PART 90—[Removed and Reserved]

■ 9. Remove and reserve part 90.

PART 91—SERVICES AND GENERAL INFORMATION

■ 10. Revise § 91.1 to read as follows:

§ 91.1 General.

This part consolidates the procedural and administrative rules of the Science and Technology Program of the Agricultural Marketing Service for conducting the analytical testing and laboratory audit verification and accreditation services. It also contains the fees and charges applicable to such services.

■ 11. Amend § 91.2 by revising the definition of *applicant* to read as follows:

§ 91.2 Definitions.

* * * * *

Applicant. Any individual or business requesting services provided by the Science and Technology (S&T) programs.

* * * * *

■ 12. Amend § 91.4 by revising paragraph (c) to read as follows:

§ 91.4 Kinds of services.

* * * * *

(c) Agricultural Marketing Service Audit Verification and Accreditation Programs as described in 7 CFR 62.200.

* * * * *

■ 13. Amend § 91.5 by:

■ a. Removing and reserving paragraph (a)(6); and

■ b. Revising paragraph (a)(8).

The revision to read as follows:

§ 91.5 Where services are offered.

(a) * * *

(8) Laboratory Approval Service. The Laboratory Approval Service (LAS) provides technical, scientific, and quality assurance support services to Agency programs, other agencies within the USDA, and private entities. In addition, the LAS provides audit verification and approval or accreditation services, including laboratory approval and accreditation programs of Federal and State government laboratories and private/commercial laboratories in support of domestic and international trade. The programs administered by LAS verify analyses of food and agricultural products showing that said food and products meet country or customer-specific requirements and that the testing of marketed products is conducted by qualified and approved laboratories. The LAS is located and can be reached by mail at: USDA, AMS, S&T, Laboratory Approval Service, 1400 Independence Ave. SW, South Building, Mail Stop 0272, Washington, DC 20250–0272.

* * * * *

Bruce Summers,

Administrator, Agricultural Marketing Service.

[FR Doc. 2020–19655 Filed 10–5–20; 8:45 am]

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DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Part 1250

[Document No. AMS–LP–19–0113]

Egg Research and Promotion; Reapportionment

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Final rule.

SUMMARY: This final rule adjusts representation on the American Egg Board (Board), and outlines changes to geographic areas based on sustained changes in egg production in several States. The Egg Research and Promotion Order (Order) establishes a Board composed of 18 members. Currently, the 48 contiguous States are divided into six areas with three members representing each area. This final rule reduces the number of geographic areas from six to three. The number of Board members representing each geographic area changes to six. The total Board membership remains at 18.

DATES: Effective November 5, 2020.

FOR FURTHER INFORMATION CONTACT: Craig Shackelford, Research and Promotion Division, at (470) 315–4246; fax (202) 720–1125; or by email at *Craig.shackelford@usda.gov.*

SUPPLEMENTARY INFORMATION:

Background

The Egg Research and Consumer Information Act of 1974 (Act) authorizes the Secretary to establish an Egg Board composed of egg producers or representatives of egg producers appointed by the Secretary so that the representation of egg producers on the Board reflects, to the extent practicable, the proportion of eggs produced in each geographic area of the United States. 7 U.S.C. 2707(b). The Board administers the Order with oversight by the U.S Department of Agriculture (USDA).

The Order outlines the geographic representation of the current 18-member board, composed of members from six distinct geographical areas. To ensure that representation on the Board remains representative of the industry, § 1250.328 of the Order provides for reapportionment of Board membership based on the Board's periodic review of production by geographic area. This periodic review can occur at any time based on changes in egg production in various geographical areas; however, the Order requires that the area distribution be reviewed at least every five years. Sections 1250.328(d) and (e) of the Order provide that any changes in the delineation of the geographical areas and the area distribution of the Board be determined by the percentage of total U.S. egg production.

Reapportionment

The Board and the Agricultural Marketing Service (AMS) reviewed production data to determine what, if any, changes were needed in the distribution of Board membership. The Board and AMS verified certain shifts in production trends. Section 8 of the Act (7 U.S.C. 2707) provides for a Board of not more than 20 members. Section 1250.328 of the Order provides for an 18-member Board and contemplates changes to the Board by determining the percentage of United States egg production in each area times 18 (total Board membership) and rounding to the nearest whole number. Using the calculation for the North Atlantic region results in two members while the calculation for the other five regions result in three members each, for a total 17 members, one less than the number stated in the Order. Therefore, regions were changed so that the 18-member Board can be established. Table 1 shows that reducing regions from six to three expands the number of States included in each region and suggests that the grouping of more States into fewer regions improves consistency in the proportion of small versus large farms represented on the Board.

