on those who are to respond, including the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

Comments should reference OMB No. 0581–NEW and the Marketing Order for Sweet Cherries Grown in Designated Counties in Washington and be sent to the USDA in care of the Docket Clerk at the previously mentioned address. All comments received will be available for public inspection during regular business hours at the same address.

All responses to this notice will be summarized and included in the request for OMB approval. All comments will become a matter of public record. As mentioned before, because there was insufficient time for a normal clearance procedure and prompt implementation is needed, AMS has obtained emergency approval from OMB for the use of the new forms for the year. This collection will be merged with the forms currently approved for use under OMB No. 0581–0189 ''Generic OMB Fruit Crops.'' As with all Federal marketing order programs, reports and forms are periodically reviewed to reduce information requirements and duplication by industry and public sector agencies.

This rule allows the grading or packing of sweet cherries outside the production area established under the Washington sweet cherry marketing order. Persons desiring to ship or receive sweet cherries for grading or packing outside the production area will apply and report to the Washington Cherry Marketing Committee on forms provided by the Committee. The reporting requirement will provide the Committee with safeguard information to ensure compliance on the grading or packing of sweet cherries outside the production area.

Any comments received will be considered prior to finalization of this rule.

After consideration of all relevant material presented, including the Committee's recommendation, and other information, it is found that this interim final rule, as hereinafter set forth, will tend to effectuate the declared policy of the Act.

Pursuant to 5 U.S.C. 553, is also found and determined upon good cause that it is impracticable, unnecessary, and contrary to public interest to give preliminary notice prior to putting this rule into effect and that good cause exists for not postponing the effective date of this rule until 30 days after publication in the **Federal Register** because: (1) The order amendments prompting these changes were implemented on November 21, 2001, after approval in a grower referendum; (2) the Committee unanimously recommended these changes at a public meeting and all interested parties had an opportunity to provide input; (3) Washington sweet cherry growers and handlers are aware of this rule and need no additional time to comply with the relaxed requirements; (4) sweet cherries will begin being shipped in June; and (5) this rule provides a 60-day comment period and any comments received will be considered prior to finalization of this rule.

List of Subjects in 7 CFR Part 923

Cherries, Marketing agreements, Reporting and recordkeeping requirements.

■ For the reasons set forth in the preamble, 7 CFR part 923 is amended as follows:

PART 923—SWEET CHERRIES GROWN IN DESIGNATED COUNTIES IN WASHINGTON

■ 1. The authority citation for 7 CFR part 923 continues to read as follows:

Authority: 7 U.S.C. 601–674.

■ 2. Section 923.322 is amended by redesignating paragraphs (f) and (g) as (g) and (h), respectively, and adding a new paragraph (f) to read as follows:

§ 923.322 Washington Cherry Regulation.

* * * * *

(f) *Grading or packing cherries outside the production area.* (1) Persons desiring to ship or receive cherries for grading or packing outside the production area shall apply to the committee on a ''Shippers/Receivers Application for Special Purpose Shipment Certificate'' form, and receive approval from the Committee. The application shall contain the following: (i) Name, address, telephone number, and signature of applicant;

(ii) Certification by the applicant that cherries graded and packed outside the production area shall be inspected by the Federal-State Inspection Service and shall meet the grade, size, maturity, container, and pack requirements of this section prior to shipment; and

(iii) Such other information as the committee may require.

(2) Each approved applicant shall furnish to the committee, at the close of business every Friday, a report containing the following information on a ''Special Purpose Shipment Report'' form:

(i) Name, address, telephone number, and signature of applicant;

(ii) Names of growers and handlers of such cherries;

(iii) The total quantity of each variety of cherries; and

(iv) Such other information as the committee may require.

(3) The committee may rescind or deny to any applicant its approval of the ''Shippers/Receivers Application for Special Purpose Shipment Certificate'' if proof satisfactory to the committee is obtained that any cherries shipped or received by such applicant for grading or packing were handled contrary to the provisions of this section.

* * * * *

Dated: March 26, 2003.

A.J. Yates,

Administrator, Agricultural Marketing Service.

[FR Doc. 03–7846 Filed 4–1–03; 8:45 am]

BILLING CODE 3410–02–M

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Part 989

[Docket No. FV03–989–4 IFR]

Raisins Produced From Grapes Grown in California; Final Free and Reserve Percentages for 2002–03 Crop Natural (Sun-Dried) Seedless and Zante Currant Raisins

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Interim final rule with request for comments.

