

# rules and regulations

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[3410-02]

## Title 7—Agriculture

### CHAPTER IX—AGRICULTURAL MARKETING SERVICE (MARKETING AGREEMENTS AND ORDERS; FRUITS, VEGETABLES, NUTS), DEPARTMENT OF AGRICULTURE

#### PART 905—ORANGES, GRAPEFRUIT, TANGERINES, AND TANGELOS GROWN IN FLORIDA

##### Subpart—Rules and Regulations

###### HANDLING PROCEDURES

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Final rule.

SUMMARY: The principal amendment establishes procedures governing the handling of "organically-produced" oranges, grapefruit, tangerines, and tangelos grown in Florida. Requirements applicable to the handling of such citrus recognize cultural practices employed in the production of such fruit and the outlets to which such fruit is shipped. Another change revises procedure which would facilitate nomination of membership of the Citrus Administrative Committee.

DATE: Effective March 8, 1978.

FOR FURTHER INFORMATION CONTACT:

Charles R. Brader, 202-447-6393.

SUPPLEMENTARY INFORMATION: *Findings.* Pursuant to the marketing agreement, as amended, and Order No. 905, as amended (7 CFR Part 905.42 FR 59367, 61853); regulating the handling of oranges, grapefruit, tangerines, and tangelos grown in Florida effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), and upon the basis of the recommendations and information submitted by the Citrus Administrative Committee, it is found that amendments of Subpart—Rules and Regulations (§§ 905.120-905.145), as hereafter set forth, are in accordance with the provisions of the order and will tend to effectuate the declared policy of the act.

Requirements applicable to shipments of "organically-produced" citrus fruit specify, among other things, that

handlers file applications with the committee for authorization to handle such fruit under a Certificate of Privilege and receivers certify that the fruit will be distributed to authorized outlets. The amendment of nomination procedure empowers the committee to convene nomination meetings and permits voting for committee member and alternate member nominees by acclamation or by written ballot.

It is further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rulemaking, and postpone the effective date until 30 days after publication in the FEDERAL REGISTER (5 U.S.C. 553), because of insufficient time between the date when information became available upon which these amendments are based and the effective date necessary to effectuate the declared policy of the act. Interested persons were given an opportunity to submit information and views on the amendments at an open meeting. It is necessary to effectuate the declared purposes of the act to make these amendments effective as specified, and the regulatory provisions relieve restrictions. Therefore, said rules and regulations are hereby amended by amending § 905.120 and by adding new §§ 905.146 through 905.148 to read as follows:

##### § 905.120 Nomination procedure.

Meetings shall be called by the committee in accordance with the provisions of § 905.22, for the purpose of making nominations for members and alternate members of the Citrus Administrative Committee. The manner of nominating members and alternate members of said committee shall be as follows:

(a) At each such meeting the committee's representative shall announce the requirements as to eligibility for voting for nominees and the procedure for voting, and shall explain the duties of the committee.

(b) A chairman and a secretary of each meeting shall be selected.

(c) At each meeting there shall be presented for nomination and there shall be nominated not less than the number of nominees required under the provisions of § 905.19, all of whom shall have the qualifications as specified in § 905.22.

(d) At the meetings of handlers, any person authorized to represent a han-

dler may cast a ballot for such handler.

(e) At each meeting each eligible person may cast one vote for each of the persons to be nominated to represent the district or group, as the case may be.

(f) Voting may be by written ballot. If written ballots are used, all ballots shall be delivered by the chairman or the secretary of the meeting to the agent of the Secretary. If ballots are not used, the committee's representative shall deliver to the Secretary's agent a listing of each person nominated and a count of the number of votes cast for each nominee for grower member and alternate. Said representative shall also provide the agent the register of eligible voters present at each meeting, a listing of each person nominated, the number of votes cast, and the weight by volume of shipments voted for each nominee for shipper member and alternate.

##### § 905.146 Special purpose shipments.

A Special Purpose Shipper is one who certifies that he will deal only with citrus fruit which he knows of his own personal knowledge is produced on trees on which only compost, nonacidulated fertilizer such as rock phosphate, dolomite or ground limestone is used, and to which no chemical insecticide or fungicide has been applied. The shipper also shall certify that he will limit shipments to only registered and approved outlets handling such citrus fruits. Any such shipments shall be made subject to a Certificate of Privilege.

To qualify for a Certificate of Privilege, each such shipper must notify the committee prior to the first shipment of such fruit in the fiscal period of his intent to ship such citrus, submit an application on forms supplied by the committee, and agree to other requirements as set forth in §§ 905.147 and 905.148, inclusive, with respect to such shipments. The shipper shall certify that he will make no claims, written or verbal, concerning any alleged advantages of using, or any alleged superiority of, fruit shipped under a Certificate of Privilege, compared to other Florida produced citrus.

Citrus shipped under this provision must, other provisions notwithstanding, meet the following requirements:

(a) The applicable grade and size requirements as recommended by the



committee and approved by the Secretary.

(b) All such citrus shall be inspected as required by § 905.53 by the Federal or Federal-State Inspection Service prior to the time such citrus is shipped from the packing facility, and certified as meeting the applicable requirements.

(c) Be reported as required in § 905.148.

#### § 905.147 Certificate of privilege.

(a) *Application.* Application for a Certificate of Privilege by a Special Purpose Shipper shall be made on forms furnished by the committee. Each application may contain, but need not be limited to, the name and address of the handler; a list of citrus suppliers, including addresses and grove locations; a list of receivers (who handle only so-called "natural" food-stuffs); the quantity and variety of citrus to be shipped; a certification to the Secretary of Agriculture and to the committee as to the truthfulness of the information shown thereon; and any other appropriate information or documents deemed necessary by the committee or its duly authorized agents for the purposes stated in § 905.146.

(b) *Approval.* The committee or its duly authorized agents shall give prompt consideration to each application for a Certificate of Privilege. Approval of an application based upon a determination as to whether the information contained therein and other information available to the committee supports approval, shall be evidenced by the issuance of a Certificate of Privilege to the applicant. Each certificate shall expire at the end of the fiscal period.

(c) *Disqualification.* The committee, from time to time, may conduct surveys of handling Special Purpose Shipments under Certificates of Privilege to determine whether handlers are complying with the requirements and regulations applicable to such certificates. Whenever the committee finds that a handler or consignee is failing to comply with these requirements, the Certificate of Privilege issued such handler may be rescinded and further certificates denied. Such disqualification shall apply to, and not exceed, a reasonable period of time as determined by the committee, but in no event shall it extend beyond the end of the current fiscal period. Any handler who has a certificate rescinded or denied may appeal to the committee in writing for reconsideration of his disqualification.

#### § 905.148 Reports of special purpose shipments under certificates of privilege.

(a) Each handler of citrus shipping under Certificates of Privilege shall supply the committee with reports on

each shipment as requested by the committee, on forms supplied by the committee, showing the names and addresses of the shipper; name and address of the grower or growers supplying fruit for such shipment; truck or other conveyance identification; the loading point; destination; consignee; the inspection certificate number; and any other information deemed necessary by the committee.

(b) One copy of the report on each such shipment shall be forwarded to the committee promptly; two copies of the report shall be forwarded to the registered receiver. Upon the receipt of each shipment, the receiver shall complete the applicable portion of the form and return one copy to the committee within ten days. Such completion shall contain a certification to the Secretary and the committee that the citrus described shall be distributed in the outlets described. Failure to complete and return such forms will be cause to remove that receiver's name from the committee's list of eligible receivers.

Dated: March 3, 1978.

FLOYD F. HEDLUND,  
Director, Fruit and Vegetable Division,  
Agricultural Marketing Service.

[FR Doc. 78-5819 Filed 3-7-78; 8:45 am]

[3410-05]

### CHAPTER XIV—COMMODITY CREDIT CORPORATION, DEPARTMENT OF AGRICULTURE

#### SUBCHAPTER B—LOANS, PURCHASES, AND OTHER OPERATIONS

#### PART 1468—MOHAIR

##### Subpart—Payment Program for Mohair (1978-1981)

AGENCY: Commodity Credit Corporation, USDA.

ACTION: Final rule.

**SUMMARY:** The purpose of this rule is to announce the Commodity Credit Corporation's price support payment program to producers for mohair marketed during the 1978, 1979, 1980, and 1981 marketing years. The payment program for the 4 marketing years is authorized by the Food and Agriculture Act of 1977 which amended the National Wool Act of 1954, as amended (7 U.S.C. 1782). The payment program will increase the support price for mohair from the statutory level for the 1971-1976 marketing years and is intended to encourage the continued domestic production of mohair at prices fair to both producers and consumers.

**EFFECTIVE DATE:** March 8, 1978.

ADDRESS: Emergency and Indemnity Payments Division, ASCS, USDA, room 4095, South Building, P.O. Box 2415, Washington, D.C. 20013.

#### FOR FURTHER INFORMATION CONTACT:

Gerald Schiermeyer (ASCS), 202-447-4428.

**SUPPLEMENTARY INFORMATION:** For the 4 marketing years, 1978, 1979, 1980, and 1981, the rule provides for the Secretary of Agriculture to establish a support price for mohair at a comparable rate to the support price of shorn wool.

The rate of payment each year for mohair is to be based on the difference between the announced national average price for mohair received by producers and the announced support price for mohair. Pursuant to section 708 of the Act, as amended (7 U.S.C. 1787), the Secretary of Agriculture entered into an agreement with the Mohair Council of America in July 1971 for deductions from support payments to producers to conduct advertising and sales promotion programs for the development and dissemination of information for mohair and/or goats, or their products. The agreement, which was approved in a referendum among producers, expired on December 31, 1973. The rule provides for deductions from the support payments if an agreement authorizing such deductions is in effect.

This rule is identical to the rules covering price support payment programs for mohair in prior years except for the statutory method of determining the support price for mohair for the 1978-1981 marketing years prescribed by the National Wool Act of 1954, as amended. Therefore, it is found upon good cause that compliance with the notice of proposed rule-making and public participation procedure is unnecessary, impracticable, and contrary to public interest. Therefore, this rule is issued without compliance with such procedure.

#### FINAL RULE

Part 1468 of 7 CFR is amended by adding a new Subpart—Payment Program for Mohair (1978-1981) to read as follows:

##### Subpart—Payment Program for Mohair (1978-81)

#### PROGRAM OPERATIONS

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1468.121 Assignments.  
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1468.125 Authorization by Executive Vice President, CCC, or other official.  
1468.126 Expiration of time limitations.

AUTHORITY: Secs. 4 and 5, 62 Stat. 1070 as amended (15 U.S.C. 714 b and c); secs. 702-708, 68 Stat. 910-912, as amended (7 U.S.C. 1781-1787).

