

**CHAPTER 7A—AGRICULTURAL MARKETING**

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**CODIFICATION**

This chapter contains the Agricultural Marketing Act, approved June 15, 1929.

In view of the amendments to the Agricultural Marketing Act made by the Farm Credit Act of 1933, approved June 16, 1933, and by the Farm Credit Act of 1935, approved June 3, 1935, and of the transfer of its administration to the Governor of the Farm Credit Administration by Executive Order No. 6084, set out preceding section 2241 of this title, the provisions of the Agricultural Marketing Act, as amended, have been transferred to this chapter from Title 7, Agriculture.

**CHAPTER REFERRED TO IN OTHER SECTIONS**

This chapter is referred to in section 1150a of this title; title 15 sections 781, 632.

**§ 1141. Declaration of policy; effective merchandising of agricultural commodities; speculation; cooperative marketing; surpluses; administration of chapter**

(a) It is declared to be the policy of Congress to promote the effective merchandising of agricultural commodities in interstate and foreign commerce so that the industry of agriculture will be placed on a basis of economic equality with other industries, and to that end to protect, control, and stabilize the currents of interstate and foreign commerce in the marketing of agricultural commodities and their food products—

- (1) by minimizing speculation.
- (2) by preventing inefficient and wasteful methods of distribution.
- (3) by encouraging the organization of producers into effective associations or corporations under their own control for greater unity of effort in marketing and by promoting the establishment and financing of a farm marketing system of producer-owned and producer-

controlled cooperative associations and other agencies.

(4) by aiding in preventing and controlling surpluses in any agricultural commodity, through orderly production and distribution, so as to maintain advantageous domestic markets and prevent such surpluses from causing undue and excessive fluctuations or depressions in prices for the commodity.

(b) There shall be considered as a surplus for the purposes of this chapter any seasonal or year's total surplus, produced in the United States and either local or national in extent, that is in excess of the requirements for the orderly distribution of the agricultural commodity or is in excess of the domestic requirements for such commodity.

(c) The Farm Credit Administration shall execute the powers vested in it by this chapter only in such manner as will, in the judgment of the administration, aid to the fullest practicable extent in carrying out the policy above declared.

(June 15, 1929, ch. 24, §1, 46 Stat. 11; Ex. Ord. No. 6084, Mar. 27, 1933.)

**CODIFICATION**

Section was formerly classified to section 521 of Title 7, Agriculture.

**CHANGE OF NAME**

"Farm Credit Administration" and "administration" substituted in text for "Federal Farm Loan Board" and "board", respectively, pursuant to Ex. Ord. No. 6084, set out preceding section 2241 of this title.

**SHORT TITLE**

For short title of this chapter as the Agricultural Marketing Act, see section 1141j(f) of this title.

**TRANSFER OF FUNCTIONS**

Establishment of Farm Credit Administration as an independent agency, composition of Farm Credit Administration, appointment of Governor of Farm Credit Administration and duties thereof, including duty to perform functions, etc., of Farm Credit Administration, see section 2241 et seq. of this title.

**EXCEPTIONS FROM TRANSFER OF FUNCTIONS**

Functions of Farm Credit Administration or any agency, officer, or entity of, under, or subject to supervision of said Administration excepted from functions of officers, agencies, and employees transferred to Secretary of Agriculture by Reorg. Plan No. 2 of 1953, §1, eff. June 4, 1953, 18 F.R. 3219, 67 Stat. 633, set out in the Appendix to Title 5, Government Organization and Employees.

**SECTION REFERRED TO IN OTHER SECTIONS**

This section is referred to in sections 1141b, 1141e of this title.

**§ 1141a. Repealed. Aug. 6, 1953, ch. 335, § 19, 67 Stat. 400**

Section, act June 15, 1929, ch. 24, §2, 46 Stat. 11; Ex. Ord. No. 6084, Mar. 27, 1943; act Oct. 15, 1949, ch. 695, §6(a), 63 Stat. 881, related to appointment, compensation, qualifications, term of office, and expenses of the Governor of the Farm Credit Administration. See section 2244 et seq. of this title.

**§ 1141b. General powers of Farm Credit Administration**

The Farm Credit Administration—

(1) shall maintain its principal office within the Washington, D.C.-Maryland-Virginia standard metropolitan statistical area, and such other offices in the United States as in its judgment are necessary.

(2) shall have an official seal which shall be judicially noticed.

(3) shall make an annual report to Congress upon the administration of this chapter and any other matter relating to the better effectuation of the policy declared in section 1141 of this title, including recommendations for legislation.

(4) may make such regulations as are necessary to execute the functions vested in it by this chapter.