SUMMARY: This rule establishes final volume regulation percentages for 2002–03 crop Natural (sun-dried) Seedless (NS) and Zante Currant (ZC) raisins covered under the Federal marketing order for California raisins (order). The order regulates the handling of raisins produced from grapes grown in California and is locally administered by the Raisin Administrative Committee (Committee). The volume regulation percentages are 53 percent free and 47 percent reserve for NS raisins, and 80 percent free and 20 percent reserve for ZC raisins. The percentages are intended to help stabilize raisin supplies and prices, and strengthen market conditions.

DATES: Effective April 3, 2003. The volume regulation percentages apply to acquisitions of NS and ZC raisins from the 2002–03 crop until the reserve raisins from that crop are disposed of under the marketing order. Comments received by June 2, 2003, will be considered prior to issuance of a final rule.

ADDRESSES: Interested persons are invited to submit written comments concerning this rule. Comments must be sent to the Docket Clerk, Marketing Order Administration Branch, Fruit and Vegetable Programs, AMS, USDA, 1400 Independence Avenue SW., STOP 0237, Washington, DC 20250–0237; Fax: (202) 720–8938, or E-mail: *moab.docketclerk@usda.gov*. All comments should reference the docket number and the date and page number of this issue of the **Federal Register** and will be made available for public inspection in the Office of the Docket Clerk during regular business hours, or can be viewed at: *http://www.ams.usda.gov/fv/moab.html*.

FOR FURTHER INFORMATION CONTACT: Maureen T. Pello, Senior Marketing Specialist, California Marketing Field Office, Marketing Order Administration Branch, Fruit and Vegetable Programs, AMS, USDA, 2202 Monterey Street, suite 102B, Fresno, California 93721; telephone: (559) 487–5901, Fax: (559) 487–5906; or George Kelhart, Technical Advisor, Marketing Order Administration Branch, Fruit and Vegetable Programs, AMS, USDA, 1400 Independence Avenue SW., STOP 0237, Washington, DC 20250–0237; telephone: (202) 720–2491, Fax: (202) 720–8938.

Small businesses may request information on complying with this regulation by contacting Jay Guerber, Marketing Order Administration Branch, Fruit and Vegetable Programs, AMS, USDA, 1400 Independence Avenue SW., STOP 0237, Washington DC 20250–0237; telephone: (202) 720–2491, Fax: (202) 720–8938, or E-mail: *Jay.Guerber@usda.gov*.

SUPPLEMENTARY INFORMATION: This rule is issued under Marketing Agreement and Order No. 989 (7 CFR part 989), both as amended, regulating the handling of raisins produced from grapes grown in California, hereinafter referred to as the ''order.'' The order is effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), hereinafter referred to as the ''Act.''

The Department of Agriculture (USDA) is issuing this rule in conformance with Executive Order 12866.

This rule has been reviewed under Executive Order 12988, Civil Justice Reform. Under the order provisions now in effect, final free and reserve percentages may be established for raisins acquired by handlers during the crop year. This rule establishes final free and reserve percentages for NS and ZC raisins for the 2002–03 crop year, which began August 1, 2002, and ends July 31, 2003. This rule will not preempt any State or local laws, regulations, or policies, unless they present an irreconcilable conflict with this rule.

The Act provides that administrative proceedings must be exhausted before parties may file suit in court. Under section 608c(15)(A) of the Act, any handler subject to an order may file with USDA a petition stating that the order, any provision of the order, or any obligation imposed in connection with the order is not in accordance with law and request a modification of the order or to be exempted therefrom. Such handler is afforded the opportunity for a hearing on the petition. After the hearing USDA would rule on the petition. The Act provides that the district court of the United States in any district in which the handler is an inhabitant, or has his or her principal place of business, has jurisdiction to review USDA's ruling on the petition, provided an action is filed not later than 20 days after the date of the entry of the ruling.

This rule establishes final volume regulation percentages for 2002–03 crop NS and ZC raisins covered under the order. The volume regulation percentages are 53 percent free and 47 percent reserve for NS raisins, and 80 percent free and 20 percent reserve for ZC raisins. Free tonnage raisins may be sold by handlers to any market. Reserve raisins must be held in a pool for the account of the Committee and are disposed of through various programs authorized under the order. For example, reserve raisins may be sold by the Committee to handlers for free use or to replace part of the free tonnage raisins they exported; used in diversion programs; carried over as a hedge against a short crop; or disposed of in other outlets not competitive with those for free tonnage raisins, such as government purchase, distilleries, or animal feed.

The volume regulation percentages are intended to help stabilize raisin supplies and prices, and strengthen market conditions. The Committee unanimously recommended ZC final percentages on January 29, 2003, and NS final percentages on February 13, 2003.

