

more closely match the Official Cotton Standards used by classers for official color grade determination. Data from the project, which the AMS Cotton Program conducted in cooperation with the National Cotton Council's Quality Task Force, showed that the HVI color measurement closely matched the Official Cotton Grade Standards for color. Results from the 1998 and 1999 crops showed that the HVI colormeter determines Official color grades as accurately as cotton classers. In December of 1999, the National Cotton Council Quality Task Force recommended that AMS replace the cotton classer determination with the HVI colormeter determination for color grade. AMS will now use the HVI colormeter determination as the official component of classification of American Upland cotton for color grade.

For the reasons set forth above, this proposal amends the sections in Parts 28—Cotton Classing, Testing, and Standards, Subpart A—Regulations Under the United States Cotton Standards Act, which establish the procedures for determining official cotton classification based on the Official Cotton Grade Standards. Since cotton classification services under the United States Cotton Futures Act must conform to the requirements of the Cotton Standards Act, this final rule also amends the sections in Part 27—Cotton Classification Under Cotton Futures Legislation which establish the procedures for determining cotton classification for cotton submitted for futures certification.

Accordingly, under Part 27, in § 27.2 (n), the definition of the term "classification" is revised to reflect the changes in procedures made under Part 28.

Also under Part 27, § 27.31 is revised to reflect the deletion of the requirement for cotton classers to determine color grade. The revised heading and section reflect the changes made in procedures for determination of cotton quality in accordance with the official standards.

In Part 28, § 28.8 is revised to reflect the change in cotton classification procedures which replaces classer visual examinations to fix color with instrument color measurement by High Volume Instruments. Miscellaneous other changes are made to the sections to better reflect current procedures in view of color determination change. For example, those determinations made by cotton classers or by authorized Cotton Program employees will be specified.

These changes will be made effective on July 1, 2000, when classification of newly harvested 2000 crop cotton will begin.

List of Subjects

7 CFR Part 27

Commodity Futures, Cotton.

7 CFR Part 28

Administrative practice and procedure, Cotton, Reporting and recordkeeping requirements, Warehouses.

For the reasons set forth in the preamble, 7 CFR parts 27 and 28 is revised to read as follows:

PART 27—[AMENDED]

1. The authority citation for 7 CFR part 27 continues to read as follows:

Authority: 7 U.S.C. 15b, 7 U.S.C. 4736, 7 U.S.C. 1622(g).

2. In § 27.2, paragraph (n) is revised to read as follows:

§ 27.2 Terms defined.

* * * * *

(n) Classification. The classification of any cotton shall be determined by the quality of a sample in accordance with Official Cotton Standards of the United States for the color grade and the leaf grade of American upland cotton, the length of staple, and fiber property measurements such as micronaire. High Volume Instruments will determine all fiber property measurements except leaf grade and extraneous matter. High Volume Instrument colormeter measurements will be used for determining the official color grade. Cotton classers, designated as such by the Director, will determine the official leaf grade and extraneous matter, and authorized Cotton Program employees will determine all fiber property measurements using High Volume Instruments.

* * * * *

3. Section 27.31 is revised to read as follows:

§ 27.31 Classification of Cotton.

For the purposes of subsection 15b (f) of the Act, classification of cotton is the determination of the quality of a sample in accordance with the Official Cotton Standards of the United States for the color grade and the leaf grade of American upland cotton, the length of staple, and fiber property measurements such as micronaire. High Volume Instruments will determine all fiber property measurements except leaf grade and extraneous matter. High Volume Instrument colormeter measurements will be used for determining the official color grade. Cotton classers, designated as such by the Director, will determine the official leaf grade and extraneous matter, and

authorized Cotton Program employees will determine all fiber property measurements using High Volume Instruments.

PART 28—[AMENDED]

1. The authority citation for 7 CFR part 28, Subpart A is revised to read as follows:

Authority: 7 U.S.C. 55 and 61.

2. Section 28.8 is revised to read as follows:

§ 28.8 Classification of cotton; determination.

For the purposes of the Act, the classification of any cotton shall be determined by the quality of a sample in accordance with Official Cotton Standards of the United States for the color grade and the leaf grade of American upland cotton, the length of staple, and fiber property measurements such as micronaire. High Volume Instruments will determine all fiber property measurements except leaf grade and extraneous matter. High Volume Instrument colormeter measurements will be used for determining the official color grade. Cotton classers will determine the official leaf grade and extraneous matter, and authorized Cotton Program employees will determine all fiber property measurements using High Volume Instruments. The classification record of a classing office or the Quality Assurance Unit with respect to any cotton shall be deemed to be the classification record of the Department.

