

Rules and Regulations

Federal Register

Vol. 60, No. 180

Monday, September 18, 1995

This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.

The Code of Federal Regulations is sold by the Superintendent of Documents. Prices of new books are listed in the first FEDERAL REGISTER issue of each week.

DEPARTMENT OF AGRICULTURE

Commodity Credit Corporation

7 CFR Parts 1413 and 1421

RINS 0560-AD76, 0560-AD37, 0560-AD87, 0560-AD60, and 0560-AD61

1995 Wheat and Feed Grain Acreage Reduction Programs, 1995 Oilseed Price Support Rates, and 1994 Wheat and Feed Grain Farmer-Owned Reserve Programs

AGENCY: Commodity Credit Corporation, USDA.

ACTION: Final rule.

SUMMARY: The Commodity Credit Corporation (CCC) issued proposed rules with respect to the 1995 Production Adjustment Programs for Wheat on April 6, 1994, and for Feed Grains on August 4, 1994. Accordingly, this final rule amends 7 CFR Parts 1413 and 1421 to set forth: the acreage reduction program (ARP) percentages for the 1995 crops of corn, wheat, grain sorghum, barley, and oats; the determination that a paid land diversion (PLD) program will not be implemented for the 1995 crops of wheat and feed grains; the determination that producers of malting barley must, as a condition of eligibility for feed grain loans, purchases, and payments, comply with requirements of the ARP for the 1995 crop of barley; and the 1995-crop price support rates for wheat, corn, grain sorghum, barley, oats, and rye. In addition, this final rule amends 7 CFR Part 1421 to set forth the 1995-crop price support rates for oilseeds and to set forth determinations with respect to the entry of 1994-crop wheat and 1994-crop feed grains may into the farmer-owned reserve (FOR).

EFFECTIVE DATE: September 18, 1995.

FOR FURTHER INFORMATION CONTACT: Philip W. Sronce, Consolidated Farm Service Agency, United States Department of Agriculture (USDA), P.O. Box 2415, Washington, DC 20013-2415 or call 202-720-4418.

SUPPLEMENTARY INFORMATION: Final Regulatory Impact Analysis

The Final Regulatory Impact Analyses describing the options considered in developing this rule and the impact of the implementation of each option is available on request from the above-named individual.

Executive Order 12866

This rule has been determined to be economically significant and was reviewed by OMB under Executive Order 12866.

Federal Assistance Programs

The titles and numbers of the Federal Assistance Programs, as found in the Catalog of Federal Domestic Assistance, to which this rule applies, are as follows:

Titles	Numbers
Commodity Loans and Purchases	10.051
Feed Grain Production Stabilization	10.055
Wheat Production Stabilization	10.058

Regulatory Flexibility Act

It has been determined that the Regulatory Flexibility Act is applicable to this final rule because the CCC is required by sections 107B(o) and 105B(o) of the Agricultural Act of 1949, as amended (the 1949 Act), to publish a notice of proposed rulemaking with respect to certain provisions of this rule. Final Regulatory Flexibility Analyses for the 1995 Wheat and Feed Grain ARPs were prepared as part of the Final Regulatory Impact Analyses. Copies of these analyses are available from the above-named individual.

Executive Order 12778

This final rule has been reviewed in accordance with Executive Order 12778. The provisions of this final rule do not preempt State laws, are not retroactive, and do not require the exhaustion of any administrative appeal remedies.

Environmental Evaluation

It has been determined by an environmental evaluation that this action will not have a significant impact on the quality of the human environment. Therefore, neither an Environmental Assessment nor an Environmental Impact Statement is needed.

Executive Order 12372

This program/activity is not subject to the provisions of Executive Order 12372, which requires intergovernmental consultation with State and local officials. See the Notice related to 7 CFR part 3015, subpart V, published at 48 FR 29115 (June 24, 1983).

Paperwork Reduction Act

The amendments to 7 CFR parts 1413 and 1421 set forth in this final rule do not contain new information collections that require clearance by the Office of Management and Budget under the Paperwork Reduction Act of 1980 (44 U.S.C. 35). Information collections were previously cleared under OMB control numbers 0560-0092 and 0560-0129.

