

better quality potatoes in the lot could be segregated and sold as a higher grade, while those lower quality potatoes sorted out of the lot could fail marketing order requirements even though officially covered by an original inspection and certification. The committee further believes that, in order to maintain control of regraded potatoes, this rule should apply only to potatoes handled by Washington shippers.

Permitting handlers to repackage No. 1 or better grade potatoes within 72 hours of the original inspection without requiring reinspection will have a positive impact on them by decreasing inspection costs. Moreover, reducing these costs to handlers should tend to increase returns to growers.

Based on the above, the Administrator of the AMS has determined that this action will not have a significant economic impact on a substantial number of small entities.

Notice was given of this action by a proposed rule published in the August 18, 1989, issue of the Federal Register (54 FR 34184) which provided interested persons until September 5, 1989, to file written comments. None were received.

After consideration of all relevant matters, including the information set forth in the proposal, it is hereby found that this action, as hereinafter set forth, will tend to effectuate the declared policy of the Act.

It is also found that good cause exists for not postponing the effective date of this rule until 30 days after publication in the Federal Register (5 U.S.C. 553) because the shipping season has begun and this regulation should apply to as many shipments as possible to be of maximum benefit to industry.

List of Subjects in 7 CFR Part 946

Marketing agreements and orders, Potatoes, Washington.

For the reasons set forth in the preamble, 7 CFR part 946 is amended as follows:

PART 946—IRISH POTATOES GROWN IN WASHINGTON

1. The authority citation for 7 CFR part 946 continues to read as follows:

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

2. Section 946.336 is amended by designating the existing text of paragraph (g), which begins "Except when relieved", as paragraph (g)(1) and by adding a new paragraph (g)(2) as follows:

Note: This section will appear in the annual Code of Federal Regulations.

§ 946.336 Handling regulation.

(g)(1) * * *
(2) U.S. No. 1 grade or better potatoes in the State of Washington which are resorted or repacked within 72 hours of being inspected and certified are exempt from reinspection.

Dated: October 5, 1989.

William J. Doyle,

Acting Deputy Director, Fruit and Vegetable Division.

[FR Doc. 89-23926 Filed 10-10-89; 8:45 am]

BILLING CODE 3410-02-M

7 CFR Part 989

[Docket No. FV-89-057FR]

Raisins Produced From Grapes Grown in California; Deletion of Conversion Factors for Partially Reconditioned Raisins

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Final rule.

SUMMARY: This final rule deletes weight conversion factors that are applied when handlers partially recondition raisins. This action was unanimously recommended by the Raisin Administrative Committee (RAC), which is responsible for local administration of the order. The change reflects current industry operations.

EFFECTIVE DATE: October 11, 1989.

FOR FURTHER INFORMATION CONTACT: Maureen T. Pello, Marketing Specialist, Marketing Order Administration Branch, Fruit and Vegetable Division, AMS, USDA, Room 2525-S, P.O. Box 96456, Washington, DC 20090-6456; telephone: (202) 382-1754.

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

This rule has been reviewed under Executive Order 12291 and Departmental Regulation No. 1512-1 and has been determined to be a "non-major" rule under criteria contained therein.

Pursuant to requirements set forth in the Regulatory Flexibility Act (RFA), the Administrator of the Agricultural Marketing Service (AMS) has

considered the economic impact of this rule on small entities.

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

There are approximately 23 handlers of raisins who are subject to regulation under the raisin marketing order and approximately 5,000 producers in the regulated area. Small agricultural producers have been defined by the Small Business Administration (13 CFR 121.2) as those having gross annual revenues for the last three years of less than \$500,000, and small agricultural service firms (handlers) are defined as those whose gross annual receipts are less than \$3,500,000. A majority of producers and a minority of handlers of California raisins may be classified as small entities.

This final rule deletes certain weight conversion factors under the federal marketing order for California raisins. This action will delete the conversion factors that are applied when handlers partially recondition raisins.