(5) may appoint and fix the salaries of a secretary and such experts, and, in accordance with chapter 51 and subchapter III of chapter 53 of title 5, and subject to the provisions of the civil service laws, such other officers and employees as are necessary to execute such functions.

(6) may make such expenditures (including expenditures for rent and personal services at the seat of government and elsewhere, for law books, periodicals, and books of reference, and for printing and binding) as are necessary to execute such functions. Expenditures by the administration shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the governor of the administration.

(7) may sell at public or private sale to the highest responsible bidder, upon such terms and after such public advertisement as the Farm Credit Administration may deem in the public interest, any property, real or personal, or any interest therein, acquired by the United States on account of or as a result of any loans made from the revolving fund authorized by section 1141d of this title; may lease any such property, pending its sale, on such terms and for such period, not in excess of five years, as the Farm Credit Administration may deem in the public interest; and may incur and pay, from the said revolving fund, obligations and expenses for the operation, upkeep, maintenance, repair, disposition, insurance, and protection of any such property: *Provided*, That section 5 of title 41 shall not be construed to apply to any purchase or service on account of such property.

(June 15, 1929, ch. 24, § 4, 46 Stat. 13; Ex. Ord. No. 6084, Mar. 27, 1933; Aug. 19, 1937, ch. 704, § 37, 50 Stat. 717; Oct. 28, 1949, ch. 782, title XI, § 1106(a), 63 Stat. 972; Pub. L. 96-592, title V, § 510, Dec. 24, 1980, 94 Stat. 3451.)

#### REFERENCES IN TEXT

The civil service laws, referred to in par. (5), are set forth in Title 5, Government Organization and Employees. See, particularly, section 3301 et seq. of that title.

#### CODIFICATION

In par. (5), "chapter 51 and subchapter III of chapter 53 of title 5" substituted for "the Classification Act of 1949" on authority of section 7(b) of Pub. L. 89-554, Sept. 6, 1966, 80 Stat. 631, section 1 of which enacted Title 5, Government Organization and Employees.

Section was formerly classified to section 524 of Title 7, Agriculture.

#### AMENDMENTS

1980—Par. (1). Pub. L. 96-592 substituted provisions requiring the principal office to be within the Washington, D.C.-Maryland-Virginia standard metropolitan statistical area for provisions requiring the principal office to be in the District of Columbia.

1949—Act Oct. 28, 1949, substituted the "Classification Act of 1949" for the "Classification Act of 1923".

1937—Par. (7). Act Aug. 19, 1937, added par. (7).

#### CHANGE OF NAME

"Farm Credit Administration" and "administration" substituted in text for "board" and "governor" substituted for "chairman" pursuant to Ex. Ord. No. 6084, set out preceding section 2241 of this title.

#### REPEALS

Act Oct. 28, 1949, ch. 782, cited as a credit to this section, was repealed (subject to a savings clause) by Pub. L. 89-554, Sept. 6, 1966, § 8, 80 Stat. 632, 655.

#### REPEAL OF AUTHORITY

Repeal of authority of the Farm Credit Administration to make emergency crop production, feed, seed, drought, and rehabilitation loans on Aug. 14, 1946, see note set out under sections 1001 to 1005d of Title 7, Agriculture.

#### SEPARABILITY

Section 40 of act Aug. 19, 1937, provided as follows:

"Sec. 40. (a) If any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of the Act, and the application of such provisions to other persons or circumstances, shall not be affected thereby.

"(b) The right to alter, amend, or repeal this Act is hereby expressly reserved."

#### TRANSFER OF FUNCTIONS

Establishment of Farm Credit Administration as an independent agency, composition of Farm Credit Administration, appointment of Governor of Farm Credit Administration, and duties thereof, including duty to perform functions, etc., of Farm Credit Administration, see section 2241 et seq. of this title.

#### EXCEPTIONS FROM TRANSFER OF FUNCTIONS

Functions of Farm Credit Administration or any agency, officer, or entity of, under, or subject to supervision of said Administration excepted from functions of officers, agencies, and employees transferred to Secretary of Agriculture by Reorg. Plan No. 2 of 1953, § 1, eff. June 4, 1953, 18 F.R. 3219, 67 Stat. 633, set out in the Appendix to Title 5, Government Organization and Employees.

#### § 1141c. Special powers of administration

The administration is authorized and directed—

(1) to promote education in the principles and practices of cooperative marketing of agricultural commodities and food products thereof.

(2) to encourage the organization, improvement in methods, and development of effective cooperative associations.

(3) to keep advised from any available sources and make reports as to crop prices, experiences, prospects, supply, and demand, at home and abroad.

