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DEPARTMENT OF AGRICULTURE

Farm Service Agency

7 CFR Part 723

Commodity Credit Corporation

7 CFR Part 1464

RIN 0560-AF51

1999 Marketing Quotas and Price Support Levels for Fire-Cured (Type 21), Fire-Cured (Types 22-23), Dark Air-Cured (Types 35-36), Virginia Sun-Cured (Type 37), and Cigar-Filler and Binder (Types 42-44 and 53-55) Tobaccos

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

ACTION: Final rule.

SUMMARY: The purpose of this notice is to codify the national marketing quotas and price support levels for the 1999 crops for several kinds of tobacco announced by press release on March 1, 1999.

In accordance with the Agricultural Adjustment Act of 1938, as amended (the 1938 Act), the Secretary determined the 1999 marketing quotas to be as follows: fire-cured (type 21), 2.6 million pounds; fire-cured (types 22-23), 41.4 million pounds; dark air-cured (types 35-36), 12.8 million pounds; Virginia sun-cured (type 37), 171,000 pounds; and cigar-filler and binder (types 42-44 and 53-55), 4.5 million pounds.

Quotas are necessary to adjust the production levels of certain tobaccos to more fully reflect supply and demand conditions, as provided in the 1938 Act.

In accordance with the Agricultural Act of 1949, as amended (the 1949 Act), the Secretary determined the 1999 levels of price support to be as follows (in cents per pound): fire-cured (type 21), 155.9; fire-cured (types 22-23), 171.6; dark air-cured (types 35-36),

148.1; Virginia sun-cured (type 37), 138.0; and cigar-filler and binder (types 42-44 and 53-55), 123.8.

EFFECTIVE DATE: March 1, 1999.

FOR FURTHER INFORMATION CONTACT:

Robert L. Tarczy, Tobacco and Peanuts Division, FSA, USDA, STOP 0514, 1400 Independence Avenue, SW, Washington, DC 20250-0514, telephone 202-720-5346, e-mail address Robert.Tarczy@wdc.fsa.usda. Copies of the cost-benefit assessment prepared for this rule can be obtained from Mr. Tarczy.

SUPPLEMENTARY INFORMATION:

Executive Order 12866

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

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 12988

This final rule has been reviewed in accordance with Executive Order 12988. 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 to this final rule since neither the Farm Service Agency (FSA) nor the Commodity Credit Corporation (CCC) is 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 by the Office of Management and Budget under the provisions of 44 U.S.C. chapter 35.

Unfunded Federal Mandates

This rule contains no Federal mandates under the regulatory provisions of Title II of the Unfunded Mandate Reform Act of 1995 (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.

Statutory Background

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

On March 1, 1999, the Secretary determined and announced the national marketing quotas and price support levels for the 1999 crops of fire-cured (type 21), fire-cured (types 22-23), dark air-cured (types 35-36), Virginia sun-cured (type 37), and cigar-filler and binder (types 42-44 and 53-55) tobaccos. 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 a referendum would be conducted by mail with respect to cigar-filler and binder (types 42-44 and 53-55) tobacco.

During March 15-19, 1999, eligible producers of cigar-filler and binder (types 42-44 and 53-55) tobacco voted in a referendum to determine whether such producers approved marketing quotas for the 1999, 2000, and 2001 marketing years (MY) for this tobacco. Of the producers voting, 77.7 percent favored marketing quotas for cigar-filler and binder (types 42-44 and 53-55) tobacco. Accordingly, quotas and price support for cigar-filler and binder (types 42-44 and 53-55) tobacco are in effect for the 1999 through 2001 MYs.

In accordance with section 312 of the 1938 Act, for tobaccos other than flue-cured tobacco and burley tobacco, the Secretary of Agriculture is required to proclaim not later than March 1 of any MY a national marketing quota for those tobaccos for which marketing quotas have been approved in the prior three years. There is a vote on quotas for each kind in a 3-year cycle. For cigar-filler and binder (types 42-44 and 53-55) tobacco, the 1998 MY was the last year of 3 consecutive years of quota. Accordingly, marketing quotas for cigar-filler and binder (types 42-44 and 53-55) were proclaimed for each of the 3 MYs beginning October 1, 1999; October 1, 2000, and October 1, 2001, but subject to producer approval. As indicated, cigar-filler and binder (types 42-44 and 53-55) producers approved quotas in the referendum. Quotas for the other tobaccos covered by this notice were approved in referenda which are still effective.