Computation of Trade Demands

Section 989.54 of the order prescribes procedures and time frames to be followed in establishing volume regulation. This includes methodology used to calculate percentages. Pursuant to § 989.54(a) of the order, the Committee met on August 14, 2002, to review shipment and inventory data, and other matters relating to the supplies of raisins of all varietal types. The Committee computed a trade demand for each varietal type for which a free tonnage percentage might be recommended. Trade demand is computed using a formula specified in the order and, for each varietal type, is equal to 90 percent of the prior year's shipments of free tonnage and reserve tonnage raisins sold for free use into all market outlets, adjusted by subtracting the carryin on August 1 of the current crop year, and adding the desirable carryout at the end of that crop year. As specified in § 989.154(a), the desirable carryout for NS raisins shall equal the total shipments of free tonnage during August and September for each of the past 5 crop years, converted to a natural condition basis, dropping the high and low figures, and dividing the remaining sum by three, or 60,000 natural condition tons, whichever is higher. For all other varietal types, including ZC raisins, the desirable carryout shall equal the total shipments of free tonnage during August, September and one-half of October for each of the past 5 crop years, converted to a natural condition basis, dropping the high and low figures, and dividing the remaining sum by three. In accordance with these provisions, the Committee computed and announced 2002–03 trade demands for NS and ZC raisins at 196,185 tons and 2,166 tons, respectively, as shown below.

COMPUTED TRADE DEMANDS

[Natural condition tons]

	NS raisins	ZC raisins
Prior year's shipments	298,133	3,441
Multiplied by 90 percent	0.90	0.90

COMPUTED TRADE DEMANDS—Continued

[Natural condition tons]

	NS raisins	ZC raisins
Equals adjusted base	268,320	3,097
Minus carryin inventory	132,135	1,910
Plus desirable carryout	60,000	978
Equals computed trade demand	196,185	2,166

Computation of Preliminary Volume Regulation Percentages

Section 989.54(b) of the order requires that the Committee announce, on or before October 5, preliminary crop estimates and determine whether volume regulation is warranted for the varietal types for which it computed a trade demand. That section allows the Committee to extend the October 5 date up to 5 business days if warranted by a late crop.

Due to a late 2002 crop, the Committee met on October 8, 2002, and announced a preliminary crop estimate for NS raisins of 407,996 tons, which is almost 18 percent higher than the 10-year average of 346,770 tons. NS raisins are the major varietal type of California raisin. Adding the carryin inventory of 132,135 tons, plus 18,000 tons of reserve raisins expected to be released to handlers this season for free use in an export program, plus the 407,996-ton crop estimate resulted in a total available supply of 558,131 tons, which was significantly higher (almost 285 percent) than the 196,185-ton trade demand. Thus, the Committee determined that volume regulation for NS raisins was warranted. The Committee announced preliminary free and reserve percentages for NS raisins, which released 65 percent of the computed trade demand since the field price (price paid by handlers to producers for their free tonnage raisins) had not been established. The preliminary percentages were 31 percent free and 69 percent reserve.

Also at its October 8, 2002, meeting, the Committee announced a preliminary crop estimate for ZC raisins at 4,544 tons, which is comparable to the 10-year average of 4,494 tons. Combining the carry-in inventory of 1,910 tons with the 4,544-ton crop estimate resulted in a total available supply of 6,454 tons. With the estimated supply significantly higher (almost three times) than the 2,166-ton trade demand, the Committee determined that volume regulation for ZC raisins was warranted. The Committee announced preliminary percentages for ZC raisins, which released 65 percent of the computed trade demand since field price had not been established. The preliminary percentages were 31 percent free and 69 percent reserve.

Field prices for both NS and ZC raisins were established on January 10, 2003, and preliminary percentages were revised on January 13, 2003, to 41 percent free and 59 percent reserve for NS and ZC raisins to release 85 percent of their trade demands.

In addition, preliminary percentages were announced for Other Seedless, Dipped Seedless, and Oleate and Related Seedless. It was ultimately determined that volume regulation was only warranted for NS and ZC raisins. As in past seasons, the Committee submitted its marketing policy to USDA for review.

Modification to Marketing Policy Regarding ZC Raisins

Pursuant to § 989.54(f) of the order, the Committee met on January 29, 2003, and revised its marketing policy regarding ZC raisins due to a major change in economic conditions. The Committee recommended, and USDA subsequently approved, an increase in the ZC trade demand from 2,166 to 3,302 tons. The Committee's rationale for this action was to take advantage of increased demand created by a short Greek crop. Greece's crop has been reduced due to adverse weather conditions, and the Committee hopes to be able to sell more California ZC raisins in world markets.

