employee would be employed in the position after the training.

(2) Training may be authorized under this section for the purpose of retaining an employee in a shortage occupation identified under paragraph (b) or (e) of this section, if it involves a course of study which is mainly selected for its potential contribution to effective performance in that occupation.

(h) *Waiver authority*. The head of an agency may waive the limitation of training to one-year-in-ten years of service in section 4106(a)(3) of title 5, United States Code, for individual employees receiving training under this section when the following conditions are met:

(1) The employee is serving under a career or career conditional appointment, or other appointment allowing adequate opportunity for the employee to fulfill the obligation to continue in the service of the agency as required by section 4108 of title 5, United States Code; and

(2) A record of use of the authority is inserted in the employee's Official Personnel Folder containing the information required in paragraph (j)(2)(iii) of this section.

(i) *Monitoring of training*. (1) An agency shall monitor training assignments made under this section. Continuation of an employee in a training assignment under this section shall be based on—

(i) An expectation that the shortage determination serving as the basis for the training has continuing validity; and

(ii) A determination that academic and job performance while in the course of study are to the agency's satisfaction.

(2) An agency shall assess the contribution of training assignments under this section to the resolution of recruitment or retention problems in its shortage occupations.

(j) *Documentation*. (1) In exercising the authority in this section, an agency shall retain in the servicing personnel office for 3 years or some period of time beyond completion of training or degree—

(i) A record of the employees who are assigned to training under this section; and

(ii) A record of any finding that a determination under paragraph (f) of this section is a continuing one, showing the evidence leading to that finding and any reassessment of such a finding.

(2) As a separate record, the servicing personnel office shall keep in the Official Personnel Folder of each such employee the following information:

(i) Justification for the shortage determination. If made under paragraph (b) of this section, the nature of that determination is identified. If made under paragraph (d) or (e) of this section, the shortage is described (in terms of occupational series, grade or grade range, geographical locality, and organizational assignment) and the agency's findings are recorded.

(ii) Kind of training (e.g., cooperative-education tuition assistance program, continuing professional/technical education, retraining for occupational change); a description of the field of study; and the nature of any degree pursued under the training program.

(iii) A record of any use of the authority to waive the limitation in section 4106(a)(3) of title 5, United States Code, as allowed in paragraph (h) of this section, showing:

(A) The amount of training through non-Government facilities already received in the employee's current decade of service which counts toward the limitation.

(B) The period for which the waiver is required, showing the month and year in which it is to begin and the estimated time needed to achieve the objective of the training. (The period to be covered by the waiver should not commence until completion of any period of training already authorized by a waiver granted under 5 CFR 410.506(d)).

(C) The projected beginning of the employee's next decade of service.

(D) A statement indicating the potential effect postponement of the training until the next decade of service would have on achievement of the training objective, including retention of the employee.

(iv) A written continued service agreement as described in 5 CFR 410.508 and 410.509.

[FR Doc. 92-10600 Filed 5-6-92; 8:45 am]

BILLING CODE 6325-01-M

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Part 905

[Docket No. FV-92-046IR]

Oranges, Grapefruit, Tangerines, and Tangelos Grown in Florida; Temporary Relaxation of Grade Requirements for Red and White Seedless Grapefruit

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Interim final rule.

SUMMARY: This rule relaxes minimum grade requirements for domestic shipments of red and white seedless grapefruit to U.S. No. 2 Russet from Improved No. 2 through August 16, 1992. The external requirements of the U.S. No. 2 Russet grade permits additional amounts of discoloration than allowed under the Improved No. 2 grade, while the internal quality requirements for both grades are the same. This action is based on this season's current and prospective crop and market conditions, and on the grade composition of the remaining grapefruit supplies.

DATES: This interim final rule becomes effective: April 30, 1992. Comments which are received by June 8, 1992 will be considered prior to any finalization of this interim final rule.

ADDRESSES: Interested persons are invited to submit written comments concerning this rule to: Docket Clerk, Fruit and Vegetable Division, AMS, USDA, P.O. Box 96456, room 2525-S, Washington, DC 20090-6456. Three copies of all written material shall be submitted, and they will be made available for public inspection at the office of the Docket Clerk during regular business hours. All comments should reference the docket number, date, and page number of this issue of the **Federal Register.**

FOR FURTHER INFORMATION CONTACT: Gary D. Rasmussen, Marketing Specialist, Marketing Order Administration Branch, Fruit and Vegetable Division, AMS, USDA, P.O. Box 96456, room 2525-S, Washington, DC 20090-6456; telephone: (202) 720-5331.

SUPPLEMENTARY INFORMATION: This interim final rule is issued under Marketing Agreement and Marketing Order No. 905, both as amended (7 CFR part 905), regulating the handling of oranges, grapefruit, tangerines, and tangelos grown in Florida. This order is effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), hereinafter referred to as the Act.

This interim final rule has been reviewed by the U.S. Department of Agriculture (Department) in accordance with Departmental Regulation 1512-1 and the criteria contained in Executive Order 12291 and has been determined to be a "non-major" rule.

This interim final rule has been reviewed under Executive Order 12778, Civil Justice Reform. This action is not intended to have retroactive effect. This interim final rule will not preempt any state or local laws, regulations, or policies, unless they present an irreconcilable conflict with this rule.

