

as to reduce all such quotas by the same percentage.

§ 729.331 Allocation of permanently released quotas and nonproduced quotas.

(a) *Eligibility.* After adjustments in the quota or production history of farms to account for permanent releases or permanent transfers of quotas, quotas permanently released in accordance with § 729.369 or reduced for nonproduction pursuant to § 729.328 shall be allocated to farms that produced peanuts in at least two of the three crop years immediately preceding the year for which the allocation is being made.

(b) *Method of allocation.* Subject to the provisions of paragraph (c) of this section, the total amount of quota available for allocation under this section shall be allocated by prorating that amount among all eligible quota and nonquota farms based upon the average of the two highest years' total production pounds for each such farm for the three years preceding the year for which the determination is being made.

(c) *Exception to basic allocation method.* If the method of allocation provided for in paragraph (b) of this section would not allocate at least 25 percent of the quota to farms that were nonquota farms for the preceding crop year, the State committee shall prorate 25 percent of the quota to such farms and prorate the remainder to each other eligible farm on the same production history basis as is provided for in paragraph (a) of this section.

(d) *Farm reconstitution.* Notwithstanding any other provisions of this subpart, for purposes of applying the provisions of paragraph (a) of this section, quotas shall be allocated on the basis on which farms were constituted for the preceding year.

§ 729.332 Lack of adequate tillable cropland.

A farm may only receive an allocation pursuant to § 729.329 and § 729.331 to the extent that adequate tillable cropland is available for the production of the quota as so increased based upon the farm's yield. If adequate tillable cropland is not available, the excess quota may be allocated to other eligible quota and nonquota farms in such manner as the Deputy Administrator shall determine appropriate.

§ 729.333 Determination of undermarketings.

(a) *Actual undermarketings.* Actual undermarketings for a farm for a crop year shall be the number of pounds by which the total marketings of quota

peanuts from the farm during previous marketing years for previous crops (excluding any marketing year before the marketing year for the 1984 crop) were less than the total amount of the applicable effective farm poundage quotas (disregarding adjustments for undermarketings from prior marketing years) for such marketing years, except that no increase for undermarketings shall be allowed for undermarketings that preceded a year for which the farm's quota was, or is, subject to, reduction pursuant to § 729.328.

(b) *Total marketings of quota peanuts.*

For purposes of paragraph (a) of this section, "total marketings of quota peanuts" for any marketing year shall:

(1) Not exceed the effective farm poundage quota for the marketing year disregarding adjustments for undermarketings from prior marketing years, and

(2) Shall, within the limitation specified in paragraph (b)(1) of this section, be the larger of:

(i) The total production of segregation 1 peanuts on the farm during such year, and

(ii) The total amount of quota peanuts which were marketed or considered marketed from the farm for the relevant marketing year.

(c) *Determining effective quota.* For purposes of determining a farm's effective farm poundage quota for a crop year under § 729.328, the farm's basic farm poundage quota shall be increased by the amount of the farm's effective undermarketings for the relevant crop year.

(d) *Effective undermarketings.* (1) If 10 percent of the national poundage quota for the crop year is equal to or greater than the actual undermarketings for all farms as determined under paragraph (a) of this section, the effective undermarketings for that crop year for all farms for that year shall be equal to the actual undermarketings for each such farm for that year.

(2) If the provisions of paragraph (d)(1) of this section are not applicable: (i) The effective undermarketings for a farm shall not be less than the smaller, for that crop year, of the farm's actual undermarketings or 10 percent of the farm's basic farm poundage quota; and

(ii) The total effective undermarketings on all farms for the crop year shall, to the extent practicable, equal 10 percent of the national poundage quota for the relevant crop year.

§ 729.334 Determination of farm yield.

The farm yield established for a farm for which a farm poundage quota is established for the current year shall be

the farm yield established for the farm for the immediately preceding year. Except as provided in § 729.335, if a farm yield was not established for a farm for the previous year, the county committee shall establish a farm yield taking into account:

(a) Farm yields and actual yields on other farms in the locality on which the soil and other physical factors affecting production are similar, and

(b) The normal yield for the county.

§ 729.335 Determination of farm yield for reconstituted farms.

For reconstituted farms, the farm yield for such farm shall be established in accordance with the following rules to the extent applicable:

(a) *Combinations.*—(1) Combination of Quota farms. The farm yield for combined quota tracts shall be the weighted average of the farm yields for the tracts being combined.

(2) *Combinations of Quota and Nonquota farms.* A combined farm shall be assigned the farm yield of the tract with an established quota if placed in combination with a nonquota tract even though a farm yield had been previously established for such nonquota tract.

(3) *Combination of Nonquota farms.* The farm yield for combined nonquota tracts shall be established by the county committee in accordance with § 729.334 even though a farm yield had been previously established for the individual tracts.

(b) *Divisions.*—(1) No identifiable tracts having tract yield established. If a farm is divided and none of the tracts have an identifiable tract yield, the farm yield shall be the same for each tract as the farm yield for the parent farm.

(2) *Identifiable tracts with tract yield established.* If a farm is divided and the individual tracts have established yields, the farm yield for each tract will be that previously established for the tract.

(3) *Division of an identifiable tract having a tract yield established.* If a tract with an identifiable yield is divided, the farm yield, for the divided tracts shall be the same as the farm yield which has been previously established for the parent tract.

§ 729.336 Approval of farm poundage quota and notice to farm operator.

(a) *Approval.* Each farm yield, preliminary farm poundage quota, farm poundage quota, and effective farm poundage quota shall be determined under the supervision of, and approved by, the county committee of the county in which the farm is administratively located, subject to the concurrence of