(June 15, 1929, ch. 24, § 5, 46 Stat. 13; Ex. Ord. No. 6084, Mar. 27, 1933; June 16, 1933, ch. 98, title V, § 50(a), 48 Stat. 265.)

#### CODIFICATION

Section was formerly classified to section 525 of Title 7, Agriculture.

## AMENDMENTS

1933—Act June 16, 1933, repealed pars. (4) and (5) relating to powers of the Farm Board to investigate overproduction and to miscellaneous investigations by the Farm Board.

## CHANGE OF NAME

“Administration” substituted in text for “board” pursuant to Ex. Ord. No. 6084, set out preceding section 2241 of this title.

## TRANSFER OF FUNCTIONS

Establishment of Farm Credit Administration as an independent agency, composition of Farm Credit Administration, appointment of Governor of Farm Credit Administration, and duties thereof, including duty to perform functions, etc., of Farm Credit Administration, see section 2241 et seq. of this title.

## EXCEPTIONS FROM TRANSFER OF FUNCTIONS

Functions of Farm Credit Administration or any agency, officer, or entity of, under, or subject to supervision of said Administration excepted from functions of officers, agencies, and employees transferred to Secretary of Agriculture by Reorg. Plan No. 2 of 1953, §1, eff. June 4, 1953, 18 F.R. 3219, 67 Stat. 633, set out in the Appendix to Title 5, Government Organization and Employees.

**§ 1141d. Revolving fund**

There is authorized to be appropriated the sum of \$500,000,000 which shall be made available by the Congress as soon as practicable after the approval of this chapter and shall constitute a revolving fund to be administered by the administration as provided in this chapter. Any and all funds derived from the sale, lease, operation, or other disposition of any property, real or personal, acquired by the United States on account of or as a result of any loan made pursuant to the provisions of this chapter, shall be covered into and become a part of said revolving fund. Effective June 25, 1962, the sum authorized to be appropriated for the aforesaid revolving fund as reduced from \$500,000,000 to \$150,000,000 and any amount in said fund in excess of \$150,000,000 (including any amount thereof used to purchase capital stock in the central and regional banks for cooperatives) shall be credited to miscellaneous receipts of the Treasury.

(June 15, 1929, ch. 24, §6, 46 Stat. 14; Ex. Ord. No. 6084, Mar. 27, 1933; June 16, 1933, ch. 98, title III, §§33, 34, title IV, §§40, 41, 48 Stat. 262, 264; Aug. 19, 1937, ch. 704, §38, 50 Stat. 718; Pub. L. 87-494, June 25, 1962, 76 Stat. 109.)

## CODIFICATION

Section was formerly classified to section 526 of Title 7, Agriculture.

## AMENDMENTS

1962—Pub. L. 87-494 reduced sum authorized to be appropriated to \$150,000,000.

1937—Act Aug. 19, 1937, inserted second sentence.

1933—Act June 16, 1933, amended provision pertaining to administration of the fund.

## CHANGE OF NAME

“Administration” substituted in text for “board” pursuant to Ex. Ord. No. 6084, set out preceding section 2241 of this title.

## TRANSFER OF FUNCTIONS

Establishment of Farm Credit Administration as an independent agency, composition of Farm Credit Ad-

ministration, appointment of Governor of Farm Credit Administration, and duties thereof, including duty to perform functions, etc., of Farm Credit Administration, see section 2241 et seq. of this title.

## EXCEPTIONS FROM TRANSFER OF FUNCTIONS

Functions of Farm Credit Administration or any agency, officer, or entity of, under, or subject to supervision of said Administration excepted from functions of officers, agencies, and employees transferred to Secretary of Agriculture by Reorg. Plan No. 2 of 1953, §1, eff. June 4, 1953, 18 F.R. 3219, 67 Stat. 633, set out in the Appendix to Title 5, Government Organization and Employees.

## SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1141b, 1141d-1 of this title.

**§ 1141d-1. Interest rates on loans made from revolving fund**

Interest rates in excess of the rates set forth in notes or other obligations taken by the Federal Farm Board or the Farm Credit Administration for loans made from the revolving fund authorized by section 1141d of this title shall not be charged or collected on any of said loans, whether such loans have been heretofore or are hereafter paid in whole or in part, except that in those cases where a borrower by specific contract has agreed to pay a higher rate of interest, the contract rate shall be charged for the period agreed upon; and the amount of any interest collected in excess of the rates thus set forth or contracted for shall be refunded out of said fund or credited on the borrower's indebtedness.

(June 22, 1939, ch. 239, 53 Stat. 853.)