Dated: June 6, 2000.

Kathleen A. Merrigan,

Administrator, Agricultural Marketing Service.

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DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Part 28

[Docket No. CN-00-003]

RIN 0581-AB82

Grade Standards and Classification for American Pima Cotton

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Final rule.

SUMMARY: The Agricultural Marketing Service (AMS) is revising the official standards for the grade of American Pima to provide for the separation of

grade into its chief components of color and leaf. This change was requested by representatives of the American Pima industry. Each component of the composite grade will stand on its own so that its effect on end use value or processing capability can be fully and separately evaluated. The separation of grade into color and leaf will require a change in three of the physical standards for American Pima cotton as currently maintained by USDA. This change will enhance the Agency's ability to provide useful and cost-effective classification, standardization and market news services for American Pima cotton.

EFFECTIVE DATE: June 11, 2001.

FOR FURTHER INFORMATION CONTACT: Lee Cliburn, Cotton Program, AMS, USDA, 202-720-2145.

SUPPLEMENTARY INFORMATION: A proposed rule detailing the revisions was published in the **Federal Register** on April 4, 2000 (FR 65 17609). A 30-day comment period was provided for interested persons to respond to the proposed rule. Four comments were received asking for modifications to section 28.522, explanatory terms of the proposed rule. Three comments, from ginning associations, disagreed that preparation describes the roughness or smoothness with which cotton is ginned. They argued that the statement insinuates that "preparation" is a result of the ginning of cotton, and that cotton classification can measure the nappiness or neppiness of cotton, but cannot determine the cause of that condition. They suggested that cultural practices in the growing of cotton as well as harvesting of cotton can also contribute to nappiness or neppiness. This suggestion has merit. Accordingly, the definition of "preparation" has been rewritten in section 28.522 (a) to clarify that it describes the degree of smoothness or roughness of the ginned lint (cotton) without addressing any possible cause. The fourth comment, from a merchant association, suggested that spindle twist be included on the classification record. The agency agrees with this comment and has rewritten section 28.522 (b), to add spindle twist and preparation as explanatory terms to be entered on the classification record.

This final rule has been determined to be not significant for purposes of Executive Order 12866, therefore, it has not been reviewed by the Office of Management and Budget (OMB).

This final rule has been reviewed under Executive Order 12988, Civil Justice Reform. It is not intended to have retroactive effect. This rule would not preempt any state or local laws,

regulations, or policies unless they present an irreconcilable conflict with this rule. There are no administrative procedures which must be exhausted prior to any judicial challenge to the provisions of this rule.

Regulatory Flexibility Act

Pursuant to requirements set forth in the Regulatory Flexibility Act (RFA) (5 U.S.C. 601 *et seq.*) AMS has considered the economic impact of this action on small entities and has determined that its implementation will not have a significant economic impact on a substantial number of small entities.

The purpose of the RFA is to fit regulatory actions to the scale of businesses subject to such actions in order that small businesses will not be disproportionately burdened. There are an estimated 1,000 growers of Pima cotton in the U.S. who voluntarily use the AMS cotton classing services annually, and the majority of these entities are small businesses under the criteria established by the Small Business Administration (13 CFR 121.201). The change in procedure will not significantly affect small entities as defined in the RFA because:

(1) Classification will continue to be based upon the Official Standards for American Pima Cotton established and maintained by the Department;

(2) The change in official American Pima cotton standards will be consistently implemented for all American Pima cotton classed by USDA, with each component, color and leaf, standing on its own so that its effect on end use value or processing capability can be fully and separately evaluated. Therefore, it will not adversely affect competition in the marketplace; and

(3) The use of cotton classification services is voluntary. In 1999, 645,000 bales of American Pima cotton were produced—the largest Pima crop on record, and virtually all of them were submitted by growers for USDA classification. Over the last ten years, U.S. production of Pima has averaged 440,000 bales annually.

Paperwork Reduction Act

In compliance with OMB regulations (5 CFR part 1320) which implement the Paperwork Reduction Act (PRA) (44 U.S.C. 3501 *et seq.*), the information collection requirements contained in the provisions to be amended by this final rule have been previously approved by OMB and were assigned OMB control number 0581-0009 under the Paperwork Reduction Act.

Background

Pursuant to the authority contained in the United States Cotton Standards Act (7 U.S.C. 51 *et seq.*), the Secretary of Agriculture maintains official cotton standards of the United States for the grades of American Pima cotton. These standards are used for the classification of American Pima cotton and provide a basis for the determination of value for commercial purposes. American Pima cotton is extra long staple cotton— $1\frac{1}{4}$ to $1\frac{9}{16}$ inches—from the botanical group *Gossypium barbadense*, and it accounts for only 3–5 percent of the total U.S. cotton crop each year.

