1101 Administration.**

(a) The Cottonseed Payment Program shall be administered under the general supervision of the Executive Vice President, CCC (Administrator, FSA), or a designee, and shall be carried out by FSA's Price Support Division (PSD) and Kansas City Management Office (KCMO).

(b) The PSD and KCMO and representatives and employees thereof, do not have the authority to modify or waive any of the provisions of the regulations of this subpart.

(c) No provision or delegation of this subpart to PSD or KCMO shall preclude the Executive Vice President, CCC, or a designee, from determining any question arising under the program or from reversing or modifying any determination made by PSD or KCMO .

(d) The Executive Vice President, CCC, or a designee, may waive or modify deadlines and other program requirements in cases where lateness or failure to meet such other requirements do not affect adversely the operation of the cottonseed payment program.

(e) A representative of CCC may execute cottonseed payment program applications and related documents only under the terms and conditions determined and announced by CCC.

(f) Payment applications and related documents not executed in accordance with the terms and conditions determined and announced by CCC, including any purported execution outside of the dates authorized by CCC, shall be null and void unless the Executive Vice President, CCC, shall otherwise allow.

**§ 1427.1102 Definitions.**

The definitions set forth in this section shall be applicable for purposes of administering the 2000 Cottonseed Payment Program. The terms defined in §§ 1427.3, 1427.52, and 1427.102 shall also be applicable to this subpart.

*Application period* means a period, to be announced by CCC, during which applications for payments under the Cottonseed Payment Program must be received to be considered for payment.

*Cottonseed* means the seed from any variety of upland cotton and extra long staple (ELS) cotton produced and ginned in the United States.

*Gin* means a person (i.e., an individual, partnership, association, corporation, cooperative marketing association, estate, trust, State or political subdivision or agency thereof, or other legal entity) that removes cotton seed from cotton lint.

*Lint* means cotton lint as contained in bales of cotton ordinarily marketed as cotton and excludes any linters, raw motes, re-ginned motes, cleaned motes, and any other gin waste or by product not traditionally defined as cotton lint.

*Number of bales* means the number of running bales of cotton based on individual bale weights unadjusted to a uniform bale weight.

*Olympic average* means the average for the stated period after excluding the highest and lowest values.

*Running bale* means a bale of cotton lint that has a minimum weight of 425 pounds.

*Ton* means a unit of weight equal to 2000 pounds avoirdupois (907.18 kilograms).

**§ 1427.1103 Eligible cottonseed.**

To be eligible for payments under this subpart, cottonseed must:

(a) Have been grown in the United States during the 2000-crop production period.

(b) Have been ginned by the applicant from 2000-crop cotton.

(c) Not have been destroyed or damaged by fire, flood, or other events such that its loss or damage was compensated by other local, State, or Federal Government or private or public insurance or disaster relief payments.

**§ 1427.1104 Eligible first handlers.**

(a) For the purpose of this subpart, an eligible first handler of cottonseed shall be a gin that ginned 2000-crop cotton.

(b) Applicants must comply with the terms and conditions set forth in this subpart and instructions issued by CCC, and sign and submit an accurate, legible and complete Cottonseed Payment Program Application/Certification.

(c) Applicants, in signing the Cottonseed Payment Program Application/Certification, must agree to share any payment received with the producer of the cotton that was the basis of the

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payment to the extent that the revenue from cottonseed sale is shared with the producer.

**§ 1427.1105 Payment application.**

(a) Payments in accordance with this subpart shall be made available to eligible first handlers of cottonseed based on information provided on a Cottonseed Payment Program Application/Certification.

(b) Payment applications must be received within the program application period announced by CCC. Applications received after such application period may not be accepted for payment.

(c) Cottonseed Payment Program Applications/Certifications may be obtained from the CCC as announced by press release. In order to participate in the program authorized by this subpart, first handlers of cottonseed must execute the Cottonseed Payment Program Application/Certification and forward the completed original to CCC as announced and directed on the application.

**§ 1427.1106 Total available program funds.**

The total available program funds shall be \$100 million as provided by Section 204(e) of Public Law 106-224.

**§ 1427.1107 Applicant payment quantity.**

(a) The applicant's payment quantity of cottonseed will be determined by CCC based on the number of eligible ginned cotton bales and cotton lint weight submitted on the Cottonseed Payment Application/Certification and/or obtained by CCC, with the agreement of the applicant, from the Agricultural Marketing Service.

(b) The applicant's payment quantity of cottonseed shall be calculated by multiplying:

(1) The applicant's weight of lint for which payment is requested, as approved by CCC, by

(2) The 1995-99 Olympic average of estimated pounds of cottonseed per pound of ginned cotton lint for all domestic ginners.

**§ 1427.1108 Total payment quantity.**

(a) The total quantity of 2000-crop cottonseed produced in the United

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States is eligible for payment under this subpart. The total payment quantity of cottonseed will be the total of eligible cottonseed for which applications for payment are received within the application period announced by CCC.

(b) The total payment quantity of cottonseed (ton-basis) shall be calculated by multiplying:

(1) The weight of cotton lint (ton-basis) for which payment is requested by all applicants, as approved by CCC, by

(2) The 1995-99 Olympic average of estimated pounds of cottonseed per pound of ginned cotton lint .

**§ 1427.1109 Payment rate.**

The payment rate (dollars per ton) for the purpose of calculating payments made available in accordance with this subpart shall be determined by CCC by dividing the total available program funds by the total payment quantity of 2000-crop cottonseed.

**§ 1427.1110 Payment calculation and form.**

(a) Payments in accordance with this subpart shall be determined for individual applicants by multiplying:

(1) The payment rate, determined in accordance with §1427.1109, by

(2) The payment quantity of the applicant, determined in accordance with §1427.1107.

(b) After receipt of the application for payment, together with required supporting documents and the determination of the payment rate, CCC will issue payments to the applicant by electronic deposit to the applicant's account. Applicants may request that payment be made by mailed check. If a payment is not made within 30 days of the close of the announced application period, CCC will pay interest at the prompt payment interest rate.

**§ 1427.1111 Liability of first handler.**

(a) If a first handler makes any fraudulent representation in obtaining a cottonseed payment, such payment shall be refunded upon demand by CCC. The first handler shall be liable for the amount of the payment and applicable interest on such payment, as determined by CCC.