

Proposed Rules

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This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

DEPARTMENT OF AGRICULTURE

Farm Service Agency

7 CFR Part 729

RIN 0560-AF48

1999-Crop Peanut National Poundage Quota for Quota Peanuts

AGENCY: Farm Service Agency, USDA.

ACTION: Proposed rule.

SUMMARY: The Agricultural Adjustment Act of 1938, (the 1938 Act) as amended, requires that the national peanut poundage quota for the 1999 crop be announced by December 15, 1998. This proposed rule suggests a national poundage quota figure in the range between 1,175,000 short tons (st) and 1,225,000 st.

DATES: Comments must be received by December 8, 1998, in order to be assured of consideration.

ADDRESSES: Comments must be submitted to the Director, Tobacco and Peanuts Division, Farm Service Agency (FSA), United States Department of Agriculture, STOP 0514, 1400 Independence Avenue, S.W., Washington, DC 20250-0514. All written submissions will be made available for public inspection from 8:15 a.m. to 4:45 p.m., Monday through Friday, except holidays, in Room 5750-South Building, 1400 Independence Avenue, S.W., Washington, DC 20250-0514.

FOR FURTHER INFORMATION CONTACT: Kenneth M. Robison, Tobacco and Peanuts Division, FSA, USDA, STOP 0514, 1400 Independence Avenue, S.W., Washington, DC 20250-0514, telephone 202-720-9255. Copies of the cost-benefit assessment prepared for the rule can be obtained from Mr. Robison.

SUPPLEMENTARY INFORMATION:

Executive Order 12866

This proposed rule has been determined to be significant for purposes of Executive Order 12866 and, therefore, has 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 12998

This proposed rule has been reviewed in accordance with Executive Order 12998. The provisions of this proposed 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 to this proposed rule since neither the Farm Service Agency (FSA) nor Commodity Credit Corporation (CCC) are 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

This proposed amendment does not contain information collections that require clearance by the Office of Management and Budget under the provisions of 44 U.S.C. chapter 35.

Unfunded Federal Mandates

This proposed rule contains no Federal mandates under the regulatory provisions of Title II of the Unfunded Mandate Reform Act (UMRA), for State, local, and tribal governments or the private sector. Thus, this rule is not subject to the requirements of sections 202 and 205 of the UMRA.

Discussion

This proposed rule would amend 7 CFR part 729 to set forth the 1999-crop peanut national poundage quota.

Determination of the Quota

Peanut producers voting in a mail referendum December 1 through 4, 1997, approved poundage quotas for the 1998 through 2002 marketing years (MY) by an affirmative vote of 94.8 percent. Therefore, as provided for in the 1938 Act, the Secretary is required to administer a peanut program in which marketings are governed through the use of federally-granted quota and in which price support is offered.

Section 358-1(a)(1) of the 1938 Act, as amended by the Federal Agricultural Improvement and Reform Act of 1996 (the 1996 Act), requires that the national poundage quota for peanuts for each of the 1996 through 2002 MYs be established by the Secretary at a level that is equal to the quantity of peanuts (in tons) that the Secretary estimates will be devoted in each MY to domestic edible use (excluding seed use) and related uses. Under the 1996 amendments to the 1938 Act, seed use remains a quota use but, unlike in the past, the seed aspect of the quota is accounted for through the grant of a temporary seed quota to all producers—hence, seed is no longer part of the basic quota calculation which will be codified through this determination. The MY for 1999-crop peanuts runs from August 1, 1999, through July 31, 2000.

The national poundage quota for MY 1998 was set at 1,167,000 st. This rule proposes that the national poundage quota for MY 1999 be set between 1,175,000 st and 1,225,000 st based on the following data:

ESTIMATED DOMESTIC EDIBLE, EXCLUDING SEED, AND RELATED USES FOR 1999-CROP PEANUTS WITH MARKETING LEVELS OF 98.4 PERCENT AND 94.4 PERCENT

Item	Farmer Stock Equivalent	
	(Short tons)	
	98.4% of Quota Marketed	94.4% of Quota Marketed
Regular domestic food use	984,000	984,000
Related uses:		
Crushing residual	128,500	128,500
Shrinkage and other losses	44,000	44,000
Unused quota	18,500	68,500
Totals	1,175,000	1,225,000

The estimate of 1999 domestic food use was developed in two steps. First, normal commercial use was estimated based upon figures from the USDA Interagency Commodity Estimates Committee (ICEC) adjusted to take out peanut imports, peanut butter imports, and peanut butter exports (which are normally comprised of additional peanuts only). Then, farm sales and other direct marketings to consumers

were added based upon differences between production data and Federal-State Inspection Service inspection data. Insofar as related uses are concerned, an added allowance is made for the normal crushing residual that cannot effectively be used for food use and that amount has traditionally been expected to be about 12 percent, on a farmer stock basis, of the total of MY domestic production. An allowance for shrinkage and other losses is made to account for reduced kernel and other kernel losses during storage, using the customary factor of 4 percent of domestic food use. In addition, disaster transfers of poor quality peanuts are included as part of other losses. Finally the unused quota allowance goes to those instances where the farmer cannot fulfill a quota either because of under-planting or because the farmer is unable to produce enough Segregation 1 peanuts to fulfill the full quota. Because of the program changes in the 1996 Act, which have been outlined in previous notices, there is now a greater incentive than in the past to fully market the quota and it is expected that, after discounting for quality problems, somewhere between 94.4 percent and 98.4 percent of the quota will be marketed.