When handlers acquire raisins from producers, all payments are made on the basis of the creditable weight of the lot of raisins. The creditable weight is based on the net natural condition weight, adjusted for the presence of substandard raisins and the maturity of the raisins in the lot. Paragraph (d) of § 989.58 of the marketing order requires the federal inspection of raisins acquired or received by handlers. Inspectors determine if the raisins meet minimum grade and condition requirements established under the marketing order. Determining the maturity of the raisins and the presence of substandard raisins are part of the inspection process.

In order to convert the net weight of reconditioned or partially reconditioned raisins to a natural condition weight, factors have been established, in § 989.601, for several varietal types of raisins. The natural condition weight is obtained by dividing the net weight of the raisins by the conversion factor.

Two sets of conversion factors have been established to convert the weight of reconditioned raisins to a natural condition weight. There is one factor for partially reconditioned raisins (weight taken after passing through a stemmer

or blower) and one for fully processed raisins (weight taken after completion of processing). This final rule will delete the conversion factors for partially reconditioned raisins. The factors for fully processed raisins will remain unchanged. The conversion factors apply to Natural (sun-dried) Seedless raisins, Golden Seedless raisins, Dipped Seedless raisins, Muscats, Sultanas, Zante currants, and Oleate and Related Seedless raisins.

Partial or dry reconditioning consists of passing the raisins through a vacuum or blower mechanism to remove substandard raisins, foreign material, large stems, and other debris.

As improvements in the minimum grade and condition standards for raisins have been implemented in recent seasons, producers have done more to prepare their raisins for delivery to handlers. More producers have purchased and are using shakers, some of which have vacuums or blowers installed, to assist in removing substandard raisins, foreign material, and large stems. Due to the cost of these investments, there are situations where producers with this equipment are "shaking" other producers' raisins for a fee before the raisins are delivered to a handler.

The industry is of the opinion that this activity should not be discouraged. Generally, producers can improve the maturity of the raisins delivered to a handler by removing substandard and very low maturity raisins.

Presently, if a producer delivers to a handler raisins which fail due to substandard or foreign material, the producer has three options: (1) Take the raisins back and recondition them or have another producer recondition them; (2) leave the raisins at the handler's premises and have the handler recondition them; or (3) have the raisins delivered to a dehydrator for reconditioning. The reconditioning process at the handler's or dehydrator's premises is performed under the surveillance of the Federal inspectors. If a handler reconditions the raisins by dry reconditioning or partially reconditioning the raisins, the handler is required to convert the weight of the raisins to a natural condition weight by applying a conversion factor.

For example, a handler receives from a producer 100 tons of natural (sun-dried) seedless raisins and partially reconditions them. After partial reconditioning, the lot of raisins weighs 80 tons. To determine the equivalent natural condition weight of the raisins, a conversion factor of 0.94 would be applied to the 80 tons. Eighty tons divided by 0.94 equals roughly 85.1 tons.

Therefore, the producer would be credited with delivering 85.1 tons of natural condition raisins to the handler.

However, if a producer delivers 80 tons of partially reconditioned raisins to a handler, the conversion factor would not be applied. Thus, in this situation, the producer would receive credit for delivering only 80 tons of raisins.

The dry reconditioning or partial reconditioning procedure used by handlers and dehydrators is virtually the same as the shaker systems with vacuums or blowers used by many producers, and no conversion factors are applied to such producer processes. Whether raisins are subject to shakers or vacuums by handlers or producers, there is still some loss (shrinkage) when the raisins are ultimately processed by handlers.

In addition, handlers who are required to apply a conversion factor to raisins are refusing to accept raisins for reconditioning since they must pay for more raisins after application of the conversion factors than they actually have available after reconditioning. Thus, if the conversion factors for partially reconditioned raisins are not deleted, producers may lose a reconditioning source, have to pay extra handling costs, and need to seek alternative sources to remove the substandard raisins or foreign material which caused the raisins to fail the minimum grade and condition standards.

To correct the situation, the RAC has recommended that the conversion factors no longer be applied to the weight of raisins partially reconditioned by handlers. This action will delete those factors and bring the regulation into line with current industry operations.

Notice of this action was published in the Federal Register on August 21, 1989 (54 FR 34525). Written comments were invited from interested persons until September 5, 1989. No comments were received.

Based on available information, the Administrator of the AMS has determined that issuance of this final rule will not have a significant economic impact on a substantial number of small entities.