The existing official cotton standards for the grades of American Pima cotton are listed and described in the regulation at 7 CFR 28.501–28.507. There are six physical standards represented by practical forms, and one descriptive standard for which practical forms are not made. The descriptive standard describes cotton which is lower in grade than that represented by the physical standards.

The first grade standards for American Pima (American Egyptian) cotton were promulgated by USDA in 1918. They have been revised several times since, mainly because of changing varietal characteristics and harvesting and ginning practices. The last complete revision of the standards was published in the **Federal Register** of June 18, 1985 (50 FR 25198), and became effective in 1986.

Pursuant to the United States Cotton Standards Act, any standard change or replacement to the standards shall become effective not less than one year after the date promulgated. It is anticipated that the changes proposed in this document, if adopted, would be implemented to coincide with the beginning of the 2001 crop year.

Need for Revisions

The current classification system for American Pima combines color and leaf and some extraneous matter into a composite grade, complicating the individual evaluation of the two primary components of color and leaf. Separation of the composite grade into its chief components of color and leaf and removal of any extraneous matter from the component standards will permit each quality factor to be recognized clearly on its own, and its effect on end use value or processing capability will be fully and separately evaluated. Manufacturers will be able to determine the utility value of each component and any premiums and discounts. American Upland cotton has been classified by separate color and

leaf grades since 1993. The success of this separation for American Upland cotton prompted the representatives of the American Pima industry to request this change in the standards for American Pima. The USDA's ability to provide useful and cost-effective cotton classification, standardization, and market news services will be enhanced by this change.

Revisions to Standards

The existing official cotton standards for the grades of American Pima cotton listed and described in the regulations at (7 CFR 28.501–28.507) will be revised.

There will be established seven official cotton standards for color grades of American Pima cotton. Of these seven standards, six will be physical standards represented by practical forms and one will be descriptive for the lowest quality color for which practical forms are not made. The six practical forms will have the same color ranges as currently maintained in the corresponding physical standards for the grades of American Pima cotton for Grade No. 1, Grade No. 2, Grade No. 3, Grade No. 4, Grade No. 5, and Grade No. 6 described at 7 CFR 28.501, 28.502, 28.503, 28.504, 28.505, and 28.506. The descriptive color standard for which practical forms will not be made will have the same color as currently described in the standards for the grade of American Pima cotton for Grade No. 7 at 7 CFR 28.507, which is any color inferior to Grade No. 6.

There will be established seven official cotton standards for leaf grade of American Pima cotton. Of these, six will be physical standards represented by practical forms and one will be a descriptive standard to describe the lowest quality cotton for which practical forms will not be made. The physical standards for leaf grades will each have the same leaf content ranges as currently maintained in the corresponding physical standards for the grades of American Pima cotton for Grade No. 1, Grade No. 2, Grade No. 3, Grade No. 4, Grade No. 5, and Grade No. 6 described at 7 CFR 28.501, 28.502, 28.503, 28.504, 28.505, and 28.506. Grade No. 7 is described at § 28.507, and no physical standard will be made for it because it will continue to include all ranges of leaf content inferior to Grade No. 6. The standards for Grade No. 4, Grade No. 5, Grade No. 6, and Grade No. 7 will also be changed to remove the bark now present in those standards. After removal of bark from the standards, the presence of bark, which is extraneous matter, will be noted on classification records without regard to the grades assigned as any other extraneous matter

is listed under the current standard. American Pima cotton will not be reduced in grade due to the presence of any extraneous matter when it is present in any grade.

For practical considerations the color standards and the leaf standards will be represented by the same set of physical samples. There will be one container for Grade No. 1 Color and Grade No. 1 Leaf, one container for Grade No. 2 Color and Grade No. 2 Leaf, one container for Grade No. 3 Color and Grade No. 3 Leaf, one container for Grade No. 4 Color and Grade No. 4 Leaf, one container for Grade No. 5 color and Grade No. 5 Leaf, and one container for Grade No. 6 Color and Grade No. 6 Leaf.

The definition of official standards in § 28.2 (p) will be changed to reflect the separation of color and leaf grades for American Upland and American Pima cotton.

A new section, § 28.521, will be added to state that Color Grade designation shall be made independently of the leaf content, and Leaf Grade designation shall be made independently of the color content. Section 28.522 will be added for explanatory terms that include preparation and extraneous matter.

The table of symbols and code numbers used in lieu of cotton grade names in 7 CFR 28.525 will be revised to reflect these changes.