Computation of Final Volume Regulation Percentages

Pursuant to § 989.54(c), at its January 29, 2003, meeting, the Committee announced interim percentages for NS and ZC raisins to release slightly less than their full trade demands. Based on a revised NS crop estimate of 373,138 tons (down from the October estimate of 407,996 tons), interim percentages for NS raisins were announced at 52.75 percent free and 47.25 percent reserve. Based on a revised ZC crop estimate of 4,128 tons (down from the October estimate of 4,544 tons), interim percentages for ZC raisins were announced at 79.75 percent free and 20.25 percent reserve.

Pursuant to § 989.54(d), the Committee also recommended final percentages to release the full trade demands for NS and ZC raisins. Final percentages were recommended for ZC raisins at the Committee's January meeting at 80 percent free and 20 percent reserve. Final percentages for NS raisins were recommended by the Committee at a meeting on February 13, 2003, at 53 percent free and 47 percent reserve, based on a revised crop estimate of 373,680 tons (slightly up from the January estimate of 373,138 tons). The Committee's calculations to arrive at final percentages for NS and ZC raisins are shown in the table below:

FINAL VOLUME REGULATION PERCENTAGES

[Natural condition tons]

	NS Raisins	ZC Raisins
Trade demand	196,185	3,302
Divided by crop estimate	[1] 373,680	[2] 4,128
Equals free percentage	53	80
100 minus free percentage equals reserve percentage	47	20

[1] The crop estimate for NS raisins is underestimated, as acquisitions through the week ending February 22, 2003, were at 378,601 tons.

[2] The crop estimate for ZC raisins is underestimated, as acquisitions through the week ending February 22, 2003, were at 4,200 tons.

In addition, USDA's ''Guidelines for Fruit, Vegetable, and Specialty Crop Marketing Orders'' (Guidelines) specify that 110 percent of recent years' sales should be made available to primary markets each season for marketing orders utilizing reserve pool authority. This goal will be met for NS and ZS raisins by the establishment of final percentages, which release 100 percent of the trade demands and the offer of additional reserve raisins for sale to handlers under the ''10 plus 10 offers.'' As specified in § 989.54(g), the 10 plus 10 offers are two offers of reserve pool raisins, which are made available to handlers during each season. For each such offer, a quantity of reserve raisins equal to 10 percent of the prior year's shipments is made available for free use. Handlers may sell their 10 plus 10 raisins to any market.

For NS raisins, the first ''10 plus 10 offer'' was held in February 2003. A total of 29,813 tons was made available to raisin handlers; all of the raisins were purchased. The second 10 plus 10 offer of 29,813 tons will be made available to handlers in May 2003. Adding the total figure of 59,626 tons of 10 plus 10 raisins to the 200,658 tons of free tonnage raisins acquired by handlers from producers through the week ending February 22, 2003, plus 132,135 tons of 2001–02 carryin inventory, plus 18,000 tons of reserve raisins released during the season through an export program, equates to 410,419 tons of natural condition raisins, or 385,207 tons of packed raisins, that are available to handlers for free use or primary markets. This is about 138 percent of the quantity of NS raisins shipped during the 2001–02 crop year (298,133 natural condition tons or 279,819 packed tons).

For ZC raisins, both ''10 plus 10 offers'' were held simultaneously in February 2003. A total of 688 tons was made available to handlers, and all of the raisins were purchased. Adding the 688 tons of 10 plus 10 raisins to the 3,360 tons of free tonnage raisins acquired by handlers from producers through the week ending February 22, 2003, plus 1,910 tons of 2001–02 carryin inventory equates to 5,958 tons of natural condition raisins, or about 5,268 tons of packed raisins, available to handlers for free use or primary markets. This is about 173 percent of the quantity of ZC raisins shipped during the 2001–02 crop year (3,441 tons natural condition tons or 3,043 packed tons).

In addition to the 10 plus 10 offers, § 989.67(j) of the order provides authority for sales of reserve raisins to handlers under certain conditions such as a national emergency, crop failure, change in economic or marketing conditions, or if free tonnage shipments in the current crop year exceed shipments of a comparable period of the prior crop year. Such reserve raisins may be sold by handlers to any market. When implemented, the additional offers of reserve raisins make even more raisins available to primary markets, which is consistent with USDA's Guidelines.

Initial Regulatory Flexibility Analysis

Pursuant to requirements set forth in the Regulatory Flexibility Act (RFA), the Agricultural Marketing Service (AMS) has considered the economic impact of this action on small entities. Accordingly, AMS has prepared this initial regulatory flexibility analysis.