PROGRAM OPERATIONS

§ 1468.101 General.

This subpart sets forth the policies, procedures, and requirements governing price support payments by Commodity Credit Corporation (referred to in this subpart as "CCC") for mohair for the 1978, 1979, 1980, and 1981 marketing years.

§ 1468.102 Administration.

The program will be carried out by the Agricultural Stabilization and Conservation Service (referred to in this subpart as "ASCS") under the general supervision and direction of the Executive Vice President of CCC. In the field, the program will be administered through the ASCS State and county offices. ASCS State and county offices do not have authority to modify or waive any of the provisions of this subpart or any amendments or supplements thereto unless the power to modify or waive is expressly included in the pertinent provision.

§ 1468.103 Announcement of price support level.

(a) *General.* Pursuant to the National Wool Act of 1954, as amended, the Secretary of Agriculture shall announce a price support level for mohair which has been determined to meet the requirements of the Act for each of the 4 marketing years, 1978, 1979, 1980, and 1981. Such announcement shall, to the extent practicable, be made sufficiently in advance of each marketing year as will permit producers to plan their production for such marketing year.

(b) *1978 marketing year.* For the 1978 marketing year, the price support level was announced on December 1, 1977, as \$1.647 per pound of mohair, grease basis.

§ 1468.104 Definitions.

As used in the regulations in this subpart and in the forms and documents related thereto, the following terms shall have the meanings assigned to them in this section:

(a) "Financing agency" means any bank, trust company, or Federal lending agency. It also includes any other financing institution which customarily makes loans or advances to finance production of goats or mohair.

(b) "Goat" means an Angora goat and the term also includes a kid of an Angora goat.

(c) "Joint producers" means two or more producers who are joint owners of mohair, or who are producers of mohair under a caretaking agreement pursuant to which one producer owns the goats and the other producer furnishes labor in connection with mohair production in return for which the producer is entitled to share either in the mohair produced or in the proceeds from the sale of such mohair.

(d) "Joint owners" means two or more persons who own the mohair in question, regardless of the special nature of their relationship or how it came into being, and shall include owners in common.

(e) "Local shipping point" means the point at which the producer delivers mohair to a common carrier for further transportation or, if the mohair is not delivered to a common carrier, the point at which the producer delivers it to the marketing agency or a purchaser. The term "common carrier" includes any carrier that serves the public in transporting goods for hire whether or not such carrier is required to be licensed by some Government authority to do so.

(f) "Marketing agency" with reference to mohair means a person who sells a producer's mohair for the producer's account.

(g) "Marketing year" means the period beginning January 1 and ending the following December 31, both dates inclusive.

(h) "Mohair" means the hair of the Angora goat and also includes the hair of a kid of an Angora goat.

(i) "Person" means an individual, partnership, association, business trust, corporation, or any organized unincorporated group of individuals, and includes a State and any subdivision thereof.

(j) "Producer" of mohair means a person who either owns, individually or jointly, the goat from which the mohair is shorn or is a joint producer of the mohair under a caretaking agreement described in paragraph (c) of this section.

(k) "Sales document" means the account of sale, bill of sale, invoice, and any other document evidencing the sale by the producer of mohair.

(l) "Specified marketing year" is the marketing year which the Department

of Agriculture has announced that marketings of mohair by a producer during that year will entitle the producer to a payment under this program.

§ 1468.105 Price support payments.

Price support on mohair will be furnished for each specified marketing year in accordance with the provisions of this subpart by means of payments to the producer on mohair marketed in that specified marketing year. Payments will not be made on marketings of the pelts of goats or on the marketings of mohair removed from such pelts.

§ 1468.106 Eligibility for payments.

Before payments under this subpart can be approved pursuant to any application for payment covering any lot or lots of mohair, the following requirements must be satisfied:

(a) Except as provided in § 1468.115, the applicant must be the producer, and in the case of a joint application each applicant must be a producer, of the mohair which must have been marketed during the specified marketing year.

(b) The mohair must have been shorn in the United States.

(c) The producer, or in the case of joint producers at least one of the producers, must have owned the mohair at the time of shearing and must have owned in the United States the goats from which the mohair was shorn for not less than 30 days at any time prior to the filing of the application. Ownership of mohair or goats as used in this paragraph does not include the ownership which is some States is held by a person having a security interest, such as a mortgage or other lien.

(d) Beneficial interest in the mohair must always have been in the producer from the time the mohair was shorn up to the time of its sale. A producer has beneficial interest in mohair: (1) When the producer owns it and has not authorized any other person to sell or otherwise dispose of it, or (2) when the producer has, by transfer of legal title to such other person or otherwise, authorized another person to sell or otherwise dispose of the mohair but continues to be entitled to the proceeds from any such sale or other disposition thereof. Such beneficial interest is not changed by a mortgage or other lien on the mohair.

(e) Payments under this subpart shall only be made on bona fide marketings in a specified marketing year.

§ 1468.107 Marketing within a specified marketing year.

(a) Marketing shall be deemed to have taken place in a specified marketing year if, pursuant to a sale or contract to sell in the process of marketing, the last of the following three



events, in whatever order they occur, was completed in that marketing year: (1) Title passed to the buyer; (2) the mohair was delivered to the buyer (physically or through documents which transfer control to the buyer); and (3) the last of the factors (price per pound, weight, etc.) needed to determine the total purchase price payable by the buyer is known to the marketing agency, if the applicant markets directly. In addition the full amount due the producer in connection with the marketing of mohair must be paid to the applicant in cash, merchandise, or services rendered before the producer may include it in the application for payment.

(b) A promissory note or other promise to pay, as well as a check not honored for any reason, shall not be considered a payment to the producer unless the Deputy Administrator, State and County Operations, ASCS, makes a determination that: (1) The producer acted in good faith in the marketing of the mohair, (2) the mohair was not returned to the producer, (3) the producer was not aware and did not suspect that the document tendered in payment for the mohair was not worth its face value at the time the producer accepted the document as payment for the mohair, and (4) the producer has made a diligent effort to obtain payment for the mohair from the purchaser. This determination shall be deemed to constitute a determination that the acceptance of such a document as payment for the mohair is consistent with the purposes of the National Wool Act. Notwithstanding the provisions of this paragraph (b), the price utilized for the purpose of computing the net sales proceeds pursuant to §1468.109 shall not exceed the fair market value of the mohair as determined by CCC.

(c) A sale by one producer to another shall not constitute a bona fide marketing unless: (1) The selling producer usually markets mohair in that way, or (2) the buying producer is also engaged in the business of buying and selling mohair and buys the mohair in the course of that business. An exchange of mohair between the producers thereof or a sale of mohair conditioned on the acquisition by the selling producer from the buyer of the same mohair or other mohair shall not constitute a bona fide marketing. A sale of mohair by a producer to a person not previously engaged in the business of buying mohair also shall not constitute such a marketing unless evidence is submitted to the satisfaction of CCC that there was a bona fide sale. Any document representing a sale, transfer, or other arrangement with respect to the mohair which is fictitious or not legally binding or solely a scheme or device for obtaining a price support payment shall not con-

stitute evidence of a bona fide marketing. Examples of such schemes are sales of mohair wherein a part of all of the purchase price is returned to the purchaser in the form of money, merchandise, or otherwise either directly from the seller or through other persons.

(d) The exchange of mohair for merchandise or services (for instance, shearing) will be considered a marketing, provided a definite price for the mohair is established by the parties to the exchange. Such price, or whatever other price CCC determines is the fair market value for such mohair, whichever is lower, shall be utilized for the purpose of computing the net sales proceeds pursuant to §1468.109 upon which payment under this subpart is based.

(e) Delivery of mohair on consignment to a marketing agency to be sold for the producer's account does not constitute a marketing, whether or not a minimum sales price is guaranteed or an advance against the prospective sales price is given by the consignee, except that the mohair is deemed marketed if the marketing agency has guaranteed a minimum sales price, is unable to sell to mohair for more, and with the producer's consent takes it over at the minimum sales price. The producer shall be deemed to have consigned the mohair when title to the mohair is transferred to a marketing agency and the producer provides that such agency shall market the mohair and that the producer shall be entitled to the proceeds of such marketing.

#### §1468.108 Rate of payment.

At the end of a specified marketing year and after the Department of Agriculture has determined the national average price for mohair received by producers in that marketing year, the Department will announce the rate of the payment under this subpart. The rate of payment will be the percentage of the national average price per pound received by producers in a specified marketing year which is required to bring such national average price up to the support price for mohair.

#### §1468.109 Computation of payment.

(a) The amount of the payment due to a producer shall be computed by applying the rate of payment to the net sales proceeds for the mohair marketed during the specified marketing year.

(b) Except as provided in §1468.111(a)(6) with respect to a guaranteed minimum sales price, the net sales proceeds shall be determined by deducting from the gross sales proceeds of the mohair all marketing expenses, such as any charges paid by or for the account of the producer for transportation, handling (including

commissions), grading, scouring, or carbonizing. The figure so arrived at will express the net proceeds received by the producer at the farm, ranch, or local shipping point. Charges for furnishing bags or storing the mohair, as well as any other charges not directly related to the marketing of the mohair, such as interest on advances, shall not be considered marketing charges.

(c) All applications filed by a producer in the same county office for payments due on mohair marketed during the specified marketing year shall be considered together for the purpose of determining the total amount of payment due. All such applications filed in different county offices may be considered together in determining such total payment.

#### §1468.110 Preparation of application.

(a) *Preparation.* The application for payment on the sale of mohair shall be prepared on Form CCC-1155, "Application for Payment (National Wool Act)." Marketing agencies may assist producers in filling out applications by inserting the information on sales of mohair and sending the sales documents to the appropriate ASCS county office, but the producer must sign the application and is responsible for the requirements as to the time and manner of filing the application. If the producer paid marketing charges not shown on the sales document, such charges shall be considered with the marketing charges shown on the sales document in arriving at the net proceeds.

(b) *Supporting documents.* The application shall be supported by the original sales documents covering the mohair sold.

(c) *Original sales document retained.* If the applicant does not wish the original sales document to remain with the ASCS county office, a photostat, carbon, or other copy of the original document may be submitted. However, the applicant must show the original document to the ASCS county office where the statements on the copy will be confirmed by comparison with the original. The original sales document will be appropriately stamped or marked to indicate that it had been used in support of an application for payment under this program and will be returned to the applicant, who shall retain it in accordance with §1468.122.