TABLE 1—REGIONAL POULTRY FARM DISTRIBUTION—CURRENT AND NEW

Region	Small	Large	Total	States		
	<$1,000,000	$1,000,000+				
Current Geographical Area						
I	27,243	93%	2,172	7%	29,415	13
II	29,077	76%	9,042	24%	38,119	9
III	27,774	95%	1,575	5%	29,349	5
IV	24,652	96%	1,102	4%	25,754	10
V	7,292	96%	312	4%	7,604	3
VI	32,750	97%	1,108	3%	33,858	10
	148,788	91%	15,311	9%	164,099	50
New Geographical Area						
I	63,513	87%	9,891	13%	73,404	21
II	48,482	92%	4,299	8%	52,781	10
III	36,793	97%	1,121	3%	37,914	19
	148,788	91%	15,311	9%	164,099	50

With the inclusion of more states into fewer regions, the proportion of small versus large farms is less variable. For example, in Regions I and II in the current structure, 93 percent and 76 percent, respectively, of the farms are classified as small. In the new structure the two regions are more or less combined, and the new Region I is composed of 87 percent small firms. The table shows less variation in size between the three new regions than there is in the current structure.

Section 1250.326 of the Order establishes a Board, composed of 18 egg producers or representatives of egg producers, and 18 specific alternates, appointed by the Secretary from nominations submitted by eligible organizations, associations, or cooperatives, or by other producers pursuant to § 1250.328. The current 18-member Board is composed of three members representing each of the six regions. There were no changes to the total number of members (18 members with 18 alternates). However, regions were reduced to three from six and each region will include more States.

Pursuant to the requirements of the Order, the Board began its most recent review of Board member apportionment in 2019. Production data from the 2018 National Agricultural Statistics Service (NASS) report was used to establish the percentage of U.S. egg production in each area. The goal of this reapportionment of Board members is to ensure representation on the Board remains consistent with the Act and Order by recognizing production shifts over time. These changes are effective with the Secretary's appointments for terms beginning in the year 2021.

The Board and AMS recognize that shifts in production have resulted in the Northeast region no longer being proportionately represented on the Board. The Board and AMS also found that industry consolidation has also contributed to a more limited number of egg producing entities in each region. The Board and AMS desire a structure that allows the full representation of all the egg producing entities. The Board and AMS have found that it is increasingly difficult for State nominating organizations to present an appropriate number of candidates each year. By reducing the number of regions and increasing the geographic size of regions, the Board and AMS believe that more egg producing entities may be represented on the Board.

This final rule results in the proportionate representation of each geographic area and increases the number of egg-producing entities represented in each geographic area. The Board and AMS have determined that these changes will better represent the distribution of egg production and enable eligible nominating organizations to more easily identify potential nominees.

In accordance with § 1250.328(e) of the Order, the Board has recommended changes to the number and composition of geographic regions represented on the Board.

The current and new representation are indicated in the following two tables:

TABLE 2—CURRENT GEOGRAPHICAL DISTRIBUTION AND NUMBER OF MEMBERS ON THE BOARD

Geographic area	Current number of members	Represented states
I-North Atlantic	3	Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia, and District of Columbia.
II-South Atlantic	3	Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, Oklahoma, and South Carolina.
III-East North Central	3	Kentucky, Michigan, Missouri, Ohio, and Tennessee.
IV-West North Central	3	Colorado, Idaho, Illinois, Indiana, Minnesota, Montana, North Dakota, South Dakota, Wisconsin, and Wyoming.
V-South Central	3	Iowa, Kansas, and Nebraska.
VI-Western	3	Arizona, California, Nevada, New Mexico, Oregon, Texas, Utah, and Washington.

TABLE 3—NEW GEOGRAPHICAL DISTRIBUTION AND NUMBER OF MEMBERS ON THE BOARD

Geographic area	Number of members	States represented
I-East	6	Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia, the District of Columbia, Alabama, Georgia, Florida, Louisiana, Mississippi, North Carolina, South Carolina, and Texas.
II-Central	6	Arkansas, Oklahoma, Illinois, Indiana, Kentucky, Michigan, Missouri, Ohio, Tennessee, and Wisconsin.
III-West	6	Arizona, California, Colorado, Idaho, Iowa, Kansas, Minnesota, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming.