The purpose of the RFA is to fit regulatory actions to the scale of business subject to such actions in order that small businesses will not be unduly or disproportionately burdened. Marketing orders issued pursuant to the Act, and rules issued thereunder, are unique in that they are brought about through group action of essentially small entities acting on their own behalf. Thus, both statutes have small entity orientation and compatibility.

There are approximately 20 handlers of California raisins who are subject to regulation under the order and approximately 4,500 raisin producers in the regulated area. Small agricultural service firms are defined by the Small Business Administration (13 CFR 121.201) as those having annual receipts of less than $5,000,000, and small agricultural producers are defined as those having annual receipts of less than $750,000. Thirteen of the 20 handlers subject to regulation have annual sales estimated to be at least $5,000,000, and the remaining 7 handlers have sales less than $5,000,000. No more than 7 handlers, and a majority of producers, of California raisins may be classified as small entities.

Since 1949, the California raisin industry has operated under a Federal marketing order. The order contains authority to, among other things, limit the portion of a given year's crop that can be marketed freely in any outlet by raisin handlers. This volume control mechanism is used to stabilize supplies and prices and strengthen market conditions.

Pursuant to § 989.54(d) of the order, this rule establishes final volume regulation percentages for 2002–03 crop NS and ZC raisins. The volume regulation percentages are 53 percent free and 47 percent reserve for NS raisins, and 80 percent free and 20 percent reserve for ZC raisins. Free tonnage raisins may be sold by handlers to any market. Reserve raisins must be held in a pool for the account of the Committee and are disposed of through certain programs authorized under the order.

Volume regulation is warranted this season for NS raisin acquisitions of 378,601 tons through the week ending February 22, 2003, combined with the carryin inventory of 132,135 tons, plus 18,000 tons of reserve raisins released for free use through an export program, results in a total available supply of 528,736 tons, which is about 270 percent higher than the 196,185-ton trade demand. Volume regulation is warranted for ZC raisins this season because acquisitions of 4,200 tons through the week ending February 22, 2003, combined with the carryin inventory of 1,910 tons results in a total available supply of 6,110 tons, which is about twice the 3,302-ton trade demand.

Many years of marketing experience led to the development of the current volume regulation procedures. These procedures have helped the industry address its marketing problems by keeping supplies in balance with domestic and export market needs, and strengthening market conditions. The current volume regulation procedures fully supply the domestic and export markets, provide for market expansion, and help reduce the burden of oversupplies in the domestic market.

Raisin grapes are a perennial crop, so production in any year is dependent upon plantings made in earlier years. The sun-drying method of producing raisins involves considerable risk because of variable weather patterns.

Even though the product and the industry are viewed as mature, the industry has experienced considerable change over the last several decades. Before the 1975–76 crop year, more than 50 percent of the raisins were packed and sold directly to consumers. Now, over 60 percent of raisins are sold in bulk. This means that raisins are now sold to consumers mostly as an ingredient in another product such as cereal and baked goods. In addition, for a few years in the early 1970's, over 50 percent of the raisin grapes were sold to the wine market for crushing. Since then, the percent of raisin-variety grapes sold to the wine industry has decreased.

In addition, the price wineries have offered for raisin grapes has dropped to $65 per ton.

California's grapes are classified into three groups—table grapes, wine grapes, and raisin-variety grapes. Raisin-variety grapes are the most versatile of the three types. They can be marketed as fresh grapes, crushed for juice in the production of wine or juice concentrate, or dried into raisins. Annual fluctuations in the fresh grape, wine, and concentrate markets, as well as weather-related factors, cause fluctuations in raisin supply. This type of situation introduces a certain amount of variability into the raisin market. Although the size of the crop for raisin-variety grapes may be known, the amount dried for raisins depends on the demand for crushing. This makes the marketing of raisins a more difficult task. These supply fluctuations can result in producer price instability and disorderly market conditions.

Volume regulation is helpful to the raisin industry because it lessens the impact of such fluctuations and contributes to orderly marketing. For example, producer prices for NS raisins remained fairly steady between the 1992–93 through the 1997–98 seasons, although production varied. As shown in the table below, during those years, production varied from a low of 272,063 tons in 1996–97 to a high of 387,007 tons in 1993–94, or about 114,944 tons. According to Committee data, the total producer return per ton during those years, which includes proceeds from both free tonnage plus reserve pool raisins, has varied from a low of $901 in 1992–93 to a high of $1,049 in 1996–97, or $148. Total producer prices for the 1998–99 and 1999–2000 seasons increased significantly due to back-to-back short crops during those years. Producer prices dropped dramatically for the last two seasons due to record-size production and large carry-in inventories.