## CODIFICATION

Section was not enacted as part of the Agricultural Marketing Act which comprises this chapter.

## CHANGE OF NAME

Federal Farm Board changed in 1933 to Farm Credit Administration by Ex. Ord. No. 6084, set out preceding section 2241 of this title.

## TRANSFER OF FUNCTIONS

Establishment of Farm Credit Administration as an independent agency, composition of Farm Credit Administration, appointment of Governor of Farm Credit Administration, and duties thereof, including duty to perform functions, etc., of Farm Credit Administration, see section 2241 et seq. of this title.

## EXCEPTIONS FROM TRANSFER OF FUNCTIONS

Functions of Farm Credit Administration or any agency, officer, or entity of, under, or subject to supervision of said Administration excepted from functions of officers, agencies, and employees transferred to Secretary of Agriculture by Reorg. Plan No. 2 of 1953, §1, eff. June 4, 1953, 18 F.R. 3219, 67 Stat. 633, set out in the Appendix to Title 5, Government Organization and Employees.

**§ 1141e. Loans to cooperative associations**

(a) Upon application by any cooperative association the administration is authorized to make loans to it from the revolving fund to assist in—

(1) the effective merchandising of agricultural commodities and food products thereof and the financing of its operations;

(2) the construction or acquisition by purchase or lease, or refinancing the cost of such

construction or acquisition, of physical facilities.

(b) No loan shall be made to any cooperative association unless, in the judgment of the administration, the loan is in furtherance of the policy declared in section 1141 of this title, and the cooperative association applying for the loan has an organization and management, and business policies, of such character as to insure the reasonable safety of the loan and the furtherance of such policy.

(c) Loans for the construction or acquisition by purchase or lease of physical facilities, or for refinancing the cost of such construction or acquisition,<sup>1</sup> shall be subject to the following conditions:

(1) No loan shall be made in an amount in excess of 60 per centum of the appraised value of the security therefor.

(2) No loan for the purchase or lease of such facilities shall be made unless the Governor of the Farm Credit Administration finds that the purchase price or rent to be paid is reasonable.

(d) Loans for the construction or purchase of physical facilities, together with interest on the loans, shall be repaid upon an amortization plan over a period not in excess of twenty years.

(June 15, 1929, ch. 24, § 7, 46 Stat. 14; Ex. Ord. No. 6084, Mar. 27, 1933; June 16, 1933, ch. 98, title V, §§ 50–53, 48 Stat. 265; June 3, 1935, ch. 164, §§ 9, 10, 49 Stat. 316.)

#### CODIFICATION

Section was formerly classified to section 527 of Title 7, Agriculture.

#### AMENDMENTS

1935—Subsecs. (a)(2), (c)(1). Act June 3, 1935, amended subsecs. (a)(2) and (c)(1).

1933—Act June 16, 1933, repealed provisions authorizing loans to form clearing house associations; for education of producers in advantages of cooperative marketing; and to enable cooperatives to advance a greater share of the market price of commodities than was practicable under other credit facilities.

#### CHANGE OF NAME

“Administration” substituted in text for “board” pursuant to Ex. Ord. No. 6084, set out preceding section 2241 of this title.

#### TRANSFER OF FUNCTIONS

Establishment of Farm Credit Administration as an independent agency, composition of Farm Credit Administration, appointment of Governor of Farm Credit Administration, and duties thereof, including duty to perform functions, etc., of Farm Credit Administration, see section 2241 et seq. of this title.

#### EXCEPTIONS FROM TRANSFER OF FUNCTIONS

Functions of Farm Credit Administration or any agency, officer, or entity of, under, or subject to supervision of said Administration excepted from functions of officers, agencies, and employees transferred to Secretary of Agriculture by Reorg. Plan No. 2 of 1953, § 1, eff. June 4, 1953, 18 F.R. 3219, 67 Stat. 633, set out in the Appendix to Title 5, Government Organization and Employees.

#### CROSS REFERENCES

Loans to cooperative associations by banks for cooperatives, established under the Farm Credit Act of

1933, and capitalized from the revolving fund provided for in section 1141d of this title, see section 2122 of this title.

Revolving fund, see section 1141d of this title.

#### § 1141f. Miscellaneous loan provisions

(a) Repealed. Pub. L. 89–525, § 4(b), Aug. 2, 1966, 80 Stat. 334.

(b) Payments of principal or interest upon any such loan or advance shall be covered into the revolving fund.

(c) Loans to any cooperative association or stabilization corporation shall be made upon the terms specified in this chapter and upon such other terms not inconsistent therewith and upon such security as the administration deems necessary.