Background

This final rule amends 7 CFR parts 1413 and 1421 to set forth determinations with respect to: The 1995 Price Support and Production Adjustment Programs for Wheat and Feed Grains; the 1995 price support rates for oilseeds; and the entry of 1994-crop wheat and feed grains into the FOR. General descriptions of the statutory basis for the 1995 Wheat and Feed Grain Program determinations in this final rule were set forth at 59 FR 16149 (April 6, 1994) and at 59 FR 39707 (August 4, 1994), respectively.

1995 Wheat Program

The public was asked to comment on whether the 1995 wheat ARP percentage should be set at 0 percent, 5 percent, or 10 percent or another percentage between 0 and 15 percent. Comments received during the comment period are summarized below.

A total of 62 respondents commented on the ARP level. Table 1 shows a breakdown of the comments received by type of respondent.

TABLE 1.—SUMMARY OF COMMENTS ON 1995 WHEAT ARP LEVELS, BY RESPONDENT TYPE

Respondent	Suggested ARP percentage							Total
	No ARP	0%	5%	10%	12%	15%	Other >15%	
Farm Organizations		14	2	1		2	1	20
Agri-businesses		11						11
Individual Producers	3	10	1	5	1	9	2	31
Total	3	35	3	6		12	2	62

Respondents favoring lower ARP percentages indicated that they favored lower ARP percentages for the following reasons: (1) wheat-sector net income is higher with lower ARP levels; (2) the U.S. needs to maintain production in the face of high imports; (3) the U.S. needs to send a message to our competitors that the U.S. will not unilaterally reduce production and abandon world markets; (4) payment acres are higher; and (5) idling acres under the Conservation Reserve Program and annual programs hurt rural economic activity. Respondents favoring

higher ARP percentages noted that higher ARP levels: (1) result in higher wheat prices; (2) result in lower Government costs; (3) reduce the risk of stock-building; and (4) help maintain crop rotations.

After considering these comments, on June 1, 1994, the Secretary of Agriculture (the Secretary) announced a 1995 ARP of zero percent. The Secretary was authorized to make adjustments in the 1995 ARP percentage no later than July 31, 1994. No change was made because estimated 1995 wheat supplies did not change significantly (up about 1

percent) from the May 1994 supply estimates. The Secretary determined that a zero-percent ARP for wheat would provide the highest income for producers, maintain U.S. competitiveness in world markets, and signal to domestic and foreign customers that the U.S. will be a reliable supplier.

Table 2 compares supply and demand estimates under three different ARP options based on May 1994 estimates (the estimates used to make the June 1 and July 31, 1994, ARP decision).

TABLE 2.—COMPARISON OF 1995 WHEAT SUPPLY AND DEMAND ESTIMATES UNDER VARIOUS ARP OPTIONS

Supply and Demand Variable	1995 ARP Options		
	0 percent	5 percent	10 percent
Participation (percent of total base acreage)	86	85	84
Planted Acreage (mil. ac.)	71.8	70.0	67.8
Production (mil. bu.)	2,406	2,347	2,272
Domestic Use (mil. bu.)	1,242	1,227	1,207
Exports (mil. bu.)	1,200	1,190	1,175
Ending Stocks 8/31 (mil. bu.)	659	627	590
Average Market Price (\$ per bu.)	2.95	3.00	3.08
Deficiency Payments (mil. \$)	1,937	1,712	1,464
Net Income to Wheat Producers (mil. \$)	5,547	5,302	5,086

The 1949 Act provides that an ARP of not more than 15 percent may be implemented if the ending stocks-to-use (s/u) ratio for the previous marketing year is equal to or less than 40 percent. When the 1995 ARP was announced, the S/U for the 1994 marketing year was estimated to be 25.8 percent. Section 1104 of the Agricultural Reconciliation Act of 1990 provides for a minimum 5-percent ARP for the 1995 crop of wheat unless the 1994/95 wheat ending s/u ratio is less than 34 percent. Because the 1994/95 wheat s/u ratio was less than 34 percent, the 5-percent ARP minimum does not apply. ARP levels above 10 percent were not considered because expected 1995-crop supplies would fall to unacceptable levels. A PLD will not be implemented for 1995 wheat because it is unnecessary given the supply and use conditions which led to an ARP of zero percent.

