

rules and regulations

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Title 7—Agriculture

CHAPTER I—AGRICULTURAL MARKETING SERVICE (STANDARDS, INSPECTIONS, MARKETING PRACTICES), DEPARTMENT OF AGRICULTURE

EGGS AND POULTRY

Federal Grading and Inspection; Miscellaneous Amendments

Under authority contained in the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 et seq.), and the Egg Products Inspection Act (84 Stat. 1620 et seq., 21 U.S.C. 1031-1056), the U.S. Department of Agriculture amends the Regulations Governing the Voluntary Inspection and Grading of Egg Products (7 CFR Part 55); the Regulations Governing the Grading of Shell Eggs and U.S. Standards, Grades, and Weight Classes for Shell Eggs (7 CFR Part 56); the Regulations Governing the Inspection of Eggs and Egg Products (7 CFR Part 59); and the Regulations Governing the Grading and Inspection of Poultry and Edible Products Thereof, and U.S. Classes, Standards, and Grades With Respect Thereto (7 CFR Part 70).

Statement of considerations. On January 9, 1975, a rulemaking proposal was published in the FEDERAL REGISTER (40 FR 1709) setting forth proposed miscellaneous amendments to the voluntary grading regulations for eggs and poultry (7 CFR Parts 56 and 70), and the voluntary and mandatory regulations for the inspection of egg products (7 CFR Parts 55 and 59). The purpose of the proposed amendments is to update these regulations, provide additional information, and make minor changes that are of a clarifying or housekeeping nature.

An additional rulemaking proposal broadening the producer exemption to permit the sale of eggs by poultry producers from their own flocks directly to household consumers at an established place of business away from the site of production was published on February 27, 1975, in the FEDERAL REGISTER (40 FR 8356). This proposal superseded the opening text and paragraph (c) of § 59.100 of the proposal published January 9, 1975.

Twenty-one letters were received by the Hearing Clerk on the February 27 proposal and were considered in the adoption of the amendments herein. Eight were from State Departments of Agriculture, four from trade organizations, eight from egg handlers, and one from a land-grant university.

Those in favor of the proposal mentioned the desirability of providing small producers an additional outlet for the sale of their eggs.

Five correspondents expressed concern with the health aspects of the sale of restricted eggs such as checks. Currently, a producer can sell restricted eggs from his own flock's production, at the site of production, or on a door-to-door retail route. The Department has not received any complaints from purchasers of such eggs and finds it reasonable to also permit the producer to sell his restricted eggs at his established place of business away from the site of production. The only difference between the two types of transactions is the point of delivery of the eggs to the consumers. Insofar as the health aspects are concerned, there is no reason to believe that allowing sales of such eggs to consumers at a retail place of business as provided in this amendment will subject consumers to any greater health hazard than that present in door-to-door sales; in fact, the amendment is more restrictive on the sale of restricted eggs with respect to tolerances for leakers and loss than the current regulations and thus will provide consumers with more protection.

Questions were raised with regard to the impact this amendment would have on State egg laws. These questions are answered by referring to the opening paragraph in § 59.100 which specifies that the producer exemption does "not apply to restricted eggs when prohibited by State or local law." Thus, the amendment will have no direct impact on State egg laws.

One correspondent was also concerned that major chainstores owning egg production units would sell large quantities of restricted eggs at their retail outlets. A producer, in this instance the chainstore, will not qualify for the producer exemption if it grades and packs eggs from other sources as well as from its own flock's production. Since there is no information presently available which indicates that any major chainstore sells eggs solely from its own flock's production, the possibility that the situation raised in the comment would occur is remote. However, the effects of the broadening of the producer exemption will be continuously reviewed to assure that conditions do not develop which are inconsistent with the policy of the Act.

Sixteen letters containing various comments were received by the Hearing Clerk on the January 9, 1975, proposal and were considered in the adoption of the amendments herein. Eight were from interested persons in the egg, egg products and poultry industry directly affected by the amendments, three were from trade organizations, two were from State Departments of Agriculture, two were from

producer cooperations, and one was from another interested person.

Concerning the amendment to § 56.76 (e) (4), four comments were in opposition to changing the wash water of the shell egg washer from "at least once during each shift" to "approximately every 4 hours." This amendment makes the wording of the shell egg regulations consistent with that covering the washing of shell eggs in egg products plants and will not have an impact on present operations in shell egg plants. Presently, shell egg plants are in compliance with this requirement. Some of the comments questioned the flexibility that would be allowed in administering the "approximately every 4 hours" terminology. This change will not require a plant to interrupt operations after precisely 4 hours of work. Plants would be allowed to continue operations up to a scheduled lunch period or break, provided such break was within 5 hours of the beginning of operations and the wash water remained in satisfactory condition.

Three others suggested that the sentence "Eggs shall not be allowed to stand or soak in water" be deleted from § 56.76 (e) (8) as not being needed since the first sentence of the paragraph requires that the washing and drying operation be continuous and completed as rapidly as possible. This sentence is needed for clarification since soaking is not permitted and such practice considerably increases the possibility of bacterial spoilage of eggs.

Five comments opposed the amendment exempting freeze-dried products, imitation egg products, egg substitutes, and dietary foods from the definition of "Egg product" in § 59.5, which amendment simply formalizes the Department's present policy. Because of the significant amount of egg contained in some of these types of products, they recommend that such products should be under the continuous inspection of USDA.

The products will continue to be exempted. Based on over 3½ years of experience of operating the mandatory egg products inspection program, there is no known reason to change from the present departmental policy. To our knowledge, there have been no problems encountered with the wholesomeness of these exempted products. All liquid, frozen, or dried egg products used in the preparation of exempted products must be inspected by the Department. Our experience indicates that further inspection by the Department is not necessary.

Freeze-dried products are produced from USDA-inspected egg products, are not manufactured in what is traditionally known as egg products plants, and are not presently considered as products

of the egg food industry. They are produced in plants under the inspection supervision of the Animal and Plant Health Inspection Service of the USDA or under the jurisdiction of the Food and Drug Administration of the Department of Health, Education, and Welfare.

The imitation egg products, egg substitutes, and dietary foods under question are also produced from inspected egg products and are processed in food manufacturing plants covered by the Food and Drug Administration or in egg products plants supervised by USDA. Under the Egg Products Inspection Act, the USDA is responsible for the inspection of liquid, frozen, or dried eggs produced in egg products plants, and the Food and Drug Administration has authority for inspection activities in other food manufacturing establishments that use eggs in preparing their food products. In order to prevent duplication of inspection activities and eliminate the need for the reinspection of egg products used in the preparation of other foods, a memorandum of understanding on egg products was developed between the USDA and the Food and Drug Administration and was published in the *FEDERAL REGISTER* on February 4, 1972 (37 FR 2686). Under this agreement, the FDA covers exempted products not packed in official egg products plants, and USDA provides inspection coverage on such products produced in official egg products plants.

Concerning the definition of "Egg product," § 59.5, two comments suggested changing the wording in the next to the last sentence by adding the word "inspected" in front of "eggs containing no more restricted eggs than are allowed in the official standards for U.S. Consumer Grade B shell eggs" so that the last part of the sentence would read: "provided such products are prepared from inspected egg products or inspected eggs containing no more restricted eggs than are allowed in the official standards for U.S. Consumer Grade B shell eggs." The word "inspected" would imply to some persons that there was continuous inspection of the shell eggs used. The Act does not provide for the continuous inspection of shell eggs but requires that egg packers be inspected by the Department on a quarterly basis.

In § 59.100(f) the limitation of restricting each sale of "restricted eggs" to no more than 30 dozen eggs when sold directly to the household consumer on the premises of the shell egg packer was opposed by four correspondents. One comment favored the amendment. Those opposed generally felt the amendment was not needed and would impose additional recordkeeping burdens on the industry; however, one comment urged that this limit is too high. Under the exemption authority as contained in the Act, limiting the sales to 30 dozen "restricted eggs" will provide a sufficient but reasonable quantity for use by the household consumer, members of his household and his nonpaying guests and employees, and

would not increase present recordkeeping requirements, nor create any serious health hazards.