In MY 1996 about 97.3 percent was marketed, in MY 1997 about 99.7 percent of quota was marketed and for MY 1998 between 94 and 98 percent of the quota is anticipated to be marketed. Also, it is anticipated that between 94.4 and 98.4 percent of the MY 1999 quota will be marketed.

The proposed 1999 quota range, as set forth above, reflects expected growth in domestic consumption of peanut products through government purchases, new uses and a small increase in demand resulting from lower peanut support prices in recent years. Overall demand, including imports, is projected to increase about 2 percent. However, government support purchases in MY 1997 have increased about 15 percent from 28,516 st in MY 1996 to 32,799 st in MY 1997.

List of Subjects in 7 CFR Part 729

Peanuts, Penalties, Poundage quotas, Reporting and recordkeeping requirements.

Accordingly, it is proposed that 7 CFR parts 729 be amended as follows:

PART 729—PEANUTS

1. The authority citation for 7 CFR part 729 shall continue to read as follows:

Authority: 7 U.S.C. 1301, 1357 et seq., 1372, 1373, 1375, and 7271.

2. Section 729.216 paragraph (c) is revised to read as follows:

§ 729.216 National poundage quota.

* * * * *

(c) Quota determination for individual marketing years:

(1) The national poundage quota (excluding seed) for quota peanuts for marketing year 1996 is 1,100,000 short tons.

(2) The national poundage quota (excluding seed) for quota peanuts for marketing year 1997 is 1,133,000 short tons.

(3) The national poundage quota (excluding seed) for quota peanuts for marketing year 1998 is 1,167,000 short tons.

(4) The national poundage quota (excluding seed) for quota peanuts for marketing year 1999 will be set between 1,175,000 and 1,225,000 short tons.

Signed at Washington, DC, on November 20, 1998.

Parks Shackelford,

Acting Administrator, Farm Service Agency.

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DEPARTMENT OF AGRICULTURE

Grain Inspection, Packers and Stockyards Administration

7 CFR Part 868

RIN 0580-AA67

Fees for Rice Inspection

AGENCY: Grain Inspection, Packers and Stockyards Administration, USDA.

ACTION: Proposed rule.

SUMMARY: The Grain Inspection, Packers and Stockyards Administration (GIPSA) is proposing an increase in certain fees for Federal Rice Inspection Services performed under the Agricultural Marketing Act (AMA) of 1946. This fee increase is intended to cover, as nearly as practicable, the projected approximate 3.6 percent increase to Federal salaries for Federal Rice Inspection Services. The proposed increase is designated to generate additional revenue required to recover operational costs created by cost-of-living increases to Federal salaries January 1, 1999.

DATES: Written comments must be submitted on or before January 25, 1999.

ADDRESSES: Written comments must be submitted to Sharon Vassiliades, USDA, GIPSA, ART, 1400 Independence Avenue, SW., Stop 3649, Washington, DC 20250-3649, or faxed to (202) 720-4628. Comments may also be sent by

electronic mail or Internet to: svassili@fgisd.usda.gov. All comments received will be made available for public inspection during regular business hours in Room 0623, South Building, USDA, 1400 Independence Avenue, SW., Washington, DC 20250-3649 (7 CFR 1.27(b)).

FOR FURTHER INFORMATION CONTACT: Sharon Vassiliades at 202 720-1738.

SUPPLEMENTARY INFORMATION:

Executive Order 12866

This rule has been determined to be nonsignificant for the purpose of Executive Order 12866 and, therefore, has not been reviewed by the Office of Management and Budget.

Executive Order 12988

This proposed rule has been reviewed under Executive Order 12988, Civil Justice Reform. This action is not intended to have a retroactive effect. This action will not preempt any State or local laws, regulations, or policies unless they present irreconcilable conflict with this rule. There are no administrative procedures which must be exhausted prior to any judicial challenge to provisions of this rule.

Regulatory Flexibility Act and Effects on Small Entities

James R. Baker, Administrator, GIPSA, has determined that this proposed rule will not have a significant economic impact on a substantial number of small entities as defined under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*).

The proposed cost of living increase in the rice service fee is primarily applicable to GIPSA customers that produce, process, and market rice for the domestic and international markets. There are approximately 550 such customers located primarily in the Arkansas, Louisiana and Texas geographic areas. Many of these customers meet the criteria for small business. GIPSA has determined that this proposed rule will have a limited economic impact on small entities as defined in the Regulatory Flexibility Act.

Under the provisions of the Agricultural Marketing Act of 1946 (7 U.S.C. 1621 *et seq.*), rice inspection services are provided upon customer request and GIPSA must recover from the customer the cost of providing such services. GIPSA is proposing to recover a projected January 1, 1999, 3.6 percent increase in federal salary costs by raising its rice service fee. The proposed increase will affect only that portion of the fees associated with the hourly salaries paid to Federal employees and