NATURAL SEEDLESS PRODUCER PRICES

Crop Year	Deliveries (natural condition tons)	Producer Prices (per ton)
2001–02	377,328	[1] $554.40
2000–01	432,616	[2] 570.82
1999–2000	299,910	1,211.25
1998–99	240,469	[3] 1,290.00
1997–98	382,448	946.52
1996–97	272,063	1,049.20
1995–96	325,911	1,007.19
1994–95	378,427	928.27
1993–94	387,007	904.60
1992–93	371,516	901.41

[1] and [2] Return-to-date, reserve pools still open.
[3] No volume regulation.

There are essentially two broad markets for raisins—domestic and export. In recent years, both export and domestic shipments have been decreasing. Domestic shipments decreased from a high of 204,805 packed tons during the 1990–91 crop year to a low of 156,325 packed tons in 1999–2000. In addition, exports decreased from 114,576 packed tons in 1991–92 to a low of 91,600 packed tons in the 1999–2000 crop year.

In addition, the per capita consumption of raisins has declined from 2.07 pounds in 1988 to 1.46 pounds in 2001. This decrease is consistent with the decrease in the per capita consumption of dried fruits in general, which is due to the increasing availability of most types of fresh fruit throughout the year.

While the overall demand for raisins has been decreasing (as reflected in the decline in commercial shipments and per capita consumption), production has been increasing. Deliveries of NS dried raisins from producers to handlers reached an all-time high of 432,616 tons in the 2000–01 crop year. This large crop was preceded by two short crop years; deliveries were 240,469 tons in 1998–99 and 299,910 tons in 1999–2000. Deliveries for the 2000–01 crop year soared to a record level because of increased bearing acreage, yields, and growers drying more grapes for raisins. Deliveries for the 2001–02 crop year were at 377,328 tons, and deliveries through February 22, 2003, for the current year were at 378,601 tons. Three crop years of high production and a large 2001–02 carryin inventory has contributed to the industry's burdensome supply of raisins.

This type of surplus situation leads to serious marketing problems. Handlers compete against each other in an attempt to sell more raisins to reduce inventories and to market their crop. This situation puts downward pressure on growers' prices and incomes.

The order permits the industry to exercise supply control provisions, which allow for the establishment of free and reserve percentages, and establishment of a reserve pool. One of the primary purposes of establishing free and reserve percentages is to equilibrate supply and demand. If raisin markets are over-supplied with product, producer prices will decline.

Raisins are generally marketed at relatively lower price levels in the more elastic export market than in the more inelastic domestic market. This results in a larger volume of raisins being marketed and enhances producer returns. In addition, this system allows the U.S. raisin industry to be more competitive in export markets.

To assess the impact that volume control has on the prices producers receive for their product, an econometric model has been constructed. The model developed is for the purpose of estimating nominal prices under a number of scenarios using the volume control authority under the Federal marketing order. The price producers receive for the harvest and delivery of their crop is largely determined by the level of production and the volume of carryin inventories. The Federal marketing order permits the industry to exercise supply control provisions, which allow for the establishment of reserve and free percentages for primary markets, and a reserve pool. The establishment of reserve percentages impacts the production that is marketed in the primary markets.

The reserve percentage limits what handlers can market as free tonnage. Assuming the 53 percent reserve limits the total free tonnage to 200,658 natural condition tons (.53 x 378,601 tons delivered through February 22, 2003) and carryin is 132,135 natural condition tons, and purchases from reserve total 77,626 natural condition tons (which includes anticipated reserve raisins released through the export program and other purchases), then the total free supply is estimated at 410,419 natural condition tons. The econometric model estimates prices to be $142 per ton higher than under an unregulated scenario. This price increase is beneficial to all producers regardless of size and enhances producers' total revenues in comparison to no volume control. Establishing a reserve allows the industry to help stabilize supplies in both domestic and export markets, while improving returns to producers.

Regarding ZC raisins, ZC raisin production is much smaller than NS raisin production. Volume regulation has been implemented for ZC raisins during the 1994–95, 1995–96, 1997–98, 1998–99, 1999–2000, and 2000–01 seasons. Various programs to utilize reserve pool ZC raisins were implemented during those years. As shown in the table below, although production varied during those years, volume regulation helped to reduce inventories, and helped to strengthen total producer prices (free tonnage plus reserve ZC raisins) from $412.56 per ton in 1994–95 to a high of $1,034.03 per ton in 1998–99. The Committee is implementing an export program for ZC raisins, in addition to NS raisins. Through this program, the Committee plans to continue to manage its ZC supply, build and maintain export markets, and ultimately improve producer returns. Volume regulation helps the industry not only to manage oversupplies of raisins, but also maintain market stability.