1995 Feed Grain Program

The 1949 Act provides that an ARP of zero to 12.5 percent may be implemented if the corn ending s/u ratio for the previous marketing year is equal to or less than 25 percent. The corn ending s/u for the 1994/95 marketing year was estimated to be 18.9 percent when the 1995 ARP levels were announced on September 30 and 23.3 percent on November 15, 1994. In the case of grain sorghum and barley, the 1949 Act provides for ARP percentages from zero to 20 percent. Section 1104 of the Agricultural Reconciliation Act of 1990 provides for a minimum 7.5 percent ARP for the 1995 crop of corn unless the 1994/95 corn ending s/u ratio is less than 20 percent. Because the 1994/95 corn s/u ratio estimated on September 30 was below 20 percent, the 7.5-percent minimum ARP does not apply.

The public was asked to comment on the appropriate 1995 ARP percentage for corn, grain sorghum, and barley and on whether or not malting barley producers, as a condition of eligibility for feed grain loans, purchases, and payments, should be exempt from complying with requirements of the feed grain ARP. The statutory range for establishing the 1995 ARP percentages, based on the supply and demand estimates published in the proposed rule, was zero to 12.5 percent for corn and zero to 20 percent for grain sorghum and barley. The oats ARP percentage is statutorily mandated at zero percent.

Comments received during the specified comment period are summarized as follows:

A total of 1,474 respondents commented on the ARP percentages, including 1,399 from a producer survey collected by the Nebraska Corn Development, Utilization and Marketing

Board at Harvest Husker Days. Fourteen hundred and fifty-five of the respondents commented on the corn ARP percentage, 33 of the respondents

commented on the grain sorghum ARP percentage, and 28 of the respondents commented on the barley ARP percentage. Table 3 shows a breakdown

of the comments received on the corn, grain sorghum, and barley ARP percentage by type of respondent.

TABLE 3.—SUMMARY OF COMMENTS ON THE 1995 FEED GRAIN ARP LEVELS, BY COMMODITY AND RESPONDENT TYPE

Respondent	Suggested ARP percentage					
	0%	5%	7.5%	10%	12.5%	>12.5%
Corn:						
Farm Organizations	0	1	3	1	2	0
Agri-businesses	9	1	0	0	2	0
Individual/Producers	134	261	407	87	448	86
Others	0	0	1	1	11	0
Total	143	263	411	89	463	86
Grain Sorghum:						
Farm Organizations	2	0	0	1	1	0
Agri-businesses	6	0	0	0	1	0
Individual/Producers	3	0	0	3	5	7
Others	0	0	0	1	3	0
Total	11	0	0	5	10	7
Barley:						
Farm Organizations	5	0	0	1	1	0
Agri-businesses	6	0	0	0	1	0
Individual/Producers	4	0	0	1	5	2
Others	0	0	0	0	1	1
Total	15	0	0	2	8	3

Fifty-six percent of the respondents (a majority of producer comments) favored a corn ARP of 7.5 percent or less. In general, most farm organization and agri-business respondents favored an ARP level of 7.5 percent or less.

Respondents favoring the lower ARP percentages noted that the U.S. needs to produce more to take advantage of export opportunities and confirmed USDA's analysis that a lower ARP level results in higher producer incomes. Advocates for a zero-percent barley ARP indicated the need for adequate supplies to aggressively implement the Export Enhancement Program for barley.

Respondents favoring higher ARP percentages commented that feed grain supplies would be lower, prices would be higher, and Government costs would be lower.

Three respondents commented on whether or not malting barley producers should be exempt from the 1995 ARP requirement for barley. One respondent favored and two respondents opposed the malting barley exemption.

After considering these comments, the Secretary announced on September 30, 1994, an ARP level of 7.5 percent for corn, and zero percent for grain sorghum, barley, and oats, and that malting barley producers would not be exempt from complying with the 1995 Barley ARP requirements.

Malting barley producers will not be exempted from complying with the barley ARP requirement because exempting them would increase the complexity of the program and increase program outlays.

The Secretary was authorized to make adjustments in the 1995 ARP percentages no later than November 15, 1994. On November 15, 1994, the Secretary announced that the initially announced ARP levels would not be changed. A change was not warranted because 1994 feed grain supplies had increased only 6 percent and the prospects for larger feed grain demand had improved since the September announcement.

The Secretary determined that a 7.5-percent ARP for corn and zero-percent ARP's for grain sorghum and barley would maintain adequate supplies of quality feed and food for all markets.