(d) No loan or insurance agreement shall be made by the administration if in its judgment the agreement is likely to increase unduly the production of any agricultural commodity of which there is commonly produced a surplus in excess of the annual marketing requirements.

(June 15, 1929, ch. 24, § 8, 46 Stat. 14; Ex. Ord. No. 6084, Mar. 27, 1933; June 16, 1933, ch. 98, title V, § 54, 48 Stat. 266; June 3, 1935, ch. 164, § 11, 49 Stat. 316; Aug. 19, 1937, ch. 704, § 5(a), 50 Stat. 704; Aug. 11, 1955, ch. 785, title I, § 109, 69 Stat. 662; Pub. L. 89–525, § 4(b), Aug. 2, 1966, 80 Stat. 334.)

#### CODIFICATION

Section was formerly classified to section 528 of Title 7, Agriculture.

#### AMENDMENTS

1966—Subsec. (a). Pub. L. 89–525 repealed subsec. (a) which provided that loans to cooperative associations made by any bank for cooperatives shall bear such rates of interest as the board of directors of the bank shall from time to time determine with the approval of the Farm Credit Administration, but in no case shall the rate of interest exceed 6 per centum per annum on the unpaid principal of a loan. See section 2122 of this title.

1955—Subsec. (a). Act Aug. 11, 1955, provided that boards of directors for banks would prescribe interest rates on loans in place of requirements relating interest rates on loans made by banks for cooperatives to interest rates charged by Federal intermediate credit banks and Federal land banks.

1937—Subsec. (a). Act Aug. 19, 1937, substituted “farm credit district” for “land bank district”.

1935—Subsec. (a). Act June 3, 1935, among other changes, inserted proviso.

1933—Subsec. (a). Act June 16, 1933, among other changes, modified interest rates.

#### CHANGE OF NAME

“Administration” substituted in text for “board” pursuant to Ex. Ord. No. 6084, set out preceding section 2241 of this title.

#### EFFECTIVE DATE OF 1955 AMENDMENT

Amendment by act Aug. 11, 1955, effective on first day of month next following 120 days after Aug. 11, 1955, see section 112 of act Aug. 11, 1955 (69 Stat. 662).

#### TRANSFER OF FUNCTIONS

Establishment of Farm Credit Administration as an independent agency, composition of Farm Credit Administration, appointment of Governor of Farm Credit Administration, and duties thereof, including duty to perform functions, etc., of Farm Credit Administration, see section 2241 et seq. of this title.

#### EXCEPTIONS FROM TRANSFER OF FUNCTIONS

Functions of Farm Credit Administration or any agency, officer, or entity of, under, or subject to super-

<sup>1</sup> So in original. Probably should be “acquisition.”

vision of said Administration excepted from functions of officers, agencies, and employees transferred to Secretary of Agriculture by Reorg. Plan No. 2, of 1953, §1, eff. June 4, 1953, 18 F.R. 3219, 67 Stat. 633, set out in the Appendix to Title 5, Government Organization and Employees.

CROSS REFERENCES

Revolving fund, see section 1141d of this title.

§ 1141g. Omitted

CODIFICATION

Section, act June 15, 1929, ch. 24, §9, 46 Stat. 15; Ex. Ord. No. 6084, Mar. 27, 1933, provided for the recognition, upon application of the advisory commodity committee, of stabilization corporations for commodities, and prescribed functions and operations in connection therewith. Ex. Ord. No. 6084 abolished the authority conferred by this section and ordered the Farm Credit Administration to take appropriate steps for winding up the activities of such corporations. The order is set out as a note preceding section 2241 of this title.

**§ 1141h. Avoidance of duplication; cooperation with other governmental establishments; obtaining information and data; cooperation with States, Territories, and agencies or subdivisions thereof; indicating research problems; transfer of offices, functions, etc.**

(a) The administration shall, in cooperation with any governmental establishment in the Executive branch of the Government, including any field service thereof at home or abroad, avail itself of the services and facilities thereof in order to avoid preventable expense or duplication of effort.

(b) The President may by Executive order direct any such governmental establishment to furnish the administration such information and data as such governmental establishment may have pertaining to the functions of the administration; except that the President shall not direct that the administration be furnished with any information or data supplied by any person in confidence to any governmental establishment in pursuance of any provision of law or of any agreement with a governmental establishment.

(c) The administration may cooperate with any State or Territory, or department, agency, or political subdivision thereof, or with any person.

(d) The administration shall, through the governor, indicate to the appropriate bureau or division of the Department of Agriculture any special problem on which a research is needed to aid in carrying out the provisions of this chapter.

