

Notices

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This section of the FEDERAL REGISTER contains documents other than rules or proposed rules that are applicable to the public. Notices of hearings and investigations, committee meetings, agency decisions and rulings, delegations of authority, filing of petitions and applications and agency statements of organization and functions are examples of documents appearing in this section.

DEPARTMENT OF AGRICULTURE

Commission on the Application of Payment Limitations for Agriculture

Payment Limitations

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

ACTION: Notice and request for comments.

SUMMARY: The Commission on the Application of Payment Limitations for Agriculture (Commission) was mandated by section 1605 of the Farm Security and Rural Investment Act of 2002 (the 2002 Act), Public Law 107-171. The Farm Service Agency (FSA) provides administrative and financial support for the Commission, using Commodity Credit Corporation (CCC) funds. The Commission will study the effects of further limitations on the receipt of direct payments, counter-cyclical payments, loan deficiency payments and marketing loan gains by individuals and other entities. The study is to be transmitted to the President, the Committee on Agriculture, Nutrition and Forestry of the Senate, and the Committee on Agriculture of the House of Representatives. The Commission is also authorized to make recommendations it deems appropriate, which may include the feasibility of improving the application and effectiveness of payment limitations.

The Commission held its first meeting on January 23 and 24, 2003, in Washington, D.C. The Commission concluded that public input would be helpful in conducting its assessments of payment limitations. This notice provides the public the opportunity to comment on key issues that the Commission expects to address in its study.

DATES: Comments must be received in writing by March 24, 2003.

ADDRESSES: Send comments in writing, by mail, to Payment Limit Commission Comments, USDA/FSA/EPAS, Stop 0508, 1400 Independence Ave., SW, Washington, DC 20250-0508, or by email to

payment.limit.comm@wdc.usda.gov.

This notice may also be accessed via the Internet through the FSA homepage, at <http://www.fsa.usda.gov>. All comments, including names and addresses when provided, are placed in the record and are available for public inspection.

FOR FURTHER INFORMATION CONTACT: John Jinkins, USDA/FSA/EPAS, Stop 0508, 1400 Independence Ave., SW., Washington, DC 20250-0508; telephone: (202) 720-2100; fax: (202) 690-2186; submit e-mail to:

John.Jinkins@usda.gov. Subject: Payment Limits.

SUPPLEMENTARY INFORMATION:

General Information about the Commission

The 2002 Act directed that the Commission consist of three members appointed by the Secretary of Agriculture; three members appointed by the Committee on Agriculture, Nutrition, and Forestry of the Senate; three members appointed by the Committee on Agriculture of the House of Representatives; and the USDA Chief Economist. The Secretary of Agriculture designated the USDA Chief Economist to serve as Commission Chairperson. The 2002 Act directs the Commission to conduct a study on the effects of further payment limitations on the receipt of direct payments, counter-cyclical payments and marketing loan gains and loan deficiency payments. The study is to be transmitted to the President, the Committee on Agriculture, Nutrition and Forestry of the Senate, and the Committee on Agriculture of the House of Representatives. The Commission is also authorized to make recommendations it deems appropriate. The Commission is to report the results of its study by May 13, 2003.

The Joint Explanatory Statement of the Committee of Conference for the 2002 Act indicates that the Managers of the Conference intended for the Commission to examine the feasibility of improving the application and effectiveness of payment limitations, including the use of commodity certificates and the unlimited forfeiture of loan collateral. The 2002 Act also

provides the Commission the authority to hold hearings, take testimony and receive evidence it considers necessary to conduct the study.

At its initial meeting in January 2003, the Commission concluded that public hearings are not feasible given the time available to complete its study. However, the Commission concluded that public comments on the payment limitation issues to be addressed by the Commission would be helpful. Consequently, the Commission decided to seek written comments from the public.

Key Issues for Comment

The Commission is specifically interested in receiving public input on the following:

1. The impacts of further payment limitations on the receipt of direct payments, counter-cyclical payments, marketing loan gains and loan deficiency payments on:

- (a) Farm income;
- (b) Land values;
- (c) Rural communities;
- (d) Agribusiness infrastructure;
- (e) Planting decisions of producers affected; and

(f) Prices of all agricultural commodities, including fruits and vegetables and other specialty crops.

Comments are encouraged on the impact of farm program payments on the above and on the effects of further limitations on these issues. The range of effects is likely to depend on what further limitations are being evaluated. The phrase "further limitations" is not defined in the 2002 Act. The Commission believes that further limitations would be limitations that would result in total payments to producers being less than the level that would prevail under the payment limitations of the 2002 Act. Further limitations could be achieved a number of ways including: (1) Reducing the current dollar limitations imposed on specific types of payments, such as direct payments, that can be received by a producer, (2) restricting the number or types of entities eligible for payments, or (3) restricting or precluding payments based on a variety of other criteria, such as income. Each of these approaches may have different effects on producers and the agricultural economy, even if the total dollar reduction in payments is equal. The Commission welcomes comments on the effects of payments

and further payment limitations under alternative approaches. The Commission requests that commentors identify the approaches they are assessing along with analytical methods and data employed to reach their conclusions.

