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DEPARTMENT OF AGRICULTURE

Consolidated Farm Service Agency

7 CFR Part 723

Commodity Credit Corporation

7 CFR Part 1464

RIN 0560-AD64 and AD65

1995 Marketing Quotas and Price Support Levels for Fire-Cured (Type 21), Fire-Cured (Types 22-23), Maryland (Type 32), Dark Air-Cured (Types 35-36), Virginia Sun-Cured (Type 37), Cigar-Filler and Binder (Types 42-44 and 53-55), Cigar-Filler (Type 41), Cigar-Filler (Type 46), and Cigar Binder (Types 51-52) Tobaccos

AGENCIES: Consolidated Farm Service Agency and Commodity Credit Corporation, USDA.

ACTION: Final rule.

SUMMARY: The purpose of this final rule is to codify the national marketing quotas and price support levels for the 1995 crops for several kinds of tobacco announced by press release on March 1, 1995.

In accordance with the Agricultural Adjustment Act of 1938, as amended (the 1938 Act), the Secretary determined the 1995 marketing quotas to be as follows: Fire-cured (type 21), 1.95 million pounds; fire-cured (types 22-23), 39.8 million pounds; Maryland (type 32), 6.45 million pounds; dark air-cured (types 35-36), 9.6 million pounds; Virginia sun-cured (type 37), 130,000 pounds; cigar-filler (type 41), 1.35 million pounds; cigar-filler and binder (types 42-44 and 53-55), 9.0 million pounds; cigar-filler (type 46), zero pounds; and cigar binder (types 51-52), 675,000 pounds.

This rule is necessary to adjust the production levels of certain tobacco to more fully reflect supply and demand conditions as provided by statute.

In accordance with the Agricultural Act of 1949 as amended (the 1949 Act), the Secretary determined the 1995 levels of support to be as follows (in cents per pound): Fire-cured (type 21), 143.0; fire-cured (types 22-23), 151.8; dark air-cured (types 35-36), 130.4; Virginia sun-cured (type 37), 127.6; cigar-filler and binder (types 42-44 and 53-55), 110.1; and cigar-filler (type 46), 86.1. Price support for Maryland (type 32), cigar-filler (type 41), and cigar binder (types 51-52) were not announced because producers of each of these kinds of tobacco had disapproved marketing quotas for many years and were not expected to approve quotas in separate referenda to be held March 27-30, 1995.

EFFECTIVE DATE: March 1, 1995.

FOR FURTHER INFORMATION CONTACT: Robert L. Tarczy, Consolidated Farm Service Agency (CFSA), United States Department of Agriculture (USDA), room 3736, South Building, PO Box 2415, Washington, DC 20013-2415, 202-720-5346.

SUPPLEMENTARY INFORMATION:

Executive Order 12866

This final rule has been determined to be not significant for purposes of Executive Order 12866 and, therefore, has not been reviewed by OMB.

Federal Assistance Program

The title and number of the Federal Assistance Program, as found in the Catalog of Federal Domestic Assistance, to which this rule applies, are Commodity Loans and Purchases—10.051.

Executive Order 12778

This final rule has been reviewed in accordance with Executive Order 12778, Civil Justice Reform. The provisions of this rule do not preempt State laws, are not retroactive, and do not involve administrative appeals.

Regulatory Flexibility Act

It has been determined that the Regulatory Flexibility Act is not applicable because CFSA is not required by 5 U.S.C. 553 or any other provision of law to publish a notice of proposed rulemaking with respect to the subject of these determinations.

Paperwork Reduction Act

The amendments to 7 CFR parts 723 and 1464 set forth in this final rule do not contain information collections that require clearance through the Office of Management and Budget under the provisions of 44 U.S.C. Chapter 35.

Statutory Background

This final rule is issued pursuant to the provisions of the 1938 Act and the 1949 Act.

On March 1, 1995, the Secretary determined and announced the national marketing quotas and price support levels for the 1995 crops of fire-cured (type 21), fire-cured (types 22-23), dark air-cured (types 35-36), Virginia sun-cured (type 37), cigar-filler and binder (types 42-44 and 53-55), and cigar-filler (type 46) tobaccos. In addition the Secretary announced marketing quotas for Maryland (type 32), cigar-filler (type 41) and cigar-binder (types 51-52). A number of related determinations were made at the same time which this final rule affirms. On the same date, the Secretary also announced that referenda would be conducted by mail with respect to Maryland (type 32), Virginia sun-cured (type 37), cigar-filler (type 41), and cigar-binder (types 51-52) tobaccos.