Three comments opposed the requirement of § 59.124 that the inspector's tour of duty be 5 consecutive days per week. It has been and is Department policy that a grader's or inspector's tour of duty be 5 consecutive days per week, within the period of Monday through Saturday for each full shift required. The word "consecutive" was inadvertently omitted when the regulations were originally promulgated.

Three correspondents were concerned about the amendments which changed the official identification symbol from the outline of the shield to a shield containing "USDA" for the purpose of indicating when it is imitated or simulated. The amendments clarify the fact that the shield is imitated or simulated only when the shield contains the letters "USDA." The authority and legitimate control of the shield with "USDA" are based on the fact that it is a certification mark registered as a trademark with the United States Patent Office signifying that the product was officially inspected in the case of egg products or officially graded in the case of poultry and eggs. The trademark does not cover the shield alone.

Four correspondents opposed the proposed changes for marking of eggs and egg products offered for importation in §§ 59.930 and 59.940 which eliminate identifying imported eggs and egg products with "Approved for Import Under E.P.I.A." when such products are found to be acceptable by the USDA for importation. Experience indicates that it is not necessary to undergo the laborious and costly procedure of individually stamping the containers of such products in order to insure proper importation control. U.S. Bureau of Customs' import procedures and the Department's import instructions and inspection procedures are adequate and will assure that imported eggs and egg products will be inspected and that these foreign products shall meet the USDA requirements for importation before entry into this country. Receivers of imported egg products will receive an official Form PY-222 "Import Request (Eggs and Egg Products)" which will contain a certification by a USDA representative that the product covered by the form was actually inspected by the Department and is eligible for entry into this country. Furthermore, such eggs and egg products will be identified with the country of origin, as required in § 59.950 as further proof of import.

In § 59.504(c) FD&C red colors were proposed as an approved denaturant or decharacterant for loss and inedible eggs or egg products. Since the proposal, the Department has found FD&C red colors to be unsatisfactory for denaturing or decharacterizing egg products. The colors have been found to be particularly unstable in yellow egg products and to fade or dissipate. The colors of red and the colors of yellow egg products are so close to each other in the color spectrum that

when the red dye fades, it is masked by the color of the egg. Even when the dye dissipates or fades, the addition of more dye does not permanently correct the problem. Since experience has shown that FD&C red colors do not meet the criteria for a denaturant or decharacterant, the regulations will not list them as an approved color. Red dyes may continue to be used as a denaturant for loss-type eggs sold in shell form.

With reference to the amendments to Part 70 (7 CFR Part 70), specifically § 70.356 entitled "Poultry roast—A Quality," there were two comments opposed to the use of comminuted (mechanically deboned) meat in oven-ready (pan) raw poultry roast, and one comment opposed the use of emulsified skin to cover the roast. The basis for these objections was that the use of mechanically deboned meat and emulsified skin would lower the quality of the roast. The mechanically deboned meat is being substituted in part for the skin used. Some technical people feel that the mechanically deboned meat is nutritionally superior to skin. Careful examination, including cooking trials used in comparing raw roast containing mechanically deboned meat versus such product without mechanically deboned meat, has shown the two different types of roast to be equal. Also, roasts covered with whole skin, emulsified skin, or no skin have been compared by examination and cooking trials and were shown to be equal in quality.

A new § 55.11 on "Nondiscrimination" for the voluntary egg products inspection regulations is being included as part of these amendments. This new section is identical to § 59.17 on "Nondiscrimination" included in the mandatory egg and egg products regulations on which no comments were received.

An additional change to the regulations is being made that was not included in the proposals, to clarify that in § 59.410 the egg products described therein are "liquid" egg products.

In addition, comments in general opposition to the amendments but not supported by any specific reasons were received from three of the correspondents regarding the January 9 proposal and from four correspondents regarding the February 27 proposal. To the extent that the findings and conclusions in this statement of considerations are at variance with any of these comments, such comments are denied for the reasons stated herein. Finally, there were a few suggestions for additional changes to be made in the regulations. These additional changes will not be considered at this time because they were not included in the proposed rulemaking. However, the Department will make use of such recommendations in considering future amendments to the regulations.

After due consideration of all relevant matters presented by interested persons, including the proposals set forth in the aforesaid notices of rulemaking, the following amendments to the aforesaid regulations are promulgated:

PART 55—VOLUNTARY INSPECTION AND GRADING OF EGG PRODUCTS

1. A new § 55.11 is added to read:
 § 55.11 Nondiscrimination.

The conduct of all services and the licensing of graders and inspectors under these regulations shall be accomplished without discrimination as to race, color, religion, sex, or national origin.

2. Section 55.140 is revised to read:

§ 55.140 Application for inspection in official plants; approval.

Any person desiring to process products under inspection service must receive approval of such plant and facilities as an official plant prior to the installation of such service. The initial survey, drawings, and specifications to be submitted, changes and revisions in the official plant, and final survey and procedure for plant approval shall be in accordance with and conform with the applicable provisions of § 59.146 of this chapter, regulations governing the inspection of eggs and egg products.

3. Section 55.300 is revised to read:

§ 55.300 Approval of official identification.

Labeling procedures, required information on labels, and method of label approval, shall be in accordance with and conform with the applicable provisions of § 59.411 of this chapter, regulations governing the inspection of eggs and egg products, except where "egg product(s)" is used in § 59.411, the word "product(s)" shall be substituted and used for this Part 55.

4. In § 55.310, paragraph (a) and Figure 1 are revised to read:

§ 55.310 Form of official identification symbol and inspection mark.

(a) The shield set forth in Figure 1, containing the letters "USDA," shall be the official identification symbol for the purposes of this part and when used, imitated, or simulated in any manner in connection with a product shall be deemed to constitute a representation that the product has been officially inspected for the purpose of § 55.5.



FIGURE 1.

5. § 55.330, paragraphs (a) and (c) are revised to read:

§ 55.330 Unauthorized use or disposition of approved labels.

(a) Containers or labels which bear official identification approved for use pursuant to § 55.300 shall be used only for the purpose for which approved. Any unauthorized use or disposition of approved containers or labels which bear any official identification may result in cancellation of the approval and denial of the use of containers or labels bearing official identification or denial of the benefits of the Act pursuant to the provisions of § 55.200;

(c) Once a year or more often, if requested, each applicant shall submit to the Administrator a list of approved labels which bear any official identification that have become obsolete, accompanied with a statement that such approvals are no longer desired. The approvals shall be identified by the date of approval, approval number, and the name of the product.

PART 56—GRADING OF SHELL EGGS AND UNITED STATES STANDARDS, GRADES, AND WEIGHT CLASSES FOR SHELL EGGS

1. In § 56.1 the definition of "Nest run eggs" is revised and a new definition for "Regional director" is added to read:

§ 56.1 Meaning of words and terms defined.

"Nest run eggs" means eggs which are packed as they come from the production facilities without having been washed, sized and/or candled for quality, with the exception that some Checks, Dirties, or other obvious undergrades may have been removed.

"Regional director" means any employee of the Department in charge of the shell egg grading service in a designated geographical area.

2. Section 56.6 is revised to read:

§ 56.6 Supervision.

All grading service shall be subject to supervision at all times by the applicable State supervisor, regional director and national supervisor. Such service shall be rendered where the facilities and conditions are satisfactory for the conduct of the service and the requisite graders and samplers are available. Whenever the supervisor of a grader has evidence that such grader incorrectly graded a product, such supervisor shall take such action as is necessary to correct the grading and to cause any improper grade marks which appear on the product or the containers thereof to be corrected prior to shipment of the product from the place of initial grading.

3. Section 56.35 is revised to read:

§ 56.35 Authority to use, and approval of official identification.

(a) Authority to use official identification. Authority to officially identify product graded pursuant to this part is granted only to applicants who make the services of a grader or supervisor of packaging available for use in accordance with this part. Packaging materials bearing official identification marks shall be approved pursuant to §§ 56.35 to 56.39, inclusive, and shall be used only for the purpose for which approved and prescribed by the Administrator. Any unauthorized use or disposition of approved labels or packaging materials which bears any official identification may result in cancellation of the approval and denial of the use of labels or packaging material bearing official identification or denial of the benefits of the Act pursuant to the provisions of § 56.31.

