

Commodity Credit Corporation, USDA

§ 1421.1

PART 1421—GRAINS AND SIMILARLY HANDLED COMMODITIES—MARKETING ASSISTANCE LOANS AND LOAN DEFICIENCY PAYMENTS FOR THE 2002 THROUGH 2007 CROP YEARS

Subpart A—General

Sec.

- 1421.1 Applicability.
- 1421.2 Administration.
- 1421.3 Definitions.
- 1421.4 Eligible producers.
- 1421.5 Eligible commodities.
- 1421.6 Beneficial interest.
- 1421.7 Requesting marketing assistance loans and loan deficiency payments.
- 1421.8 Eligible quantity.
- 1421.9 Basic loan rates.
- 1421.10 Market rates.
- 1421.11 Spot checks.
- 1421.12 Production evidence.
- 1421.13 Handling payments and collections.
- 1421.14 Obtaining peanut loans.

Subpart B—Marketing Assistance Loans

- 1421.100 Applicability.
- 1421.101 Maturity dates.
- 1421.102 Adjustment of basic loan rates.
- 1421.103 Approved storage.
- 1421.104 Marketing assistance loan making.
- 1421.105 Farm-stored marketing assistance loans.
- 1421.106 Warehouse-stored marketing assistance loan collateral.
- 1421.107 Warehouse receipts.
- 1421.108 Transfers and reconcentrations.
- 1421.109 Personal liability of the producer.
- 1421.110 Repayments.
- 1421.111 Commodity certificate exchanges.
- 1421.112 Loan settlement.
- 1421.113 Foreclosure.
- 1421.114 Recourse loans.

Subpart C—Loan Deficiency Payments

- 1421.200 Applicability.
- 1421.201 Loan deficiency payment rate.
- 1421.202 Loan deficiency payment quantity.
- 1421.203 Personal liability of the producer.

Subpart D—Grazing Payments for 2002–2007 Crop Years of Wheat, Barley, Oats and Triticale

- 1421.300 Applicability.
- 1421.301 Administration.
- 1421.302 Definitions.
- 1421.303 Eligible producer and eligible land.
- 1421.304 Time and method for application.
- 1421.305 Payment amount.
- 1421.306 Misrepresentation and scheme or device.

- 1421.307 Refunds; joint and several liability.

Subpart E—Standards for Approval of Warehouses for Grain, and Similarly Handled Commodities

- 1421.5551 General statement and administration.
- 1421.5552 Basic standards.
- 1421.5553 Bonding requirements for net worth.
- 1421.5554 Examination of warehouses.
- 1421.5555 Exceptions.
- 1421.5556 Approval of warehouses, requests for reconsideration.
- 1421.5557 Exemption from requirements.
- 1421.5558 Contract and application and inspection fees.
- 1421.5559 OMB control numbers assigned pursuant to Paperwork Reduction Act.

AUTHORITY: 7 U.S.C. 7231–7237 and 7931 *et seq.*; 15 U.S.C. 714b, 714c.

Subpart A—General

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§ 1421.1 Applicability.

(a) The regulations of this subpart are applicable to the 2002 through 2007 crops of barley, small chickpeas, corn, grain sorghum, lentils, oats, dry peas, peanuts, rice, wheat, wool, mohair, oilseeds and other crops designated by Commodity Credit Corporation (CCC). These regulations set forth the general provisions under which marketing assistance loans and loan deficiency payments (LDP) will be administered by the CCC. Additional terms and conditions are in the note and security agreement and the loan deficiency payment application that must be executed by a producer to receive marketing assistance loans and LDP's.

(b)(1) The basic loan rates, the schedule of premiums and discounts, and forms applicable to the marketing assistance and loan deficiency payment programs for the commodities specified in paragraph (a) of this section are available in Farm Service Agency (FSA) State and county offices. The forms for use in these programs will be prescribed by CCC.

(2) Loan deficiency payments shall be available for unshorn pelts, hay and silage.

(c) Marketing assistance loans and loan deficiency payments will not be

§ 1421.2

available for any commodity produced on land owned or otherwise in the possession of the United States if such land is occupied without the consent of the United States.

(d) Producers who produced eligible loan commodities are eligible for marketing assistance loans or loan deficiency payments.

§ 1421.2 Administration.

(a) The marketing assistance loan and loan deficiency payment program shall be administered under the general supervision of the Executive Vice President, CCC and shall be carried out in the field by FSA State and county committees, respectively.

(b) State and county committees, and representatives and employees thereof, cannot modify or waive any requirement of this part, except as provided in paragraph (e) of this section.

(c) The State committee shall take any required action not taken by the county committee. The State committee shall also:

(1) For the 2001 crop year only, allow producers who violated the terms and conditions of the note and security agreement which resulted in the producer losing beneficial interest in the commodity before repaying the loan and the county committee determined the producer acted in good faith, to repay the loan at a rate that is the lesser of the loan plus interest; or the alternative repayment rate, as determined under §1421.10, in effect on the date the beneficial interest was lost. In cases, where a locked-in repayment rate under §1421.110 was applicable, the prescribed form is considered null and void.

(2) Correct or require correction of an action taken by a county committee that is not in compliance with this part; or

(3) Require a county committee to not take an action or implement a decision that is not under the regulations of this part.

(d) The Executive Vice President, CCC, or a designee, may determine any question arising under these programs, or reverse or modify a determination made by a State or county committee.

(e) The Deputy Administrator for Farm Programs, FSA, may authorize

7 CFR Ch. XIV (1-1-05 Edition)

State and county committees to waive or modify deadlines and other program requirements in cases where lateness or failure to meet such other requirements does not adversely affect the operation of the marketing assistance loan and loan deficiency payment program.

(f) A representative of CCC may execute marketing assistance loan and loan deficiency payment applications and related documents only under the terms and conditions determined and announced by CCC. Any document not executed under such terms and conditions, including any purported execution before the date authorized by CCC, shall be null and void.

§ 1421.3 Definitions.

The definitions in this section apply for all purposes of program administration. Terms defined in part 718 of this title and parts 1412 and 1425 of this chapter also apply, except where they conflict with the definitions in this section.

Basic loan rate means the loan rate established by CCC for a commodity before any adjustment for premiums and discounts.

Charges means all fees, costs, and expenses incurred in insuring, carrying, handling, storing, conditioning, and marketing the commodity tendered to CCC for loan. Charges also include any other expenses incurred by CCC in protecting CCC's or the producer's interest in such commodity.

Commodity certificate exchange means the exchange, as provided for in part 1401 of this chapter, of commodities pledged as collateral for a marketing assistance loan at a rate determined by CCC in the form of a commodity certificate bearing a dollar denomination. Such certificate may not be transferred or exchanged for the inventory of CCC.

Designated marketing association means a marketing association or cooperative, approved by the Secretary, to issue marketing loan benefits on behalf of CCC for peanuts.

Field direct loan deficiency payment means a loan deficiency payment issued to producers who:

(1) Will lose beneficial interest immediately at harvest or;