

Board's recommendation for extending the time from one year to three years for new product and new market exemptions that was implemented in the previous season. As mentioned previously, the Board has recommended a further expansion of the timeframe. The additional time will allow opportunity for more cherries to qualify for exemption in response to the level of imported cherry products.

One commenter referenced the opportunities available to use both in-orchard and post-harvest diversion to comply with a restriction. The commenter stated the Federal marketing order provides major incentive to expand sales by using restricted fruit to serve new markets, new products, and exports. Additionally, there is incentive in place for growers to divert excess fruit where there is no market or where the cost associated with marketing the fruit may not increase returns. Growers who choose to divert in the orchard can be issued certificates by the Board that can be sold to handlers to meet their restriction requirements.

One commenter noted the Board felt the final calculations were appropriate. They also stated that the majority of the industry approved the order in its last referendum, believing that the order brings more returns to growers. Another proponent noted, even with the restriction, sales are not being lost due to lack of available unrestricted cherries. The carry-in from July 2016 (81 million lbs.) and the projected availability of free market carry-out (57 million lbs.) indicate the restriction is not a factor in limiting sales of tart cherry products. The Board deliberated thoroughly on whether or not to make an additional economic adjustment to account for imported cherry products. However, no motion was made for an additional adjustment to reflect the impact of imported cherry products. As one commenter noted, there is a lack of consensus on how to factor imports into the final calculation.

Further, according to Foreign Agricultural Service's GATS database, though imported cherry products remained high (230 million lbs. equivalent) during the 2016 calendar year, the volume is down from the 2015 calendar year (267 million lbs. equivalent) and also below the 2014 calendar year (244 million lbs. equivalent). The final NASS prices for the 2016 season are not yet available, but from 2013–15, grower prices were stable, ranging from \$0.34 to \$0.36 per pound. Thus, when using available sales, utilization, and price data from previous years it is difficult to determine what, if any, specific negative

impact imports have had on the market for domestic tart cherries and then account for that impact in the OSF.

As previously stated, there are more than 309 million pounds of tart cherries available for free sales for 2016–17. This volume exceeds total sales from 2015–16 of both free and restricted cherries of 288 million pounds. Further, the order provides numerous alternatives for the use of restricted fruit, such as handler diversion, for complying with the recommended restriction. Additionally, the USDA announced the intent to purchase over 10 million pounds of cherry products in the 2016–2017 season as surplus purchases. Therefore, as stated in the RFA, it is not anticipated that this action will unduly burden growers or handlers.

Accordingly, no changes will be made to the rule as proposed, based on the comments received.

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/rules-regulations/moa/small-businesses>. Any questions about the compliance guide should be sent to Richard Lower at the previously mentioned address in the **FOR FURTHER INFORMATION CONTACT** section.

After consideration of all relevant matter 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.

It is further found that good cause exists for not postponing the effective date of this rule until 30 days after publication in the **Federal Register** (5 U.S.C. 553) because handlers are already shipping tart cherries from the 2016–17 crop. Further, handlers are aware of this rule, which was recommended at a public meeting. Also, a 30-day comment period was provided for in the proposed rule.

#### List of Subjects in 7 CFR Part 930

Marketing agreements, Reporting and recordkeeping requirements, Tart cherries.

For the reasons set forth in the preamble, 7 CFR part 930 is amended as follows:

#### **PART 930—TART CHERRIES GROWN IN THE STATES OF MICHIGAN, NEW YORK, PENNSYLVANIA, OREGON, UTAH, WASHINGTON, AND WISCONSIN**

■ 1. The authority citation for 7 CFR part 930 continues to read as follows:

**Authority:** 7 U.S.C. 601–674.

■ 2. Section 930.151 is revised to read as follows:

#### **§ 930.151 Desirable carry-out inventory.**

For the 2016 crop year, the desirable carry-out inventory, for the purposes of determining an optimum supply volume, will be 57 million pounds.

■ 3. Section 930.256 is revised to read as follows:

#### **§ 930.256 Free and restricted percentages for the 2016–17 crop year.**

The percentages for tart cherries handled by handlers during the crop year beginning on July 1, 2016, which shall be free and restricted, respectively, are designated as follows: Free percentage, 71 percent and restricted percentage, 29 percent.

Dated: June 20, 2017.

**Bruce Summers,**

*Acting Administrator, Agricultural Marketing Service.*

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## **FEDERAL RESERVE SYSTEM**

### **12 CFR Part 201**

[Docket No. R–1565; RIN 7100 AE–79]

#### **Regulation A: Extensions of Credit by Federal Reserve Banks**

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Final rule.

**SUMMARY:** The Board of Governors of the Federal Reserve System (“Board”) has adopted final amendments to its Regulation A to reflect the Board’s approval of an increase in the rate for primary credit at each Federal Reserve Bank. The secondary credit rate at each Reserve Bank automatically increased by formula as a result of the Board’s primary credit rate action.

**DATES:** This rule is effective June 26, 2017. The rate changes for primary and secondary credit were applicable beginning June 15, 2017.

**FOR FURTHER INFORMATION CONTACT:** Clinton Chen, Attorney (202/452–3952), or Sophia Allison, Special Counsel, (202/452–3565), Legal Division, or Lyle Kumasaka, Senior Financial Analyst (202/452–2382); for users of Telecommunications Device for the Deaf (TDD) only, contact 202/263–4869; Board of Governors of the Federal Reserve System, 20th and C Streets NW., Washington, DC 20551.