(b) Approval of official identification. No label, container, or packaging material which bears official identification may contain any statement that is false or misleading. No label, container, or packaging material bearing official identification may be printed or prepared for use until the printers' or other final proof has been approved by the Administrator in accordance with the regulations in this part, the Federal Food, Drug, and Cosmetic Act, the Fair Packaging and Labeling Act, and the regulations promulgated under these acts. The use of finished labels must be approved as prescribed by the Administrator. A grader may apply official identification stamps to shipping containers if they do not bear any statement that is false or misleading. If the label is printed or otherwise applied directly to the container, the principal display panels of such container shall for this purpose be considered as the label. The label shall contain the name, address, and ZIP Code of the packer or distributor of the product, the name of the product, a statement of the net contents of the container, and the U.S. grademark.

(c) Nutrition labeling. Nutrition information may be included on the label of consumer packaged shell eggs, providing, such labeling complies with the provisions of Title 21, Chapter 1, Part 1, Regulations for the Enforcement of the Federal Food, Drug, and Cosmetic Act and the Fair Packaging and Labeling Act. Nutrition labeling is required when a nutritional claim or information is presented on the labeling of consumer packages. Labeling will not be approved by the Department without comments from the Food and Drug Administration regarding nutritional claims and test data.

4. In § 56.36, paragraphs (a) (1) and (2) and (b) (1), Figure 1, and paragraph (b) (2) are revised to read:

§ 56.36 Information required on, and form of grademark.

(a) Information required on grademark. (1) Except as otherwise authorized, each grademark provided for in this section shall conspicuously and legibly

indicate the letters "USDA," and the U.S. grade of the product it identifies, such as "A Grade" (illustrated in Figure 2). The letters "USDA" shall be printed in a light color on and surrounded by a dark field, and the U.S. grade printed in a dark color on a light field.

(2) The size or weight class of the product such as "Large" and such terms as "Federal-State Graded" or words of similar import may be shown within the grademark, (illustrated in Figure 3). This information shall be printed in a dark color on a light field. However, such terms as "Federal-State Graded" need not be shown. The size or weight class of the product may be omitted from the grademark, provided, it appears prominently on the main panel of the carton.

(b) *Form of official identification symbol and grademark.* (1) The shield set forth in Figure 1 containing the letters "USDA" shall be the official identification symbol for purposes of this part and when used, imitated, or simulated in any manner in connection with shell eggs, shall be deemed to constitute a representation that the product has been officially graded for the purpose of § 56.2.



FIGURE 1

(2) Except as otherwise authorized, the grademark permitted to be used to officially identify cartons of shell eggs which are graded pursuant to the regulations in this part shall be contained in a shield and in the form and design indicated in Figures 2, 3, and 6 of this section. The shield shall be of sufficient size so that the print and other information contained therein is distinctly legible and in approximately the same proportion and size as shown in Figures 2 and 3. The grademark shall be printed on the carton or on a tape used to seal the carton.

5. Section 56.38 is revised to read:

§ 56.38 Rescindment of approved labels.

Once a year, or more often, if requested, each applicant shall submit to the Administrator a list, in triplicate, of approved labels which bear any official

identification that have become obsolete, accompanied with a statement that such approvals are no longer desired. The approvals shall be identified by the date of approval, approval number, and the grade, weight class, and brand name of the product as applicable.

§ 56.43 [Amended]

6. In § 56.43, paragraph (e) is deleted.

7. In § 56.64, paragraph (c) is revised to read:

§ 56.64 Who shall perform the appeal.

(c) Whenever practical, an appeal grading shall be conducted jointly by two graders. The assignment of the grader(s) who will make the appeal grading requested under § 56.61(b) shall be made by the regional director or the Chief of the Grading Branch.

8. In § 56.76, paragraph (e) is revised to read:

§ 56.76 Minimum facility and operating requirements for shell egg grading and packing plants.

(e) *Shell egg cleaning operations.* (1) Shell egg cleaning equipment shall be kept in good repair and shall be cleaned after each day's use or more frequently, if necessary.

(2) The temperature of the wash water shall be maintained at 90°F. or higher, and shall be at least 20°F. warmer than the temperature of the eggs to be washed. These temperatures shall be maintained throughout the cleaning cycle.

(3) An approved cleaning compound shall be used in the wash water. (The use of metered equipment for dispensing the compound into solution is recommended.)

(4) Wash water shall be changed approximately every 4 hours or more often if needed to maintain sanitary conditions, and at the end of each shift. Remedial measures shall be taken to prevent excess foaming during the egg washing operation.

(5) Replacement water shall be added continuously to the wash water of washers to maintain a continuous overflow. Rinse water, chlorine, or quaternary sanitizing rinse may be used as part of the replacement water, provided, they are compatible with the washing compound. Iodine sanitizing rinse may not be used as part of the replacement water.

(6) Only potable water may be used to wash eggs. Each official plant shall submit certification to the national office stating that their water supply is potable. An analysis of the iron content of the water supply, stated in parts per million, is also required. When the iron content exceeds 2 parts per million, equipment shall be provided to correct the excess iron content. Frequency of testing shall be determined by the Administrator.

When the water source is changed, new tests are required.

(7) Waste water from the egg washing operation shall be piped directly to drains.

(8) The washing and drying operation shall be continuous and shall be completed as rapidly as possible. Eggs shall not be allowed to stand or soak in water. Immersion-type washers shall not be used.

(9) Prewetting shell eggs prior to washing may be accomplished by spraying a continuous flow of water over the eggs in a manner which permits the water to drain away or other methods which may be approved by the Administrator. The temperature of the water shall be the same as prescribed in this section.

(10) Washed eggs shall be spray rinsed with warm water containing an approved sanitizer of not less than 50 p/m nor more than 200 p/m of available chlorine or its equivalent.

(11) Test kits shall be provided and used to determine the strength of the sanitizing solution.

(12) During any rest period, eggs shall be removed from the washing and rinsing area of the egg washer and from the scanning area whenever there is a build-up of heat.

(13) Washed eggs shall be reasonably dry before cartoning or casing.

(14) When steam or vapors originate from the washing operation, they shall be continuously and directly removed to the outside of the building.

9. § 56.230 is revised to read:

§ 56.230 Grade.

"U.S. Nest Run * * * percent AA Quality" shall consist of eggs of current production of which at least 20 percent are AA quality; and the actual percentage of AA quality eggs shall be stated in the grade name. Within the maximum of 15 percent which may be below A quality, not more than 10 percent may be B quality and C quality combined for shell texture, shape, interior quality (including blood and meat spots), or due to rusty or blackish appearing cage marks or bloodstains, not more than 2 percent may have adhering dirt or foreign material on the shell $\frac{1}{2}$ inch or larger in diameter, not more than 6 percent may be checks and not more than 3 percent may be loss. Marks which are slightly gray in appearance and adhering dirt or foreign material on the shell less than $\frac{1}{2}$ inch in diameter are not considered quality factors. The eggs shall be officially graded for all other quality factors. No case may contain less than 75 percent A quality and AA quality eggs in any combination.

10. In § 56.231, Table I is revised to read:

§ 56.231 Summary of grade. * * *

TABLE I.—Summary of U.S. nest run grade for shell eggs

Nest run grade description ¹	Minimum percentage of quality required (lot average) ²		Maximum percentage tolerance permitted (15 percent lot average) ³			
	AA quality ⁴	A quality or better ⁴	B and C quality for shell texture or shape, interior quality (including blood and meat spots), or cage marks ⁵ and blood stains	Checks	Loss	Adhering dirt or foreign material $\frac{1}{8}$ inch or larger in diameter
U.S. nest run...percent AA quality ⁶ ...	20	85	10	6	3	2

¹ Substitution of eggs of higher qualities for lower specified qualities is permitted.
² Stain (other than rusty or blackish appearing cage marks or blood stains), and adhering dirt and foreign material on the shell less than $\frac{1}{8}$ inch in diameter shall not be considered as quality factors in determining the grade designation.
³ No case may contain less than 10 percent AA quality.
⁴ No case may contain less than 75 percent A quality and AA quality eggs in any combination.
⁵ Cage marks which are rusty or blackish in appearance shall be considered as quality factors. Marks which are slightly gray in appearance are not considered as quality factors.
⁶ The actual total percentage must be stated in the grade name.