Because of producer approval of quotas, sections 312 and 313 of the 1938 Act required that the Secretary also announce the reserve supply level and the total supply of fire-cured (type 21), fire-cured (types 22–23), dark air-cured (types 35–36), Virginia sun-cured (type 37), and cigar filler and binder (types 42–44 and 53–55) tobaccos for the MY beginning October 1, 1998. The Secretary also announced 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 1999 crops of the kinds of tobacco that are the subject of this notice, the respective maximum levels of price support for these kinds of tobacco is determined in accordance with section 106 of the 1949 Act. Announcement of the price support levels for these five kinds of tobacco are normally made before the planting seasons. Under the provisions of Section 1108 (c), of Pub. L. No. 99–272, the price support level announcements do not require prior rulemaking. For the 1999 crops, the price support announcements were made on March 1, 1999, at the same time the quota announcements were made. Quota and price support determinations for burley and flue-cured tobacco are made separately and are the subject of separate notices.

Statutory Provisions

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 that 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 considerably less than their respective national acreage allotments allow, a larger quota is necessary to make available production equal to the reserve supply level. Further, under section 312 (b) of the 1938 Act, the amount of the national

marketing quota may, not later than the following March 1, be increased by not more than 20 percent over the straight formula amount 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.

Also, under 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 1999 crop of each of these kinds of tobacco is adequate for these purposes.

The Proposed Rule

On February 26, 1999, a proposed rule was published in the **Federal Register** (64 FR 9452) in which interested persons were requested to comment with respect to setting quotas for the tobacco kinds addressed in this notice.

Discussion of Comments

Fourteen written responses were received during the comment period which ended March 1, 1999. A summary of these comments by kind of tobacco follows:

(1) *Fire-cured (type 21) tobacco*. Two comments were received, recommending no change in 1999 quotas.

(2) *Fire-cured (types 22–23) tobacco*. Five comments were received. Four recommended a five percent deduction in 1999 quotas, while one other recommended a 10 percent decrease.

(3) *Dark air-cured (types 35–36) tobacco*. Five comments were received. Four recommended a 10 percent increase in the quota, while one favored a five percent increase.

(4) *Virginia sun-cured (type 37) tobacco*. Two comments were received, recommending no change in quota.

(5) *Cigar-filler and binder (types 42–44 and 53–55) tobacco*. No comments were received.

Quota and Related Determinations

The tobacco program is, through assessments, operated at no net cost to taxpayers other than the costs common to all price support operations. Accordingly, producer comments are given considerable weight in this review. Based on a review of the comments received and the latest available statistics of the Federal Government, which appear to be the most reliable data available, the following determinations were made for the five subject tobacco kinds:

(1) Fire-Cured (Type 21) Tobacco

The average annual quantity of fire-cured (type 21) tobacco produced in the United States that is estimated to have been consumed in the United States during the 10 MYs preceding the 1998 MY was approximately 19.3 million pounds. The average annual quantity produced in the United States and exported from the United States during the 10 MYs preceding the 1998 MY was 2.0 million pounds (farm sales weight basis). Both domestic use and exports have trended downward. Because of these considerations, 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 1.5 million pounds. Application of the formula prescribed by section 301(b)(14)(B) of the 1938 Act results in a reserve supply level of 4.6 million pounds.

Manufacturers and dealers reported stocks held on October 1, 1998, of 2.4 million pounds. The 1998 crop is estimated to be 2.4 million pounds. Therefore, total supply for the 1998 MY is 4.8 million pounds. During the 1998 MY, it is estimated that disappearance will total approximately 2.3 million pounds. Deducting this disappearance from total supply results in a 1999 MY

beginning stock estimate of 2.8 million pounds.