During March 27-30, 1995, eligible producers of Maryland (type 32), Virginia sun-cured (type 37), cigar-filler (type 41), and cigar binder (types 51-52) tobacco voted in separate referenda to determine whether such producers disapprove marketing quotas for the 1995, 1996, and 1997 marketing years (MYs) for these tobaccos. Of the producers voting, 9.9 percent favored marketing quotas for Maryland tobacco; 93.6 percent favored marketing quotas for Virginia sun-cured tobacco; 11.5 percent favored marketing quotas for cigar-filler (type 41); and 12.2 percent favored marketing quotas for cigar binder (types 51-52). Accordingly, among these tobaccos, quotas and price supports for only Virginia sun-cured tobacco are in effect for the 1995 MY. For the other three kinds, neither marketing quotas nor price supports will be in effect for the next 3 MYs.

In accordance with section 312(a) of the 1938 Act, the Secretary of Agriculture was required to proclaim not later than March 1 of any MY with respect to any kind of tobacco, other than burley and flue-cured tobacco, a

national marketing quota for any such kind of tobacco for each of the next 3 MYs if such MY is the last year of 3 consecutive years for which marketing quotas previously proclaimed will be in effect; or because marketing quotas previously proclaimed were last disapproved by producers in a referendum held 3 years previously. With respect to Virginia sun-cured (type 37) tobacco, the 1994 MY is the last year of 3 such consecutive years; for Maryland (type 32), cigar-filler (type 41), and cigar binder (types 51-52) 1995 represents the beginning of another 3-year cycle. Accordingly, subject to producer approved marketing quotas for Maryland (type 32), Virginia sun-cured (type 37), cigar-filler (type 41) and cigar binder (types 51-52) tobaccos have been proclaimed for each of the 3 MYs beginning October 1, 1995; October 1, 1996; and October 1, 1997. As indicated, however, type 37 producers approved the quotas.

Because of producer approval of quotas sections 312 and 313 of the 1938 Act require that the Secretary also announce the reserve supply level and the total supply of fire-cured (type 21), fire-cured (types 22-23), Maryland (type 32), dark air-cured (types 35-36), Virginia sun-cured (type 37), cigar-filler (type 41), cigar-filler and binder (types 42-44 and 53-55), cigar-filler (type 46), and cigar binder (types 51-52) tobaccos for the MY beginning October 1, 1994, and for these tobaccos, the amounts of the national marketing quotas, national acreage allotments, national acreage factors for apportioning the national acreage allotments (less reserves) to old farms, and the amounts of the national reserves and parts thereof available for (1) new farms and (2) making corrections and adjusting inequities in old farm allotments.

Under the 1949 Act, price support is required to be made available for each crop of a kind of tobacco for which marketing quotas are in effect or for which marketing quotas have not been disapproved by producers. With respect to the 1995 crop of the nine kinds of tobacco which are the subject of this rule, the respective maximum level of support for six of those kinds is determined in accordance with section 106 of the 1949 Act. For the other three kinds of tobacco, price support was not calculated because producers of these kinds of tobacco had disapproved marketing quotas in previous referenda and were not expected to approve quotas in separate referenda to be held March 27-30, 1995.

The announcement of the price support levels for the 1995 crops of these six kinds of tobacco are made

insofar as practicable before the beginning of the planting season.

Marketing Quotas

Section 312(b) of the 1938 Act provides, in part, that the national marketing quota for a kind of tobacco is the total quantity of that kind of tobacco which may be marketed such that a supply of such tobacco equal to its reserve supply level is made available during the MY.

Section 313(g) of the 1938 Act provides that the Secretary may convert the national marketing quota into a national acreage allotment for apportionment to individual farms.

Since producers of these kinds of tobacco generally produce less than their respective national acreage allotments allow, it has been determined that a larger quota is necessary to make available production equal to the reserve supply level. The amount of the national marketing quota so announced may, not later than the following March 1, be increased by not more than 20 percent if the Secretary determines that such increase is necessary in order to meet market demands or to avoid undue restriction of marketings in adjusting the total supply to the reserve supply level.

Section 301(b)(14)(B) of the 1938 Act defines "reserve supply level" as the normal supply, plus 5 percent thereof, to ensure a supply adequate to meet domestic consumption and export needs in years of drought, flood, or other adverse conditions, as well as in years of plenty. "Normal supply" is defined in section 301(b)(10)(B) of the 1938 Act as a normal year's domestic consumption and exports, plus 175 percent of a normal year's domestic use and 65 percent of a normal year's exports as an allowance for a normal year's carryover.