PART 59—INSPECTION OF EGGS AND EGG PRODUCTS

1. In § 59.5 the definitions for "Egg product" and "Potable water" are revised and new definitions for "Producer-packer" and "Shell egg packer" are added to read:

§ 59.5 Terms defined.

"Egg product" means any dried, frozen, or liquid eggs, with or without added ingredients, excepting products which contain eggs only in a relatively small proportion or historically have not been, in the judgment of the Secretary, considered by consumers as products of the egg food industry, and which may be exempted by the Secretary under such conditions as he may prescribe to assure that the egg ingredients are not adulterated and such products are not represented as egg products. For the purposes of this part, the following products, among others, are exempted as not being egg products: freeze-dried products, imitation egg products, egg substitutes, dietary foods, dried no-bake custard mixes, egg nog mixes, acidic dressings, noodles, milk and egg dip, cake mixes, French toast, and sandwiches containing eggs or egg products, provided, such products are prepared from inspected egg products or eggs containing no more restricted eggs than are allowed in the official standards for U.S. Consumer Grade B shell eggs. Balut and other similar ethnic delicacies are also exempted from inspection under this part.

"Potable water" means water that has been approved by a State health authority or other agency or laboratory acceptable to the Administrator as safe for drinking and suitable for food processing.

"Producer-packer" means any producer who sorts eggs only from his own production and packs them into their various qualities.

"Shell egg packer" (grading station) means any person engaged in the sorting

of eggs from sources other than or in addition to his own production into their various qualities, either mechanically or by other means.

§ 59.16 [Deleted]

2. Section 59.16 is deleted.

3. A new § 59.17 is added to read:

§ 59.17 Nondiscrimination.

The conduct of all services and the licensing of graders and inspectors under these regulations shall be accomplished without discrimination as to race, color, religion, sex, or national origin.

4. In § 59.28, paragraph (a) (1) is revised to read:

§ 59.28 Other inspections.

(a) * * *

(1) Business premises, facilities, inventories, operations, and records of egg handlers, and the records of all persons engaged in the business of transporting, shipping, or receiving any eggs or egg products. In the case of shell egg packers packing eggs for the ultimate consumers (i.e., packed for direct use of household consumer, restaurant, institution, etc.), and hatcheries, such inspections shall be made each calendar quarter.

5. In § 59.45, paragraph (b) is revised to read:

§ 59.45 Prohibition on eggs and egg products not intended for use as human food.

(b) No person shall import or export shell eggs classified as loss, inedible, or incubator rejects or any egg products which are unwholesome, adulterated, or are otherwise unfit for human food purposes, unless they are denatured or decharacterized and identified as required by the regulations in this part.

6. In § 59.100, paragraph (1) is deleted and the opening text and paragraphs (c) and (f) are revised to read:

§ 59.100 Specific exemptions.

The following are exempt to the extent prescribed as to the provisions for control of restricted eggs in section 8(a) (1) and (2) of the Act and the provision for continuous inspection of processing operations in section 5(a) of the Act: *Provided*, That as to paragraphs (c) through (f) of this section, the exemptions do not apply to restricted eggs when prohibited by State or local law: *And provided further*, That the sale of "hard-cooked shell eggs" or "peeled hard-cooked shell eggs" prepared from checks is subject to the conditions for exemption in paragraphs (c), (d), and (f) of this section: *And provided further*, That the conditions for exemption and provisions of these regulations are met:

(c) The sale at the site of production, on a door-to-door retail route, or at an established place of business away from the site of production, by a poultry producer of eggs from his own flock's production directly to a household consumer exclusively for use by such consumer and members of his household and his nonpaying guests and employees, and the transportation, possession, and use of such eggs: *Provided*, That each such sale of restricted eggs shall be limited to no more than 30 dozen eggs; *And provided further*, (1) That eggs sold directly to consumers at an established place of business away from the site of production be moved directly from the producer to such place of business; (2) That such business away from the site of production be owned and managed by the producer; and (3) That such eggs which are sold on a door-to-door route or at an established place of business away from the site of production shall contain no more loss and/or leakers than allowed in the official standards for U.S. Consumer Grade B shell eggs.

(f) The sale of eggs by shell egg packers on the premises where the grading station is located, directly to household consumers for use by such consumer and members of his household and his nonpaying guests and employees, and the transportation, possession, and use of such eggs. Each such sale of "restricted eggs": shall be limited to no more than 30 dozen eggs;

7. In § 59.105, paragraph (a) is revised to read:

§ 59.105 Suspension or termination of exemptions.

(a) The Administrator may immediately suspend or terminate any exemption under § 59.100(b) at any time with respect to any person, if the conditions of exemption prescribed by this section are not being met. The Administrator may modify or revoke any regulation of this part, granting exemptions whenever he determines such action appropriate to effectuate the purposes of the Act.

8. Section 59.124 is revised to read:

§ 59.124 Schedule of operation of official plants.

Operating schedules of an official plant shall be subject to approval of the Administrator, and for the purpose of the regulations the normal operating schedule shall consist of a continuous 8-hour period per day (excluding not to exceed 1 hour for lunch), 5 consecutive days per week within the period of Monday through Saturday, for each full shift required. Clock hours of daily operations need not be specified in a schedule, although as a condition of continuance of approval of a schedule, the hours of operation must be reasonably uniform from day to day.

9. In § 59.160, paragraphs (d) and (e) are revised to read:

§ 59.160 Refusal, suspension, or withdrawal of service.

(d) (1) Any applicant for inspection at a plant where the operations thereof may result in any discharge into the navigable waters in the United States is required by subsection 401(a)(1) of the Federal Water Pollution Control Act, as amended (86 Stat. 816, 33 U.S.C. 1251 et seq.), to provide the Administrator with a certification as prescribed in said subsection that any such discharge will comply with the applicable provisions of sections 301, 302, 306, and 307 of the Act (33 U.S.C. 1311, 1312, 1316, and 1317). No grant of inspection can be issued after April 3, 1970, (the date of enactment of the Water Quality Improvement Act), unless such certification has been obtained, or is waived, because of failure or refusal of the State, interstate agency, or the Administrator of the Environmental Protection Agency to act on a request for certification within a reasonable period (which shall not exceed 1 year after receipt of such request). Further, upon receipt of an application for inspection and a certification as required by 401(a)(1) of the Federal Water Pollution Control Act, the Administrator (as defined in § 59.5) is required by subparagraph (1) of said subsection to notify the Administrator of the Environmental Protection Agency for proceedings in accordance with that subsection. No grant of inspection can be made until the requirements of said subparagraph (1) have been met.

(2) In the case of any activity which will affect water quality, but for which there are no applicable water quality standards, the certification shall so provide, and such grant of inspection will be conditioned upon a requirement of compliance with the purposes of the Federal Water Pollution Control Act as provided in subsection 401(a)(1) of said Act.

(e) Inspection may also be suspended, revoked, or terminated as provided in Section 401(a)(4) and (5) of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1341(a)(4) and (5)).

10. Section 59.410 is revised to read:

§ 59.410 Egg products required to be labeled.

Containers and portable tanks of edible egg products, prior to leaving the official plant, shall be labeled in accordance with §§ 59.411 through 59.415 and shall bear the official identification shown in Figure 2 of § 59.412 or Figure 3 or 4 of § 59.415. Bulk transport shipments of liquid pasteurized egg products to non-official outlets need not be sealed. Bulk shipments of liquid egg products transported from one official plant to another shall be sealed and accompanied by an official certificate.

11. In § 59.411, the present paragraph (e) is redesignated (f), paragraphs (a), (b), and (c) (1) are revised and a new paragraph (e) is added to read, respectively:

§ 59.411 Requirement of formulas and approval of labels for use in official egg products plants.