(d) *Practice of issuing carbon or photostat copies.* If it is the practice of the person or firm preparing the sales document to furnish a carbon or other copy to the seller in the place of the original, the producer may submit that copy in support of his application, provided the copy bears a signature, in accordance with §1468.111(a)(10), of the person or of the repre-



representative of the firm preparing the original sales document. Such copy shall be treated as an original for the purposes mentioned in this section.

(e) *Lost or destroyed sales document.* If the original sales document has been lost or destroyed, the applicant may submit a copy, certified by the buyer or the applicant's marketing agency, and such certified copy shall be treated as an original for the purposes mentioned in this section.

**§ 1468.111 Contents of sales documents.**

The sales documents attached to each application for payment must contain a final accounting and meet the requirements of paragraph (a) or (b) of this section, for the mohair covered by the sales document. Contracts to sell as well as tentative or pro forma settlements will not be acceptable as sales documents meeting such requirements. Except as provided in § 1468.115, sales documents must cover mohair sold by the producer.

(a) *Sales other than at farm, ranch, or local shipping point.* Each sales document, except a document covering an outright sale at the producer's farm, ranch, or local shipping point, must be prepared by the purchaser or the applicant's marketing agency and must contain at least the following information:

(1) Name and address of seller.

(2) Date of sale. In case the producer's shipment to a marketing agency is sold in parts within a marketing year, the date when final settlement is made within that marketing year for the mohair that was sold within that marketing year may be shown on the sales document as the date of sale instead of the various dates on which the sales actually took place.

(3) Net weight of mohair sold. If the mohair was sold as scoured mohair, the original grease weight must be shown as well as the scoured weight.

(4) Except as otherwise provided in paragraph (a)(5) of this section, the gross sales proceeds or sufficient information from which the gross sales proceeds can be determined.

(5) Marketing deductions, if any (see § 1468.109(b)), except as otherwise provided in this subparagraph. The marketing deductions may be itemized or they may be shown on the sales document as a composite figure for all marketing charges with an explanation of what services are included in that figure. If it is the practice of a marketing agency to show on the sales document only the net proceeds after marketing deductions, the gross sales proceeds and the amount of the marketing deductions need not be shown, provided the sales document contains a statement reading substantially as follows:

The net sales proceeds after marketing deductions shown herein were computed by

deducting from the gross sales proceeds charges for the following marketing services:

Details of these charges will be furnished on request.

All the services for which deductions are made shall be enumerated in the blank space indicated. If a sales document shows charges without specifying their nature, they will be considered marketing charges and will thus diminish the net proceeds on which the payment is computed. Association dues are to be considered marketing deductions if they include compensation for marketing services.

(6) Net proceeds after marketing deductions. If a sales document contains a figure for net proceeds after marketing deductions computed for a location other than the producer's farm, ranch, or local shipping point, the person preparing the sales document shall show thereon the name of the location for which the net proceeds have been computed. If a marketing agency has guaranteed a minimum sales price for the mohair, is unable to sell the mohair for a higher price, and therefore settles with the producer on the basis of such guaranteed minimum price, the sales document should be on the basis of guaranteed minimum price, regardless of a lower price at which the agency may sell the mohair. In such a case, the marketing agency may indicate on the sales document that the price is the guaranteed minimum sales price.

(7) Additional deductions, such as charges for bags, storage, interest, association dues which do not include compensation for marketing services, or other charges not directly related to the marketing of the mohair.

(8) Amount paid to the seller.

(9) Name and address of the purchaser or marketing agency, whichever issues the sales document.

(10) *Signature.* The sales document must bear a handwritten signature by or on behalf of the person or firm issuing the sales document. Acceptable signatures will consist of at least one initial or name by which the person is generally known, followed by the last name in full. A carbon impression or facsimile of a handwritten signature is not acceptable.

(11) A sales document issued by a marketing agency and covering sales made on various dates within a specified marketing year shall contain a statement that the mohair was marketed during that marketing year.

(12) A sales document covering mohair exchanged for merchandise or services (§ 1468.107(d)), shall contain a clear statement that the transaction is an exchange rather than a cash sale.

(b) *Sales at farm, ranch, or local shipping point.* Each sales document

covering an outright sale at the producer's farm, ranch, or local shipping point, and attached to an application for payment shall be prepared by the purchaser and must contain at least the following information:

(1) Name and address of seller.

(2) Date of sale.

(3) Net weight of mohair sold.

(4) Net amount received by the seller for the mohair at the farm, ranch, or local shipping point.

(5) Any applicable nonmarketing deductions, such as charges for bags, storage, interest, association dues which do not include compensation for marketing services, or other charges not directly related to the marketing of the mohair.

(6) Name and address of the purchaser.

(7) *Signature.* The sales document must bear a handwritten signature by or on behalf of the person or firm issuing the sales document. Acceptable signatures will consist of at least one initial or name by which the person is generally known, followed by the last name in full. A carbon impression or facsimile of a handwritten signature is not acceptable.

(8) A sales document covering mohair exchanged for merchandise or services (§ 1468.107(d)) shall contain a clear statement that the transaction is an exchange rather than a cash sale.

**GENERAL PROVISIONS**

**§ 1468.112 Filing application for payment.**

(a) *Place of filing.* Applications for payment shall be filed by the applicant with the ASCS county office serving the county where the headquarters of the producer's farm or ranch, as the case may be, is located. If the producer has more than one farm or ranch, with headquarters in more than one county, separate applications for payments shall be filed with the ASCS county office serving each such headquarters covering only the mohair produced at each such farm or ranch, except that if the producer sells the entire clip of mohair in a single sale or if the entire clip is sold for the producer's account by one marketing agency, the producer may file the application(s) for payment on mohair in any one of those ASCS county offices. In the event all business transactions are conducted from the producer's residence or office and the farm or ranch has no other headquarters, the office or residence may be considered the farm or ranch headquarters.

(b) *Time of filing.* An application for payment shall be filed as soon as possible after completion of the producer's sales of mohair in a specified marketing year, but in no event shall an application be filed later than 3 years after the end of that specified marketing year.



**§ 1468.113. Signature of applicant.**

No payment will be made unless an application for payment on mohair is signed. Each person who signs an application for payment in a representative or fiduciary capacity as agent, attorney-in-fact, officer, executor, etc., must be properly authorized to sign in such capacity.

**§ 1468.114. Joint applicants.**

When the applicant for a mohair payment is a joint producer of the mohair, all of the joint producers (except those who sign a release as provided below in this section) must sign an application based on the sale of such mohair regardless of whether the mohair was divided among such producers prior to sale or was sold without division. CCC will not be responsible for a division among the applicants of a payment made to all of them jointly. When the application shows such joint production and one or more of the joint producers refuses to join in the application, if each such joint producer signs a form prescribed by CCC releasing CCC from any obligation to make a payment to such a joint applicant, CCC shall make payment of the amount due the remaining joint producers who sign the application. Such release(s) shall be attached to the application. When any joint producer is entitled to join in an application but fails to do so, and the application does not show this interest as a joint producer, the producer shall have no claim against CCC for any portion of the payment made pursuant to the application.

**§ 1468.115. Disability.**

(a) If a producer who is otherwise eligible to receive a payment under this subpart dies, disappears, or is declared incompetent, before marketing the mohair or before filing an application, the successors or representatives authorized to receive payment in the order of precedence set forth in part 707 of this title may complete the eligibility requirements and make application for such payment on Form CCC-1155. The applicant shall also file Form ASCS-325, "Application for Payment of Amounts Due Persons Who Have Died, Disappeared, or Have Been Declared Incompetent," in accordance with part 707 of this title.

(b) If a producer who earned a payment under this subpart and filed an application therefor dies, disappears, or is declared incompetent, either before CCC has issued a draft in payment or after CCC has issued a draft in payment but before the draft is negotiated, the successors or representatives authorized to receive such payment in the order of precedence set forth in part 707 of this title may apply therefor on Form ASCS-325, in accordance with part 707 of this title.

(c) If an Indian who is incompetent earned a payment under this subpart, an application therefor may be filed on the Indian's behalf by the Superintendent of the Indian Field Service of the reservation on which the Indian resides or by the authorized representative of such Superintendent. Such application for payment will be filed in the ASCS county office where the headquarters of the Indian's farm or ranch is located.

(d) In all other cases of disability, including bankruptcy and dissolution, payments will be made to a representative only in accordance with specific directions issued by CCC.

**§ 1468.116. Payment.**

(a) Payment will be made under this subpart after the ASCS county office has reviewed the application and attached supporting documents and has approved payment in whole or in part, and after the appropriate rate of payment for the specified marketing year has been announced by the Department of Agriculture.

(b) Payments under this subpart shall be made only on the basis of the net sales proceeds received for mohair. No payment shall be made on that part of any sale which has been canceled or on the basis of prices or weights which have been fraudulently increased for the purpose of obtaining higher payments. No payment shall be made on sales to a mohair growers association (as distinguished from a co-operative marketing association) by its producer-members on the basis of net sales proceeds in excess of the fair market value of the mohair (grease basis) as determined by CCC.

(c) If it is determined by the ASCS State or county office that an applicant knowingly made a false statement in the application, no payment shall be made with respect to such application.

(d) If CCC subsequently determines that available evidence does not sustain the applicant's right to all or any part of the payment made, the amount of the payment not so sustained shall immediately become due and repayable to CCC, and CCC may, without limitation upon any of the Government's rights in the matter, deduct such amount from any other payment due the applicant under this subpart. If the right to such amount becomes involved in a lawsuit between the Government and the applicant or the assignee, the applicant or the assignee shall have the burden of proving that the applicant was entitled to such amount.

(e) If the ASCS county office rejects in whole or in part an application for payment on mohair, or, after a payment has been made, determines that the available evidence does not sustain the applicant's right to the payment

or any part thereof, the ASCS county office shall mail a notice to the applicant, or, in the case of a joint application, to each applicant, that the application has been rejected, specifying the reason therefor, or that the available evidence does not sustain the applicant's right to the payment or any part thereof, as the case may be.

**§ 1468.117. Deductions for promotion.**

If the Department of Agriculture has approved deductions for an advertising and sales promotion program in accordance with section 708 of the National Wool Act of 1954, as amended, the rate of such deductions for the specified marketing year will be announced and the appropriate deduction will be made from each payment due under this subpart for such specified marketing year.

**§ 1468.118. Set off.**

If the county office records show that the producer is indebted to CCC, to any other agency within the U.S. Department of Agriculture, or to any other agency of the United States, such indebtedness will be set off against the payment due to the producer in accordance with part 13 of this title.

**§ 1468.119. Liens on goats or mohair.**

If a producer grants a lien on the goats or mohair, such lien shall not be deemed to extend to payments made to the producer pursuant to this subpart.