The difference between the reserve supply level and the estimated carryover on October 1, 1999, is 2.5 million pounds. This represents the quantity that may be marketed that will make available during the 1999 MY a supply equal to the reserve supply level. More than 95 percent of the announced national marketing quota is expected to be produced. Accordingly, it has been determined that a 1999 national marketing quota of 2.116 million pounds is necessary to make available production of 2.1 million pounds. As permitted by section 312(b) of the 1938 Act, it was further determined that the 1999 national marketing quota should be increased by 20 percent over the normal formula amount in order to avoid undue restriction of marketings. This determination took into account the size of last year's quota, the comments, the long storage time for this tobacco and the possibility of changes in demand over expected demand. Thus, the national marketing quota for the 1999 crop is 2.6 million pounds.

In accordance with section 313(g) of the 1938 Act, dividing the 1999 national marketing quota of 2.6 million pounds by the 1994-98, 5-year national average yield of 1,600 pounds per acre results in a 1999 national acreage allotment of 1,625.00 acres.

Pursuant to the provisions of section 313(g) of the 1938 Act, a national acreage factor of 1.0 is determined by dividing the national acreage allotment for the 1999 MY, less a national reserve of 7.61 acres, by the total of the 1999 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 average annual quantity of fire-cured (types 22-23) tobacco produced in the United States that is estimated to have been consumed in the United States during the 10 MYs preceding the 1998 MY was approximately 19.3 million pounds. The average annual quantity produced in the United States and exported during the 10 MYs preceding the 1998 MY was 15.5 million pounds (farm sales weight basis).

Domestic use has trended upward while exports have varied. Because of these considerations, a normal year's domestic consumption has been determined to be 29.7 million pounds, and a normal year's exports have been determined to be 18.4 million pounds.

Application of the formula prescribed by section 301(b)(14)(B) of the 1938 Act results in a reserve supply level of 117.7 million pounds.

Manufacturers and dealers reported stocks held on October 1, 1998, of 84.8 million pounds. The 1998 crop is estimated to be 40.4 million pounds. Therefore, total supply for the 1998 MY is 125.2 million pounds. During the 1998 MY, it is estimated that disappearance will total approximately 40.0 million pounds. Deducting this disappearance from total supply results in a 1999 MY beginning stock estimate of 85.2 million pounds.

The difference between the reserve supply level and the estimated carryover on October 1, 1999, is 32.5 million pounds. This represents the quantity that may be marketed that will make available during the 1999 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 1999 national marketing quota of 34.5 million pounds is necessary to make available production of 32.5 million pounds.

Utilizing section 312(b) of the 1938 Act, it was further determined for the same reason as with fire-cured (type 21) tobacco, that the 1999 national marketing quota should be increased by 20 percent over the normal formula amount in order to avoid undue restriction of marketings. Thus, the national marketing quota for the 1999 crop is 41.4 million pounds.

In accordance with section 313(g) of the 1938 Act, dividing the 1999 national marketing quota of 41.4 million pounds by the 1994-98, 5-year average yield of 2,577 pounds per acre results in a 1999 national acreage allotment of 16,065.19 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 1999 MY, less a national reserve of 53.30 acres, by the total of the 1999 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 average annual quantity of dark air-cured (types 35-36) tobacco produced in the United States that is estimated to have been consumed in the United States during the 10 MYs preceding the 1998 MY was

approximately 9.0 million pounds. The average annual quantity produced in the United States and exported from the United States during the 10 MYs preceding the 1998 MY was 1.4 million pounds (farm sales weight basis). Both domestic use and exports have been erratic. Because of these considerations, a normal year's domestic consumption has been determined to be 10.2 million pounds, and a normal year's exports have been determined to be 1.4 million pounds. Application of the formula prescribed by section 301(b)(14)(B) of the 1938 Act results in a reserve supply level of 31.9 million pounds.