(a) No label, container, or packaging material which bears official identification may bear any statement that is false or misleading. Any label, container, or packaging material which bears any official identification shall be used only in such manner as the Administrator may prescribe. No label, container, or packaging material bearing official identification may be used unless it is approved by the Administrator in accordance with paragraph (b) of this section. The use of finished labels must be approved as prescribed by the Administrator. If the label is printed on or otherwise applied directly to the container or packaging material, the principal display panel thereof shall be considered as the label.

(b) No label, container, or packaging material bearing official identification may be printed or prepared for use until the printers' or other final proof has been approved by the Administrator in accordance with the regulations in this part, the Egg Products Inspection Act, the Federal Food, Drug, and Cosmetic Act, the Fair Packaging and Labeling Act, and the regulations promulgated under these acts. Copies of each label submitted for approval shall be accompanied by:

(c)

(1) The common or usual name, if any, and if the product is comprised of two or more ingredients, such ingredients shall be listed in the order of descending proportions. When water (excluding that used to reconstitute dehydrated ingredients back to their normal composition) is added to a liquid or frozen egg product or to an ingredient of such products (in excess of the normal water content of that ingredient), the total amount of water added, including the water content of any cellulose or vegetable gums used, shall be expressed as a percentage of the total product volume in the ingredient statement on the label.

(e) Nutrition information may be included on the label of egg products, pro-

viding such labeling complies with the provisions of 21 CFR Part 1, Regulations for the Enforcement of the Federal Food, Drug, and Cosmetic Act and the Fair Packaging and Labeling Act. Since these regulations have different requirements for consumer packaged products than for bulk packaged egg products not for sale or distribution to household consumers, label submission shall be accompanied with information indicating whether the label covers consumer packaged or bulk packaged product. Nutrition labeling is required when nutrients, such as proteins, vitamins, and minerals are added to the product, or when a nutritional claim or information is presented on the labeling, except for the following which are exempt from nutrition labeling requirements:

(1) Egg products shipped in bulk form for use solely in the manufacture of other foods and not for distribution to household consumers in such bulk form or containers.

(2) Products containing an added vitamin, mineral, or protein, or for which a nutritional claim is made on the label, or in advertising, which is supplied for institutional food use only: *Provided*, That the manufacturer or distributor provides the required nutrition information directly to those institutions.

(3) Any nutrient(s) included in product solely for technological purpose may be declared solely in the ingredients statement, without complying with nutrition labeling, if the nutrient(s) is otherwise not referred to in labeling or in advertising. Labels will not be approved by the Department without comments from the Food and Drug Administration regarding nutritional claims, formulation, and test data.

12. In § 59.412, paragraph (a) and Figure 1 are revised to read:

§ 59.412 Form of official identification symbol and inspection mark.

(a) The shield set forth in Figure 1 containing the letters "USDA" shall be the official identification symbol for purposes of this part and, when used, imitated, or simulated in any manner in connection with a product, shall be deemed to constitute a representation that the product has been officially inspected.



FIGURE 1.

13. In § 59.417, paragraphs (a) and (c) are revised to read:

§ 59.417 Unauthorized use or disposition of approved labels.

(a) Containers or labels which bear official identification approved for use pursuant to § 59.411 shall be used only for the purpose for which approved. Any unauthorized use or disposition of approved containers or labels which bear any official identification may result in cancellation of the approval and denial of the use of containers or labels bearing official identification and may subject such violator to the penalties and denial of the benefits of the Act;

(c) Once a year each applicant shall submit to the Administrator a list of approved labels that have become obsolete, accompanied with a statement that such approvals are no longer desired. The approvals shall be identified by the date of approval, approval number, and the name of the product.

14. In § 59.430, paragraph (b) is revised to read:

§ 59.430 Limitation on entry of material.

(b) Inedible egg products may be brought into an official plant for storage and reshipment: *Provided*, they are handled in such a manner that adequate segregation and inventory controls are maintained at all times. Inedible egg products may be processed in official plants: *Provided*, That prior approval is obtained from the Administrator and under such conditions and time limitations as the Administrator may specify. The processing of inedible egg products shall be done under conditions which will not affect the processing of edible products, such as processing in separate areas, or at times when no edible product is being processed. All equipment and processing areas must be thoroughly cleaned and sanitized prior to processing any edible product.

15. In § 59.500, paragraph (h) is revised to read:

§ 59.500 Plant requirements.

(h) The water supply (both hot and cold) shall be ample, clean, and potable, with adequate pressure and facilities for its distribution throughout the plant or portion thereof utilized for egg processing and handling operations and protected against contamination and pollution. A water report, issued under the authority of a State or municipal health agency, certifying to the potability of the water supply shall be obtained by the applicant and furnished to the Administrator whenever such report is required by the Administrator.

16. In § 59.504, paragraph (c) is revised to read:

§ 59.504 General operating procedures.

(c) All loss and inedible eggs or egg products shall be placed in a container clearly labeled "inedible" and containing a sufficient amount of approved denaturant or decharacterant, such as FD&C brown, blue, black, or green colors, meat and fish by-products, grain and milling by-products, or any other substance, as approved by the Administrator, that will accomplish the purposes of this section. Shell eggs shall be crushed and the substance shall be dispersed through the product in amounts sufficient to give the product a distinctive appearance or odor. Notwithstanding the foregoing, and upon permission of the Inspector, the applicant may hold inedible product in containers clearly labeled inedible which do not contain a denaturant if such inedible product is denatured or decharacterized prior to shipment from the official plant: *Provided*, That such product is properly packaged, labeled, segregated, and inventory controls are maintained. In addition, product shipped from the official plant for industrial use or animal food need not be denatured or decharacterized if it is shipped under Government seal and is received by an inspector or grader as defined in this part.

17. In § 59.510, paragraph (d) (2) is revised to read:

§ 59.510 Classifications of shell eggs used in the processing of egg products.

(d) * * *
(2) Any egg with a portion of the shell and shell membranes missing and with egg meat adhering to or in contact with the outside of the shell.

18. In § 59.515, paragraph (a) is revised to read:

§ 59.515 Egg cleaning operations.

(a) The following requirements shall be met when washing shell eggs to be presented for breaking:

(1) Shell egg cleaning equipment shall be kept in good repair and shall be cleaned after each day's use or more frequently if necessary.

(2) The temperature of the wash water shall be maintained at 90° F. or higher, and shall be at least 20° F. warmer than the temperature of the eggs to be washed. These temperatures shall be maintained throughout the cleaning cycle.

(3) An approved cleaning compound shall be used in the wash water. (The use of metered equipment for dispensing the compound into solution is recommended.)

(4) Wash water shall be changed approximately every 4 hours or more often if needed to maintain sanitary conditions and at the end of each shift. Remedial measures shall be taken to prevent excess foaming during the egg washing operation.

(5) Replacement water shall be added continuously to the wash water of washers to maintain a continuous overflow. Rinse water and chlorine sanitizing rinse may be used as part of the replacement water. Iodine sanitizing rinse may not be used as part of the replacement water.

(6) Waste water from the egg washing operation shall be piped directly to drains.

(7) The washing operation shall be continuous and shall be completed as rapidly as possible. Eggs shall not be allowed to stand or soak in water. Immersion-type washers shall not be used.

(8) Prewetting shell eggs prior to washing may be accomplished by spraying a continuous flow of water over the eggs in a manner which permits the water to drain away, or by other methods which may be approved by the Administrator. The temperature of the water shall be the same as prescribed in this section.

(9) Washed eggs shall be spray rinsed with an approved sanitizer of not less than 100 p/m nor more than 200 p/m of available chlorine or its equivalent.

19. In § 59.522, paragraph (c) and paragraph (aa) (3) are revised to read:

§ 59.522 Breaking room operations.

(c) Test kits shall be provided and used to determine the strength of the sanitizing solution. (See § 59.515(a) (9) and § 59.522.)

(aa) * * *
(3) Mechanical egg breaking equipment shall be clean and sanitized prior to use, and during operations the machines shall be cleaned and sanitized approximately every 4 hours or more often if needed to maintain them in a sanitary condition. This equipment shall be cleaned at the end of each shift.

20. Section 59.690 is revised to read:

§ 59.690 Persons required to register.