**§ 1468.120. Requests for reconsideration and appeals.**

Any applicant who is notified that the application has been rejected in whole or in part, or that any other action has been taken by the ASCS county office which unfavorably affects a payment, may obtain reconsideration and review of the determination in accordance with part 780 of this title. In the request for reconsideration, the applicant shall identify the application by number and date. When a joint application is involved, the request for reconsideration and review may be filed by all applicants jointly or by any of the applicants, in which case it shall be considered a request in behalf of all the joint applicants.

**§ 1468.121. Assignments.**

(a) *Form.* An assignment of a payment due or to become due under this subpart on mohair may be given to a financing agency or a mohair marketing agency as security for cash advanced or to be advanced on goats or mohair. The assignee shall not reassign such payments. An assignment may only include payments due or to become due on the sale of mohair for a specified marketing year and must



include all such payments due and to become due for that specified marketing year. The assignment shall be executed by the producer, or in the case of joint producers by all such producers, on Form CCC-1157 "Assignment of Payment Under the National Wool Act of 1954." The producer's signature shall be witnessed by a member of the county or community ASC committee, for the county where the farm is located, or by an employee of the county committee.

(b) *Payment.* CCC will make payment pursuant to an accepted assignment unless the ASCS county office is furnished evidence that the assignment has been released by the assignee.

§ 1468.122 Records and inspection thereof.

(a) The applicant for a payment under this subpart, as well as the marketing agency and any other person who furnishes evidence to such applicant for use in connection with the application, shall maintain books, records, and accounts pertaining to the marketing of the mohair on which the application is based, for 3 years following the end of the specified marketing year during which the marketing took place. The applicant shall maintain books, records, and accounts pertaining to the production and shearing of mohair, with respect to which the applicant applies for payment, for 3 years following the end of the specified marketing year during which the marketing took place.

(b) With respect to any application for payment filed after the end of the specified marketing year, instead of maintaining the books, records, and accounts for the time specified in paragraph (a) of this section, such books, records, and accounts shall be maintained for 3 years following the date on which the application is filed.

(c) At all times during the regular business hours, authorized representatives of CCC or USDA shall have access to the premises of the applicant, of the marketing agency, and of the person who furnished evidence to an applicant for use in connection with the application, in order to inspect, examine, and make copies of the books, records, and accounts, and other written data as specified in paragraphs (a) and (b) of this section.

§ 1468.123 Violations of program.

(a) Whoever issues a false sales document or otherwise acts in violation of the provisions of this program so as to enable an applicant to obtain a payment to which such person is not entitled, shall become liable to CCC for any payment which CCC may have made in reliance on such sales document or as a result of such other action.

(b) The issuance of a false sales document or the making of a false state-

ment in an application for payment or other document, for the purpose of enabling the applicant to obtain a payment to which such person is not entitled, will subject the person issuing such document or making such statement to liability under applicable Federal civil and criminal statutes.

§ 1468.124 Forms.

Form CCC-1155, "Application for Payment (National Wool Act)," Form CCC-1157, "Assignment of Payment Under the National Wool Act of 1954," Form ASCS-325, "Application for payment of Amounts Due Persons Who Have Died, Disappeared, or Have Been Declared Incompetent," and other forms issued by the U.S. Department of Agriculture for use in connection with this program may be obtained from ASCS county offices.

§ 1468.125 Authorization by Executive Vice President, CCC, or other official.

If the applicant is unable to furnish the documentary evidence of sale required by this subpart, the Executive Vice President, CCC, or the Deputy Administrator, State and County Operations, ASCS, may authorize the submission of other evidence which establishes to the satisfaction of the authorizing official the information required by § 1468.111.

§ 1468.126 Expiration of time limitations.

Whenever the final date for filing an application falls on a Saturday, Sunday, national holiday, or State holiday, or on any other day on which the appropriate ASCS State or county office is not open for the transaction of business during normal working hours, the time for filing the application shall be extended to the close of business on the next working day. If the filing is by mail, it shall be considered timely if it is postmarked by midnight of such next working day.

NOTE.—The reporting and recordkeeping requirements contained herein have been approved by the Office of Management and Budget in accordance with the Federal Reports Act of 1942.

Signed at Washington, D.C., on February 28, 1978.

STEWART N. SMITH,  
Acting Executive Vice President,  
Commodity Credit Corporation.

[FR Doc. 78-6056 Filed 3-7-78; 8:45 am]

[3410-05]

PART 1472—WOOL

Subpart—Payment Program for Shorn Wool and Unshorn Lambs (Pulled Wool) (1978-1981)

AGENCY: Commodity Credit Corporation, USDA.

ACTION: Final rule.

SUMMARY: The purpose of this rule is to announce the Commodity Credit Corporation's price support payment program to producers for shorn wool and unshorn lambs (pulled wool) marketed during the 1978, 1979, 1980, and 1981 marketing years. The payment program for the four marketing years is authorized by the Food and Agriculture Act of 1977 which amended the National Wool Act of 1954, as amended (7 U.S.C. 1782). The payment program will increase the support price for shorn wool from the statutory level for the 1971-1976 marketing years and is intended to encourage the continued domestic production of wool at prices fair to both producers and consumers.

EFFECTIVE DATE: March 8, 1978.

ADDRESS: Emergency and Indemnity Payments Division, ASCS, USDA, Room 4095 South Building, P.O. Box 2415, Washington, D.C. 20013.

FOR FURTHER INFORMATION CONTACT:

Gerald Schiermeyer (ASCS), 202-447-4428.

SUPPLEMENTARY INFORMATION: For the four marketing years 1978, 1979, 1980, and 1981, the rule provides for the Secretary of Agriculture to announce in advance of each marketing year the support price for shorn wool. The Secretary is also authorized to establish a support price for pulled wool at a comparable rate to the support price of shorn wool. The rate of payment each year for shorn wool is to be based on the difference between the annual national average price received by all producers and the support price for shorn wool. Pursuant to section 708 of the Act, as amended (7 U.S.C. 1787), the Secretary of Agriculture entered into an agreement on January 20, 1975, with the American Sheep Producers Council for deductions from incentive payments to producers to conduct advertising and sales promotion programs for the development and dissemination of information for wool and sheep, or their products. The agreement which was approved in a referendum among producers will expire with the 1977 marketing year unless renewed. This rule provides for



appropriate deductions from the incentive payments to producers if an agreement authorizing such deduction is in effect.

This rule is identical to the rules covering price support payment programs for shorn wool and pulled wool in prior years except for the statutory method of determining the support price for shorn wool for the 1978-1981 marketing years prescribed by the National Wool Act of 1954, as amended. It is, therefore, found upon good cause that compliance with the notice of proposed rulemaking and public participation procedure is unnecessary, impracticable and contrary to the public interest. Therefore, this rule is issued without compliance with such procedure.

#### FINAL RULE

Part 1472 of 7 CFR is amended by adding a new Subpart—Payment Program for Shorn Wool and Unshorn Lambs (Pulled Wool) (1978-1981) to read as follows:

#### PROGRAM OPERATIONS

- Sec.  
1472.1501 General.  
1472.1502 Administration.  
1472.1503 Announcement of price support level.  
1472.1504 Definitions.

#### SHORN WOOL

- 1472.1505 Price support payments.  
1472.1506 Eligibility for payments.  
1472.1507 Marketing within a specified marketing year.  
1472.1508 Computation of payment.  
1472.1509 Preparation of application.  
1472.1510 Contents of sales documents.  
1472.1511 Report of purchases of unshorn lambs.

#### UNSHORN LAMBS (PULLED WOOL)

- 1472.1521 Price support payments.  
1472.1522 Eligibility for payments.  
1472.1523 Computation of payment.  
1472.1524 Preparation of application.  
1472.1525 Contents of sales documents and scale tickets.  
1472.1526 Report of purchases of unshorn lambs.

#### GENERAL PROVISIONS

- 1472.1541 Filing application for payment.  
1472.1542 Signature of applicant.  
1472.1543 Joint applicants.  
1472.1544 Disability.  
1472.1545 Payment.  
1472.1546 Deductions for promotion.  
1472.1547 Setoff.  
1472.1548 Liens on sheep or wool.  
1472.1549 Requests for reconsideration and appeals.  
1472.1550 Assignments.  
1472.1551 Records and inspection thereof.  
1472.1552 Violations of program.  
1472.1553 Forms.  
1472.1554 Authorization by Executive Vice President, CCC or other official.  
1472.1555 Expiration of time limitation.

AUTHORITY: Secs. 4 and 5, 62 Stat. 1070, as amended (15 U.S.C. 714 b and c); Secs. 702-708, 68 Stat. 910-912, as amended (7 U.S.C. 1781-1787).

#### PROGRAM OPERATIONS

##### § 1472.1501 General.

This subpart sets forth the policies, procedures, and requirements governing price support payments by the Commodity Credit Corporation (referred to in this subpart as "CCC"), for shorn wool and unshorn lambs (pulled wool) for the 1978, 1979, 1980, and 1981 marketing years.

##### § 1472.1502 Administration.

The program will be carried out by the Agricultural Stabilization and Conservation Service (referred to in this subpart as "ASCS") under the general supervision and direction of the Executive Vice President of CCC. In the field, the program will be administered through the ASCS State and county offices. ASCS State and county offices do not have authority to modify or waive any of the provisions of this subpart or any amendments or supplements thereto unless the power to modify or waive is expressly included in the pertinent provisions.

##### § 1472.1503 Announcement of price support level.

(a) *General.* Pursuant to the National Wool Act of 1954, as amended, the Secretary of Agriculture shall announce a price support level for wool which has been determined to meet the requirements of the Act for each of the four marketing years, 1978, 1979, 1980, and 1981. Such support price level shall, to the extent practicable, be announced sufficiently in advance of each marketing year as will permit producers to plan their production for such marketing year.

(b) *1978 Marketing year.* For the 1978 marketing year, the price support level for shorn wool was announced on December 1, 1977, as \$1.08 per pound, grease basis.

##### § 1472.1504 Definitions.

As used in the regulations in this subpart and in the forms and documents related thereto, the following terms shall have the meaning assigned to them in this section.

(a) "Financing agency" means any bank, trust company, or Federal lending agency. It also includes any other financing institution which customarily makes loans or advances to finance production of sheep, lambs, or wool.

(b) "Joint producers" means two or more producers who are joint owners of shorn wool or unshorn lambs, or who are producers of shorn wool or unshorn lambs under a caretaking agreement pursuant to which one producer owns the sheep or lambs and the other producer furnishes labor in connection with lamb or wool production in return for which the producer is entitled to share either in the wool or

lambs produced or in the proceeds from the sale of such wool or lambs.