**SUPPLEMENTARY INFORMATION:** The Federal Reserve Banks make primary

and secondary credit available to depository institutions as a backup source of funding on a short-term basis, usually overnight. The primary and secondary credit rates are the interest rates that the twelve Federal Reserve Banks charge for extensions of credit under these programs. In accordance with the Federal Reserve Act, the primary and secondary credit rates are established by the boards of directors of the Federal Reserve Banks, subject to the review and determination of the Board.

On June 14, 2017, the Board voted to approve a ¼ percentage point increase in the primary credit rate in effect at each of the twelve Federal Reserve Banks, thereby increasing from 1.50 percent to 1.75 percent the rate that each Reserve Bank charges for extensions of primary credit. In addition, the Board had previously approved to renew the formula for the secondary credit rate, the primary credit rate plus 50 basis points. Under the formula, the secondary credit rate in effect at each of the twelve Federal Reserve Banks increased by ¼ percentage point as a result of the Board's primary credit rate action, thereby increasing from 2.00 percent to 2.25 percent the rate that each Reserve Bank charges for extensions of secondary credit. The amendments to Regulation A reflect these rate changes.

The ¼ percentage point increase in the primary credit rate was associated with an increase in the target range for the federal funds rate (from a target range of ¾ to 1 percent to a target range of 1 to 1¼ percent) announced by the Federal Open Market Committee ("Committee") on June 14, 2017, as described in the Board's amendment of its Regulation D published elsewhere in today's **Federal Register**.

#### Administrative Procedure Act

In general, the Administrative Procedure Act (12 U.S.C. 551 *et seq.*) ("APA") imposes three principal requirements when an agency promulgates legislative rules (rules made pursuant to congressionally delegated authority): (1) Publication with adequate notice of a proposed rule; (2) followed by a meaningful opportunity for the public to comment on the rule's content; and (3) publication of the final rule not less than 30 days before its effective date. The APA provides that notice and comment procedures do not apply if the agency for good cause finds them to be "unnecessary, impracticable, or contrary to the public interest." 12 U.S.C. 553(b)(3)(A). Section 553(d) of the APA also provides that publication not less

than 30 days prior to a rule's effective date is not required for (1) a substantive rule which grants or recognizes an exemption or relieves a restriction; (2) interpretive rules and statements of policy; or (3) an agency finding good cause for shortened notice and publishing its reasoning with the rule. 12 U.S.C. 553(d). The APA further provides that the notice, public comment, and delayed effective date requirements of 5 U.S.C. 553 do not apply "to the extent that there is involved . . . a matter relating to agency management or personnel or to public property, loans, grants, benefits, or contracts." 5 U.S.C. 553(a)(2) (emphasis added).

Regulation A establishes the interest rates that the twelve Reserve Banks charge for extensions of primary credit and secondary credit. The Board has determined that the notice, public comment, and delayed effective date requirements of the APA do not apply to the final amendments to Regulation A for several reasons. The amendments involve a matter relating to loans, and are therefore exempt under the terms of the APA. In addition, the Board has determined that notice, public comment, and delayed effective date would be unnecessary and contrary to the public interest because delay in implementation of changes to the rates charged on primary credit and secondary credit would permit insured depository institutions to profit improperly from the difference in the current rate and the announced increased rate. Finally, because delay would undermine the Board's action in responding to economic data and conditions, the Board has determined that "good cause" exists within the meaning of the APA to dispense with the notice, public comment, and delayed effective date procedures of the APA with respect to the final amendments to Regulation A.

#### Regulatory Flexibility Analysis

The Regulatory Flexibility Act ("RFA") does not apply to a rulemaking where a general notice of proposed rulemaking is not required.<sup>1</sup> As noted previously, a general notice of proposed rulemaking is not required if the final rule involves a matter relating to loans. Furthermore, the Board has determined that it is unnecessary and contrary to the public interest to publish a general notice of proposed rulemaking for this final rule. Accordingly, the RFA's requirements relating to an initial and

<sup>1</sup> 5 U.S.C. 603 and 604.

final regulatory flexibility analysis do not apply.

#### Paperwork Reduction Act

In accordance with the Paperwork Reduction Act ("PRA") of 1995 (44 U.S.C. 3506; 5 CFR part 1320 Appendix A.1), the Board reviewed the final rule under the authority delegated to the Board by the Office of Management and Budget. The final rule contains no requirements subject to the PRA.

#### List of Subjects in 12 CFR Part 201

Banks, Banking, Federal Reserve System, Reporting and recordkeeping.

#### Authority and Issuance

For the reasons set forth in the preamble, the Board is amending 12 CFR part 201 as follows:

#### PART 201—EXTENSIONS OF CREDIT BY FEDERAL RESERVE BANKS (REGULATION A)

■ 1. The authority citation for part 201 continues to read as follows:

**Authority:** 12 U.S.C. 248(i)–(j), 343 *et seq.*, 347a, 347b, 347c, 348 *et seq.*, 357, 374, 374a, and 461.

■ 2. In § 201.51, paragraphs (a) and (b) are revised to read as follows:

#### § 201.51 Interest rates applicable to credit extended by a Federal Reserve Bank.<sup>2</sup>

(a) *Primary credit.* The interest rate at each Federal Reserve Bank for primary credit provided to depository institutions under § 201.4(a) is 1.75 percent.

(b) *Secondary credit.* The interest rate at each Federal Reserve Bank for secondary credit provided to depository institutions under § 201.4(b) is 2.25 percent.

\* \* \* \* \*

By order of the Board of Governors of the Federal Reserve System, June 19, 2017.

**Ann E. Misback,**

*Secretary of the Board.*

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<sup>2</sup> The primary, secondary, and seasonal credit rates described in this section apply to both advances and discounts made under the primary, secondary, and seasonal credit programs, respectively.