Membership changes are based on production in the new geographic areas, noting that changes to Board distribution will be accomplished by determining the percentage of reported cases of eggs produced in each of the three new areas times 18 (total Board membership) and rounding to the nearest whole number, as follows:

TABLE 4—PROJECTED BOARD MEMBERSHIP

Geographical areas	USDA reported cases of eggs produced	% of total production	% of total production multiplied by 18 board members	Projected board membership
I-East	35,724,500,000	32.72	5.89	6
II-Central	36,942,400,000	33.83	6.09	6
III-West	36,525,200,000	33.45	6.02	6
Total U.S. Production	109,192,100,000	100	100	18

This final rule applies to the nomination process in 2020 and affects the board members appointed by the Secretary to serve on the Board beginning in 2021.

A 30-day comment period was provided to allow interested persons to respond to the proposal. All written comments received in response to this rule by the date specified were considered prior to finalizing this action.

Summary of Comments

USDA received five timely comments from individuals and industry organizations. Of those comments, two were in favor of the rule, and three did not state a position. Two of the comments were submitted by industry organizations in support of the changes. One comment expressed concerns that the larger regions reduce the representation of smaller-production areas. AMS addressed this concern in the proposed rule. Table 1 indicates the distribution of farms represented by size, and the proportion of farms that are small versus large. With the inclusion of more states into fewer regions, the proportion of small versus large farms becomes less variable. For example, in Regions I and II in the current structure, 93 percent and 76 percent, respectively, of the farms in these regions are classified as small. In the new structure the two regions are more or less combined, and the new Region I is composed of 87 percent small farms. The table shows less variation in size between the three new regions than there is in the current structure. One comment observed that Oregon was missing in Table 3. AMS recognizes this error and has corrected it by placing Oregon in the West Region III. One comment did not address the proposal but did offer one idea related to Board membership. The required composition of the Board is set forth in the Act and Order. No changes were made in the final rule based on the comments received.

Executive Orders 12866, 13563, and 13771

Executive Orders 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health, and safety effects; distributive impacts; and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, reducing costs, harmonizing rules, and promoting flexibility. This rule does not meet the definition of a significant regulatory action contained in section 3(f) of Executive Order 12866 and therefore, the Office of Management and Budget (OMB) has waived review of this action. Additionally, because this rule does not meet the definition of a significant regulatory action, it does not trigger the requirements contained in Executive Order 13771. See OMB's Memorandum titled ''Interim Guidance Implementing Section 2 of the Executive Order of January 30, 2017, titled 'Reducing Regulation and Controlling Regulatory Costs' '' (February 2, 2017).

Executive Order 12988

This final rule has been reviewed under Executive Order 12988, Civil Justice Reform. This rule is not intended to have retroactive effect.

There are no administrative proceedings that must be exhausted prior to any judicial challenge to the provisions of this rule.

Executive Order 13175

This action has been reviewed in accordance with the requirements of Executive Order 13175, Consultation and Coordination with Indian Tribal Governments. The review reveals that this regulation would not have substantial and direct effects on Tribal governments or significant Tribal implications.

Paperwork Reduction Act

In accordance with OMB regulations (5 CFR part 1320) that implement the Paperwork Reduction Act of 1995 (44

U.S.C. part 35), the information collection and recordkeeping requirements contained in the Order and accompanying Rules and Regulations have previously been approved by OMB and were assigned OMB control number 0581–0093. This final rule does not increase or impose any new information collection or recordkeeping requirements.

Regulatory Flexibility Act

Pursuant to the requirements set forth in the Regulatory Flexibility Act (RFA) (5 U.S.C. 601–622), AMS considered the economic effect of this action on small entities and determined that this final rule does not have a significant economic impact on a substantial number of small entities. The purpose of RFA is to fit regulatory actions to the scale of businesses subject to such actions in order that small businesses will not be unduly burdened. The Small Business Administration (SBA) published an interim final rule that became effective on August 19, 2019, (84 FR 34261) that adjusts the monetary-based size standards for inflation. As a result of this rule, the size classification for small egg-producing firms changed from sales of $750,000 or less to sales of $1,000,000 or less.