Normal year's domestic consumption is defined in section 301(b)(11)(B) of the 1938 Act as the average quantity produced and consumed in the United States during the 10 MYs immediately preceding the MY in which such consumption is determined, adjusted for current trends in such consumption. Normal year's exports is defined in section 301(b)(12) of the 1938 Act as the average quantity produced in and exported from the United States during the 10 MYs immediately preceding the MY in which such exports are determined, adjusted for current trends in such exports.

In accordance with section 313(g) of the 1938 Act, the Secretary is authorized to establish a national reserve from the national acreage allotment in an amount equivalent to not more than 1 percent of

the national acreage allotment for the purpose of making corrections in farm acreage allotments, adjusting for inequities, and for establishing allotments for new farms. The Secretary has determined that the national reserve, noted herein, for the 1995 crop of each of these kinds of tobacco is adequate for these purposes.

On January 25, 1995, a proposed rule was published (60 FR 4871) in which interested persons were requested to comment with respect to setting quotas for the tobacco kinds addressed in the notice.

Discussion of Comments

Thirty-two written responses were received during the comment period which ended February 3, 1995. Some respondents discussed more than one kind of tobacco. A summary of these comments by kind of tobacco follows:

(1) *Fire-cured (type 21) tobacco*. Nine comments were received. Eight comments recommended that quotas be decreased by 15 percent. The other recommended that the marketing quotas be decreased by 10 percent from the 1994 MY.

(2) *Fire-cured (types 22-23) tobacco*. Six comments were received. Five recommended a 7-percent decrease from the 1994 marketing quota, while the sixth recommended no change in quota.

(3) *Dark air-cured (types 35-36) tobacco*. Seven comments were received. Six recommended a 15-percent decrease, and a seventh recommended a 10-percent decrease in the quota.

(4) *Virginia sun-cured (type 37) tobacco*. Eight comments were received, all recommended a 5-percent decrease in quota.

(5) *Cigar-filler and binder (types 42-44 and 53-55) tobacco*. Two comments were received, both recommending no change in quota.

(6) *Maryland (type 32), cigar filler (type 41), cigar filler (type 46) and cigar binder (type 51-52) tobaccos*. No comments were received.

Marketing quotas and the corresponding acreage allotments for Maryland (type 32), cigar filler (type 41), and cigar binder (types 51-52) tobaccos were proclaimed on March 1, 1995, but were each disapproved by producers in subsequent referenda. Accordingly, the following marketing quotas appear as a matter of record only: Maryland (type 32), 6.45 million pounds; cigar filler (type 41), 1.35 million pounds; and cigar binder (type 51-52), 675,000 pounds.

For the six kinds of tobacco for which marketing quotas have been approved the following determinations have been

made, based on a review of these comments and the latest available statistics of the Federal Government which appear to be the most reliable data available.

(1) Fire-Cured (Type 21) Tobacco

The yearly average quantity of fire-cured (type 21) tobacco produced in the United States, which is estimated to have been consumed in the United States during the 10 MYs preceding the 1994 MY, was approximately 1.1 million pounds. The average annual quantity produced in the United States and exported from the United States during the 10 MYs preceding the 1994 MY was 2.7 million pounds (farm sales weight basis). Both domestic use and exports have trended sharply downward. Thus, a normal year's domestic consumption has been determined to be 0.7 million pounds, and a normal year's exports have been determined to be 1.65 million pounds. Application of the formula prescribed by section 301(b)(14)(B) of the 1938 Act results in a reserve supply level of 4.83 million pounds.

Manufacturers and dealers reported stocks held on October 1, 1994, of 3.3 million pounds. The 1994 crop is estimated to be 2.4 million pounds. Therefore, total supply for the 1994 MY is 5.7 million pounds. During the 1994 MY, it is estimated that disappearance will total approximately 2.5 million pounds. Deducting this disappearance from total supply results in a 1995 MY beginning stock estimate of 3.2 million pounds.

The difference between the reserve supply level and the estimated carryover on October 1, 1995, is 1.63 million pounds. This represents the quantity that may be marketed which will make available during the 1995 MY a supply equal to the reserve supply level. Less than 85 percent of the announced national marketing quota is expected to be produced.