Shell egg handlers, except for producer-packers with an annual egg production from a flock of 3,000 hens or less, who grade and pack eggs for the ultimate consumer (e.g., retail stores, households, restaurants, institutions, food manufacturers, etc.), and hatcheries, are required to register with the U.S. Department of Agriculture by furnishing their name, place of business, and such other information as is requested on forms provided by and/or available from the U.S. Department of Agriculture. Completed forms shall be sent to the addressee indicated on the form. Persons as those listed above who are establishing a business will be required to register before they start operations.

21. In § 59.720, paragraph (a) (4) is revised to read:

§ 59.720 Disposition of restricted eggs.

(a) * * *
(4) By coloring the shells of loss and inedible eggs with a sufficient amount of

FD&C color to give a distinct appearance, or applying a substance that will penetrate the shell and decharacterize the egg meat. Except that, lots of eggs containing significant percentages of blood spots or meat spots, but no other types of loss or inedible eggs may be shipped directly to official egg products plants, provided they are conspicuously labeled with the name and address of the shipper and the wording "Spots—For Processing Only In Official Egg Products Plants."

22. Section 59.800 is revised to read:

§ 59.800 Identification of restricted eggs.

The shipping container of restricted eggs shall be determined to be satisfactorily identified if such container bears the packer's name and address, the quality of the eggs in the container (e.g., dirties, checks, inedibles, or loss), or the statement "Restricted Eggs—For Processing Only In An Official USDA Egg Products Plant," for checks or dirties, or "Restricted Eggs—Not To Be Used As Human Food," for inedibles, loss, and incubator rejects, or "Restricted Eggs—To Be Regraded" for graded eggs which contain more restricted eggs than are allowed in the official standards for U.S. Consumer Grade B shell eggs. The size of the letters of the identification wording shall be as required in § 59.860. When eggs are packed in immediate containers, e.g., cartons, sleeve packs, overwrapped 2½ or 3 dozen packs, etc., for sale to household consumers under the exemptions provided for in § 59.100(c), (d), or (f), they shall be deemed to be satisfactorily identified in accordance with the requirements of this part if such immediate containers bear the packer's name and address and the quality of the eggs. Alternatively, a point of sale sign may be displayed showing the above information.

23. A new § 59.801 is added to read:

§ 59.801 Nest run or current receipt eggs.

Eggs which are merchandised as they come from the production facilities without washing, grading, or sizing are exempt from the labeling provisions in § 59.800. However, when such eggs are packed and sold to consumers, they may not contain more loss and leakers than allowed in the official standards for U.S. Consumer Grade B shell eggs.

24. In § 59.930, the "Warning" notice in paragraph (c) is revised to read:

§ 59.930 Imported eggs and egg products; retention in customs custody; delivery under bond; movement prior to inspection; sealing; handling; facilities, and assistance.

(c) . . .

WARNING

Failure to comply with these instructions will result in penalty action being taken against the holder of the customs entry bond.

If the product is found to be acceptable upon inspection, the product may be released to the consignee, or his agent, and this warning notice defaced.

25. Section 59.940 is revised to read:

§ 59.940 Marking of egg products offered for importation.

Egg products which, upon inspection, are found to be acceptable for importation into the United States, and are properly labeled and bear the inspection mark of the country of origin, need no further identification. However, each shipping container of egg products rejected shall be marked "U.S. Refused Entry."

PART 70—GRADING AND INSPECTION OF POULTRY AND EDIBLE PRODUCTS THEREOF: AND UNITED STATES CLASSES, STANDARDS, AND GRADES WITH RESPECT THERETO

1. Section 70.90 is revised to read:

§ 70.90 Approval of official identification and wording on labels.

Any label or packaging material which bears any official grade identification shall be used only in such a manner as the Administrator may prescribe, and such labeling or packaging materials, including the wording used on such materials, shall be approved in accordance with and conform with the provisions of this Part 70 and the applicable provisions of §§ 381.115 through 381.141 of 9 CFR Part 381, Poultry Products Inspection Regulations.

2. In § 70.91 paragraph (b) (1) and Figure 1, are revised to read:

§ 70.91 Marking graded products.

(b) Form of official identification symbol and grademark. (1) The shield set forth in Figure 1 containing the letters "USDA" shall be the official identification symbol for purposes of this part and, when used, imitated, or simulated in any manner in connection with poultry shall be deemed prima facie to constitute a representation that the product has been officially graded for the purposes of § 70.2.



FIGURE 1.

3. In § 70.356, the opening text and paragraph (d) are revised and a new paragraph (j) is added to read:

§ 70.356 Poultry roast—A Quality.

The standard of quality contained in this section is applicable to raw poultry products labeled in accordance with 9 CFR Part 381 as ready-to-cook "Rolls," "Roasts" or with words of similar import.

(d) Seventy-five percent or more of the outer surface of the product shall be covered with skin, whether attached to the meat or used as a wrap. The skin shall not appreciably overlap at any point. The combined weight of the skin and fat used to cover the outer surface and that used as a binder shall not exceed 15 percent of the total net weight of the product.

(j) Product packaged in an oven-ready container shall meet all the requirements of paragraphs (a) through (i) of this section, except that with respect to skin covering, the exposed surface of the roast need not be covered with skin. If skin is used to cover the exposed surface, it may be whole or emulsified. Additionally, for roasts packaged in oven-ready containers, comminuted (mechanically deboned) meat may be substituted in part for skin, but may not exceed 8 percent of the total weight of the product.

Done at Washington, D.C. this 2nd day of May 1975. To become effective June 30, 1975.

E. L. PETERSON,
Administrator.

[FR Doc. 75-12066 Filed 5-7-75; 8:45 am]

CHAPTER VII—AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE (AGRICULTURAL ADJUSTMENT), DEPARTMENT OF AGRICULTURE

SUBCHAPTER B—FARM MARKETING QUOTAS AND ACREAGE ALLOTMENTS

[Amdt. 2]

PART 730—RICE

Subpart—Regulations for Determination of Acreage Allotments for 1974 and Subsequent Crops of Rice

MISCELLANEOUS AMENDMENTS

Basis and purpose. The amendments herein are issued under and in accordance with the provisions of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1301 et seq.).

The purpose of these amendments is to (1) revise the definition "engaged in the production of rice" in order to require that a rice producer must furnish more than the "producer" allotment as all or a part of the "farm" allotment determined for a farm, and that in addition, the producer must have an interest in the production of rice being produced on the farm and receive at the time of harvest a predetermined and fixed portion of such crop or the proceeds thereof; (2) add previous rice growing experience as another eligibility requirement for obtaining a new grower allotment; (3) provide for the cancellation of a new grower allotment if the producer has not

continued as a farm operator or is not entitled to receive 50 percent or more of the rice crop or the proceeds thereof; and (4) revise the new grower eligibility requirements to provide that the applicant is not eligible to receive a new grower allotment if he operates or has an ownership interest in any other farm in the United States for which a rice allotment is established for the current year.

Pursuant to provisions of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1301, 1353, 1363, 1375, 1377, 1378), the subpart—Regulations for Determination of Acreage Allotments for 1974 and Subsequent Crops of Rice (39 FR 9186, 39 FR 15021) is amended as follows:

1. Section 730.62 is amended by revising paragraph (b) (3) to read as follows:

§ 730.62 Definitions.

(b) * * *

(3) "Engaged in the production of rice" means to participate actively in the farming operations necessary to produce and harvest a crop of rice on the farm and share in a predetermined and fixed portion of the rice crop, or the proceeds therefrom, by virtue of furnishing all or part of the land on which the rice is being produced or the labor, water, or equipment necessary to produce and harvest the crop. Any producer who the county or State committee finds, after allocation of his producer allotment to a farm, is not or was not engaged in the production of rice on the farm as provided in accordance with this subparagraph, shall not be deemed to be engaged in the production of rice on the farm for the purpose of determinations made in accordance with § 730.72(e). A person whose allotment has been allocated to the farm must contribute land or water sufficient to produce an acreage of rice at least equal to his allotment or the labor or equipment sufficient to produce and harvest such acreage. Any contribution of land, labor, water, or equipment must be bona fide. A producer who furnishes land must satisfy the county committee that he has control of the land throughout the crop year, either through ownership or a valid lease.