Manufacturers and dealers reported stocks held on October 1, 1998, of 22.4 million pounds. The 1998 crop is estimated to be 10.1 million pounds. Therefore, total supply for the 1998 MY is 32.5 million pounds. During the 1998 MY, it is estimated that disappearance will total approximately 10.5 million pounds. Deducting this disappearance from total supply results in a 1999 MY beginning stock estimate of 22.0 million pounds.

The difference between the reserve supply level and the estimated carryover on October 1, 1999, is 9.9 million pounds. This represents the quantity that may be marketed that will make available during the 1999 MY a supply equal to the reserve supply level. Over 90 percent of the announced national marketing quota is expected to be produced. Accordingly, it has been determined that a national marketing quota of 10.67 million pounds is necessary to make available production of 9.9 million pounds. In accordance with section 312(b) of the 1938 Act, it has been further determined that the 1999 national marketing quota should be increased by 20 percent over the normal formula amount in order to avoid undue restriction of marketings. This determination took into account the same factors as with fire-cured (type 21) tobacco and industry preferences. This results in a national marketing quota for the 1999 MY of 12.8 million pounds. Otherwise, the quota would be below the level for the 1998 crop.

In accordance with section 313(g) of the 1938 Act, dividing the 1999 national marketing quota of 12.8 million pounds by the 1994-98, 5-year average yield of 2,291 pounds per acre results in a 1999 national acreage allotment of 5,587.08 acres.

Pursuant to the provisions of section 313(g) of the 1938 Act, a national acreage factor of 1.10 is determined by dividing the national acreage allotment for the 1999 MY, less a national reserve of 45.60 acres, by the total of the 1999 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 average annual quantity of Virginia sun-cured (type 37) tobacco produced in the United States that is estimated to have been consumed in the United States during the 10 MYs preceding the 1998 MY was approximately 90,000 pounds. The average annual quantity produced in the United States and exported from the United States during the 10 MYs preceding the 1998 MY was approximately 100,000 pounds (farm sales weight basis). Both domestic use and exports have shown a sharp downward trend. Because of these considerations, a normal year's domestic consumption has been determined to be 64,000 pounds, and a normal year's exports have been determined to be 20,000 pounds. Application of the formula prescribed by section 301(b)(14)(B) of the 1938 Act results in a reserve supply level of 219,000 pounds.

Manufacturers and dealers reported stocks held on October 1, 1998, of 50,000 pounds. The 1998 crop is estimated to be 140,000 pounds. Therefore, total supply for the 1998 MY is 190,000 pounds. During the 1998 MY, it is estimated that disappearance will total approximately 190,000 pounds. Deducting this disappearance from total supply results in a 1999 MY beginning stock estimate of 90,000 pounds.

The difference between the reserve supply level and the estimated carryover on October 1, 1998, is 129,000 pounds. This represents the quantity that may be marketed that will make available during the 1998 MY a supply equal to the reserve supply level. Less than three-quarters of the announced national marketing quota is expected to be produced. Accordingly, it has been determined that a 1999 national marketing quota of 171,000 pounds is necessary to make available production of 129,000 pounds. Thus, the national

marketing quota for the 1999 crop is 171,000 pounds which is greater than the preceding quota by about 5 percent and should not unduly restrict marketings.

In accordance with section 313(g) of the 1938 Act, dividing the 1999 national marketing quota of 171,000 pounds by the 1994-98, 5-year average yield of 1,466 pounds per acre results in a 1999 national acreage allotment of 116.64 acres.

Pursuant to the provisions of section 313(g) of the 1938 Act, a national acreage factor of 1.0 is determined by dividing the national acreage allotment for the 1999 MY, less a national reserve of 0.35 acres, by the total of the 1999 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 average annual quantity of cigar-filler and binder (types 42-44 and 53-55) tobacco produced in the United States that is estimated to have been consumed in the United States during the 10 MYs preceding the 1998 MY was approximately 10.9 million pounds. The average annual quantity produced in the United States and exported from the United States during the 10 MYs preceding the 1998 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 5.9 million pounds, and a normal year's exports have been determined to be zero pounds. Application of the formula prescribed by section 301(b)(14)(B) of the 1938 Act results in a reserve supply level of 17.0 million pounds.