ZC INVENTORIES AND PRODUCER PRICES DURING YEARS OF VOLUME REGULATION —(NATURAL CONDITION TONS)

Crop year	Deliveries	Inventory		Producer prices (per ton)
		Desirable	Physical	
2001–02	4,213	1,227	1,395	[1]$1,000.00
2000–01	4,848	1,227	1,109	851.55
1999–2000	3,683	573	1,906	669.14
1998–99	3,880	694	1,188	1,034.03
1997–98	4,826	788	1,679	710.08
1996–97	4,491	987	549	[2]1,150.00
1995–96	3,294	782	2,890	711.32
1994–95	5,377	837	4,364	412.56

[1] and [2] No volume regulation.

Free and reserve percentages are established by varietal type, and usually in years when the supply exceeds the trade demand by a large enough margin that the Committee believes volume regulation is necessary to maintain market stability. Accordingly, in assessing whether to apply volume regulation or, as an alternative, not to apply such regulation, it has been determined that volume regulation is warranted this season for only two of the ten raisin varietal types defined under the order.

The free and reserve percentages established by this rule release the full trade demands and apply uniformly to all handlers in the industry, regardless of size. For NS raisins, with the exception of the 1998–99 crop year, small and large raisin producers and handlers have been operating under volume regulation percentages every year since 1983–84. There are no known additional costs incurred by small handlers that are not incurred by large handlers. While the level of benefits of this rulemaking are difficult to quantify, the stabilizing effects of the volume regulations impact small and large handlers positively by helping them maintain and expand markets even though raisin supplies fluctuate widely from season to season. Likewise, price stability positively impacts small and large producers by allowing them to better anticipate the revenues their raisins will generate.

There are some reporting, recordkeeping and other compliance requirements under the order. The reporting and recordkeeping burdens are necessary for compliance purposes and for developing statistical data for maintenance of the program. The requirements are the same as those applied in past seasons. Thus, this action imposes no additional reporting or recordkeeping burdens on either small or large handlers. The forms require information which is readily available from handler records and which can be provided without data processing equipment or trained statistical staff. The information collection and recordkeeping requirements have been previously approved by the Office of Management and Budget (OMB) under OMB Control No. 0581–0178. As with other similar marketing order programs, reports and forms are periodically studied to reduce or eliminate duplicate information collection burdens by industry and public sector agencies. In addition, USDA has not identified any relevant Federal rules that duplicate, overlap, or conflict with this rule. Finally, interested persons are invited to submit information on the regulatory and informational impacts of this action on small businesses.

Further, Committee and subcommittee meetings are widely publicized in advance and are held in a location central to the production area. The meetings are open to all industry members, including small business entities, and other interested persons who are encouraged to participate in the deliberations and voice their opinions on topics under discussion.

A small business guide on complying with fruit, vegetable, and specialty crop marketing agreements and orders may be viewed at: *http://www.ams.usda.gov/fv/moab.html.* Any questions about the compliance guide should be sent to Jay Guerber at the previously mentioned address in the **FOR FURTHER INFORMATION CONTACT** section.

After consideration of all relevant material presented, including the information and recommendation submitted by the Committee and other available information, it is hereby found that this rule, as hereinafter set forth, will tend to effectuate the declared policy of the Act.

This rule invites comments for a 60-day period on the establishment of final volume regulation percentages for 2002–03 crop NS and ZC raisins covered under the order. All comments received within the comment period will be considered prior to finalization of this rule.

Pursuant to 5 U.S.C. 553, it is also found and determined upon good cause that it is impracticable, unnecessary, and contrary to the public interest to give preliminary notice prior to putting this rule into effect, and that good cause exists for not postponing the effective date of this rule until 30 days after publication in the **Federal Register** because: (1) The relevant provisions of this part require that the percentages designated herein for the 2002–03 crop year apply to all NS and ZC raisins acquired from the beginning of that crop year; (2) handlers are currently marketing their 2002–03 crop NS and ZC raisins and this action should be taken promptly to achieve the intended purpose of making the full trade demands available to handlers; (3) handlers are aware of this action, which was recommended at public meetings, and need no additional time to comply with these percentages; and (4) this interim final rule provides a 60-day comment period, and all comments timely received will be considered prior to finalization of this rule.

List of Subjects in 7 CFR Part 989

Grapes, Marketing agreements, Raisins, Reporting and recordkeeping requirements.