(c) "Joint owners" means two or more persons who own the wool or lambs in question, regardless of the special nature of their relationship or how it came into being, and shall include owners in common.

(d) "Lamb" means a young ovine animal which has not cut the second pair of permanent teeth. The term includes animals referred to in the livestock trade as lambs, yearlings, or yearling lambs.

(e) "Liveweight" is the weight of live lambs which a producer purchases or sells. In the event the price for the lambs is based on weight, the weight actually used in determining the total amount payable shall be considered the liveweight.

(f) "Local shipping point" means the point at which the producer delivers wool to a common carrier for further transportation, or if the wool is not delivered to a common carrier, the point at which a producer delivers it to the marketing agency or a purchaser. The term "common carrier" includes any carrier that serves the public in transporting goods for hire whether or not such carrier is required to be licensed by some Government authority to do so.

(g) "Marketing agency" with reference to shorn wool means a person who sells a producer's wool for the producer's account, and with reference to lambs, it means a commission firm, auction market, pool manager, or any other person who sells lambs for the account of a producer.

(h) "Marketing year" means the period beginning January 1 and ending the following December 31, both dates inclusive.

(i) "Person" means an individual, partnership, association, business trust, corporation, or any organized unincorporated group of individuals, and includes a State and any subdivision thereof.

(j) "Producer" of shorn wool means a person who either owns, individually or jointly, the sheep or lambs from which the wool is shorn or is a joint producer of the wool under a caretaking agreement as described in paragraph (b) of this section. "Producer" of lambs means a person who either owns the lambs, individually or jointly, or is a joint producer of the lambs under a caretaking agreement as described in paragraph (b) of this section.

(k) "Sales document" means the account of sale, bill of sale, invoice, and any other document evidencing the sale by the producer of shorn wool or unshorn lambs.

(l) "Slaughterer" means a commercial slaughterer, that is, a person who slaughters for sale as distinguished from a person who slaughters for home consumption.



(m) "Specified marketing year" is the marketing year as to which the Department of Agriculture has announced that marketings of shorn wool and unshorn lambs by a producer during that year will entitle the producer to a payment under this program.

(n) "Unshorn lambs" means lambs which have never been shorn.

# SHORN WOOL

## § 1472.1505 Price support payments.

(a) *General.* Price support on shorn wool will be furnished for each specified marketing year in accordance with the provisions of this subpart by means of payments to the producer on the shorn wool marketed in that marketing year. Payments will not be made on marketings of the pelts of sheep or lambs, or on the marketings of wool removed from such pelts.

(b) *Rate of payment.* At the end of a specified marketing year and after the Department of Agriculture has determined the national average price for shorn wool received by producers in that marketing year, the Department will announce the rate of payment under this subpart. The rate of payment will be the percentage of the national average price per pound received by producers in a specified marketing year which is required to bring such national average price up to the support price for shorn wool.

## § 1472.1506 Eligibility for payments.

Before payments under this subpart can be approved pursuant to any application for payment covering any lot or lots of wool, the following requirements must be satisfied:

(a) Except as provided in § 1472.1544, the applicant must be the producer, and in the case of a joint application each joint applicant must be a producer, of the shorn wool which must have been marketed during the specified marketing year.

(b) The wool must have been shorn in the United States. If wool is shorn from imported sheep or lambs while they are held in quarantine in connection with their importation, such wool is not considered to have been shorn in the United States. For the purpose of this program, shorn wool is deemed to include murrain and other wool removed from dead sheep and other off wools such as black wool, tags, and crutchings.

(c) The producer, or in the case of joint producers, at least one of the producers must have owned the wool at the time of shearing and must have owned in the United States the sheep or lambs from which the wool was shorn for not less than 30 days at any time prior to the filing of the application. Ownership of wool or animals as used in this paragraph does not in-

clude the ownership which in some States is held by a person having a security interest, such as a mortgage or other lien. If sheep or lambs are imported into the United States, the 30-day period of required ownership shall begin after their importation and, if they were quarantined in connection with such importation, the period shall begin after their release from quarantine.

(d) Beneficial interest in the wool must always have been in the producer from the time the wool was shorn up to the time of its sale. A producer has beneficial interest in wool (1) when the producer owns it and has not authorized any other person to sell or otherwise dispose of it, or (2) when the producer has, by transfer of legal title to such other person or otherwise, authorized another person to sell or otherwise dispose of the wool but continues to be entitled to the proceeds from any such sale or other disposition thereof. Such beneficial interest is not changed by a mortgage or other lien on the wool.

(e) The applicant shall either report purchases of unshorn lambs as required by § 1472.1511 (a)(1) or (b)(1), or make the statement provided for in § 1472.1511 (a)(2) or (b)(2).

(f) Payments will not be made on the marketing of wool shorn from imported sheep or lambs if the permit for the importation of the sheep or lambs or a communication connected with such permit, issued by the Animal and Plant Health Inspection Service of this Department states that the importation is for slaughter.

(g) Payments under this subpart shall only be made on bona fide marketings in a specified marketing year.

## § 1472.1507 Marketing within a specified marketing year.

(a) Marketing shall be deemed to have taken place in a specified marketing year if, pursuant to a sale or contract to sell in the process of marketing, the last of the following three events, in whatever order they occur, was completed in that marketing year: (1) Title passed to the buyer; (2) the wool was delivered to the buyer (physically or through documents which transfer control to the buyer); and (3) the last of the factors (price per pound, weight, etc.) needed to determine the total purchase price payable by the buyer is known to the applicant's purchase price payable by the buyer is known to the applicant's marketing agency, or is known to the applicant, if the applicant markets directly. In addition, the full amount due the producer in connection with the marketing of wool must be paid to the producer in cash, merchandise, or services rendered before the producer may include it in the application for payment.

(b) A promissory note or other promise to pay, as well as a check not honored for any reason, shall not be considered a payment to the producer unless the Deputy Administrator, State and County Operations, ASCS, makes a determination that (i) the producer acted in good faith in marketing the wool, (ii) the wool was not returned to the producer, (iii) the producer was not aware and did not suspect that the document tendered in payment for the wool was not worth its face value at the time of acceptance of the document as payment for the wool, and (ix) the producer has made a diligent effort to obtain payment for the wool from the purchaser. This determination shall be deemed to constitute a determination that the acceptance of such a document as payment for the wool is consistent with the purposes of the National Wool Act. Notwithstanding the provisions of this paragraph (b), the price utilized for the purpose of computing the net sales proceeds pursuant to § 1472.1508 shall not exceed the fair market value of the wool as determined by CCC.

(c) A sale by one producer to another shall not constitute a bona fide marketing unless (1) the selling producer usually markets wool in that way, or (2) the buying producer is also engaged in the business of buying and selling wool and buys the wool in the course of that business. An exchange of wool between the producers thereof or a sale of wool conditioned on the acquisition by the selling producer from the buyer of the same wool or other wool shall not constitute a bona fide marketing. A sale of wool by a producer to a person not previously engaged in the business of buying wool also shall not constitute such a marketing unless evidence is submitted to the satisfaction of CCC that there was a bona fide sale. Any document representing a sale, transfer, or other arrangement with respect to the wool which is fictitious or not legally binding or solely a scheme or device for obtaining a price support payment shall not constitute evidence of a bona fide marketing. Examples of such schemes are sales of wool wherein a part or all of the purchase price is returned to the purchaser in the form of money, merchandise, or otherwise either directly from the seller or through other persons.

(d) The exchange of wool for merchandise or services (for instance, shearing) will be considered a marketing, provided a definite price for the wool is established by the parties to the exchange. Such price, or whatever other price CCC determined is the fair market value for such wool, whichever is lower, shall be utilized for the purpose of computing the net sales proceeds pursuant to § 1472.1508 upon which payment under this subpart is based.



(e) Delivery of wool on consignment to a marketing agency to be sold for the producer's account does not constitute a marketing, whether or not a minimum sales price is guaranteed or an advance against the prospective sales price is given by the consignee, except that the wool is deemed marketed if the marketing agency has guaranteed a minimum sales price, is unable to sell the wool for more, and with the producer's consent takes it over at the minimum sales price. The producer shall be deemed to have consigned the wool when title to the wool has been transferred to a marketing agency and the producer provides that such agency shall market the wool and that the producer shall be entitled to the proceeds of such marketing.

#### § 1472.1508 Computation of payment.

(a) The amount of the payment due a producer shall be computed by applying the rate of payment to the net sales proceeds for the wool marketed during the specified marketing year. The resultant amount shall be reduced, because of the purchase by the producer of unshorn lambs, by an amount resulting from multiplying the liveweight of such lambs reported in the application for payment by the announced rate of payment on unshorn lambs during said marketing year. If the amount of the reduction exceeds the payment computed on the shorn wool marketed, the liveweight of lambs which corresponds to the excess amount shall be carried forward and used to reduce payments on unshorn lambs marketed or slaughtered or shorn wool marketed in the current or future years.

(b) Except as provided in § 1472.1510(a)(6) with respect to a guaranteed minimum sales price, the net sales proceeds shall be determined by deducting from the gross sales proceeds of the wool all marketing expenses, such as any charges paid by or for the account of the producer for transportation, handling (including commissions), grading, scouring, or carbonizing. The figure so arrived at will express the net proceeds received by the producer at the farm, ranch, or local shipping point. Charges for wool bags or storage, as well as any other charges not directly related to the marketing of the wool such as interest on advances, shall not be considered marketing charges.

(c) All applications filed by a producer in the same county office for payments due on wool marketed during the specified marketing year shall be considered together for the purpose of determining the total net amount of payment due. All such applications filed in different county offices may be considered together in determining such total payment.

#### § 1472.1509 Preparation of application.

(a) *Preparation.* The application for payment on the sale of shorn wool shall be prepared on Form CCC-1155, "Application for Payment (National Wool Act)." Marketing agencies may assist producers in filling out applications by inserting the information on sales of shorn wool and sending the sales documents to the appropriate ASCS county office, but the producer must sign the application and is responsible for the requirements as to the time and manner of filing the application. If the producer paid marketing charges not shown on the sales document, such charges shall be considered with the marketing charges shown on the sales document covering the wool sold.

(b) *Supporting documents.* The application shall be supported by the original sales document covering the wool sold.

(c) *Original sales document retained.* If the applicant does not wish the original sales document to remain within the ASCS county office, the applicant may submit a photostat, carbon, or other copy of the original document. However, the applicant must show the original document to the ASCS county office where the statements on the copy will be confirmed by comparison with the original. The original sales document will be appropriately stamped or marked to indicate that it had been used in support of an application for payment under this program and will be returned to the applicant, who shall retain it in accordance with § 1472.1551.