Table 4 shows four different 1995 Feed Grain ARP options that were considered when determining the final 1995 ARP percentages.

TABLE 4.—1995 FEED GRAIN ARP OPTIONS

Crop	1995 ARP options			
	1	2	3	4
	Percentages			
Corn	0	5	7.5	12.5
Grain Sorghum	0	0	0	5
Barley	0	0	0	5

Tables 5 through 7 compare the supply and demand estimates of four different 1995 ARP options based on September 1994 estimates for corn, grain sorghum, and barley.

TABLE 5.—COMPARISON OF 1995 CORN SUPPLY AND DEMAND ESTIMATES UNDER VARIOUS ARP OPTIONS

Supply and Demand Variable	1995 ARP options			
	0	5	7.5	12.5
Participation (percent of the total base acreage)	81	77	75	71
Planted Acreage (mil. ac.)	79.5	78.0	77.0	75.0
Production (mil. bu.)	8,980	8,815	8,705	8,470
Domestic Use (mil. bu.)	7,315	7,275	7,250	7,200
Exports (mil. bu.)	1,650	1,625	1,615	1,590
Ending Stocks 8/31 (mil. bu.)	1,621	1,521	1,446	1,286
Average Market Price (\$ per bu.)	2.20	2.25	2.28	2.36
Deficiency Payments (mil. \$)	3,081	2,508	2,225	1,633
Net Income to Corn Producers (mil. \$)	11,266	10,935	10,786	10,580

TABLE 6.—COMPARISON OF 1995 GRAIN SORGHUM SUPPLY AND DEMAND ESTIMATES UNDER VARIOUS ARP OPTIONS

Supply and demand variable	1995 ARP options			
	0	0	0	5
Participation (percent of the total base acreage)	80	80	79	76
Planted Acreage (mil. ac.)	10.2	10.1	10.0	9.8
Production (mil. bu.)	605	600	600	585
Domestic Use (mil. bu.)	408	403	403	398
Exports (mil. bu.)	200	200	200	195
Ending Stocks 8/31 (mil. bu.)	94	94	94	89
Average Market Price (\$ per bu.)	2.00	2.05	2.08	2.16
Deficiency Payments (mil. \$)	300	275	257	196
Net Income to Sorghum Producers (mil. \$)	710	716	724	688

TABLE 7.—COMPARISON OF 1995 BARLEY SUPPLY AND DEMAND ESTIMATES UNDER VARIOUS ARP OPTIONS

Supply and demand variable	1995 ARP options			
	0	0	0	5
Participation (percent of the total base acreage)	79	79	79	78
Planted Acreage (mil. bu.)	7.3	7.3	7.3	7.1
Production (mil. bu.)	395	395	395	385
Domestic Use (mil. bu.)	385	385	385	385
Exports (mil. bu.)	65	65	65	65
Ending Stocks 5/31 (mil. bu.)	129	129	129	124
Average Market Price (\$ per bu.)	2.10	2.15	2.18	2.23
Deficiency Payments (mil. \$)	155	140	135	113
Net Income to Barley Producers (mil. \$)	563	568	575	562

1994-crop Wheat and Feed Grains FOR Program

Section 110 of the 1949 Act sets forth the statutory authority for the FOR program for wheat and feed grains. It provides that the determination of whether there will be entry of a crop into the FOR will be announced by December 15 of the year in which the crop of wheat was harvested and, in the case of feed grains, March 15 of the year following the year in which the crop of corn was harvested.

Entry into the FOR is triggered based upon prices and s/u ratios. Section 110 of the 1949 Act generally provides that the Secretary may make extended loans available to producers of wheat or feed grains if either of the following conditions is met:

(A) *Price Condition:* The Secretary determines that the average market price

for wheat or corn, respectively, for the 90-day period prior to the announcement is less than 120 percent of the current loan rate for wheat or corn, respectively; or

(B) *S/U Condition:* As of the announcement date, the Secretary estimates that the s/u ratio on the last day of the current marketing year will be:

- (i) in the case of wheat, more than 37.5 percent; and
- (ii) in the case of corn, more than 22.5 percent.

Section 110 of the 1949 Act, also provides that the Secretary shall make extended loans available to producers of wheat or feed grains if both of the aforementioned conditions are met for wheat and feed grains, respectively. If neither the price nor the s/u condition is met, the Secretary has no authority to make

extended loans available to producers of wheat or feed grains.