■ For the reasons set forth in the preamble, 7 CFR part 989 is amended to read as followed:

PART 989—RAISINS PRODUCED FROM GRAPES GROWN IN CALIFORNIA

■ 1. The authority citation for 7 CFR part 989 continues to read as follows:

Authority: 7 U.S.C. 601–674.

■ 2. Section 989.256 is added to Subpart—Supplementary Regulations to read as follows:

Note: This section will not appear in the annual Code of Federal Regulations.

§ 989.256 Final free and reserve percentages for the 2002–03 crop year.

The final percentages for standard Natural (sun-dried) Seedless and Zante Currant raisins acquired by handlers during the crop year beginning on August 1, 2002, which shall be free tonnage and reserve tonnage, respectively, are designated as follows:

Varietal type	Free percentage	Reserve percentage
Natural (sun-dried) Seedless	53	47
Zante Currant ...	80	20

Dated: March 27, 2003.

A.J. Yates,

Administrator, Agricultural Marketing Service.

[FR Doc. 03–7938 Filed 4–1–03; 8:45 am]

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DEPARTMENT OF AGRICULTURE

Animal and Plant Health Inspection Service

9 CFR Part 94

[Docket No. 99–032–2]

Importation of Cooked Meat and Meat Products

AGENCY: Animal and Plant Health Inspection Service, USDA.

ACTION: Final rule.

SUMMARY: We are amending the regulations governing the importation of certain animals, meat, and other animal products to allow meat cooked in plastic in processing establishments located in regions where rinderpest or foot-and-mouth disease exists to be further processed after cooking and before importation. Additionally, we are allowing the pink juice test to be used in determining whether ground meat cooked in such establishments has been adequately cooked. These amendments will provide foreign meat processing establishments with additional processing options while continuing to protect against the introduction of rinderpest and foot-and-mouth disease into the United States.

EFFECTIVE DATE: May 2, 2003.

FOR FURTHER INFORMATION CONTACT: Dr. Masoud Malik, Senior Staff Veterinarian, Products Program, National Center for Import and Export, VS, APHIS, 4700 River Road Unit 40, Riverdale, MD 20737–1231; (301) 734–3277.

SUPPLEMENTARY INFORMATION:

Background

The regulations in 9 CFR part 94 (referred to below as the regulations) govern the importation of specified animals and animal products to prevent the introduction into the United States of various animal diseases, including rinderpest, foot-and-mouth disease (FMD), bovine spongiform encephalopathy, swine vesicular disease, hog cholera, and African swine fever. These are dangerous and destructive communicable diseases of ruminants and swine.

Under § 94.4 of the regulations, the Animal and Plant Health Inspection Service (APHIS) prohibits the importation of cured and cooked meat from regions where rinderpest or FMD exists unless the cured or cooked meat fulfills the conditions prescribed in that section.

Meat Cut Into Cubes

Section 94.4(b)(8) requires that cooked ruminant or swine meat imported into the United States from regions where rinderpest or FMD exists be inspected at the port of arrival by an inspector of the Food Safety and Inspection Service (FSIS) of the U.S. Department of Agriculture (Department) and be found to be thoroughly cooked. For meat that is cooked in plastic, thoroughness of cooking must be determined either by a temperature indicator device (TID) or by the pink juice test performed on a piece of meat known as an indicator piece. It is important for the FSIS inspector to be able to associate a TID or indicator piece with the plastic tube of cooked meat that it came from. Until now, that has meant that meat from various cooking tubes could not be combined after cooking for further processing at a foreign meat processing establishment before being exported to the United States.

On May 22, 2002, we published a proposed rule in the **Federal Register** (67 FR 35936–35939, Docket No. 99–032–1) in which we proposed to allow meat cooked in different plastic tubes in a single cycle of cooking to be combined after that cooking for further processing. Additionally, we proposed to allow the pink juice test to be used in determining whether ground meat cooked in foreign meat processing establishments has been adequately cooked.

We solicited comments concerning our proposal for 60 days ending July 22, 2002. We received 16 comments by that date. They were from livestock associations, food processing associations, a State department of agriculture, foreign and domestic meat processors, importers, manufacturers of packaged food products, and a meat science association. Three of the commenters opposed the proposed provisions, two supported the proposal as written, and the rest of the commenters recommended changes to the proposed rule. We discuss the issues raised by the commenters below.

Comments Received

In our proposed rule, we referred to meat that is cooked in the same cooking cycle as being part of the same ''shift.'' A number of commenters stated that the word ''shift'' connotes the time worked by personnel, rather than a cooking