Manufacturers and dealers reported stocks held on October 1, 1998, of 16.2 million pounds. The 1998 crop is estimated to be 4.2 million pounds. Therefore, total supply for the 1998 MY is 20.4 million pounds. During the 1998 MY, it is estimated that disappearance will total about 7.0 million pounds.

Deducting this disappearance from total supply results in a 1999 MY beginning stock estimate of 13.4 million pounds.

The difference between the reserve supply level and the estimated carryover on October 1, 1999, is 3.6 million pounds. This represents the quantity that may be marketed that will make available during the 1999 MY a supply equal to the reserve supply level. About 80 percent of the announced national marketing quota is expected to be produced. Accordingly, it has been determined that a 1999 national marketing quota of 4.5 million pounds is necessary to make available production of 3.6 million pounds. This results in a 1999 national marketing quota of 4.5 million pounds. This determination reflects that there are short reserve supplies and takes into account possible changes in expected demand and the fact that even with this adjustment the 1999 quota will be less than the 1998 crop quota.

In accordance with section 313(g) of the 1938 Act, dividing the 1999 national marketing quota of 4.5 million pounds by the 1994-98, 5-year average yield of 2,054 pounds per acre results in a 1999 national acreage allotment of 2,190.84 acres.

Pursuant to the provisions of section 313(g), of the 1938 Act, a national factor of 0.65 is determined by dividing the national acreage allotment for the 1999 MY, less a national reserve of 2.31 acres, by the total of the 1999 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) Referendum Results for Cigar-Filler and Binder (Types 42-44 and 53-55) Tobaccos

Because of the results of the producer referendum, marketing quotas shall be in effect for the 1999 MY for cigar-filler and binder (types 42-44 and 53-55) tobacco. In referenda held March 15-19, 1999, 77.7 percent of cigar filler and binder producers voted in favor of quotas.

REFERENDUM DATA

Kind of tobacco	Total votes	Yes votes	No votes	% yes votes
Cigar-filler and binder (types 42-44 and 54-55)	909	706	203	77.7

Price Support

Statutory Provisions

Section 106(f)(6)(A) of the 1949 Act provides that the level of support for the 1999 crop of a kind of tobacco (other than flue-cured and burley) shall be the level in cents per pound at which the 1998 crop of such kind of tobacco was supported, plus or minus, as appropriate, the amount by which (i) the basic support level for the 1999 crop, as it would otherwise be determined under section 106(b) of the 1949 Act, is greater or less than (ii) the support level for the 1998 crop, as it would otherwise be determined under section 106(b). To the extent that the price support level would be increased as a result of that comparison, section 106(f) provides that the increase may be modified using the provisions of 106(d). Under 106(d), the Secretary may reduce the level of support for grades the Secretary determines will likely be in excess supply so long as the weighted level of support for all grades maintains at least 65 percent of the increase in the price

support (from the previous year). The Secretary must consult with the appropriate tobacco associations and take into consideration the supply, and anticipated demand for the tobacco, including the effect of the action 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 is required to 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.

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.

Price Support Determinations

The following levels of price support for the 1998 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)
Fire-cured (type 21)	153.6
Fire-cured (types 22–23)	168.1
Dark air-cured (types 35–36)	145.0
Virginia sun-cured (type 37)	136.0
Cigar-filler and binder (types 42–44 and 53–55)	121.2

For the 1999 crop year:

(1) Average parity indexes for calendar year periods 1995–1997 and 1996–1998 are as follows:

Year	Index	Year	Index
1995	1,452	1996	1,520
1996	1,520	1997	1,558
1997	1,558	1998	1,532
Average	1,510	Average	1,537

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

(3) 1998 ratio of 1,500 to 298 = 5.07; 1999 ratio of 1,537 to 298 = 5.16.