2. Section 730.69 is amended by revising paragraph (b) (1), adding paragraph (b) (5) and revising paragraph (g) to read as follows:

§ 730.69 Determination of allotments for new producers.

(b) * * *

(1) *Interest in another farm.* He does not operate or have an ownership interest in any other farm in the United States for which a rice allotment is established for the current crop year.

(5) *Previous experience.* The applicant must have gained rice producing experience in the year prior to the current crop year as a farm operator exer-

cising full management control over the rice production and the applicant must have been entitled to receive 50 percent or more of the rice crop or proceeds thereof in the year prior to the current crop year.

(g) *Cancellation of new producer allotment.* A new producer rice allotment shall be subject to cancellation in the following circumstances:

(1) If a new producer rice allotment is established and it is later determined by the county committee that the applicant unknowingly furnished incomplete or inaccurate information, the allotment shall be cancelled effective for the next crop year. If it is determined that the applicant knowingly furnished incomplete or inaccurate information and the State committee concurs in the county committee determination, the allotment shall be cancelled as of the date issued.

(2) If a new producer allotment is established and it is later determined by the county committee that the applicant has met the provisions of paragraph (b) (5) of this section, but has not continued as a farm operator for the current crop year, and is not entitled to receive 50 percent or more of the rice crop or the proceeds thereof for the current crop year, the allotment shall be cancelled effective for the next crop year.

§ 730.72 [Amended]

3. Section 730.72 is amended by adding at the end of paragraph (a) the following sentence: "The producer holding the allotment shall not be eligible to allocate such allotment to any farm in the current year unless he establishes to the satisfaction of the committee that he will contribute land or water sufficient to produce an acreage of rice at least equal to his allotment or the labor or equipment sufficient to produce and harvest such acreage."

4. Section 730.80 is amended by revising paragraph (b) (1), adding paragraph (b) (4) and revising paragraph (g) to read as follows:

§ 730.80 Determination of allotments for new farms.

(b) * * *

(1) *Interest in another farm.* Neither the owner nor the operator of the farm covered by the application has an ownership interest in or operates any other farm in the United States for which a rice allotment is established for the current crop year.

(4) *Previous experience.* The operator must have gained rice producing experience in the year prior to the current crop year as a farm operator exercising full management control over the rice production and he must have been entitled to receive 50 percent or more of the rice crop or proceeds thereof in the year prior to the current crop year.

(g) *Cancellation of new farm rice allotment.* A new farm rice allotment shall

be subject to cancellation in the following circumstances:

(1) If a new farm allotment is established and it is later determined by the county committee that the applicant unknowingly furnished incomplete or inaccurate information, the allotment shall be cancelled effective for the next crop year. If it is determined that the applicant knowingly furnished incomplete or inaccurate information and the State committee concurs in the county committee determination, the allotment shall be cancelled as of the date issued.

(2) If a new farm rice allotment is established and it is later determined by the county committee that the operator has met the provisions of paragraph (b) (4) of this section, but has not continued as a farm operator for the current crop year, and is not entitled to receive 50 percent or more of the rice crop or the proceeds thereof for the current crop year, the allotment shall be cancelled effective for the next crop year.

(Secs. 301, 353, 375, 52 Stat. 38, as amended; 61, as amended; 66, as amended; 7 U.S.C. 1301, 1353, 1375.)

Effective date. Since rice farmers are planning rice farming operations for the 1975 crop year, and will need to know the provisions of this amendment, it is important that this amendment be issued and made effective as soon as possible. Accordingly, it is hereby found that compliance with the notice, public procedure, and effective date requirements of 5 U.S.C. 553 is impracticable and contrary to the public interest. This amendment shall become effective for 1975 and subsequent crops of rice.

Signed at Washington, D.C., on May 2, 1975.

KENNETH E. FRICK,
Administrator, Agricultural
Stabilization and Conservation
Service.

[FR Doc. 75-12149 Filed 5-7-75; 8:45 am]

CHAPTER IX—AGRICULTURAL MARKETING SERVICE (MARKETING AGREEMENTS AND ORDERS; FRUITS, VEGETABLES, NUTS) DEPARTMENT OF AGRICULTURE

[Grapefruit Reg. 75, Amdt. 7; Export Reg. 24, Amdt. 7]

PART 905—ORANGES, GRAPEFRUIT, TANGERINES, AND TANGELOS GROWN IN FLORIDA

Grapefruit Grade Requirements

Amendment 7 to Regulation 75 lowers the minimum grade requirements applicable to domestic shipments of Florida white seedless grapefruit and white and pink seeded grapefruit to U.S. No. 2 on May 5, 1975. Amendment 7 to Regulation 24 lowers the minimum grade requirement applicable to export shipments of Florida white and pink seeded grapefruit to U.S. No. 2 on May 5, 1975. The specification of such lower minimum grade requirement recognizes the lesser quality of such grapefruit estimated to be remaining for fresh shipment from the production area.

Findings. (1) Pursuant to the marketing agreement, as amended, and Order No. 905, as amended (7 CFR Part 905), regulating the handling of oranges, grapefruit, tangerines, and tangelos grown in Florida, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), and upon the basis of the recommendations of the Growers Administrative Committee and Shippers Advisory Committee established under the aforesaid amended marketing agreement and order, and upon other available information, it is hereby found that the minimum grade requirements applicable to seedless and seeded grapefruit, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) These amendments reflect the Department's appraisal of the current and prospective demand for white seedless grapefruit and white and pink seeded grapefruit by fresh market outlets. The lower minimum grade requirement specified for domestic shipments of white seedless grapefruit and for domestic and export shipments of white and pink seeded grapefruit is consistent with the external appearance and remaining supply of such grapefruit. Fresh shipments of Florida grapefruit for the season through April 27, 1975, total 25,151 cartons, and there were an estimated 3,349 cartons remaining for shipment.

(3) It is hereby further found that it is impracticable, unnecessary, and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of these amendments until 30 days after publication thereof in the FEDERAL REGISTER (5 U.S.C. 553) in that the time intervening between the date when information upon which these amendments are based became available and the time when these amendments must become effective in order to effectuate the declared policy of the act is insufficient; and these amendments lower requirements applicable to the handling of white seedless grapefruit and white and pink seeded grapefruit grown in Florida.

Order. 1. In § 905.556 (Grapefruit Regulation 75; 39 FR 32976, 37186, 40745, 42899; 40 FR 8321, 11345, 14889) the provisions of paragraph (b)(1) and (b)(3) are amended to read as follows:

§ 905.556 Grapefruit Regulation 75.

(b) * * *

(1) Any seeded grapefruit, grown in the production area, which do not grade at least U.S. No. 2;

(3) Any seedless grapefruit, other than pink seedless grapefruit, grown in the production area, which do not grade at least U.S. No. 2, or any pink seedless grapefruit which do not grade at least U.S. No. 2 Russet; or

2. In § 905.559 (Export Regulation 24; 39 FR 32976; 37186; 40 FR 2792, 11345,

12646, 14889, 16210) the provisions of paragraph (b)(11) are amended to read as follows:

§ 905.559 Export Regulation 24.

(b) * * *

(11) Any seeded grapefruit, grown in the production area, which do not grade at least U.S. No. 2;

(Secs. 1-19, 48 Stat. 31, amended; 7 U.S.C. 601-674)

Dated, May 2, 1975, to become effective May 5, 1975.

CHARLES R. BRADER,
Acting Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[FR Doc. 75-12065 Filed 5-7-75; 8:45 am]

[Naval Orange Reg. 351]

PART 907—NAVEL ORANGES GROWN IN ARIZONA AND DESIGNATED PART OF CALIFORNIA

Limitation of Handling

This regulation fixes the quantity of California-Arizona Navel oranges that may be shipped to fresh market during the weekly regulation period May 9-15, 1975. It is issued pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and Marketing Order No. 907. The quantity of Navel oranges so fixed was arrived at after consideration of the total available supply of Navel oranges, the quantity currently available for market, the fresh market demand for Navel oranges, Navel orange prices, and the relationship of season average returns to the parity price for Navel oranges.