Accordingly, it has been determined that a 1995 national marketing quota of 1.95 million pounds is necessary to make available production of 1.63 million pounds. Thus, the national marketing quota for the 1995 MY is 1.95 million pounds.

In accordance with section 313(g) of the 1938 Act, dividing the 1995 national marketing quota of 1.95 million pounds by the 1990-94, 5-year national average yield of 1,482 pounds per acre results in a 1995 national acreage allotment of 1,315.79 acres.

Pursuant to the provisions of section 313(g) of the 1938 Act, a national acreage factor of 0.85 is determined by dividing the national acreage allotment

for the 1995 MY, less a national reserve of 5.7 acres, by the total of the 1995 preliminary farm acreage allotments (previous year's allotments). The preliminary farm acreage allotments reflect the factors specified in section 313(g) of the 1938 Act for apportioning the national acreage allotment, less the national reserve, to old farms.

(2) Fire-Cured (Types 22-23) Tobacco

The yearly average quantity of fire-cured (types 22-23) tobacco produced in the United States, which is estimated to have been consumed in the United States during the 10 years preceding the 1994 MY, was approximately 17.8 million pounds. The average annual quantity produced in the United States and exported during the 10 MYs preceding the 1994 MY was 16.4 million pounds (farm sales weight basis). Both domestic use and exports have trended upward recently. Thus, normal year's domestic consumption has been determined to be 25.0 million pounds, and a normal year's exports have been determined to be 20.7 million pounds. Application of the formula prescribed by section 301(b)(14)(B) of the 1938 Act results in a reserve supply level of 108.1 million pounds.

Manufacturers and dealers reported stocks held on October 1, 1994, of 69.6 million pounds. The 1994 crop is estimated to be 41.9 million pounds. Therefore, total supply for the 1994 MY is 111.5 million pounds. During the 1994 MY, it is estimated that disappearance will total approximately 35.0 million pounds. Deducting this disappearance from total supply results in a 1995 MY beginning stock estimate of 76.5 million pounds.

The difference between the reserve supply level and the estimated carryover on October 1, 1995, is 31.6 million pounds. This represents the quantity that may be marketed which will make available during the 1995 MY a supply equal to the reserve supply level. About 95 percent of the announced national marketing quota is expected to be produced.

Accordingly, it has been determined that a 1995 national marketing quota of 33.2 million pounds is necessary to make available production of 31.6 million pounds.

In accordance with section 312(b) of the 1938 Act, it has been further determined that the 1995 national marketing quota must be increased by 20 percent in order to avoid undue restriction of marketings. Thus, the national marketing quota for the 1995 MY is 39.8 million pounds.

In accordance with section 313(g) of the 1938 Act, dividing the 1995 national

marketing quota of 39.8 million pounds by the 1990-94, 5-year average yield of 2,412 pounds per acre results in a 1995 national acreage allotment of 16,500.83 acres.

Pursuant to the provisions of section 313(g) of the 1938 Act, a national acreage factor of 0.93 is determined by dividing the national acreage allotment for the 1995 MY, less a national reserve of 26 acres, by the total of the 1995 preliminary farm acreage allotments (previous year's allotments). The preliminary farm acreage allotments reflect the factors specified in section 313(g) of the 1938 Act for apportioning the national acreage allotment, less the national reserve, to old farms.

(3) Dark Air-Cured (Types 35-36) Tobacco

The yearly average quantity of dark air-cured (types 35-36) tobacco produced in the United States, which is estimated to have been consumed in the United States during the 10 MYs preceding the 1994 MY, was approximately 10.3 million pounds. The average annual quantity produced in the United States and exported from the United States during the 10 MYs preceding the 1994 MY was 1.9 million pounds (farm sales weight basis). Domestic use has been erratic while exports have trended downward. Thus, a normal year's domestic consumption has been determined to be 10.5 million pounds, and a normal year's exports have been determined to be 1.5 million pounds. Application of the formula prescribed by section 301(b)(14)(B) of the 1938 Act results in a reserve supply level of 33.0 million pounds.

Manufacturers and dealers reported stocks held on October 1, 1994, of 24.7 million pounds. The 1994 crop is estimated to be 10.8 million pounds. Therefore, total supply for the 1994 MY is 35.5 million pounds. During the 1994 MY, it is estimated that disappearance will total approximately 10.0 million pounds. Deducting this disappearance from total supply results in a 1995 MY beginning stock estimate of 25.5 million pounds.

