

## Commodity Credit Corporation, USDA

## § 1421.3

executed under such terms and conditions, including any purported execution before the date authorized by CCC, shall be null and void.

[67 FR 63511, Oct. 11, 2002, as amended at 74 FR 15650, Apr. 7, 2009]

### § 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.

*Administrative County Office* is the FSA County Office where a producer's FSA records are maintained.

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

*CCC* means the Commodity Credit Corporation.

*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.

*Chickpeas* means any chickpea that meets the definition of a chickpea according to the Grain Inspection, Packers and Stockyards Administration (GIPSA), Federal Grain Inspection Service (FGIS).

(1) Small chickpea falls below a 20/64th sieve.

(2) Large chickpea stays above a 20/64th sieve.

*CMA* means a cooperative marketing association that is subject to regulations in Part 1425 of this chapter.

*COC* means the FSA county committee.

*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.

*Control or Recording FSA County Office* is the FSA County Office that con-

trols subsidiary files for producers designated as multi-county producers.

*Crop* means with respect to a year, commodities harvested in that year. That is, a reference to the 2009 crop of a commodity means commodities that when planted were intended for harvest in calendar year 2009.

*Crop year* means any time relevant to the relevant crop for that year. Thus references to the 2009 crop year are used to include any activities relevant to the 2009 crop.

*Current net worth ratio* means current assets minus current liabilities, divided by current liabilities, based on the financial statement provided in connection with a DMA application or a recertification for DMA status.

*Department* means the United States Department of Agriculture.

*Deputy Administrator* means the Deputy Administrator for Farm Programs, Farm Service Agency (FSA) or a designee of that person.

*DMA Service County Office* is an FSA County Office designated by CCC to accept, process, and disburse bundled peanut MALs and LDPs to a DMA. In the absence of a centralized MAL and LDP processing system for peanuts, a service county FSA office is necessary for entering MALs and LDPs made by DMAs into CCC accounting systems.

*Designated Marketing Association (DMA)* means an entity, or a subsidiary thereof, that performs marketing functions for peanut producers and is designated to handle marketing assistance loans and loan deficiency payments for them. A DMA is eligible to perform those functions only if the DMA meets the eligibility criteria set out elsewhere in this part.

*Drawdown account* is an account titled to the DMA at a financial institution and funded at the discretion of CCC for the purpose of allowing the DMA to advance funds to producers who have applied for MALs and LDPs before a subsequent MAL or LDP is made to the DMA by an assigned FSA county office.

*Electronic warehouse receipt (EWR)* means a receipt electronically filed in a central filing system by an approved provider as provided in an executed,

“Farm Service Agency Provider Agreement to Electronically File and Maintain Warehouse Receipts.”

*FSA* means the Farm Service Agency of the United States Department of Agriculture.

*High moisture state* means corn or grain sorghum having a moisture content in excess of CCC standards used to determine eligibility for marketing assistance loans made by the Secretary.

*Incorrect certification* means the certifying of a quantity of a commodity for the purpose of obtaining a marketing assistance loan or a loan deficiency payment in excess of the quantity eligible for such marketing assistance loan or loan deficiency payment or the making of any fraudulent representation with respect to obtaining loans or loan deficiency payments.

*Loan commodities* means wheat, corn, grain sorghum, barley, oats, rice, soybeans, other oilseeds, peanuts, wool, mohair, dry peas, lentils, chickpeas, and other crops designated by CCC.

*Loan deficiency payment (LDP)* means a payment received in lieu of a loan when the CCC-determined value is below the applicable county loan rate.

*Loan settlement* means farm stored commodities delivered to CCC and warehouse stored commodities forfeited to CCC, effective with the 2009 through 2012 crop years.

*MAL* means marketing assistance loan.

*Medium grain rice* for the purposes of this part includes both short and medium grain rice as defined by the U.S. Standards for Rice.

*Mohair* means the hair sheared from a live Angora goat. Mohair does not include pelts, or hides or mohair shorn from pelts or hides.

*Oilseeds* means any crop of sunflower seed, canola, rapeseed, safflower, flaxseed, mustard seed, crambe, sesame seed, and other oilseeds as determined and announced by CCC.

*Other crops designated by CCC* means with respect to eligibilities for benefits under this part:

- (1) Those crops harvested as other than grain, such as silage, haylage, earlage;
- (2) Specific crops designated for grazing; or
- (3) As otherwise designated by CCC.

*Pulse crops* means any crop of dry peas, lentils, and chickpeas as defined by CCC.

*Rice* means, unless otherwise noted, long grain rice and medium grain rice.

*Secretary* means the Secretary of the United States Department of Agriculture, or the Secretary's delegate.

*Security for DMAs* means a certified or cashier's check payable to CCC, an irrevocable commercial letter of credit in a form acceptable to CCC, a performance or surety bond conditioned on the DMA fully discharging all of its obligations under this part, or other form of financial security as CCC may deem appropriate.