(e) The President is authorized, by Executive order, to transfer to or retransfer from the jurisdiction and control of the administration the whole or any part of (1) any office, bureau, service, division, commission, or board in the Executive branch of the Government engaged in scientific or extension work, or the furnishing of services, with respect to the marketing of agricultural commodities, (2) its functions pertaining to such work or services, and (3) the records, property, including office equipment, personnel, and unexpended balances of appropriation, pertaining to such work or services.

(June 15, 1929, ch. 24, §13, 46 Stat. 17; Ex. Ord. No. 6084, Mar. 27, 1933.)

CODIFICATION

Section was formerly classified to section 533 of Title 7, Agriculture.

CHANGE OF NAME

“Administration” substituted in text for “board” pursuant to Ex. Ord. No. 6084, set out preceding section 2241 of this title.

TRANSFER OF FUNCTIONS

Establishment of Farm Credit Administration as an independent agency, composition of Farm Credit Administration, appointment of Governor of Farm Credit Administration, and duties thereof, including duty to perform functions, etc., of Farm Credit Administration, see section 2241 et seq. of this title.

EXCEPTIONS FROM TRANSFER OF FUNCTIONS

Functions of Farm Credit Administration or any agency, officer, or entity of, under, or subject to supervision of said Administration excepted from functions of officers, agencies, and employees transferred to Secretary of Agriculture by Reorg. Plan No. 2 of 1953, §1, eff. June 4, 1953, 18 F.R. 3219, 67 Stat. 633, set out in the Appendix to Title 5, Government Organization and Employees.

**§ 1141i. Examination of books and accounts**

Vouchers approved by the Governor of the Farm Credit Administration for expenditures from the revolving fund pursuant to any loan or advance or from insurance moneys pursuant to any insurance agreement, shall be final and conclusive upon all officers of the Government; except that all financial transactions of the administration shall, subject to the above limitations, be examined by the General Accounting Office at such times and in such manner as the Comptroller General of the United States may by regulation prescribe.

(June 15, 1929, ch. 24, §14, 46 Stat. 18; Ex. Ord. No. 6084, Mar. 27, 1933; Aug. 30, 1954, ch. 1076, §1(30), 68 Stat. 968.)

CODIFICATION

Section was formerly classified to section 534 of Title 7, Agriculture.

AMENDMENTS

1954—Act Aug. 30, 1954, repealed former second sentence which required the Comptroller General to make reports to Congress on examinations of Farm Credit Administration transactions under the agricultural marketing revolving fund, in violation of law, together with his recommendations. See chapter 91 of Title 31, Money and Finance.

CHANGE OF NAME

“Governor of the Farm Credit Administration” and “administration” substituted in text for “chairman of the board” and “board”, respectively, pursuant to Ex. Ord. No. 6084, set out preceding section 2241 of this title.

TRANSFER OF FUNCTIONS

Establishment of Farm Credit Administration as an independent agency, composition of Farm Credit Administration, appointment of Governor of Farm Credit Administration, and duties thereof, including duty to perform functions, etc., of Farm Credit Administration, see section 2241 et seq. of this title.

EXCEPTIONS FROM TRANSFER OF FUNCTIONS

Functions of Farm Credit Administration or any agency, officer, or entity of, under, or subject to super-

vision of said Administration excepted from functions of officers, agencies, and employees transferred to Secretary of Agriculture by Reorg. Plan No. 2 of 1953, §1, eff. June 4, 1953, 18 F.R. 3219, 67 Stat. 633, set out in the Appendix to Title 5, Government Organization and Employees.

#### INSURANCE AGREEMENTS

Insurance agreements, referred to in the text, were authorized to be made by section 11 of act June 15, 1929, which section was repealed by act June 16, 1933, ch. 98, title V, §50(a), 48 Stat. 265. Section 11 authorized the former Federal Farm Board, upon application of cooperative associations, to enter into agreements subject to specified conditions, for the insurance of the associations against loss through price decline in the agricultural commodity handled by the associations and produced by the members thereof.

### § 1141j. Miscellaneous provisions

#### (a) "Cooperative association" defined

As used in this chapter, the term "cooperative association" means any association in which farmers act together in processing, preparing for market, handling, and/or marketing the farm products of persons so engaged, and also means any association in which farmers act together in purchasing, testing, grading, processing, distributing, and/or furnishing farm supplies and/or farm business services: *Provided, however*, That such associations are operated for the mutual benefit of the members thereof as such producers or purchasers and conform to one or both of the following requirements:

First. That no member of the association is allowed more than one vote because of the amount of stock or membership capital he may own therein; and

Second. That the association does not pay dividends on stock or membership capital in excess of 8 per centum per annum.