(d) *Practice of issuing carbon or photostat copies.* If it is the practice of the person or firm preparing the sales document to furnish a carbon or photostat copy to the seller in place of the original, the producer may submit that copy in support of the application, provided the copy bears a signature, in accordance with § 1472.1510(a)(10), of the person or of the representative of the firm preparing the original sales document. Such copy shall be treated as an original for the purposes mentioned in this section.

(e) *Lost or destroyed sales documents.* If the original sales document has been lost or destroyed, the applicant may submit a copy, certified by the buyer or the applicant's marketing agency, and such certified copy shall be treated as an original for the purposes mentioned in this section.

#### § 1472.1510 Contents of sales documents.

The sales documents attached to each application for an incentive payment must contain a final accounting and meet the requirements of paragraph (a) or (b) of this section, for the wool covered by the sales document. Contracts to sell as well as tentative or

pro forma settlements will not be acceptable as sales documents meeting such requirements. Except as provided in § 1472.1544, sales documents must cover wool sold by the producer.

(a) *Sales other than at farm, ranch, or local shipping point.* Each sales document, except a document covering an outright sale at the producer's farm, ranch, or local shipping point, must be prepared by the purchaser or the applicant's marketing agency and must contain at least the following information:

(1) Name and address of seller.

(2) Date of sale. In case the producer's shipment to a marketing agency is sold in parts within a marketing year, the date when final settlement is made within that marketing year for the wool that was sold within the marketing year may be shown on the sales document as the date of sale instead of the various dates on which the sales actually took place.

(3) Net weight of wool sold. If the wool was sold as scoured or carbonized wool, the original grease weight must be shown as well as the scoured or carbonized weight.

(4) Except as otherwise provided in subparagraph (5) of this paragraph, the gross sales proceeds or sufficient information from which the gross sales proceeds can be determined.

(5) Marketing deduction, if any (see § 1472.1508(b)), except as otherwise provided in this subparagraph. The marketing deductions may be itemized or they may be shown on the sales document as a composite figure for all marketing charges with an explanation of what services are included in that figure. If it is the practice of a marketing agency to show, on the sales document, only the net proceeds after marketing deductions, the gross sales proceeds and the amount of the marketing deductions need not be shown, provided the sales document contains a statement reading substantially as follows: "The net sales proceeds after marketing deductions shown herein were computed by deducting from the gross sales proceeds charges for the following marketing services: ———. Details of these charges will be furnished on request."

All the services for which deductions are made shall be enumerated in the blank space indicated. If a sales document shows charges without specifying their nature, they will be considered marketing charges and thus diminish the net proceeds on which the incentive payment is computed. Association dues are to be considered marketing deductions if they include compensation for marketing services.

(6) Net proceeds after marketing deductions. If a sales document contains a figure for net proceeds after marketing deductions, computed for a location other than the producer's farm,



ranch, or local shipping point, the person preparing the sales document shall show thereon the name of the location for which the net proceeds have been computed. If a marketing agency has guaranteed a minimum sales price for the wool, is unable to sell the wool for a higher price, and therefore settles with the producer on the basis of such guaranteed minimum price, the sales document should be on the basis of that guaranteed minimum price regardless of a lower price at which the agency may sell the wool. In such a case, the marketing agency may indicate on the sales document that the price is the guaranteed minimum sales price.

(7) Additional deductions, such as charges for bags, storage, interest, association dues which do not include compensation for marketing services, or other charges not directly related to the marketing of the wool.

(8) Amount paid to the seller.

(9) Name and address of the purchaser or marketing agency, whichever issues the sales document.

(10) Signature. The sales document must bear a handwritten signature by or on behalf of the person or firm issuing the sales document. Acceptable signatures will consist of at least one initial or name by which the person is generally known, followed by the last name in full. A carbon impression or facsimile of a handwritten signature is not acceptable.

(11) A sales document issued by a marketing agency and covering sales made on various dates within a specified marketing year shall contain a statement that the wool was marketed during the marketing year.

(12) A sales document covering wool exchanged for merchandise or services (§ 1472.1507(d)), shall contain a clear statement that the transaction is an exchange rather than a cash sale.

(b) *Sales at farm, ranch, or local shipping point.* Each sales document covering an outright sale at the producers' farm, ranch, or local shipping point, and attached to an application for incentive payment shall be prepared by the purchaser and must contain at least the following information:

(1) Name and address of seller.

(2) Date of sale.

(3) Net weight of wool sold. If the wool was sold as scoured or carbonized wool, the original grease weight must be shown as well as the scoured or carbonized weight.

(4) Net amount received by the seller for the wool at the farm, ranch, or local shipping point.

(5) Any applicable nonmarketing deductions, such as charges for bags, storage, interest, association dues which do not include compensation for marketing services, or other charges not directly related to the marketing of the wool.

(6) Name and address of the purchaser.

(7) Signature. The sales document must bear a handwritten signature by or on behalf of the person or firm issuing the sales document. Acceptable signatures will consist of at least one initial or name by which the person is generally known, followed by the last name in full. A carbon impression or facsimile of a handwritten signature is not acceptable.

(8) A sales document covering wool exchanged for merchandise or services (§ 1472.1507(d)), shall contain a clear statement that the transaction is an exchange rather than a cash sale.

#### § 1472.1511 Report of purchases of unshorn lambs.

(a) *Report on actual basis.* (1) If the application includes wool removed in the first shearing of lambs purchased unshorn, and the applicant is able to identify the lambs from which such wool was shorn, the applicant shall report the number and liveweight of such lambs at time of purchase, including those from which wool was removed after death.

(2) If the applicant knows that the application does not include any wool which was removed in the first shearing of lambs purchased unshorn, the applicant shall state that there are no purchases of unshorn lamb related to the sale of such wool.

(b) *Report on "first in, first out" basis.* (1) If an applicant does not know whether the application includes wool removed in the first shearing from lambs purchased unshorn, or an applicant knows that such wool is included but is unable to identify the lambs from which such wool was shorn, the applicant shall report on a "first, in, first out" basis, that is, in chronological order, the number and liveweight at the time of purchase of a quantity of lambs purchased unshorn equal to the number of sheep and lambs from which wool was shorn and included in the application. This reporting of purchased lambs shall be continued in applications for the current and subsequent marketing years for payments on shorn wool and for payments on unshorn lambs until the applicant has accounted for all lambs purchased unshorn on or after April 1, 1956, not reported in previous applications. However, the applicant need not report those lambs with respect to which the applicant can show no application has been made for a payment for the 1956 or a subsequent marketing year on their sale or on the sale of wool shorn from them.

(2) If the application for payment on the sale of shorn wool is made after an applicant has accounted for the total purchases of unshorn lambs, the applicant shall state that there are no purchases of unshorn lambs related to such sale.

(c) *Imported lambs.* If purchased lambs which the applicant is required to report were imported, the liveweight required to be reported shall be the liveweight of the lamb at the time of import, or if they were quarantined in connection with the importation, at the time of release from quarantine. For the purpose of reporting imported lambs, whether they were purchased or raised by the producer they shall be treated as if they had been purchased. Any report in an application of purchased lambs and their liveweights as required by this paragraph shall be deemed to include lambs both purchased and raised by the producer.

(d) *Additional information.* The applicant shall furnish any additional details requested by ASCS State and county offices concerning any report made pursuant to this section.

#### UNSHORN LAMBS (PULLED WOOL)

#### § 1472.1521 Price support payments.

(a) *Level of payments.* For each marketing year, price support will be furnished on pulled wool at such level, in relationship to the support price for shorn wool, as the Secretary determines will maintain normal marketing practices for pulled wool, by means of payments to the producer in accordance with this subpart on live unshorn lambs that are sold or moved to slaughter in a specified marketing year. Payments will not be made on the sale of the pelts or sheep or lambs or wool removed from such pelts.

(b) *Rate of payment.* The rate of payment will be 80 percent of the difference between the national average price per pound received by producers for shorn wool during a specified marketing year and the support price per pound of shorn wool multiplied by the average weight of wool per hundredweight of animals (5 pounds). The exact rate of payment will be determined and announced, after the end of that marketing year, as a specified amount per hundredweight of live animals.

#### § 1472.1522 Eligibility for payments.

Before payments under this program can be approved pursuant to an application covering any lot or lots of lambs, the following requirements must be satisfied:

(a) Except as provided in § 1472.1544, the applicant must be the producer, and in the case of a joint application each applicant must be a producer, of the lambs.

(b) The producer, or in the case of joint producers, at least one of the producers must have owned the lambs for 30 days or more in the United States and title must have passed to the buyer within the specified marketing year. If a slaughterer is to qualify



for a payment, the slaughterer must have owned the lambs for 30 days or more in the United States prior to their moving to slaughter and they must have moved to slaughter within the specified marketing year. Ownership of lambs, as used in this paragraph, does not include the ownership which in some States is held by a person having a security interest, such as a mortgage or other lien. If lambs are imported into the United States, the 30-day period of required ownership shall begin after their importation, and, if they were quarantined in connection with such importation, the period shall begin after their release from quarantine.

(c) The lambs must never have been shorn at the time of sale, or, in the case of an application by a slaughterer, at the time of moving to slaughter.

(d) The applicant shall either report purchases of unshorn lambs as required by § 1472.1526 (a)(1) or (b)(1), or make the statement provided for in § 1472.1526 (a)(2) or (b)(2).

(e) Payments will not be made on the marketing of imported lambs if the permit for the importation of the lambs or a communication connected with such permit, issued by the Animal and Plant Health Inspection Service of this Department, states that the importation is for slaughter.

(f) Payments under this subpart shall only be made on bona fide marketings in a specified marketing year.

#### § 1472.1523 Computation of payment.

(a) The amount of the payment due to an applicant shall be computed by applying the rate of payment to the liveweight of the lambs sold or moved to slaughter during the specified marketing year, reduced, on account of the purchase or importation by the applicant of unshorn lambs, by the liveweight of such lambs reported in the application for payments. If the amount of the reduction exceeds the liveweight of the unshorn lambs sold or moved to slaughter during said marketing year, such excess liveweight shall be carried forward and used to reduce payments on unshorn lambs marketed or slaughtered or shorn wool marketed in the current or future years.

(b) All applications filed by a producer in the same county office for payments due on unshorn lambs marketed or moved to slaughter during the specified marketing year shall be considered together for the purpose of determining the total net amount of payment due. All such applications filed in different county offices may be considered together in determining such total payment.