According to USDA's NASS, USDA collects data for the Agriculture Census (Ag Census) using the North American Industry Classification System (NAICS). The NAICS classifies economic activities and was developed to provide a consistent framework for the collection, analysis, and dissemination of industrial statistics used by government policy analysts, academia and the business community. It is the first industry classification system developed in accordance with a single principle of aggregation that production units using similar production processes should be grouped together.

In the 2017 Ag Census, the poultry and egg production classification (classification category 1123) was comprised of establishments primarily engaged in breeding, hatching, and raising poultry for meat or egg production. The 2017 Ag Census also shows there were 164,099 reported poultry farms in the United States and 36,012 egg producers. Ag Census data includes sales category ranges for the poultry sector but does not include separate sales categories for egg producers. Instead, NASS provides data for the broader category of ''Poultry and Eggs.'' Therefore, AMS is not able to obtain stand-alone sales data for egg-producing farms. As a result, for this RFA, AMS used the broader category of poultry producers as the closest possible substitute as the basis for determining the size of egg producers.

Of the 164,099 poultry producers identified in the 2017 Census of Agriculture, 148,788 (91 percent) reported sales of less than $1,000,000 and thus fall under the SBA definition of small business. Therefore, the remaining 15,311 (9 percent) producers are considered large. If the egg producer segment has the same proportional distribution across firm sizes, 91 percent, or 32,771 egg producers are classified as small businesses, and 9 percent, or 3,241 egg producers are considered large.

Sales data are also available at the state level for the overall poultry sector. Using this data, and the assumption that the proportion of large and small poultry farms similarly applies to egg producers, Table 1 shows how the changes in geographical areas shift producer representation on the Board.

The final rule imposes no new burden on the industry, as it only adjusts representation on the Board to reflect changes in egg production. The adjustments are required by the Order and do not result in a change in the overall number of Board members. Even if most egg producers are small entities, this action does not change their ability to qualify for representation on the Board or add any new burden. In conclusion, AMS believes that reducing the regions from six to three and increasing the number of States within each region will contribute to greater representation of egg producing firms on the Board.

AMS is committed to complying with the E-Government Act of 2002 to promote the use of the internet and other information technologies to provide increased opportunities for citizen access to government information and services, and for other purposes.

AMS has not identified any relevant Federal rules that duplicate, overlap, or conflict with this rule.

List of Subjects in 7 CFR part 1250

Administrative practice and procedure, Advertising, Agricultural research, Eggs and Egg products, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, AMS amends 7 CFR part 1250 as follows:

PART 1250—EGG PROMOTION AND RESEARCH

■ 1. The authority citation for 7 CFR part 1250 continues to read as follows:

Authority: 7 U.S.C. 2701–2718 and 7 U.S.C 7401.

■ 2. Revise § 1250.510 to read as follows:

§ 1250.510 Determination of Board Membership.

(a) Pursuant to § 1250.328 (d) and (e), the 48 contiguous States of the United States shall be grouped into three geographic areas, as follows: Area 1 (East)—Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia, the District of Columbia, Alabama, Georgia, Florida, Louisiana, Mississippi, North Carolina, South Carolina, and Texas; Area 2 (Central)—Arkansas, Oklahoma, Illinois, Indiana, Kentucky, Michigan, Missouri, Ohio, Tennessee, and Wisconsin; Area 3 (West)—Arizona, California, Colorado, Idaho, Iowa, Kansas, Minnesota, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming.

(b) Board representation among the three geographic areas is apportioned to reflect the percentages of United States egg production in each area times 18 (total Board membership). The distribution of members of the Board is: Area 1–6, Area 2–6, and Area 3–6. Each member will have an alternate appointed from the same area.

Bruce Summers,

Administrator, Agricultural Marketing Service.

[FR Doc. 2020–19431 Filed 10–5–20; 8:45 am]

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FARM CREDIT ADMINISTRATION

12 CFR Part 615

RIN 3052–AD35

Organization; Funding and Fiscal Affairs, Loan Policies and Operations, and Funding Operations; Investment Eligibility

AGENCY: Farm Credit Administration.

ACTION: Final rule.

SUMMARY: The Farm Credit Administration (FCA, we, or our) adopts a final rule that amends its investment regulations to allow Farm Credit System (FCS or System) associations to purchase and hold the portion of certain loans that non-FCS lenders originate and sell in the secondary market, and that the United States Department of Agriculture (USDA) unconditionally guarantees or insures as to the timely payment of principal and interest.