After consideration of all relevant matter presented, including the RAC's recommendation and other available information, it is found that the changes hereinafter set forth will tend to effectuate the declared policy of the Act.

It is also found that good cause exists for not postponing the effective date of this action until 30 days after publication in the Federal Register (5 U.S.C. 553). This action deletes weight

conversion factors applied to partially reconditioned raisins. It should be effective as soon as possible since August 1 was the beginning of the 1989-90 crop year and producers have begun delivering new crop raisins to handlers. This rule should be in effect for as much of the remainder of this crop year as possible as well as for subsequent crop years.

List of Subjects in 7 CFR part 989

California, Grapes, Marketing agreements and orders, Raisins.

For the reasons set forth in the preamble, 7 CFR part 989 is amended as follows:

Note: This section will appear in the Code of Federal Regulations.

PART 989—RAISINS PRODUCED FROM GRAPES GROWN IN CALIFORNIA

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

Authority: Secs. 1-19, 48 Stat. 31, as amended, 7 U.S.C. 601-674.

2. Section 989.601 is revised to read as follows:

§ 989.601 Conversion factors for raisin weight.

The following factors for the named varietal types of raisins shall be used to convert the net weight of reconditioned raisins acquired by handlers as packed raisins to natural condition weight. The net weight of the raisins after the completion of processing shall be divided by the applicable factor to obtain the natural condition weight: *Provided*, That the adjusted weight does not exceed the original weight of the raisins prior to reconditioning; and *Provided further*, That, if the adjusted weight exceeds the original weight, the original weight will be used.

Varietal type	Conversion factor
Natural (sun-dried) seedless	0.92
Golden seedless95
Dipped seedless95
Muscats (including raisins with seeds):	
Seeded80
Unseeded92
Sultana92
Zante currant91
Oleate and Related Seedless92

Dated: October 5, 1989.

William J. Doyle,
Acting Deputy Director, Fruit and Vegetable Division.

[FR Doc. 89-23927 Filed 10-10-89; 8:45 am]

BILLING CODE 3410-02-M

Commodity Credit Corporation**7 CFR Parts 1434 and 1435****Price Support and Production Adjustment Programs**

AGENCY: Commodity Credit Corporation, USDA.

ACTION: Interim rule.

SUMMARY: The regulations at 7 CFR Parts 1434 and 1435 set forth the terms and conditions of the Commodity Credit Corporation (CCC) price support loan programs for honey and sugar, respectively. The amendments made by this interim rule will provide greater clarity, enhance the administration of CCC programs, and eliminate obsolete provisions.

DATE: Effective: October 11, 1989. Comments must be received by November 13, 1989.

ADDRESS: Director, Cotton, Grain and Rice Price Support Division, USDA, ASCS, P.O. Box 2415, Washington, DC 20013.

FOR FURTHER INFORMATION CONTACT: David Wolf, Program Specialist, Cotton, Grain and Rice Price Support Division, USDA-ASCS, P.O. Box 2415, Washington, DC 20013. Telephone (202) 447-4229.

SUPPLEMENTARY INFORMATION: This interim rule has been reviewed under United States Department of Agriculture (USDA) procedures implementing Executive Order 12291 and Departmental Regulation No. 1512-1 and has been classified as "not major". It has been determined that the provisions of this rule will not result in: (1) An annual effect on the economy of \$100 million or more; (2) major increases in costs or prices for consumers, individual industries, Federal, State or local government agencies, or geographic regions; or (3) significant adverse effects on competition, employment, investment, productivity, innovation or on the ability of United States-based enterprises in domestic or export markets.

It has been determined that the Regulatory Flexibility Act is not applicable to this interim rule since ASCS nor CCC is required by 5 U.S.C. 553 or any other provision of law to publish a notice of proposed rulemaking with respect to the subject matter of this rule.

It has been determined by an environmental evaluation that this action will not have significant impact on the quality of the human

environment. Therefore, neither an Environmental Assessment nor an Environmental Impact Statement is needed.

This program/activity is not subject to the provisions of Executive Order 12372 which requires intergovernmental consultation with State and local officials. See the Notice related to 7 CFR part 3015, Subpart V, published at 48 FR 29115 (June 24, 1983).