The difference between the reserve supply level and the estimated carryover on October 1, 1995, is 7.5 million pounds. This represents the quantity that may be marketed which will make available during the 1995 MY a supply equal to the reserve supply level. More than 90 percent of the announced national marketing quota is expected to be produced.

Accordingly, it has been determined that a national marketing quota of 8.0 million pounds is necessary to make

available production of 7.5 million pounds.

In accordance with section 312(b) of the 1938 Act, it has been further determined that the 1995 national marketing quota must be increased by 20 percent in order to avoid undue restriction of marketings. This results in a national marketing quota for the 1995 MY of 9.6 million pounds. In accordance with section 313(g) of the 1938 Act, dividing the 1995 national marketing quota of 9.6 million pounds by the 1990-94, 5-year average yield of 2,248 pounds per acre results in a 1995 national acreage allotment of 4,270.46 acres.

Pursuant to the provisions of section 313(g) of the 1938 Act, a national acreage factor of 0.85 is determined by dividing the national acreage allotment for the 1995 MY, less a national reserve of 13.0 acres, by the total of the 1995 preliminary farm acreage allotments (previous year's allotments). The preliminary farm acreage allotments reflect the factors specified in section 313(g) of the 1938 Act for apportioning the national acreage allotment, less the national reserve, to old farms.

(4) Virginia Sun-Cured (Type 37) Tobacco

The yearly average quantity of Virginia sun-cured (type 37) tobacco produced in the United States, which is estimated to have been consumed in the United States during the 10 MYs preceding the 1994 MY, was approximately 190,000 pounds. The average annual quantity produced in the United States and exported from the United States during the 10 MYs preceding the 1994 MY was approximately 120,000 pounds (farm sales weight basis). Both domestic use and exports have shown a sharp downward trend. Thus, a normal year's domestic consumption has been determined to be 60,000 pounds, and a normal year's exports have been determined to be 17,000 pounds. Application of the formula prescribed by section 301(b)(14)(B) of the 1938 Act results in a reserve supply level of 203,000 pounds.

Manufacturers and dealers reported stocks held on October 1, 1994, of 110,000 pounds. The 1994 crop is estimated to be 110,000 pounds. Therefore, total supply for the 1994 MY is 220,000 pounds. During the 1994 MY, it is estimated that disappearance will total approximately 130,000 pounds. Deducting this disappearance from total supply results in a 1995 MY beginning stock estimate of 90,000 pounds.

The difference between the reserve supply level and the estimated

carryover on October 1, 1994, is 113,000 pounds. This represents the quantity that may be marketed which will make available during the 1995 MY a supply equal to the reserve supply level. Over 80 percent of the announced national marketing quota is expected to be produced.

Accordingly, it has been determined that a 1995 national marketing quota of 130,000 pounds is necessary to make available production of 113,000 pounds. Thus, the national marketing quota for the 1995 MY is 130,000 pounds.

In accordance with section 313(g) of the 1938 Act, dividing the 1995 national marketing quota of 130,000 pounds by the 1990-94, 5-year average yield of 1,303 pounds per acre results in a 1995 national acreage allotment of 99.77 acres.

Pursuant to the provisions of section 313(g) of the 1938 Act, a national acreage factor of 0.95 is determined by dividing the national acreage allotment for the 1995 MY, less a national reserve of 0.34 acre, by the total of the 1995 preliminary farm acreage allotments (previous year's allotments). The preliminary farm acreage allotments reflect the factors specified in section 313(g) of the 1938 Act for apportioning the national acreage allotment, less the national reserve, to old farms.

(5) Cigar-Filler and Binder (Types 42-44 and 53-55) Tobacco

The yearly average quantity of cigar-filler and binder (types 42-44 and 53-55) tobacco produced in the United States which is estimated to have been consumed in the United States during the 10 MYs preceding the 1994 MY, was approximately 16.2 million pounds. The average annual quantity produced in the United States and exported from the United States during the 10 MYs preceding the 1994 MY was less than 100,000 pounds (farm sales weight). Domestic use has trended downward and exports are very small. Thus, a normal year's domestic consumption has been determined to be 10.2 million pounds, and a normal year's exports has been determined to be 100,000 pounds. Application of the formula prescribed by section 301(b)(14)(B) of the 1938 Act results in a reserve supply level of 29.7 million pounds.