The changes in this document will be implemented to coincide with the beginning of the 2001 crop year.

List of Subjects in 7 CFR Part 28

Administrative practice and procedure, Cotton, Cotton samples, Grades, Market news, Reporting and recordkeeping requirements, Standards, Staples, Testing, Warehouses.

For the reasons set out in the preamble, title 7 CFR Part 28, subpart A and C, is amended as follows:

PART 28—COTTON CLASSING, TESTING, AND STANDARDS

1. The authority citation for 7 CFR part 28, Subpart A continues to read as follows:

Authority: Sec. 5, 50 Stat. 62, as amended (7 U.S.C. 55); sec. 10, 42 Stat. 1519 (7 U.S.C. 61).

2. In § 28.2, paragraph (p) is revised to read as follows:

§ 28.2 Terms defined.

* * * * *

(p) Official Cotton Standards. Official Cotton Standards of the United States for the color grade and the leaf grade of American upland cotton, the color grade and the leaf grade of American Pima cotton, the length of staple, and fiber property measurements, adopted or

established pursuant to the Act, or any change or replacement thereof.

* * * * *

3. The authority citation for Part 28, Subpart C—Standards, Official Cotton Standards of the United States for the Grade of American Pima Cotton, will continue to read as follows:

Authority: Sections 28.501 to 28.507 and 28.511 to 28.517 issued under Sec. 10, 42 Stat. 1519 (7 U.S.C. 61). Interpret or apply sec. 6, 42 Stat. 1518, as amended, sec. 4854, 68A Stat. 580; 7 U.S.C. 56, 26 U.S.C. 4854.

4. The undesignated centerheading following § 28.482 and §§ 28.501 through 28.507 will be revised to read as follows [§§ 28.508 through 28.510 continue to be reserved]:

Official Cotton Standards of the United States for the Color Grade of American Pima Cotton

28.501 Color Grade No. 1.
28.502 Color Grade No. 2.
28.503 Color Grade No. 3.
28.504 Color Grade No. 4.
28.505 Color Grade No. 5.
28.506 Color Grade No. 6.
28.507 Color Grade No. 7.
28.508–28.510 [Reserved]

Official Cotton Standards of the United States for the Color Grade of American Pima Cotton

§ 28.501 Color Grade No. 1.

Color grade No. 1 shall be American Pima cotton which in color is within the range represented by a set of samples in the custody of the U.S. Department of Agriculture in a container marked "Original Official Cotton Standards of the United States, American Pima, Color Grade No. 1, effective July 1, 1986."

§ 28.502 Color Grade No. 2.

Color grade No. 2 shall be American Pima cotton which in color is within the range represented by a set of samples in the custody of the U.S. Department of Agriculture in a container marked "Original Official Cotton Standards of the United States, American Pima, Color Grade No. 2, effective July 1, 1986."

§ 28.503 Color Grade No. 3.

Color grade No. 3 shall be American Pima cotton which in color is within the range represented by a set of samples in the custody of the U.S. Department of Agriculture in a container marked "Original Official Cotton Standards of the United States, American Pima, Color Grade No. 3, effective July 1, 1986."

§ 28.504 Color Grade No. 4.

Color grade No. 4 shall be American Pima cotton which in color is within the range represented by a set of samples in

the custody of the U.S. Department of Agriculture in a container marked "Original Official Cotton Standards of the United States, American Pima, Color Grade No. 4, effective July 1, 1986."

§ 28.505 Color Grade No. 5.

Color grade No. 5 shall be American Pima cotton which in color is within the range represented by a set of samples in the custody of the U.S. Department of Agriculture in a container marked "Original Official Cotton Standards of the United States, American Pima, Color Grade No. 5, effective July 1, 1986."

§ 28.506 Color Grade No. 6.

Color grade No. 6 shall be American Pima cotton which in color is within the range represented by a set of samples in the custody of the U.S. Department of Agriculture in a container marked "Original Official Cotton Standards of the United States, American Pima, Color Grade No. 6, effective July 1, 1986."

§ 28.507 Color Grade No. 7.

American Pima cotton which in color is inferior to Color Grade No. 6 shall be designated as "Color Grade No. 7."

5. An undesignated centerheading following §§ 28.508—28.510 [Reserved] and §§ 28.511 through 28.517 would be added to read as follows:

Official Cotton Standards of the United States for the Leaf Grade of American Pima Cotton

- 28.511 Leaf Grade No. 1.
- 28.512 Leaf Grade No. 2.
- 28.513 Leaf Grade No. 3.
- 28.514 Leaf Grade No. 4.
- 28.515 Leaf Grade No. 5.
- 28.516 Leaf Grade No. 6.
- 28.517 Leaf Grade No. 7.