2. The feasibility of improving the application and effectiveness of payment limitations, including the use of commodity certificates and the unlimited forfeiture of loan collateral. Payment limits currently involve complex determinations by the Farm Service Agency on the eligibility of persons for payments. Compliance with payment limitation provisions may involve extensive documentation of business organization and other information. It appears that the payment limit program results in a range of costs on producers and the government. The Commission seeks comments on the feasibility of improving the administration of payment limitations and reducing these costs. Questions have also been raised regarding the effectiveness of payment limitations. One measure of effectiveness is the degree to which payment limitations reduce payments that otherwise would be made. Some estimates suggest the amount of payments not made to producers participating in farm programs as a result of payment limitations is relatively small compared with the level of payments that are made. Other measures of effectiveness may be appropriate to assess, including possible impacts on the structure and size of farms. The Commission seeks comments on the effectiveness of payment limitations and the feasibility of making payment limits more effective in cost-efficient ways.

3. The expected response of farmers and ranchers if payment limitations become more stringent. For example, would affected producers increase or reduce farm size? Would producers shift production to alternative commodities? Would producers change the legal organization of their businesses? Some commentors may be able to poll producers on how they might react to alternative approaches to tightening payment limitations. If so, the Commission requests information on the types and locations of farms surveyed.

4. Any other information relevant to the study objectives of the Commission.

Regulatory Findings

This notice is being issued to obtain public comment regarding issues associated with the study of the Commission on the Application of Payment Limitations for Agriculture.

There are no regulatory findings associated with this notice.

Signed in Washington, DC, on February 13, 2003.

Keith Collins,

Chairman, Commission on the Application of Payment Limitations for Agriculture.

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DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[Doc. No. FV-03-328]

United States Standards for Grades of Frozen Celery

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Notice.

SUMMARY: The Agricultural Marketing Service (AMS) of the Department of Agriculture (USDA) is soliciting comments on its proposal to create new United States Standards for Grades of Frozen Celery. USDA received a petition from a grower and a processor of celery to create grade standards for frozen celery that will include a description of the product, style, sample unit size, grades, ascertaining the grade by sample, and ascertaining the grade by lot. The proposed standard is intended to provide a common language for trade, and a means of measuring value in the marketing of frozen celery.

DATES: Comments may be submitted on or before April 21, 2003.

ADDRESSES: Written comments may be submitted to: Karen L. Kaufman, Processed Products Branch, Fruit and Vegetable Programs, Agricultural Marketing Service, U.S. Department of Agriculture, STOP 0247, 1400 Independence Avenue SW., Washington, D.C. 20250-0247; fax (202) 690-1087; or e-mail karen.kaufman@usda.gov.

Comments should reference the date and page of this issue of the **Federal Register**. All comments received will be made available for public inspection at the address listed above during regular business hours and on the Internet.

The draft of the United States Standards for Grades of Frozen Celery are available either through the address cited above or by accessing AMS's Home Page on the Internet at: <http://www.ams.usda.gov/fv/ppbdocketlist.htm>. Any comments received regarding this proposed standard will also be posted on that site.

FOR FURTHER INFORMATION CONTACT: Karen L. Kaufman at (202) 720-5021 or e-mail at karen.kaufman@usda.gov.

SUPPLEMENTARY INFORMATION: Section 203(c) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), as amended, directs and authorizes the Secretary of Agriculture "to develop and improve standards of quality, condition, quantity, grade, and packaging, and recommend and demonstrate such standards in order to encourage uniformity and consistency in commercial practices * * * ." AMS is committed to carrying out this authority in a manner that facilitates the marketing of agricultural commodities and makes copies of official standards available upon request. The United States Standards for Grades of Fruits and Vegetables are maintained by USDA/AMS/Fruit and Vegetable Programs and may be obtained by writing to the above address or on the internet at <http://www.ams.usda.gov/standards/standpfv.htm>.

AMS is proposing to establish the U.S. Standards for Grades of Frozen Celery using the procedures that appear in Part 36 of Title 7 of the Code of Federal Regulations (7 CFR Part 36).

Proposed by the Petitioner

The petitioner, a grower and a processor of celery, requested that USDA develop a standard for frozen celery to be used by the industry. The petitioner provided information on style, sample size and description to AMS to develop the standard. AMS visited the petitioner's facility to collect information on grades of frozen celery and how to ascertain the grade of a sample and of a lot.

AMS prepared a discussion draft of the frozen celery standard, and distributed copies for input to the petitioner, the American Frozen Food Institute (AFFI), and the National Food Processors Association (NFPA). Input from the above groups was used to develop the proposed standard.

Proposed by Fruit and Vegetable Programs, AMS

A notice proposing to create new United States Standards for Grades of Frozen Celery based on the petition was published in the May 2, 2001, **Federal Register** (66 FR 21908). AMS received four comments in response to the notice. All of the responses but one were generally in favor of the new standard. These comments are available by accessing AMS's Home Page on the Internet at: <http://www.ams.usda.gov/fv/ppb.html>.

One commentor did not see the need for a standard for frozen celery and felt