

deficiency shall be satisfied in the subsequent marketing year. If this adjustment results in a handler disposing of, in restricted outlets, a quantity in excess of that handler's restricted obligation, such excess shall not be credited to such handler's restricted obligation during the subsequent marketing year.

(b) A handler may withhold, in accordance with §982.50(a), certified shelled hazelnuts in lieu of merchantable hazelnuts in satisfaction of such handler's restricted obligation, subject to such terms and conditions as are recommended by the Board and established by the Secretary. The inshell equivalent of such hazelnuts shall be determined by multiplying the weight of the shelled hazelnuts by 2.5.

(c) The Secretary upon recommendation of the Board and other available data may modify these procedures, change the conversion factors, and specify factors for conversion for different varieties of hazelnuts.

[51 FR 29548, Aug. 19, 1986, as amended at 61 FR 17560, Apr. 22, 1996]

§ 982.52 Disposition of restricted hazelnuts.

Hazelnuts withheld from handling as inshell hazelnuts pursuant to §§982.50 and 982.51 may be disposed of as follows:

(a) *Shelling.* Any handler may dispose of such hazelnuts by shelling them under the direction or supervision of the Board or by delivering them to an authorized sheller. Any person who desires to become an authorized sheller in any marketing year may submit written application during such year to the Board. Such application shall be granted only upon condition that the applicant agrees:

(1) To use such restricted hazelnuts as he may receive for no purpose other than shelling;

(2) To dispose of or deliver such restricted hazelnuts, as inshell hazelnuts, to no one other than another authorized sheller;

(3) To comply fully with all laws and regulations applicable to shelling of hazelnuts; and

(4) To make such reports, certified to the Board and to the Secretary as to their correctness, as the Board may require.

(b) *Export.* Sales of certified merchantable restricted hazelnuts for shipment to destinations outside the continental United States and such other distribution areas as may be recommended by the Board and established by the Secretary shall be made only by the Board. Any handler desiring to export any part or all of that handler's certified merchantable restricted hazelnuts shall deliver to the Board the certified merchantable restricted hazelnuts to be exported, but the Board shall be obligated to sell in export only such quantities for which it may be able to find satisfactory export outlets. Any hazelnuts so delivered for export which the Board is unable to export shall be returned to the handler delivering them. Sales for export shall be made by the Board only on execution of an agreement to prevent exportation into the area designated in §982.16. A handler may be permitted to act as an agent of the Board, upon such terms and conditions as the Board may specify, in negotiating export sales, and when so acting shall be entitled to receive a selling commission as authorized by the Board. The proceeds of all export sales, after deducting all expenses actually and necessarily incurred, shall be paid to the handler whose certified merchantable restricted hazelnuts are so sold by the Board.

(c) *Other outlets.* In addition to the dispositions authorized in paragraphs (a) and (b) of this section, the Board may designate such other outlets into which such hazelnuts may be disposed which it determines are noncompetitive with normal market outlets for inshell hazelnuts. Such dispositions shall be made under the direction or supervision of the Board.

(d) *Restricted credits.* During any marketing year, handlers who dispose of a quantity of eligible hazelnuts in restricted outlets in excess of their restricted obligations, may transfer such excess credits to another handler or handlers. Upon a handler's written request to the Board during a marketing year, the Board shall transfer any or all of such excess restricted credits to such other handler or handlers that the handler may designate. The Board, with the approval of the Secretary,

§982.53

shall establish rules and regulations for the transfer of excess restricted credits.

[40 FR 53227, Nov. 17, 1975, as amended at 51 FR 29549, Aug. 19, 1986; 61 FR 17560, Apr. 22, 1996]

§982.53 Substandard hazelnuts.

The Board shall, with the approval of the Secretary, establish such reporting and disposition procedures as it deems necessary to insure that hazelnuts which do not meet the effective inshell or shelled hazelnut minimum standards do not enter normal market outlets for certified hazelnuts.

§982.54 Deferment of restricted obligation.

(a) *Bonding.* Compliance by any handler with the requirements of §982.50 when restricted hazelnuts may be withheld shall be temporarily deferred to any date requested by the handler, but not later than 60 days prior to the end of the marketing year. Such deferment shall be conditioned upon the voluntary execution and delivery by the handler to the Board of a written undertaking before beginning to handle merchantable hazelnuts during the marketing year. Such written undertaking shall be secured by a bond or bonds with a surety or sureties acceptable to the Board that on or prior to such date the handler will have fully satisfied the restricted obligation required by §982.50, subject to any adjustment pursuant to §982.51.

(b) *Bonding requirement.* Such bond or bonds shall, at all times during their effective period, be in such amounts that the aggregate thereof shall be no less than the total bonding value of the handler's deferred restricted obligation. The bonding value shall be the deferred restricted obligation poundage multiplied by the applicable bonding rate. The cost of such bond or bonds shall be borne by the handler filing same.

(c) *Bonding rate.* Said bonding rate shall be an amount per pound as established by the Board. Such bonding rate shall be based on the estimated value of restricted credits for the current marketing year. Until bonding rates for a marketing year are fixed, the rates in effect for the preceding mar-

7 CFR Ch. IX (1-1-01 Edition)

keting year shall continue in effect. The Board should make any necessary adjustments once such new rates are fixed.

(d) *Restricted credit purchases.* Any sums collected through default of a handler on the handler's bond shall be used by the Board to purchase restricted credits from handlers, who have such restricted credits in excess of their needs, and are willing to part with them. The Board shall at all times purchase the lowest priced restricted credits offered, and the purchases shall be made from the various handlers as nearly as practicable in proportion to the quantity of their respective offerings of the restricted credits to be purchased.

(e) *Unexpended sums.* Any unexpended sums which have been collected by the Board through default of a handler on the handler's bond, remaining in the possession of the Board at the end of a marketing year, shall be used to reimburse the Board for its expenses, including administrative and other costs incurred in the collection of such sums, and in the purchase of restricted credits as provided in paragraph (d) of this section.

(f) *Transfer of restricted credit purchases.* Restricted credits purchased as provided for in this section shall be turned over to those handlers who have defaulted on their bonds for liquidation of their restricted obligation. The quantity delivered to each handler shall be that quantity represented by sums collected through default.

(g) *Collection upon bonds.* Collection upon any defaulted bond shall be deemed a satisfaction of the restricted obligation represented by the collection.

[40 FR 53228, Nov. 17, 1975, as amended at 46 FR 26039, May 11, 1981; 51 FR 29549, Aug. 19, 1986; 61 FR 17560, Apr. 22, 1996]

§982.55 Exchange of certified merchantable hazelnuts withheld.

Any handler who has withheld from handling certified merchantable hazelnuts pursuant to the requirements of §982.50 may exchange therefor an equal quantity, by weight, of other certified merchantable hazelnuts. Any such exchange shall be made under the direction or supervision of the Board.