Official Cotton Standards of the United States for the Leaf Grade of American Pima Cotton

§ 28.511 Leaf Grade No. 1.

Leaf grade No. 1 shall be American Pima cotton which in leaf is within the range represented by a set of samples in the custody of the U.S. Department of Agriculture in a container marked "Original Official Cotton Standards of the United States, American Pima, Leaf Grade No. 1, effective July 1, 1986."

§ 28.512 Leaf Grade No. 2.

Leaf grade No. 2 shall be American Pima cotton which in leaf is within the range represented by a set of samples in the custody of the U.S. Department of Agriculture in a container marked "Original Official Cotton Standards of the United States, American Pima, Leaf Grade No. 2, effective July 1, 1986."

§ 28.513 Leaf Grade No. 3.

Leaf grade No. 3 shall be American Pima cotton which in leaf is within the range represented by a set of samples in the custody of the U.S. Department of Agriculture in a container marked "Original Official Cotton Standards of the United States, American Pima, Leaf Grade No. 3, effective July 1, 1986."

§ 28.514 Leaf Grade No. 4.

Leaf grade No. 4 shall be American Pima cotton which in leaf is within the range represented by a set of samples in the custody of the U.S. Department of Agriculture in a container marked "Original Official Cotton Standards of the United States, American Pima, Leaf Grade No. 4, effective July 1, 2001."

§ 28.515 Leaf Grade No. 5.

Leaf grade No. 5 shall be American Pima cotton which in leaf is within the range represented by a set of samples in the custody of the U.S. Department of Agriculture in a container marked "Original Official Cotton Standards of the United States, American Pima, Leaf Grade No. 5, effective July 1, 2001."

§ 28.516 Leaf Grade No. 6.

Leaf grade No. 6 shall be American Pima cotton which in leaf is within the range represented by a set of samples in the custody of the U.S. Department of Agriculture in a container marked "Original Official Cotton Standards of the United States, American Pima, Leaf Grade No. 6, effective July 1, 2001."

§ 28.517 Leaf Grade No. 7.

American Pima cotton which in leaf is inferior to Leaf Grade No. 6 shall be designated as "Leaf Grade No. 7."

6. An undesignated centerheading following § 28.517 and §§ 28.521 and 28.522 would be added to read as follows:

Application of Standards and Explanatory Terms

§ 28.521 Application of color and leaf grade standards.

American Pima cotton which in color is within the range of the color standards established in this part shall be designated according to the color standard irrespective of the leaf content. American Pima cotton which in leaf is within the range of the leaf standards established in this part shall be designated according to the leaf standard irrespective of the color content.

§ 28.522 Explanatory terms.

(a) The term preparation is used to describe the degree of smoothness or

roughness of the ginned lint. Normal preparation for any color grade of American Pima cotton for which there is a physical color standard shall be that found in the physical color standard. If the preparation is other than normal, it shall be entered on the classification record.

(b) Explanatory terms considered necessary to adequately describe the presence of preparation, spindle twist, and extraneous matter such as bark, grass, seed coat fragments, oil, etc. in the sample, shall be part of the classification record.

7. The authority citation for § 28.525, would continue to read as follows:

Authority: Sec. 28.525 issued under Sec. 10, 42 Stat. 1519 (U.S.C. 61). Interpret or apply Sec. 6, 42 Stat. 1518, as amended (7 U.S.C. 56).

8. In § 28.525, paragraph (d) would be redesignated as paragraph (e), paragraph (c) would be revised, and a new paragraph (d) would be added to read as follows:

§ 28.525 Symbols and code numbers.

* * * * *

(c) Symbols and Code Numbers for Color Grades of American Pima Cotton.

Full grade name	Symbol Code	No.
Color Grade No. 1	AP C1	01
Color Grade No. 2	AP C2	02
Color Grade No. 3	AP C3	03
Color Grade No. 4	AP C4	04
Color Grade No. 5	AP C5	05
Color Grade No. 6	AP C6	06
Color Grade No. 7	AP C7	07

(d) Symbols and Code Numbers for Leaf Grades of American Pima Cotton.

Full grade name	Symbol Code	No.
Leaf Grade No. 1	AP L1	1
Leaf Grade No. 2	AP L2	2
Leaf Grade No. 3	AP L3	3
Leaf Grade No. 4	AP L4	4
Leaf Grade No. 5	AP L5	5
Leaf Grade No. 6	AP L6	6
Leaf Grade No. 7	AP L7	7

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Dated: June 6, 2000.

Kathleen A. Merrigan,
Administrator, Agricultural Marketing Service.

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