And in any case to the following:

Third. That the association shall not deal in farm products, farm supplies, and farm business services with or for nonmembers in an amount greater in value than the total amount of such business transacted by it with or for members. All business transacted by any cooperative association for or on behalf of the United States or any agency or instrumentality thereof shall be disregarded in determining the volume of member and nonmember business transacted by such association.

#### (b) Speculation prohibited

It shall be unlawful for the governor, or any officer or employee of the Farm Credit Administration to speculate directly or indirectly, in any agricultural commodity or product thereof, or in contracts relating thereto, or in the stock or membership interests of any association or corporation engaged in handling, processing, or disposing of any such commodity or product. Any person violating this subdivision shall upon conviction thereof be fined not more than \$10,000, or imprisoned not more than ten years, or both.

#### (c) Confidential information; disclosure prohibited

It shall be unlawful (1) for any cooperative association, stabilization corporation, clearing-house association, or commodity committee, or

(2) for any director, officer, employee, or member or person acting on behalf of any such association, corporation, or committee, to which or to whom information has been imparted in confidence by the administration, to disclose such information in violation of any regulation of the administration. Any such association, corporation, or committee, or director, officer, employee, or member thereof, violating this subdivision, shall be fined not more than \$5,000, or imprisoned not more than five years, or both.

#### (d) Governmental publications; predictions as to cotton prices prohibited

The inclusion in any governmental report, bulletin, or other such publication hereafter issued or published of any prediction with respect to cotton prices is prohibited. Any officer or employee of the United States who authorizes or is responsible for the inclusion in any such report, bulletin, or other publication of any such prediction, or who knowingly causes the issuance or publication of any such report, bulletin, or other publication containing any such prediction, shall, upon conviction thereof, be fined not less than \$500 or more than \$5,000, or imprisoned for not more than five years, or both: *Provided*, That this subdivision shall not apply to the Governor of the Farm Credit Administration when engaged in the performance of his duties herein provided.

#### (e) Separability clause

If any provision of this chapter is declared unconstitutional, or the applicability thereof to any person, circumstance, commodity, or class of transactions with respect to any commodity is held invalid, the validity of the remainder of the chapter and the applicability of such provision to other persons, circumstances, commodities, and classes of transactions shall not be affected thereby.

#### (f) Citation of chapter

This chapter may be cited as the "Agricultural Marketing Act."

#### (g) "Agricultural commodity" defined

As used in this chapter, the term "agricultural commodity" includes, in addition to other agricultural commodities, crude gum (oleoresin) from a living tree, and the following products as processed by the original producer of the crude gum (oleoresin) from which derived: Gum spirits of turpentine and gum rosin, as defined in section 92 of title 7.

(June 15, 1929, ch. 24, §15, 46 Stat. 18; Mar. 4, 1931, ch. 520, §3, 46 Stat. 1550; Ex. Ord. No. 6084, Mar. 27, 1933; June 16, 1933, ch. 98, title V, §55, 48 Stat. 266; June 3, 1935, ch. 164, §12, 49 Stat. 317.)

#### CODIFICATION

Section was formerly classified to section 535 of Title 7, Agriculture.

#### AMENDMENTS

1935—Subsec. (a). Act June 3, 1935, amended definition of cooperative association and inserted second sentence in par. "Third".

1933—Subsec. (a). Act June 16, 1933, among other changes, inserted proviso and all subsequent thereto.

1931—Subsec. (g). Act Mar. 4, 1931, added subsec. (g).

## CHANGE OF NAME

“The Governor” and “Farm Credit Administration” substituted in text for “any member” and “board”, respectively, and “Governor of the Farm Credit Administration” substituted for “members of the board”, pursuant to Ex. Ord. No. 6084, set out preceding section 2241 of this title.

## TRANSFER OF FUNCTIONS

Establishment of Farm Credit Administration as an independent agency, composition of Farm Credit Administration, appointment of Governor of Farm Credit Administration, and duties thereof, including duty to perform functions, etc., of Farm Credit Administration, see section 2241 et seq of this title.

## EXCEPTIONS FROM TRANSFER OF FUNCTIONS

Functions of Farm Credit Administration or any agency, officer, or entity of, under, or subject to supervision of said Administration excepted from functions of officers, agencies, and employees transferred to Secretary of Agriculture by Reorg. Plan No. 2 of 1953, §1, eff. June 4, 1953, 18 F.R. 3219, 67 Stat. 633, set out in the Appendix to Title 5, Government Organization and Employees.