In accordance with section 110 of the 1949 Act, if the Secretary makes extended loans available to producers of wheat or feed grains, the Secretary must specify the maximum quantity of wheat or feed grains to be stored under this program that the Secretary determines appropriate to promote the orderly marketing of the commodities. The maximum quantities of wheat may not be established at less than 300 million bushels, nor more than 450 million bushels. The maximum quantities of feed grains may not be established at less than 600 million bushels, nor more than 900 million bushels. Section 110 of the 1949 Act also provides that the Secretary may require producers to repay FOR loans if it is determined that these supplies are required to meet

urgent domestic and international needs.

On November 3, 1994, the CCC authorized up to 900 million bushels of corn, grain sorghum, barley, and oats to be stored under the FOR program. At the time of the decision, the estimated corn S/U ratio at the end of the 1994/95 marketing year was 18.9 percent, the 90-day average market price of corn was \$2.16 per bushel, and 120 percent of the 1994 price support rate for corn was \$2.27 per bushel. Entry of the 1994-crop of feed grains into the FOR was allowed because the price condition was met (the 90-day average market price of corn was less than 120 percent of the 1994 price support rate for corn) and the prospects for a large 1994 corn crop had caused corn prices to decline significantly through the summer and early fall of 1994. Corn cash prices declined from around \$2.70 per bushel in late June to around \$2.00 per bushel at harvest.

On June 23, 1995, in accordance with section 110(e) of the 1949 Act, the CCC announced that 1994-crop feed grains may not be pledged as collateral for FOR loans and that all existing 1994 crop feed grain FOR loans were called because the 1995/96 supply and demand outlook for feed grains had tightened significantly since authorizing the FOR entry for 1994-crop feed grain loans in November 1994. Stronger than expected corn export demand for 1994/95 and 1995/96, higher than expected feed use in 1994/95, and prospects for a smaller 1995 corn crop due to unexpected weather-related problems are all contributing factors. Recent excessive rains in major corn-producing states caused the 1995 corn production estimate to be lowered from 8.6 billion bushels in May 1995 to 7.9 billion bushels in June 1995—just one month later. Total use estimates were also lowered by 500 million bushels since May 1995, reflecting lower estimated supply estimates and rising feed costs. Corn ending stocks for 1995/96 are projected at 748 million bushels, 789 million bushels below November 1994 projections and the lowest level since 1975/76. This tightened supply situation is expected to increase feeding costs for livestock and poultry producers. A further tightening of supplies will likely cause liquidation of livestock herds, reducing feed use in subsequent crop years.

As with corn, June estimates of 1995/95 supplies and ending stocks for the other feed grains are lower compared to November estimates and are at or near historically low levels.

On December 13, 1994, the Secretary announced that 1994-crop wheat would

not be eligible for the FOR because neither the s/u condition nor the price condition had been met. At the time of the decision, the estimated wheat s/u ratio at the end of the 1994/95 marketing year was 21.1 percent, the 90-day average market price of wheat was \$3.74 per bushel, and 120 percent of the 1994 price support rate for wheat was \$3.10 per bushel.

1995 Oilseeds Price Support Rates

Section 205 of the 1949 Act provides that the price support rate for the 1995 crop of soybeans shall not be less than \$4.92 per bushel and for the 1995 crop of sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed shall not be less than \$0.087 per pound.

Acreage Reduction Percentages

In accordance with sections 107B(e)(1) and 105B(e)(1) of the 1949 Act, the ARP has been established with respect to the 1995 crop of corn at 7.5 percent, and with respect to the 1995 crops of wheat, grain sorghum, barley, and oats at zero percent. Accordingly, producers of corn will be required to reduce their 1995 acreage of corn for harvest by 7.5 percent from the established corn crop acreage base for a farm to be eligible for price support loans, purchase, and payments. Producers will not be required to reduce their 1995 acreage of grain sorghum, barley and oats for harvest from the established feed grain crop acreage base for a farm in order to be eligible for price support loans, purchase, and payments for the respective feed grain.

Paid Land Diversion

In accordance with sections 107B(e)(5) and 105B(e)(5) of the 1949 Act, a PLD program will not be implemented for the 1995 crops of wheat and feed grains.