The title and number of the Federal Assistance Program to which this interim rule applies are: Title—Commodity Loans and Purchases, Number—10.051, as found in the Catalog of Federal Domestic Assistance.

The proposed reporting and record keeping requirements of this rule have been approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act of 1980 (44 U.S.C. 3501 *et seq.*)

In order to more effectively administer its commodity price support programs, over the past year CCC has reviewed various program regulations and program contracts in order to develop more uniform program provisions. Accordingly, this interim rule amends the honey price support program regulations at 7 CFR part 1434 to delete obsolete provisions and make changes to conform to the CCC price support loan agreement. This interim rule also amends the sugar price support program regulations at 7 CFR part 1435 in order to make similar changes and to make revisions for clarity.

Since producers are currently pledging honey as collateral for CCC price support loans, and sugar processors will shortly begin to obtain sugar price support loans, this interim rule needs to be made effective upon publication in the Federal Register. Comments are requested and will be taken into consideration when developing the final rule.

List of Subjects**7 CFR Part 1434**

Honey, Loan programs—agriculture, Price support programs.

7 CFR Part 1435

Sugar, Loan programs—agriculture, Price support programs.

Accordingly, title 7 of the Code of Federal Regulations is amended to read as follows:

PART 1434—[AMENDED]

1. The authority citation for 7 CFR part 1434 continues to read as follows:

Authority: 7 U.S.C. 1421 and 1446; 15 U.S.C. 714b and 714c

2. Section 1434.1 is revised to read as follows:

§ 1434.1 Applicability.

(a) The regulations of this part are applicable to the 1989 and subsequent crops of extracted honey. These regulations set forth the terms and conditions under which price support loans shall be entered into by the Commodity Credit Corporation ("CCC"). Additional terms and conditions are set forth in the note and security agreement which must be executed by a producer in order to receive price support.

(b) The forms for use in connection with this program shall be prescribed by CCC. The forms may be obtained in State and county ASCS offices.

3. Section 1434.2 is revised to read as follows:

§ 1434.2 Administration.

(a) The price support program which is applicable to a crop of honey shall be administered under the general supervision of the Administrator, ASCS, and shall be carried out in the field by State and county Agricultural Stabilization and Conservation committees ("State and county committees", respectively).

(b) State and county committees, and representatives and employees thereof, do not have the authority to modify or waive any of the provisions of the regulations of this part.

(c) The State committee shall take any action required by these regulations which has not been taken by the county committee. The State committee shall also:

(1) Correct, or require a county committee to correct, an action taken by such county committee which is not in accordance with the regulations of this part; or

(2) Require a county committee to withhold taking any action which is not in accordance with the regulations of this part.

(d) No provision or delegation herein to a State or county committee shall preclude the Administrator, ASCS, or a designee, from determining any question arising under the program or from reversing or modifying any determination made by a State or county committee.

(e) The Deputy Administrator, State and County Operations, ASCS, may authorize State and county committees to waive or modify deadlines and other program requirements in cases where lateness or failure to meet such other requirements does not affect adversely the operation of the price support program.

(f) A representative of CCC may execute price support loans and related

documents only under the terms and conditions determined and announced by CCC. Any such document which is not executed in accordance with such terms and conditions, including any purported execution prior to the date authorized by CCC, shall be null and void.

3. Section 1434.21(b) is revised to read as follows:

§ 1434.21 Loss or Damage.

(b) The physical loss or damage resulting solely from an external cause such as fire which is not the result of improper storage of the commodity; windstorm; or flood. CCC will not assume any loss or damage resulting from insect infestation, rodents, vermin, spontaneous combustion, excessive heat, or theft;

4. Section 1434.28 is removed and reserved.

§ 1434.28 [Removed and reserved]

PART 1435—[AMENDED]

5. Sections 1435.300 and 1435.301 are revised to read as follows:

§ 1435.300 Applicability.