Manufacturers and dealers reported stocks held on October 1, 1994, of 27.9 million pounds. The 1994 crop is estimated to be 5.8 million pounds. Therefore, total supply for the 1994 MY is 33.7 million pounds. During the 1994 MY, it is estimated that disappearance will total about 9.0 million pounds. Deducting this disappearance from total

supply results in a 1995 MY beginning stock estimate of 24.7 million pounds.

The difference between the reserve supply level and the estimated carryover on October 1, 1995, is 5.0 million pounds. This represents the quantity that may be marketed which will make available during the 1995 MY a supply equal to the reserve supply level. Slightly less than 70 percent of the announced national marketing quota is expected to be produced.

Accordingly, it has been determined that a 1995 national marketing quota of 7.5 million pounds is necessary to make available production of 5.0 million pounds. In accordance with section 312(b) of the 1938 Act, it has been further determined that the 1995 national marketing quota must be increased by 20 percent in order to avoid undue restriction of marketings. This results in a 1995 national marketing quota of 9.0 million pounds.

In accordance with section 313(g) of the 1938 Act, dividing the 1995 national marketing quota of 9.0 million pounds by the 1990-94, 5-year average yield of 1,855 pounds per acre results in a 1995 national acreage allotment of 4,851.75 acres.

Pursuant to the provisions of section 313(g), of the 1938 Act, a national factor of 1.0 is determined by dividing the national acreage allotment for the 1995 MY, less a national reserve of 3.75 acres, by the total of the 1995 preliminary farm acreage allotments (previous year's allotments). The preliminary farm acreage allotments reflect the factors specified in section 313(g) of the 1938 Act for apportioning the national acreage allotment, less the national reserve, to old farms.

(6) Cigar-Filler (Type 46) Tobacco

There is no demand for cigar-filler (type 46) tobacco. Accordingly, the reserve supply level is zero. The estimated carryover at the start of MY 1995 is 0.1 million pounds.

Because the estimated carryover exceeds the reserve supply level, the quantity of tobacco that may be marketed during MY 1995 and the 1995 acreage allotment are both zero.

(7) Referendum Results for Maryland (Type 32), Virginia Sun-Cured (Type 37), Cigar-Filler (Type 41) and Cigar Binder (Types 51-52) Tobaccos

Marketing quotas shall not be in effect for the 1995 MY for Maryland (type 32), cigar filler (type 41), and cigar binder (types 51-52) tobaccos. However, marketing quotas shall be in effect for Virginia sun-cured (type 37) tobacco. In referenda held March 27-30, 1995, only 9.9 percent of producers of Maryland

(type 32) tobacco, 11.5 percent of producers of cigar filler (type 41) tobacco, and 12.2 percent of producers

of cigar binder (types 51–52) tobacco voted in favor of marketing quotas. However, 93.6 percent of Virginia sun-cured producers voted in favor of marketing quotas.

The following is a summary of the results of the four separate referenda:

Kind of tobacco	Total votes	Yes votes	No votes	Percent yes votes
Maryland (type 32)	567	56	511	9.9
Virginia sun-cured (type 37)	47	44	3	93.6
Cigar-filler (type 41)	87	10	77	11.5
Cigar-binder (types 51–52)	41	5	36	12.2

Price Support

Section 106(f)(6)(A) of the 1949 Act provides that the level of support for the 1995 crop of a kind of tobacco (other than flue-cured and burley) shall be the level in cents per pound at which the 1994 crop of such kind of tobacco was supported, plus or minus, respectively, the amount by which (i) the support level for the 1995 crop, as determined under section 106(b) of the 1949 Act, is greater or less than (ii) the support level for the 1994 crop, as determined under section 106(d) of the 1949 Act if the support level under clause (i) is greater than the support level under clause (ii).

Accordingly, the support level for the 1995 crop of such kind of tobacco will be the 1994 level, adjusted by the difference (plus or minus) between the 1994 “basic support level” and the 1995 “basic support level.”

Section 106(b) of the 1949 Act provides that the “basic support level” for any year is determined by multiplying the support level for the 1959 crop of such kind of tobacco by the ratio of the average of the index of prices paid by farmers, including wage rates, interest, and taxes (referred to as the “parity index”) for the 3 previous

calendar years to the average index of such prices paid by farmers, including wage rates, interest, and taxes for the 1959 calendar year.

In addition, section 106(f)(6)(B) of the 1949 Act provides that to the extent requested by the board of directors of an association, through which price support is made available to producers (producer association), the Secretary may reduce the support level determined under section 106(f)(6)(A) of the 1949 Act for the respective kind of tobacco to more accurately reflect the market value and improve the marketability of such tobacco.