Malting Barley Exemption

In accordance with section 105B(e)(2)(G) of the 1949 Act, producers of malting barley shall, as a condition of eligibility of feed grain loans, purchases and payments, comply with the requirements of the zero-percent ARP for the 1995 crop of barley.

Price Support Rates

In accordance with sections 107B(a) and 105B(a) of the 1949 Act, the price support rates have been established with respect to the 1995 crops of wheat at \$2.58 per bushel, corn at \$1.89 per bushel, grain sorghum at \$1.80 per bushel, barley at \$1.54 per bushel, oats at \$0.97 per bushel, and rye at \$1.61 per bushel.

List of Subjects

7 CFR Part 1413

Acreage allotments, Cotton, Disaster assistance, Feed grains, Price support programs, Reporting and recordkeeping requirements, Rice, Soil conservation, Wheat.

7 CFR Part 1421

Grains, Loan programs/agriculture, Oilseeds, Peanuts, Price support programs, Reporting and recordkeeping requirements, Soybeans, Surety bonds, Warehouses.

Accordingly, 7 CFR parts 1413 and 1421 are amended as follows:

PART 1413—FEED GRAIN, RICE, UPLAND AND EXTRA LONG STAPLE COTTON, WHEAT AND RELATED PROGRAMS

1. The authority citation for 7 CFR part 1413 continues to read as follows:

Authority: 7 U.S.C. 1308, 1308a, 1309, 1441-2, 1444-2, 1444f, 1445b-3a, 1461-1469; 15 U.S.C. 714b and 714c.

2. Section 1413.54 is amended by:

A. Revising paragraphs (a)(1)(iii) and (a)(1)(iv) and adding paragraph (a)(1)(v),

B. Revising paragraphs (a)(2)(iii)(C) and (a)(2)(iv) and adding paragraph (a)(2)(v),

C. Republishing paragraph (d)(5) introductory text, and adding paragraphs (d)(5)(i) and (d)(5)(ii), and

D. Revising paragraph (e):

§ 1413.54 Acreage reduction program provisions.

(a) * * *

(1) * * *

(iii) 1993 wheat, 0 percent;

(iv) 1994 wheat, 0 percent; and

(v) 1995 wheat, 0 percent.

(2) * * *

(iii) * * *

(C) Barley and oats, 0 percent;

(iv) For the 1994 crop: corn, grain sorghum, barley, and oats, 0 percent; and

(v) For the 1995 crop: corn—7.5 percent; grain sorghum, barley, and oats—0 percent.

* * * * *

(d) * * *

(5) For the 1995 crop:

(i) Shall not be made available to producers of wheat and

(ii) Shall not be made available to producers of feed grains.

* * * * *

(e) With respect to the 1991, 1992, 1993, 1994 and 1995 crop years, in order to receive feed grain loans, purchases, and payments in accordance with this part and part 1421 of this title, producers of malting barley must

comply with the acreage reduction requirements of this part.

* * * * *

PART 1421—GRAINS AND SIMILARLY HANDLED COMMODITIES

3. The authority citation for 7 CFR part 1421 continues to read as follows:

Authority: 7 U.S.C. 1421, 1423, 1425, 1441z, 1444f-1, 1445b-3a, 1445c-3, 1445e, and 1446f; 15 U.S.C. 714b and 714c.

4. Section 1421.7 is amended by adding paragraphs (b)(1)(v), (b)(2)(v), (b)(3)(v), (b)(4)(v), (b)(5)(v), (b)(6)(v), (b)(9)(v), and (b)(10)(v):

§ 1421.7 Adjustment of basic support rates.

* * * * *

- (b) * * *
- (1) * * *
- (v) 1995 Wheat— \$2.58 per bushel;
- (2) * * *
- (v) 1995 Corn—\$1.89 per bushel;
- (3) * * *
- (v) 1995 Barley—\$1.54 per bushel;
- (4) * * *
- (v) 1995 Oats—\$0.97 per bushel;
- (5) * * *
- (v) 1995 Grain sorghum—\$1.80 per bushel;
- (6) * * *
- (v) 1995 Rye—\$1.61 per bushel;
- * * * * *
- (9) * * *
- (v) 1995 Soybeans—\$4.92 per bushel;
- (10) * * *
- (v) 1995 Canola, flaxseed, mustard seed, rapeseed, safflower, and sunflower seed—\$0.087 per pound.