(4) Ratios times 1959 support levels and 1999 increase in basic support levels are as follows:

Kind and type of tobacco	1959 support level	Basic support level ¹		Increase from 1997 to 1998	
	(¢/lb.)	1998 (¢/lb.)	1999 (¢/lb.)	100% (¢/lb.)	65% (¢/lb.)
Fire-cured (type 21)	38.8	196.7	200.2	3.5	2.3
Fire-cured (types 22–23)	38.8	196.7	200.2	3.5	2.3
Dark air-cured (types 35–36)	34.5	174.9	178.0	3.1	2.0
Virginia sun-cured (type 37)	34.5	174.9	178.0	3.1	2.0
Cigar-filler and binder (types 42–44, 53–55)	28.6	145.0	147.6	2.6	1.7

¹1998 ratio is 5.07, 1999 ratio is 5.16.

The loan associations for Virginia fire-cured (type 21) and Virginia sun-cured (type 37) tobacco have accepted lower price support levels so their tobacco

may remain competitive in world markets. Therefore, for fire-cured (type 21) tobacco and Virginia sun-cured (type 37) tobacco, the 1999-crop support

levels were set so as to only add, over 1998-crop levels, 65 percent of the difference between the 1999 crop "basic support level" and the 1998-crop "basic

support level." For the other tobaccos covered in this notice there was no such recommendation and the support levels were set accordingly. Accordingly, the price support levels for fire-cured (types 22-23), dark air-cured (types 35-36) and cigar filler and binder (types 42-44 and 53-55) tobaccos were set to use the MY 1998 level of support increased by 100

percent of the difference between the MY 1999 "basic support level" and the MY 1998 "basic support level." 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 five kinds of tobacco in their blends.

Accordingly, the following price support determinations were announced on March 1, 1999, for the 1999 crops of the tobaccos which are the subject of this notice:

Kind and type of tobacco	Support level (cents per pound)
Fire-cured (type 21)	155.9
Fire-cured (types 22-23)	171.6
Dark air-cured (types 35-36)	148.1
Virginia sun-cured (type 37)	138.0
Cigar-filler and binder (types 42-44 and 53-55)	123.8

Further Rulemaking

As indicated previously, price support determination referenced in this notice are exempt from rulemaking. In addition to those and the other determinations addressed in this notice many of which are driven by statutory deadlines and affect the marketing of current crops for which farmer must plan, it was determined that to the extent restrictions might otherwise apply, a delay in the effectiveness of the for determinations additional notice and procedures would be contrary to the public interest, impracticable, and unnecessary. This conclusion is the same as to prior crop years, and for all purposes, including for purposes of the Small Business Regulatory Enforcement Act (Pub. L. No. 104-121).

List of Subjects

7 CFR Part 723

Acreage allotments, Marketing quotas, Penalties, Reporting and recordkeeping requirements, Tobacco.

7 CFR Part 1464

Price supports, 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, 1421, 1445-1, and 1445-2.

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

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

(g) The 1999-crop national marketing quota is 2.6 million pounds.

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

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

(g) The 1999-crop national marketing quota is 41.4 million pounds.

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

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

(g) The 1999-crop national marketing quota is 12.8 million pounds.

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

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

(g) The 1999-crop national marketing quota is 171,000 pounds.

6. Section 723.117 is amended by adding paragraph (g) to read as follows:

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

(g) The 1999-crop national marketing quota is 4.5 million pounds.

PART 1464—TOBACCO

7. 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.

8. Section 1464.13 is amended by adding paragraph (g) to read as follows:

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

(g) The 1999-crop national price support level is 155.9 cents per pound.

9. Section 1464.14 is amended by adding paragraph (g) to read as follows:

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

(g) The 1999-crop national price support level is 171.6 cents per pound.

10. Section 1464.15 is amended by adding paragraph (g) to read as follows:

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

(g) The 1999-crop national price support level is 148.1 cents per pound.

11. Section 1464.16 is amended by adding paragraph (g) to read as follows:

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

(g) The 1999-crop national price support level is 138.0 cents per pound.

12. Section 1464.17 is amended by adding paragraph (g) to read as follows:

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

(g) The 1999-crop national price support level is 123.8 cents per pound.

Signed at Washington, DC, on June 28, 2000.

Keith Kelly,
Administrator, Farm Service Agency and Executive Vice President, Commodity Credit Corporation.

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