Accordingly, the price support level for a kind of tobacco set forth in this rule could be reduced if such a request is made.

Determinations

The following levels of price support for the 1994 crops of various kinds of tobacco, which were determined in accordance with section 106(f)(6)(A) of the 1949 Act, are as follows:

Kind and type	Support level (cents per pound)
Virginia fire-cured (type 21)	140.7
KY-TN fire-cured (types 22–23)	148.3
Dark air-cured (types 35–36)	127.3
Virginia sun-cured (type 37)	124.5
Cigar-filler and binder (types 42–44 and 53–55)	108.4
Cigar-filler (type 46)	84.4

For the 1995 crop year:
 (1) Average parity indexes for calendar year periods 1991–1993 and 1992–1994 are as follows:

Year	Index	Year	Index
1991	1,316	1992	1,329
1992	1,329	1993	1,355
1993	1,355	1994	1,394
Average	1,333	Average	1,359

(2) Average parity index, calendar year 1959=298.

(3) 1994 ratio of 1,333 to 298=4.47; 1995 ratio of 1,359 to 298=4.56.

(4) Ratios times 1959 support levels and 1995 increase in basic support levels are as follows:

Kind and type	1959 support level (¢/lb.)	Basic support level ¹		Increase from 1994 to 1995	
		1994 (¢/lb.)	1995 (¢/lb.)	100% (¢/lb.)	65% (¢/lb.)
VA 21	38.8	173.4	176.9	3.5	2.3
KY-TN 22–23	38.8	173.4	176.9	3.5	2.3
KY-TN 35–36	34.5	154.2	157.3	3.1	2.0
VA 37	34.5	154.2	157.3	3.1	2.0
Cigar-filler and binder 42–44, 54–55	28.6	127.8	130.4	2.6	1.7
Cigar-filler 46	29.7	132.8	135.4	2.6	1.7

¹ 1994 ratio is 4.47, 1995 ratio is 4.56.

Section 106(d) of the 1949 Act provides that the Secretary of Agriculture may reduce the level of support which would otherwise be established for any grade of such kind of tobacco which the Secretary determines will likely be in excess supply. In addition, the weighted

average of the level of support for all eligible grades of such tobacco must, after such reduction, reflect not less than 65 percent of the increase in the support level for such kind of tobacco which would otherwise be established under section 106 of the Act if the support level is higher than the support

level for the preceding crop. Before any such reduction is made, the Secretary must consult with the associations handling price support loans and consideration must be given to the supply and anticipated demand of such tobacco, including the effect of such reduction on other kinds of quota

tobacco. In determining whether the supply of any grade of any kind of tobacco of a crop will be excessive, the Secretary shall consider the domestic supply, including domestic inventories, the amount of such tobacco pledged as security for price support loans, and anticipated domestic and export demand, based on the maturity, uniformity, and stalk position of such tobacco.

For MY 1995, the flue-cured support level was increased by 65 percent of the formula increase to within about 7 percent of 1994's average market price. For the kinds of tobacco subject of this rule, MY 1994 prices were further above the support level, and overall loan receipts remained low. Only Virginia Fire-Cured (type 21) and Virginia sun-cured (type 37) had loan placements that were significant relative to production for MY 1994. Although all loan stocks of cigar filler and binder (types 42-44 and 53-55) have just recently been sold, loan associations accept the lower price support levels to remain competitive with imports and tobaccos not under support. Therefore, for fire-cured tobacco (type 21), Virginia sun-cured tobacco (type 37), and cigar-filler and binder tobacco (types 42-44 and 53-55), the MY 95 support levels consist of the 1994 support levels increased by 65 percent of the difference between the 1995 "basic support level" and the 1994 "basic support level." The supply-use ratios for Kentucky-Tennessee fire-cured (types 22-23) and dark air-cured (types 35-36) suggest adequate supplies. Accordingly, for these tobaccos, the MY 1995 support level consists of the MY 1994 level of support increased by the difference between the MY 1995 "basic support level" and the MY 1994 "basic support level." Also, chewing tobacco, smoking tobacco, and snuff manufacturing formulas limit the substitutability of one of these kinds of tobacco for another. Cigarettes, the principal outlet for flue-cured and burley tobaccos, do not require any of these six kinds of tobacco in their blends.