#### § 1472.1524 Preparation of application.

(a) *Preparation.* The application for payment on the sale or slaughter of

unshorn lambs shall be made on Form CCC-1155, "Application for Payment (National Wool Act)."

(b) *Supporting documents.* The application for payment on the sale of unshorn lambs shall be supported by the original sales documents covering the sale. The application for payment on the slaughter of unshorn lambs shall be supported by the scale ticket covering the movement to slaughter.

(c) *Original sales document retained.* If the applicant does not wish the original sales document to remain with ASCS county office, the applicant may submit a photostat, carbon, or other copy of the original document. However, an applicant must show the original document to the ASCS county office where the statements on the copy will be confirmed by comparison with the original. The original sales document will be appropriately stamped or marked to indicate that it had been used in support of an application for payment under this program and will be returned to the applicant. The applicant is required to retain it in accordance with § 1427.1551.

(d) *Practice of issuing carbon or photostat copies.* If it is the practice of the person or firm preparing the sales document to furnish a carbon or photostat copy to the seller in place of the original, the applicant may submit that copy in support of the application, provided the copy bears a signature in accordance with § 1472.1525(a)(6), of the person or the representative of the firm preparing the original sales document. Such copy shall be treated as an original for the purpose mentioned in this section.

(e) *Lost or destroyed sales document.* If the original sales document or scale ticket has been lost or destroyed, the applicant may submit a copy, certified by the person who issued the original, and such certified copy shall be treated as an original for the purposes mentioned in this section.

#### § 1472.1525 Contents of sales documents and scale tickets.

(a) *Sales documents.* Each sales document supporting an application must cover lambs sold by the producer except as provided in § 1472.1444, must be issued by the purchaser or the producer's marketing agency, and must show the following:

(1) Name and address of seller.

(2) Date of sale.

(3) Number of unshorn lambs sold.

If the sales document does not clearly identify the animals as lambs that had never been shorn at the time of sale, the person issuing the sales document shall add a statement to that effect. If the sales document refers to the animals as "unshorn lambs," this will indicate that the lambs were never shorn. If the document issued in con-

nection with the sale of unshorn lambs also covers the sale of other animals, the person preparing the sales document shall clearly indicate therein the number and the liveweight of unshorn lambs included in the sale.

(4) *Liveweight of unshorn lambs sold.* If the weight is not determined by scales, this weight may be an estimated weight agreed to by the purchaser and the producer.

(5) *Name and address of the purchaser or marketing agency,* whichever issues the sales document.

(6) *Signature.* The sales document must bear a handwritten signature by or on behalf of the person or firm issuing the sales document. Acceptable signatures will consist of at least one initial or name by which the person is generally known, followed by the last name in full. A carbon impression or facsimile of a handwritten signature is not acceptable.

(b) *Scale tickets.* The scale ticket supporting an application must cover unshorn lambs moved to slaughter by the applicant and must show the information normally appearing on scale tickets issued by stockyards (that is, date, number of head, classification(s), weight by classification, scale ticket number, if any, place of weighing, and name of weigher).

#### § 1472.1526 Report on purchases of unshorn lambs.

(a) *Report on actual basis.* (1) If the application is based on the sale or slaughter of lambs purchased unshorn and the applicant is able to identify such lambs, the applicant shall report the number of lambs purchased and their liveweight at the time of purchase.

(2) If the applicant knows that the application is not based on the sale or slaughter of such lambs purchased unshorn, the applicant shall state that there are no purchases of unshorn lambs related to the sale or slaughter of such lambs.

(b) *Report on "first in, first out" basis.* If an applicant does not know whether the application is based on the sale or slaughter of lambs purchased unshorn, or knows that such lambs are included but is unable to identify such lambs, the applicant shall report on a "first in, first out" basis, that is, in chronological order, the number and liveweight at the time of purchase of a quantity of lambs purchased unshorn equal to the number of lambs on which the application is based. This reporting of purchased lambs shall be continued in applications for the current and subsequent marketing years for payments on unshorn lambs and shorn wool until the applicant has accounted for all lambs purchased unshorn on or after April 1, 1956, not reported in previous applications. However, the appli-



cant need not report any lambs when it can be shown that no application has been made for a payment for the 1956 or a subsequent marketing year on their sale or on the sale of wool shorn from them.

(2) If the Application for payment on the sale or slaughter of unshorn lambs is made after an applicant has accounted for the total purchases of unshorn lambs, the applicant shall state that there are no purchases of unshorn lambs related to such sale or slaughter.

(c) *Imported lambs.* If purchased lambs which the applicant is required to report were imported, the liveweight required to be reported shall be the liveweight of the lambs at the time of import, or, if they were quarantined in connection with the importation, at the time of release from quarantine. For the purpose of reporting imported lambs, whether they were purchased or raised by the producer, they shall be treated as if they had been purchased. Any report in an application of purchased lambs and their liveweight as required by this paragraph shall be deemed to include lambs both purchased and raised by the producer.

(d) *Additional information.* The applicant shall furnish any additional details requested by ASCS State and county offices concerning any report made pursuant to this section.

#### GENERAL PROVISIONS

##### §1472.1541 Filing application for payment.

(a) *Place of filing.* Applications for payment shall be filed by the applicant with the ASCS county office serving the county where the headquarters of the producer's farm, ranch, or feed lot, as the case may be, is located. If the producer has more than one farm, ranch, or feed lot, with headquarters in more than one county, separate applications for payment shall be filed with the ASCS county office serving each such headquarters covering only the wool and lambs produced at each such farm, ranch, or feed lot, except that: (1) If the producer sells the entire clip of wool in a single sale or if the entire clip is sold for the producer's account by one marketing agency, the producer may file the application(s) for payment on shorn wool in any one of those ASCS county offices, or (2) if the producer includes in one sale unshorn lambs that were ranged, pastured, or fed in more than one county, the producer may file the application(s) for payment on such lambs in any one of those ASCS county offices. In the event all business transactions are conducted from the producer's residence or office, and the farm or ranch has no other headquarters, the office or residence may

be considered the farm or ranch headquarters.

(b) *Time of filing.* An application for payment shall be filed as soon as possible after completion of the sales of shorn wool or unshorn lambs for the specified marketing year, or in the case of slaughter, as soon as possible after the last of the lambs moved to slaughter in the specified marketing year, but in no event shall an application be filed later than 3 years after the end of the specified marketing year.

(c) *Withdrawal or amendment of application for payment on shorn wool.*

(1) An applicant may request permission from the ASC county committee to withdraw an application for payment on shorn wool which constitutes the full first shearing of purchased unshorn lambs when, as a result of such application containing the necessary report of purchases of unshorn lambs on an "actual basis," there is excess liveweight carried forward which would be used to reduce payment in the current or future marketing years. An applicant may also request permission to amend the application by omitting sales of those lots of wool constituting the full first shearing of purchased unshorn lambs reported on an "actual basis." These requests must be accompanied by such supporting evidence as may be required by the ASC county committee. If the application was signed jointly by two or more producers, the request for withdrawal or amendment must be signed by each such producer. To be considered a full shearing, the wool must constitute the complete fleece, and not merely tags, clippings, trimmings around the eyes, or other off-wools.

(2) If the ASC county committee is satisfied that the conditions described in paragraph (c)(1) of this section exist, the committee may grant the request. If the applicant has filed additional shorn wool applications in other ASCS county offices, the request may be granted only if it is determined that such additional applications do not include any wool removed in the full first shearing of the lambs which will not be reported as a result of the withdrawal or amendment.

##### §1472.1542 Signature of applicant.

No payment will be made unless an application for payment on shorn wool or unshorn lambs is signed. Each person who signs an application for payment in a representative or fiduciary capacity as agent, attorney-in-fact, officer, executor, etc., must be properly authorized to sign in such capacity.

##### §1472.1543 Joint applicants.

When the applicant for a shorn wool payment is a joint producer of the

wool, all of the joint producers (except those who sign a release as provided below in this section) must sign any application based on the sale of such wool regardless of whether the wool was divided among such producers prior to sale or was sold without division. When the applicant for a payment of unshorn lambs is a joint producer of the lambs, all of the joint producers (except those who sign a release as provided below in this section) must sign any application based on the sale of such lambs regardless of whether the lambs were divided among such producers prior to sale or were sold without division. CCC will not be responsible for a division among the applicants of a payment made to all of them jointly. When the application shows such joint production, and one or more of the joint producers refuse to join in the application, if each such joint producer signs a form prescribed by CCC releasing CCC from any obligation to make a payment to such a joint producer, CCC shall make payment of the amount due the remaining joint producers who sign the application. Such release(s) shall be attached to the application. When any joint producer is entitled to join in an application but fails to do so, and the application does not show this interest as a joint producer, the producer shall have no claim against CCC for any portion of the payment made pursuant to the application.

##### §1472.1544 Disability.

(a) If a producer who is otherwise eligible to receive a payment under this subpart dies, disappears, or is declared incompetent, before marketing the shorn wool or unshorn lambs or before filing an application, the successors or representatives authorized to receive payment in the order of precedence set forth in Part 707 of this title may complete the eligibility requirements and make application for such payment on Form CCC-1155. The applicant shall also file Form ASCS-325, "Application for Payment of Amounts Due Persons Who Have Died, Disappeared, or Have Been Declared Incompetent," in accordance with Part 707 of this title.

(b) If a producer who earned a payment under this subpart and filed an application therefor dies, disappears, or is declared incompetent, either before CCC has issued a draft in payment or after CCC has issued a draft in payment but before the draft is negotiated, the successors or representatives authorized to receive such payment in the order of precedence set forth in Part 707 of this title may apply therefor on Form ASCS-325, in accordance with Part 707 of this title.

(c) If an Indian who is incompetent earned a payment under this subpart,



an application therefor may be filed on behalf of the Indian by the Superintendent of the Indian Field Service of the reservation on which the Indian resides or by the authorized representative of such Superintendent. Such application for payment will be filed in the ASCS county office where the headquarters of the Indian's farm or ranch is located.

(d) In all other cases of disability, including bankruptcy dissolution, payments will be made to a representative only in accordance with specified directions issued by CCC.

#### § 1472.1545 Payment.

(a) Payment will be made under this subpart after the ASCS county office has reviewed the application and attached supporting documents and has approved payment in whole or in part, and after the appropriate rate of payment for the specified marketing year has been announced by the Department of Agriculture.

(b) Payments under this subpart shall be made only on the basis of the net sales proceeds received for shorn wool and on the liveweight of lambs sold or moved to slaughter. No payment shall be made on that part of any sale which has been cancelled or on the basis of prices or weights which have been fraudulently increased for the purpose of obtaining higher payments. No payment shall be made on sales to a wool growers association (as distinguished from a cooperative marketing association) by its producer-members on the basis of net sales proceeds in excess of the fair market value of the wool (grease basis) as determined by CCC.

