

for the cotton, and other charges as may be levied by the warehouse specific to outside-stored cotton; and

(iv) Not move such cotton after the loan application is submitted to CCC without prior written approval of the county committee. Failure of the producer to receive such permission shall subject the producer to administrative actions.

■ 5. Amend § 1427.21 by adding paragraph (d) to read as follows:

§ 1427.21 Settlement.

* * * * *

(d) With respect to ELS cotton which is stored as provided in § 1427.10(e), settlement of loans shall be made based upon the determination of the quantity and quality made by CCC at the time of acceptance of the cotton by CCC at the warehouse designated by CCC as provided in § 1427.18(k).

Signed in Washington, DC, on August 7, 2003.

Verle E. Lanier,

Executive Vice President, Commodity Credit Corporation.

Note: The following appendix will not be published in the Code of Federal Regulations.

U.S. Department of Agriculture

Commodity Credit Corporation

Outside Storage (Cotton) Appendix to Note and Security Agreement Terms and Conditions

PART A—TERMS AND CONDITIONS

A producer submitting cotton to the Commodity Credit Corporation as collateral for a marketing assistance loan may store such collateral outside subject to the following terms and conditions:

(1) Collateral Identification. The producer must identify all outside-stored cotton loan collateral by providing CCC, for each individual bale, the gin code number (5-digit number) and gin bale number (gin-assigned 7-digit number) as presented to the Agricultural Marketing Service (AMS) for classification services, and the bale net weight.

(2) Collateral Location. The producer must provide CCC the address, and any additional storage location information sufficient to enable a CCC representative to locate the cotton.

(3) Initial Classification Information. The producer must provide that AMS classification information, based on bale samples collected by an AMS-approved sampler, is available to CCC.

(4) Classification Information for Forfeited ELS Cotton. In addition to submitting bale samples as required by paragraph (3) of this appendix, for all outside-stored ELS loan collateral delivered to CCC in satisfaction of the loan obligation, the producer is responsible to provide, within 30 days after the date of delivery of the cotton into a

warehouse designated by CCC, AMS classification information, based on bale samples collected by an AMS-approved sampler.

(5) Settlement. Notwithstanding provisions of paragraph 9(c) of the Note and Security Agreement Terms and Condition (form CCC-601), if the producer elects to forfeit outside-stored loan collateral in satisfaction of the amount due: (i) the value of the collateral for purposes of settlement will be determined using the applicable schedules of premiums and discounts on the basis of the classification information provided after delivery of the cotton to CCC; and, (ii) the collateral shall be delivered to CCC in the original bags with original bale identification as provided by the ginner.

(6) Settlement Charges. If the producer forfeits outside-stored ELS cotton loan collateral to CCC in satisfaction of the amount due, the producer is liable, in addition to charges included in paragraph 4 of the Note and Security Agreement Terms and Condition (form CCC-601), for (i) expenses or charges associated with the storage of the cotton during the period of the loan, and (ii) charges levied by the warehouse associated with receiving, weighing, compression, issuance of an electronic warehouse receipt, other charges as may be levied by the warehouse specific to outside-stored cotton, and for classification services as required under paragraph (4) of this appendix.

PART B—PRODUCER CERTIFICATION

I accept that the terms and conditions of this appendix apply to the cotton pledged as collateral for this loan. I certify that the cotton pledged as collateral for this loan is packaged in a hermetically sealed bag, packaged at a measured internal humidity level established by the gin as appropriate to safeguard cotton quality, using packaging materials that meet or exceed industry minimum standards. I further certify that the storage area is suitable for cotton storage, is constructed to prevent water accumulation under the cotton, is outside a 100-year floodplain, and is serviced by bale handling and transport equipment that will not damage the sealed bag or degrade the drainage characteristics of the storage area.

Signature of Contact Producer Date

Signature of Other Producer Date

Signature of Other Producer Date

[FR Doc. 03-20879 Filed 8-15-03; 8:45 am]

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DEPARTMENT OF AGRICULTURE

Commodity Credit Corporation

7 CFR Part 1481

RIN 0560-AH04

Sugar Beet Disaster Program

AGENCY: Commodity Credit Corporation, USDA.

ACTION: Final rule.

SUMMARY: This rule implements provisions of the Agricultural Assistance Act of 2003, related to the Sugar Beet Disaster Program. This program will assist sugar beet producers who suffered production losses for either the 2001 or 2002 crop year due to weather related disasters which resulted in the prevention of planting or the reduction of quantity or quality while the beets were in the field.

EFFECTIVE DATE: August 18, 2003.

FOR FURTHER INFORMATION CONTACT:

Sharon Biastock, Production, Emergencies, and Compliance Division, Farm Service Agency (FSA), U.S. Department of Agriculture, 1400 Independence Ave. SW., Stop 0517, Washington, DC 20250-0540, telephone (202) 720-6336; e-mail address: sharon_biastock@wdc.usda.gov.

SUPPLEMENTARY INFORMATION:

Background

This final rule implements Sec. 208 of the Agricultural Assistance Act of 2003 (Pub. L. 108-7) related to the Sugar Beet Program. The statute provides that the Secretary of Agriculture (Secretary) may use up to \$60 million of the funds of the Commodity Credit Corporation (CCC) to pay producers with sugar beet crops who were adversely affected by weather for in-field losses prior to harvest for either the 2001 or 2002 crop year, but not both, as elected by the producers. Congress set forth a clear separate funding and authorization to accommodate the specific needs of sugar beet growers. Therefore, modifications to the disaster assistance provisions for other crops have been made to meet those needs of sugar beet growers.

CCC is promulgating this rule as 7 CFR part 1481, and replacing the current regulations in that part governing the Limited California Cooperative Insolvency Payment Program (LCCIPP). The LCCIPP was authorized by section 843 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (Pub. L. 106-387, 114 Stat. 1549) and