Accordingly, the following determinations were announced by the Secretary of Agriculture on March 1, 1995, in accordance with section 106(f)(6)(A) of the 1949 Act are established for MY 1995 for fire-cured (type 21), fire-cured (types 22-23), dark air-cured (types 35-36), Virginia sun-cured (type 37), cigar-filler and binder (types 42-44 and 53-55), and cigar-filler (type 46) tobaccos.

Kind and type	Support level (cents per pound)
Virginia fire-cured (type 21)	143.0
Kentucky-Tennessee fire-cured (types 22-23)	151.8
Dark air-cured (types 35-36)	130.4
Virginia sun-cured (type 37)	126.5
Cigar-filler and binder (types 42-44 and 53-55)	110.1
Cigar-filler (type 46)	086.1

List of Subjects in 7 CFR Part 723

Acreage allotments, marketing quotas, penalties, reporting and recordkeeping requirements, Tobacco.

Accordingly, 7 CFR parts 723 and 1464 are amended to read as follows:

PART 723—TOBACCO

1. The authority citation for 7 CFR part 723 continues to read as follows:

Authority: 7 U.S.C. 1301, 1311-1314, 1314-1, 1314b, 1314b-1, 1314b-2, 1314c, 1314d, 1314e, 1314f, 1314i, 1315, 1316, 1362, 1363, 1372-75, 1377-1379, 1421, 1445-1, and 1445-2.

2. Section 723.113 is amended by adding paragraph (c) to read as follows:

§ 723.113 Fire-cured (type 21) tobacco.
* * * * *

(c) The 1995-crop national marketing quota is 1.95 million pounds.

3. Section 723.114 is amended by adding paragraph (c) to read as follows:

§ 723.114 Fire-cured (types 22-23) tobacco.
* * * * *

(c) The 1995-crop national marketing quota is 39.8 million pounds.

4. Section 723.115 is amended by adding paragraph (c) to read as follows:

§ 723.115 Dark air-cured (types 35-36) tobacco.
* * * * *

(c) The 1995-crop national marketing quota is 9.6 million pounds.

5. Section 723.116 is amended by adding paragraph (c) to read as follows:

§ 723.116 Sun-cured (type 37) tobacco.
* * * * *

(c) The 1995-crop national marketing quota is 130,000 pounds.

6. Section 724.117 is amended by adding paragraph (c) to read as follows:

§ 723.117 Cigar-filler and cigar binder (types 42-44; 53-55) tobacco.
* * * * *

(c) The 1995-crop national marketing quota is 9.0 million pounds.

7. Section 723.118 is amended by adding paragraph (c) to read as follows:

§ 723.118 Cigar filler (type 46) tobacco.

* * * * *

(c) The 1995-crop national marketing quota is 0.0 million pounds.

PART 1464—TOBACCO

8. The authority citation for 7 CFR part 1464 continues to read as follows:

Authority: 7 U.S.C. 1421, 1423, 1441, 1445, and 1445-1; 15 U.S.C. 714b and 714c.

9. Section 1464.13 is amended by adding paragraph (c) to read as follows:

§ 1464.13 Fire-cured (type 21) tobacco.
* * * * *

(c) The 1995-crop national price support level is 143.0 cents per pound.

10. Section 1464.14 is amended by adding paragraph (c) to read as follows:

§ 1464.14 Fire-cured (types 22-23) tobacco.
* * * * *

(c) The 1995-crop national price support level is 151.8 cents per pound.

11. Section 1464.15 is amended by adding paragraph (c) to read as follows:

§ 1464.15 Dark air-cured (types 35-36) tobacco.
* * * * *

(c) The 1995-crop national price support level is 130.4 cents per pound.

12. Section 1464.16 is amended by adding paragraph (c) to read as follows:

§ 1464.16 Virginia sun-cured (type 37) tobacco.
* * * * *

(c) The 1995-crop national price support is 126.5 cents per pound.

13. Section 1464.17 is amended by paragraph (c) to read as follows:

§ 1464.17 Cigar-filler and binder (types 42-44 and 53-55) tobacco.
* * * * *

(c) The 1995-crop national price support level is 110.1 cents per pound.

14. Section 1464.18 is amended by paragraph (c) to read as follows:

§ 1464.18 Cigar-filler (type 46) tobacco.
* * * * *

(c) The 1995-crop national price support level is 86.1 cents per pound.

Signed at Washington, DC, on July 20, 1995.

Bruce R. Weber,

Acting Administrator, Consolidated Farm Service Agency and Acting Executive Vice President, Commodity Credit Corporation.

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