*Servicing agent bank* means the bank designated as the financial institution for a CMA or a designated marketing association.

*STC* means the FSA State committee.

*Unauthorized disposition* means the conversion of any loan quantity pledged as collateral for a farm-stored loan without prior written authorization from the county committee.

*Unauthorized removal* means the movement of any farm-stored loan quantity from the storage structure in which the commodity was stored or structures that were designated when the loan was approved to any other storage structure, whether or not such structure is located on the producer's farm, without prior written authorization from the county committee.

*Unshorn pelt* means the removed skin and attached wool from a slaughtered lamb that has never been shorn.

*Warehouse receipt* means a receipt containing the required information prescribed in this part and is:

- (1) A pre-numbered, negotiable warehouse receipt issued under the authority of the U.S. Warehouse Act, a state licensing authority, or by an approved CCC warehouse in such format authorized and approved, in advance, by CCC;
- (2) An electronic warehouse receipt issued by such warehouse recorded in a central filing system or system maintained in one or more locations which are approved by FSA to operate such system; or
- (3) Other such acceptable evidence of title, as determined by CCC.

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*Wool* means the fiber sheared from a live sheep and includes, unless noted otherwise, graded and nongraded wool.

[67 FR 63511, Oct. 11, 2002, as amended at 68 FR 37940, June 26, 2003; 70 FR 33799, June 10, 2005; 74 FR 15650, Apr. 7, 2009]

### § 1421.4 Eligible producers.

(a) To be an eligible producer, the producer must:

(1) Be a person, partnership, association, corporation, estate, trust, or other legal entity that produces an eligible commodity as a landowner, landlord, tenant, or sharecropper, or in the case of rice, furnishes land, labor, water, or equipment for a share of the rice crop. With respect to wool and mohair, the producer must own, other than through a security interest mortgage, or lien, the sheep and goats that produced the wool and mohair respectively for a period of not less than 30 days.

(2) Comply with all provisions of this part and, as applicable:

(i) 7 CFR part 12—Highly Erodible Land and Wetland Conservation;

(ii) 7 CFR part 707—Payments Due Persons Who Have Died, Disappeared, or Have Been Declared Incompetent;

(iii) 7 CFR part 718—Provisions Applicable to Multiple Programs;

(iv) 7 CFR part 996—Minimum Quality and Handling Standards for Domestic and Imported Peanuts Marketed in the United States;

(v) 7 CFR part 1400—Payment Limitation & Payment Eligibility for 2009 and Subsequent Crops, Programs, or Fiscal Years;

(vi) 7 CFR part 1402—Policy for Certain Commodities Available for Sale;

(vii) 7 CFR part 1403—Debt Settlement Policies and Procedures;

(viii) 7 CFR part 1405—Loans, Purchases, and Other Operations;

(ix) 7 CFR part 1412—Direct and Counter-Cyclical Program and Average Crop Revenue Election Program for the 2008 and Subsequent Crop Years; and

(x) 7 CFR part 1423—Commodity Credit Corporation Approved Warehouses.

(3) Have made an acreage certification with respect to all the cropland on the farm.

(b) A receiver or trustee of an insolvent or bankrupt debtor's estate, an

executor or an administrator of a deceased person's estate, a guardian of an estate of a ward or an incompetent person, and trustees of a trust shall be considered to represent the insolvent or bankrupt debtor, the deceased person, the ward or incompetent, and the beneficiaries of a trust, respectively. The production of the receiver, executor, administrator, guardian, or trustee shall be considered to be the production of the person or estate represented by the receiver, executor, administrator, guardian, or trustee. Marketing assistance loans and loan deficiency payment documents executed by any such person will be accepted by CCC only if they are legally valid and such person has the authority to sign the applicable documents.

(c) A minor who is otherwise an eligible producer is eligible to receive marketing assistance loans or loan deficiency payments only if the minor meets one of the following requirements:

(1) The right of majority has been conferred on the minor by court proceedings or by statute;

(2) A guardian has been appointed to manage the minor's property and the applicable marketing assistance loan or loan deficiency payment documents are signed by the guardian;

(3) Any note or loan deficiency payment program application signed by the minor is cosigned by a person determined by the county committee to be financially responsible; or

(4) A bond is furnished under which a surety guarantees to protect CCC from any loss incurred for which the minor would be liable had the minor been an adult.

(d) If more than one producer executes a note and security agreement with CCC, each such producer shall be jointly and severally liable for the violation of the terms and conditions of the note and the regulations in this part. Each such producer shall also remain liable for repayment of the entire marketing assistance loan amount until the loan is fully repaid without regard to such producer's claimed share in the commodity pledged as collateral for the loan. In addition, such producer may not amend the note and security agreement with respect to the