## CROSS REFERENCES

Agricultural Fair Practices Act of 1967, association of producers as meaning cooperative association defined in this section, see section 2302 of Title 7, Agriculture.

Small Business Administration disaster loans, eligibility of small agricultural cooperatives acting as associations pursuant to this chapter, see section 632(j) of Title 15, Commerce and Trade.

## SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in title 5 section 504; title 7 sections 499e, 2302; title 15 section 632; title 26 section 3131; title 28 section 2412; title 29 section 203; title 42 sections 410, 8802; title 49 sections 13506, 13508.

## CHAPTER 7B—REGIONAL AGRICULTURAL CREDIT CORPORATIONS

## Sec.

1148. Regional agricultural credit corporations; creation; capital; management; loans; rediscunts; supervision
- 1148a to 1148a-3. Repealed.
- 1148a-4. Security for economic disaster and special livestock loans.
- 1148b. Additional powers of regional agricultural credit corporations.
- (a) Places of transacting business.
  - (b) Borrow money.
  - (c) Loans.
  - (d) Sale to or purchase from other like corporations.
- 1148c. Consolidation or merger.
- (a) Power of Farm Credit Administration.
  - (b) Status of corporations formed by consolidation.
- 1148d. Rights and powers unaffected by sections 1148b and 1148c.

### § 1148. Regional agricultural credit corporations; creation; capital; management; loans; rediscunts; supervision

The Farm Credit Administration is authorized to create in any of the twelve farm credit districts where it may deem the same to be desirable a regional agricultural credit corporation with a paid-up capital of not less than \$3,000,000, to be subscribed for by the Farm Credit Administration and paid for out of the unexpended balance of the amounts allocated and made avail-

able to the Secretary of Agriculture under section 2 of the Reconstruction Finance Corporation Act. Such corporations shall be managed by officers and agents to be appointed by the Farm Credit Administration under such rules and regulations as it may prescribe. Such corporations are authorized and empowered to make loans or advances to farmers and stockmen, the proceeds of which are to be used for an agricultural purpose (including crop production), or for the raising, breeding, fattening, or marketing of livestock, to charge such rates of interest or discount thereon as in their judgment are fair and equitable, subject to the approval of the Farm Credit Administration, and to rediscount with the Farm Credit Administration and the various Federal reserve banks and Federal intermediate credit banks any paper that they acquire which is eligible for such purpose. All expenses incurred in connection with the operation of such corporations shall be supervised and paid by the Farm Credit Administration under such rules and regulations as its board of directors may prescribe.

(July 21, 1932, ch. 520, §201(e), 47 Stat. 713; Aug. 19, 1937, ch. 704, §5(a), 50 Stat. 704; June 30, 1947, ch. 166, title II, §206, 61 Stat. 208.)

## REFERENCES IN TEXT

Section 2 of the Reconstruction Finance Corporation Act, referred to in text, refers to section 2 of the act of Jan. 22, 1932, ch. 8, 47 Stat. 5, wherein the sum of \$50,000,000 was made available to the Secretary of Agriculture for the purpose of making certain emergency crop loans or advances to farmers. Act June 30, 1947, ch. 166, title I, §1, 61 Stat. 202 further amended section 2, as amended, of the Reconstruction Finance Corporation Act by eliminating provisions relating to the Secretary of Agriculture and the emergency crop loans or advances.

## AMENDMENTS

1947—Act June 30, 1947, substituted “Farm Credit Administration” for “Reconstruction Finance Corporation” wherever appearing.

## CHANGE OF NAME

Act Aug. 19, 1937, substituted “farm credit districts” for “Federal land-bank districts”.

## TRANSFER OF FUNCTIONS

Establishment of Farm Credit Administration as an independent agency, composition of Farm Credit Administration, appointment of Governor of Farm Credit Administration, and duties thereof, including duty to perform functions, etc., of Farm Credit Administration, see section 2241 et seq. of this title.

Ex. Ord. No. 6084 of Mar. 27, 1933, set out preceding section 2241 of this title, transferred to the jurisdiction and control of the Farm Credit Administration the functions defined in section 5(e) of the Order, as follows: “The functions of the Reconstruction Finance Corporation and its Board of Directors relating to the appointment of officers and agents to manage regional agricultural credit corporations formed under section 201(e) of the Emergency Relief and Construction Act of 1932 [this section]; relating to the establishment of rules and regulations for such management; and relating to the approval of loans and advances made by such corporations and of the terms and conditions thereof.”

## EXCEPTIONS FROM TRANSFER OF FUNCTIONS

Functions of Farm Credit Administration or any agency, officer, or entity of, under, or subject to supervision of said Administration excepted from functions