§ 907.651 Navel Orange Regulation 351.

(a) **Findings.** (1) Pursuant to the marketing agreement, as amended, and Order No. 907, as amended (7 CFR Part 907), regulating the handling of Navel oranges grown in Arizona and designated part of California, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), and upon the basis of the recommendations and information submitted by the Navel Orange Administrative Committee, established under the said amended marketing agreement and order, and upon other available information it is hereby found that the limitation of handling of such Navel oranges, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) The need for this section to limit the respective quantities of Navel oranges that may be marketed from District 1, District 2, and District 3 during the ensuing week stems from the production and marketing situation confronting the Navel orange industry.

(i) The committee has submitted its recommendation with respect to the quantities of Navel oranges that should be marketed during the next succeeding

week. Such recommendation, designed to provide equity of marketing opportunity to handlers in all districts, resulted from consideration of the factors enumerated in the order. The committee further reports that the fresh market demand for Navel oranges remains fairly good. Prices f.o.b. averaged \$3.78 per carton on a reported sales volume of 1,505 cartons last week, compared with an average f.o.b. price of \$3.68 per carton and sales of 1,331 cartons a week earlier. Track and rolling supplies at 512 cars were up 19 cars from last week.

(ii) Having considered the recommendation and information submitted by the committee, and other available information, the Secretary finds that the respective quantities of Navel oranges which may be handled should be fixed as hereinafter set forth.

(3) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rulemaking procedure, and postpone the effective date of this section until 30 days after publication hereof in the FEDERAL REGISTER (5 U.S.C. 553) because the time intervening between the date when information upon which this section is based became available and the time this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. The committee held an open meeting during the current week, after giving due notice thereof, to consider supply and market conditions for Navel oranges and the need for regulation; interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such Navel oranges; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period herein specified; and compliance with this section will not require any special preparation on the part of persons subject hereto which cannot be completed on or before the effective date hereof. Such committee meeting was held on May 6, 1975.

(b) **Order.** (1) The respective quantities of Navel oranges grown in Arizona and designated part of California which may be handled during the period May 9, 1975, through May 15, 1975, are hereby fixed as follows:

(i) District 1: 800,000 cartons;
(ii) District 2: Unlimited movement;
(iii) District 3: Unlimited movement.
(2) As used in this section, "handled," "District 1," "District 2," "District 3," and "carton" have the same meaning as when used in said amended marketing agreement and order.

(Secs. 1-19, 48 Stat. 31, as amended; 7 U.S.C. 601-674)

Dated: May 6, 1975.

CHARLES R. BRADER,
Deputy Director, Fruit and
Vegetable Division, Agricultural
Marketing Service.

[FR Doc. 75-12377 Filed 5-7-75; 11:14 am]

[Valencia Orange Reg. 497]

**PART 908—VALENCIA ORANGES GROWN
IN ARIZONA AND DESIGNATED PART
OF CALIFORNIA**

Limitation of Handling

This regulation fixes the quantity of California-Arizona Valencia oranges that may be shipped to fresh market during the weekly regulation period May 9-15, 1975. It is issued pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and Marketing Order No. 908. The quantity of Valencia oranges so fixed was arrived at after consideration of the total available supply of Valencia oranges, the quantity of Valencia oranges currently available for market, the fresh market demand for Valencia oranges, Valencia orange prices, and the relationship of season average returns to the parity price for Valencia oranges.

§ 908.797 Valencia Orange Regulation 497.

(a) Findings. (1) Pursuant to the marketing agreement, as amended, and Order No. 908, as amended (7 CFR Part 908), regulating the handling of Valencia oranges grown in Arizona and designated part of California, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), and upon the basis of the recommendations and information submitted by the Valencia Orange Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of handling of such Valencia oranges, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) The need for this section to limit the respective quantities of Valencia oranges that may be marketed from District 1, District 2, and District 3 during the ensuing week stems from the production and marketing situation confronting the Valencia orange industry.

(i) The committee has submitted its recommendation with respect to the quantities of Valencia oranges that should be marketed during the next succeeding week. Such recommendation, designed to provide equity of marketing opportunity to handlers in all districts, resulted from consideration of the factors enumerated in the order. The committee further reports that the fresh market demand for Valencia oranges continues to be generally strong.

Prices f.o.b. averaged \$3.20 per carton on a reported sales volume of 370,000 cartons last week, compared with an average f.o.b. price of \$3.00 per carton

and sales of 192,000 cartons a week earlier. Track and rolling supplies at 224 cars were up 55 cars from last week.

(ii) Having considered the recommendation and information submitted by the committee, and other available information, the Secretary finds that the respective quantities of Valencia oranges which may be handled should be fixed as hereinafter set forth.

(3) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rulemaking procedure, and postpone the effective date of this section until 30 days after publication hereof in the FEDERAL REGISTER (5 U.S.C. 553) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. The committee held an open meeting during the current week, after giving due notice thereof, to consider supply and market conditions for Valencia oranges and the need for regulation; interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after such meeting was held; the provisions of this regulation, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such Valencia oranges; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period herein specified; and compliance with this section will not require any special preparation on the part of persons subject hereto which cannot be completed on or before the effective date hereof. Such committee meeting was held on May 6, 1975.

(b) Order. (1) The respective quantities of Valencia oranges grown in Arizona and designated part of California which may be handled during the period May 9, 1975, through May 15, 1975, are hereby fixed as follows:

(i) District 1: 222,000 cartons;

(ii) District 2: 288,921 cartons;

(iii) District 3: 239,000 cartons.

(2) As used in this section, "handled", "District 1", "District 2", "District 3", and "carton" have the same meaning as when used in said amended marketing agreement and order.

(Secs. 1-19, 48 Stat. 31, as amended; 7 U.S.C. 601-674)

Dated: May 7, 1975.

CHARLES R. BRADER,
Deputy Director, Fruit and
Vegetable Division, Agricultural
Marketing Service.

[FR Doc. 75-12378 Filed 5-7-75; 11:14 am]

[Nectarine Reg. 2, Amdt. 3]

**PART 916—NECTARINES GROWN IN
CALIFORNIA**

Container and Pack Regulations

This amendment, effective during the period May 12, 1975, through June 29, 1975, requires loose-filled or loose-packed nectarines in closed containers to conform with the requirements of standard pack as set forth in the U.S. Standards for Grades of Nectarines. The requirements of standard pack are currently applicable to nectarines place-packed in closed containers. The amendment also requires such containers to bear, on one outside end in plain sight and plain letters, the count of nectarines packed in molded forms in cartons, lug boxes, or flats and the size of nectarines loose-filled, loose-packed, or tight-filled in any container. In addition, the amendment requires that standard lug boxes 22D and 22E containing loose-filled or loose-packed nectarines be stamped "25 pounds net weight" and "35 pounds net weight," respectively. The specification of standard pack requirements is designed to ensure that containers of nectarines are tightly packed and well filled. Container marking requirements are designed to provide the trade with information on the count, size, and weight of fruit in containers.

Findings. (1) Pursuant to the amended marketing agreement and Order No. 916 (7 CFR Part 916), regulating the handling of nectarines grown in the State of California, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), and upon the basis of the recommendation of the Nectarine Administrative Committee, established under the aforesaid marketing agreement and order, and upon other available information, it is hereby found that the requirements applicable to nectarines, as hereinafter set forth, will tend to effectuate the declared policy of the act in that such requirements will facilitate more efficient handling of nectarines and contribute to more effective operations under said marketing agreement and order.

(2) This amendment reflects the Department's appraisal of the need for container and pack requirements applicable to fresh shipments of California nectarines. Requiring loose-filled or loose-packed nectarines in closed containers to meet standard pack specifications is designed to ensure that containers are tightly packed and well filled without excessive or unnecessary fruit bruising. This action is therefore designed to contribute to more orderly marketing conditions in the interest of growers and consumers. The count and size marking requirements are designed to enable the trade to readily determine the number and size of nectarines in containers. Net weight requirements are specified for standard lug boxes 22D and 22E to provide the trade with uniform weights of loose-filled or loose-packed nectarines in such containers.