(a) The regulations of this subpart are applicable to the 1989 and subsequent crops of sugar beets and sugarcane. These regulations set forth the terms and conditions under which price support loans shall be entered into by the Commodity Credit Corporation ("CCC") with eligible processors. Additional terms and conditions are set forth in the loan application and note and security agreement which must be executed by a processor in order to receive such a loan. The collateral for such a loan must be eligible sugar which is stored in eligible storage. Only eligible sugar which is in eligible storage shall be accepted for delivery by CCC in settlement of the loan.

(b) Price support loan rates and the forms which are used in administering the price support program for a crop of sugar beets or sugarcane are available in State and county Agricultural Stabilization and Conservation Service ("ASCS") offices ("State and county offices", respectively).

§ 1435.301 Administration.

(a) The price support program which is applicable to a crop of sugar beets or sugarcane shall be administered under the general supervision of the Administrator, ASCS, and shall be carried out in the field by State and county Agricultural Stabilization and

Conservation committees ("State and county committees", respectively).

(b) State and county committees, and representatives and employees thereof, do not have the authority to modify or waive any of the provisions of the regulations of this part.

(c) The State committee shall take any action required by these regulations which has not been taken by the county committee. The State committee shall also: (1) Correct, or require a county committee. The State committee shall also:

(1) Correct, or require a county committee to correct, an action taken by such county committee which is not in accordance with the regulations of this part; or

(2) Require a county committee to withhold taking any action which is not in accordance with the regulations of this part.

(d) No provision or delegation herein to a State or county committee shall preclude the Administrator, ASCS, or a designee, from determining any question arising under the program or from reversing or modifying any determination made by a State or county committee.

(e) The Deputy Administrator, State and County Operations, ASCS, may authorize State and county committees to waive or modify deadlines and other program requirements in cases where lateness or failure to meet such other requirements does not affect adversely the operation of the price support program.

(f) A representative of CCC may execute price support loans and related documents only under the terms and conditions determined and announced by CCC. Any such document which is not executed in accordance with such terms and conditions, including any purported execution prior to the date authorized by CCC, shall be null and void.

§ 1435.303 [Amended]

6. Section 1435.303 is amended by removing "1986" each place it appears and adding in lieu thereof "1989".

7. Section 1435.305(c) is revised to read as follows:

§ 1435.305 Availability, disbursement, and maturity of loans.

(c) *Disbursement of loans.* Disbursement will be made by means of checks drawn on the account of CCC. Disbursements shall be made without regard to the actual polarity of the sugar pledged as collateral for the price support loan but shall be made on the assumption that the polarity of such sugar is 96 degrees by the polariscope.

Adjustments for polarity will be made at the time of the settlement of the loan.

8. Section 1435.307(b)(5)(ii) is revised to read as follows:

§ 1435.307 Loan maintenance and liquidation.

(b) * * *

(5) * * *

(ii) The physical loss or damage resulted solely from an external cause such as fire which is not the result of improper storage of the sugar; windstorm; or flood. CCC will not assume any loss of damage resulting from insect infestation, rodents, vermin, spontaneous combustion, excessive heat, or theft;

9. Section 1435.310(b) is revised to read as follows:

§ 1435.310 Fees, charges, interest, and bonding.

(b) *Interest.* Interest which accrues with respect to a loan shall be determined in accordance with part 1405 of this chapter. Except with respect to called loans, loans which have not been repaid by the maturity date shall accrue interest in accordance with part 1403 of this chapter beginning the day after the maturity date of the loan. With respect to called loans, interest shall accrue in accordance with part 1403 of this chapter beginning on the required settlement date.

10. Section 1435.311(d) is revised to read as follows:

§ 1435.311 Miscellaneous provisions.

(d) *Liens.* If there are any liens or encumbrances on sugar pledged as collateral for a price support loan, waivers that fully protect the interest of CCC must be obtained even though the liens or encumbrances are satisfied from the loan proceeds. No additional liens or encumbrances shall be placed on the sugar after the loan is approved.

Signed at Washington, DC, on October 4, 1989.

Keith D. Bjerke,

Executive Vice President, Commodity Credit Corporation, Administrator, Agricultural Stabilization and Conservation Service.

[FR Doc. 89-23977 Filed 10-10-89; 8:45 am]

BILLING CODE 3410-05-M