* * * * *

5. Section 1421.217 is amended by adding paragraph (e):

§ 1421.217 Reserve entry.

* * * * *

(e) No quantity of 1994-crop wheat or 1994-crop feed grains may be stored under the provisions of section 110 of the Agricultural Act of 1949, as amended.

Signed at Washington, DC, on September 8, 1995.

Richard O. Newman,
Acting Executive Vice President, Commodity Credit Corporation.

[FR Doc. 95-23030 Filed 9-15-95; 8:45 am]

BILLING CODE 3410-05-P

Animal and Plant Health Inspection Service

9 CFR Parts 102 and 114

[Docket No. 93-136-2]

Viruses, Serums, Toxins, and Analogous Products; State-Federal Licensure of Veterinary Biologics

AGENCY: Animal and Plant Health Inspection Service, USDA.

ACTION: Final rule.

SUMMARY: We are amending the regulations concerning State-Federal licensing of veterinary biological products. The effect of the amendment is that a Federally licensed establishment will not be allowed to produce the same veterinary biological product under both a State and Federal product license. Autogenous biologics will not be subject to the same requirement in that a Federally licensed establishment may hold both State and Federal product licenses for autogenous biologics, but must choose to produce each specific serial of such biologic under either a State or Federal product license. No autogenous biologic may be produced at the same time under both a Federal and State license. The amendment is necessary in order to ensure the integrity of the Federal licensing system and the safety of biological products produced in Federally licensed establishments.

We are also removing outdated sections from the regulations referring to interim establishment licenses and exemption procedures that were permitted during the 5-year transition period to attain Federal licensure under the 1985 amendments to the Virus-Serum-Toxin Act.

EFFECTIVE DATE: October 18, 1995.

FOR FURTHER INFORMATION CONTACT: Dr. David A. Espeseth, Deputy Director, Veterinary Biologics, BBEP, APHIS, USDA, 4700 River Road Unit 148, Riverdale, MD 20737-1237, (301) 734-8245.

SUPPLEMENTARY INFORMATION:

Background

The Animal and Plant Health Inspection Service (APHIS), U.S. Department of Agriculture (USDA), licenses veterinary biological products under the Virus-Serum-Toxin Act (21 U.S.C. 151-159, hereinafter, the Act), as amended by the Food Security Act of 1985. Veterinary biologics licensed by APHIS include products such as vaccines, antitoxins, viruses, diagnostics, and autogenous biologics

(vaccines, bacterins, and toxoids) which are normally used in the herd of origin (the herd from which the disease causing microorganism is derived) to immunize animals against infectious disease.

Under the Act, veterinary biological products are licensed on the basis of their purity, safety, potency, and efficacy. The 1985 amendments to the Act exempt certain products from the requirement that they be produced pursuant to an unsuspended and unrevoked Federal license. Such products include those which are prepared solely for distribution within the State of production pursuant to a license granted by such State under a program approved by the Administrator of APHIS.

The regulations in 9 CFR part 102 contain Federal licensing provisions for biological products. The regulations in 9 CFR part 114 prescribe conditions under which an unlicensed product may be prepared in a USDA-licensed establishment.

On March 6, 1995, we published in the **Federal Register** (60 FR 12162-12165, Docket No. 93-136-1) a proposal to amend parts 102 and 114.

We proposed to amend part 102 by removing the outdated reference to Federal interim licenses in § 102.1 and by removing § 102.4(h), which refers to outdated provisions. We also proposed minor editorial changes to § 102.4(b)(3) and § 102.6 (introductory paragraph and paragraph (a)) to reflect organizational changes within APHIS.

We also proposed to amend part 114 by removing outdated provisions for interim licenses and certain exemption procedures that were used in implementing the 5-year transition to Federal licensure under the 1985 amendments to the Virus-Serum-Toxin Act. In addition, we proposed to amend part 114 to establish the conditions that must be maintained when a State-licensed veterinary biological product is produced in an establishment holding a U.S. Veterinary Biologics Establishment License.

Under the proposed amendments, a Federally licensed establishment would not be allowed to produce the same veterinary biological product under both a State and Federal product license. Autogenous biologics would not be subject to the same requirement in that a Federally licensed establishment could hold both State and Federal product licenses for autogenous biologics, but would have to choose to produce each specific serial of such biologic under either a State or Federal product license. No autogenous biologic