(c) If it is determined by the ASCS State or county office that an applicant knowingly made a false statement in the application, including failure to report accurately purchases of unshorn lambs, no payment shall be made with respect to such application.

(d) If CCC subsequently determines that available evidence does not sustain the applicant's right to all or any part of a payment made, the amount of the payment not so sustained shall immediately become due and repayable to CCC, and CCC may, without limitation upon any of the Government's rights in the matter, deduct such amount from any other payment due the applicant under this subpart. If the right to such amount becomes involved in a lawsuit between the Government and the applicant or the assignee, the applicant or the assignee shall have the burden of proving that the applicant was entitled to such amount.

(e) If the ASCS county office rejects in whole or in part an application for payment on shorn wool or unshorn lambs, or, after a payment has been made, determines that the available

evidence does not sustain the applicant's right to the payment or any part thereof, the ASCS county office shall mail a notice to the applicant, or, in the case of a joint application, to each applicant, that the application has been rejected, specifying the reason therefor, or that the available evidence does not sustain the applicant's right to the payment or any part thereof, as the case may be.

#### § 1472.1546 Deductions for promotion.

If the Department of Agriculture has approved deductions for an advertising and sales promotion program in accordance with sections 708 of the National Wool Act of 1954, as amended, the rate of such deductions for the specified marketing year will be announced and the appropriate deduction will be made from each payment due under this subpart for such specified marketing year.

#### § 1472.1547 Setoff.

If the county office records show that the producer is indebted to CCC, to any other agency within the U.S. Department of Agriculture, or to any other agency of the United States, such indebtedness will be set off against the payment due to the producer in accordance with Part 1408 of this chapter.

#### § 1472.1548 Liens on sheep or wool.

If a producer grants a lien on sheep, lambs, or wool, such lien shall not be deemed to extend to payments made to the producer pursuant to this subpart.

#### § 1472.1549 Requests for reconsideration and appeals.

Any applicant, who is notified that the application has been rejected in whole or in part or that any other action has been taken by the ASCS county office which unfavorably affects a payment, may obtain reconsideration and review of the determination in accordance with Part 780 of this title. In the request for reconsideration, the applicant shall identify the application by number and date. When a joint application is involved, the request for reconsideration and review may be filed by all applicants jointly or by any of the applicants, in which case it shall be considered a request in behalf of all the joint applicants.

#### § 1472.1550 Assignments.

(a) *Form.* An assignment of a payment due or to become due under this subpart on shorn wool or on unshorn lambs may be given to a financing agency or a wool marketing agency as security for cash advanced or to be advanced on sheep, lambs, or wool. The assignee shall not reassign such payment. One assignment may cover pay-

ments due or to become due on the sale of shorn wool or unshorn lambs or both. An assignment may only include payments due or to become due for a specified marketing year and must include all payments due and to become due for that specified marketing year on the commodity or commodities for which payment is being assigned. The assignment shall be executed by the producer or in the case of joint producers by all such producers, on Form CCC-1157, "Assignment of Payment Under the National Wool Act of 1954." The applicant's signature shall be witnessed by a member of the county or community ASC committee for the county where the farm is located, or by an employee of the county committee.

(b) *Payment.* CCC will make payment pursuant to an accepted assignment unless the ASCS county office is furnished evidence that the assignment has been released by the assignee.

#### § 1472.1551 Records and inspection thereof.

(a) The applicant for a payment under this subpart, as well as the marketing agency and any other person who furnishes evidence to such applicant for use in connection with the application, shall maintain books, records, and accounts pertaining to the marketing of the commodity on which the application is based, for 3 years following the end of the specified marketing year during which the marketing took place. The applicant shall maintain books, records, and accounts pertaining to the production of wool, sheep, and lambs and the shearing thereof, with respect to which the applicant applies for payment, for 3 years following the end of the specified marketing year during which the marketing took place. The applicant shall also maintain books, records, and accounts showing the purchases of lambs on or after April 1, 1956, for 3 years following the end of the specified marketing year during which any such lambs have been marketed, as the case may be. If the applicant is required to report purchases of unshorn lambs on a "first in, first out" basis, the applicant shall maintain such books, records, and accounts of such lambs for 3 years following the end of the specified marketing year for which such lambs are to be reported.

(b) If an application is based on the sale of wool shorn from imported sheep or lambs, or on the sale of imported lambs, or if lambs required to be reported as purchased unshorn were imported, the books, records, and accounts required by paragraph (a) of this section to be maintained by the applicant shall show the details of such importation, including the date of arrival of the lambs in the United



States and the liveweight on such date, and if the lambs were quarantined, the date when they were released from quarantine and their liveweight on such date.

(c) With respect to any application for payment filed after the end of the specified marketing year, instead of maintaining the books, records, and accounts for the time specified in paragraph (a) of this section, such books, records, and accounts shall be maintained for 3 years following the date on which the application is filed.

(d) At all times during regular business hours, authorized representatives of CCC or the Department of Agriculture shall have access to the premises of the applicant, of the marketing agency, and of the person who furnished evidence to an applicant for use in connection with the application, in order to inspect, examine, and make copies of the books, records, and accounts, and other written data as specified in paragraphs (a), (b), and (c) of this section.

**§ 1472.1552 Violations of program.**

(a) Whoever issues a false sales document or otherwise acts in violation of the provisions of this Program so as to enable an applicant to obtain a payment to which such person is not entitled, shall become liable to CCC for any payment which CCC may have made in reliance on such sales document or as a result of such other action.

(b) The issuance of a false sales document or the making of a false statement in an application for payment or other document, for the purpose of enabling the applicant to obtain a payment to which such person is not entitled, will subject the person issuing such document or making such statement to liability under applicable Federal civil and criminal statutes.

**§ 1472.1553 Forms.**

(a) Form CCC-1155, "Application for Payment (National Wool Act)," Form CCC-1157, "Assignment of Payment Under the National Wool Act of 1954," Form ASCS-325, "Application for Payment of Amounts Due Persons Who Have Died, Disappeared, or Have Been Declared Incompetent," and other forms issued by the U.S. Department of Agriculture for use in connection with this program may be obtained from ASCS county offices.

**§ 1472.1554 Authorization by Executive Vice President, CCC, or other official.**

If the applicant is unable to furnish the documentary evidence of sale required in this subpart, the Executive Vice President, CCC, or the Deputy Administrator, State and County Operations, ASCS, may authorize the submission of any other evidence which establishes to the satisfaction of

the authorizing official the information required by §§ 1472.1510 and 1472.1525.

**§ 1472.1555 Expiration of time limitations.**

Whenever the final date for filing an application falls on a Saturday, Sunday, national holiday, or State holiday, or on any other day on which the appropriate ASCS State or county office is not open for the transaction of business during normal working hours, the time for filing the application shall be extended to the close of business on the next working day. If filing is by mail, it shall be considered timely if it is postmarked by midnight of such next working day.

NOTE.—The reporting and recordkeeping requirements contained herein have been approved by the Office of Management and Budget in accordance with the Federal Reports Act of 1942.

Signed at Washington, D.C., on February 28, 1978.

STEWART N. SMITH,  
Acting Executive Vice President,  
Commodity Credit Corporation.

[FR Doc. 78-5956 Filed 3-7-78; 8:45 am]

**[6750-01]**

**Title 16—Commercial Practices**

**CHAPTER I—FEDERAL TRADE COMMISSION**

[Docket No. 8958-o]

**PART 13—PROHIBITED TRADE PRACTICES, AND AFFIRMATIVE CORRECTIVE ACTIONS**

**Boise Cascade Corp. et al.**

AGENCY: Federal Trade Commission.

ACTION: Final order to cease and desist.

SUMMARY: This order, among other things, requires a Boise, Idaho manufacturer and seller of softwood plywood, and four of its competitors, to cease, in connection with sales and transportation of their products, employing weight estimates to determine freight charges; and using any rate of freight, other than that applicable to particular business transactions. The order further requires that the firms, when offering delivered prices, provide purchasers of their products the option of obtaining point of origin prices and furnishing their own transportation. Additionally, firms must advise persons responsible for sales and policy of the terms of the order, and publish such terms as prescribed.

DATES: Complaint issued April 18, 1974; Final Order issued January 11, 1978.

**FOR FURTHER INFORMATION CONTACT:**

Alfred F. Dougherty, Jr., Director, Bureau of Competition, Federal Trade Commission, Room 376, 6th Street and Pennsylvania Avenue NW., Washington, D.C. 20580, 202-523-3475.

**SUPPLEMENTARY INFORMATION:** In the Matter of Boise Cascade Corp., a corporation, Champion International Corp., a corporation, Georgia-Pacific Corp., a corporation, Weyerhaeuser Co., a corporation, and Willamette Industries, Inc., a corporation. The prohibited trade practices and/or corrective actions, as codified under 16 CFR Part 13, are as follows:

Subpart—Combining or Conspiring: § 13.395 To control marketing practices and conditions; § 13.400 To discriminate or stabilize prices through basing point or delivered price systems; § 13.432 To fix and maintain uniform freight charges; § 13.470 To restrain or monopolize trade. Subpart—Corrective Actions and/or Requirements: § 13.533 Corrective actions and/or requirements; § 13.533-20 Disclosures; § 13.533-40 Furnishing information to media. Subpart—Discriminating in Price Under Section 5, Federal Trade Commission Act: § 13.880 Delivered price systems. Subpart—Selling and Quoting on Systematic, Price Matching Basis: § 13.2193 Zone, freight equalization, and other delivered price systems.

(Sec. 6, 38 Stat. 721 (15 U.S.C. 46). Interprets or applies sec. 5, 38 Stat. 719, as amended (15 U.S.C. 45).)

The final order to cease and desist, including further order requiring report of compliance therewith, is as follows:

**FINAL ORDER**

This matter has been heard by the Commission upon the appeal of respondents' counsel from the initial decision and upon briefs and oral argument in support thereof and opposition thereto, and the Commission, for the reasons stated in the accompanying Opinion, has denied the appeal.

It is ordered, That pages 1-132 of the initial decision of the administrative law judge are hereby adopted as the Findings of Fact and Conclusions of Law of the Commission, to the extent not inconsistent with the accompanying Opinion. Other Findings of Fact and Conclusions of Law of the Commission are contained in the accompanying Opinion.

<sup>1</sup> Copies of the Complaint, Initial Decision, Opinion and Final Order, filed with the original document.