The Act provides that administrative proceedings must be exhausted before parties may file suit in court. Under section 8c(15)(A) of the Act, any handler subject to an order may file with the Secretary a petition stating that the order, any provision of the order, or any obligation imposed in connection with the order is not in accordance with law and requesting a modification of the order or to be exempted therefrom. A handler is afforded the opportunity for a hearing on the petition. After the hearing the Secretary would rule on the petition. The Act provides that the district court of the United States in any district in which the handler is an inhabitant, or has his principal place of business, has jurisdiction in equity to review the Secretary's ruling on the petition, provided a bill in equity is filed not later than 20 days after date of the entry of the ruling.

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 action 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 about 100 Florida citrus handlers subject to regulation under the marketing order covering oranges, grapefruit, tangerines, and tangelos grown in Florida, and about 10,200 producers of these citrus fruits in Florida. Small agricultural producers have been defined by the Small Business Administration (13 CFR 121.601) as those having annual receipts of less than $500,000, and small agricultural service firms are defined as those whose annual receipts are less than $3,500,000. A minority of these handlers and a majority of the producers may be classified as small entities.

The Citrus Administrative Committee (committee), which administers the marketing order locally, met March 5, 1992, and unanimously recommended this action. The committee meets prior to and during each season to review the handling regulations effective on a continuous basis for each citrus fruit regulated under the marketing order. Committee meetings are open to the public, and interested persons may express their views at these meetings. The Department reviews committee recommendations and information submitted by the committee and other available information and determines whether modification, suspension, or termination of the handling regulations would tend to effectuate the declared policy of the Act.

Section 905.306 (7 CFR 905.306) specifies minimum grade and size requirements for Florida citrus. Such requirements for domestic shipments are specified in that section in Table I of paragraph (a), and for export shipments in Table II of paragraph (b). Export requirements are not changed by this rule. Requirements applicable to imports have been previously suspended for an indefinite period.

This interim final rule relaxes the minimum grade requirement for domestic shipments of red and white seedless grapefruit to U.S. No. 2 Russet from Improved No. 2 through August 16, 1992. The external requirements of the U.S. No. 2 Russet grade permits additional amounts of discoloration than is allowed under the Improved No. 2 grade, while the internal quality requirements for the two grades are the same. The Florida grapefruit shipping season normally begins in September and continues through the following August.

The committee recommended this action based on its analysis of Florida's red and white seedless grapefruit crop remaining for harvest this season. This action will provide Florida shippers with the alternative of shipping grapefruit grading U.S. No. 2 Russet to the fresh market, rather than diverting such fruit to processing channels where returns would likely be lower than in the fresh market. The committee anticipates that the domestic market demand will be good for U.S. No. 2 Russet grade grapefruit during the remainder of the 1991–92 season, and that the fruit will meet consumer acceptance.

This grade relaxation pertains only to the external characteristics of the fruit, not the internal quality, and recognizes the fact that the external appearance of grapefruit tends to deteriorate during the latter part of the season. This action is expected to assure that fresh domestic markets are supplied with the best quality fruit available from this season's remaining crop, and to enable handlers to maximize fresh market shipments consistent with the overall quality of the remaining crop and anticipated market demand. This action should make increased supplies of fresh grapefruit available to consumers from this season's remaining crop.

The minimum grade requirements under the marketing order are designed to provide fresh markets with fruit of acceptable quality, thereby maintaining consumer confidence for fresh Florida citrus. This helps create buyer confidence and contributes to stable marketing conditions. This is in the interest of producers, packers, and consumers, and is designed to increase returns to Florida citrus growers.

Under the marketing order for Florida citrus, handlers may ship up to 15 standard packed cartons (12 bushels) of fruit per day, and up to two standard packed cartons of fruit per day in gift packages which are individually addressed and not for resale, under exemption provisions. Fruit shipped for animal feed is also exempt under specific conditions. In addition, fruit shipped to commercial processors for conversion into canned or frozen products or into a beverage base are not subject to the handling requirements.

This action reflects the committee's and the Department's appraisal of the need to relax the grade requirements, as hereinafter set forth. The Department's view is that this action will have a beneficial impact on producers and handlers since it will allow Florida citrus handlers to make those grades of fruit available to meet consumer needs consistent with this season's crop and market conditions.

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.

After consideration of all relevant matter presented, the information and recommendations submitted by the committee, and other information, it is found that the relaxations set forth below will tend to effectuate the declared policy of the Act.

Pursuant to 5 U.S.C. 553, it is also found and determined, upon good cause, that it is impracticable, unnecessary and contrary to the public interest to give preliminary notice prior to putting this rule into effect, and that good cause exists for not postponing the effective date of this action until 30 days after publication in the **Federal Register** because:

(1) This action relaxes grade requirements currently in effect for red and white seedless grapefruit;

(2) Grapefruit shippers in Florida are aware of this action which was unanimously recommended by the committee at a public meeting, and they will need no additional time to comply with the relaxed requirements;

(3) Shipment of the 1991–92 season grapefruit crop in Florida is currently in progress; and

(4) The rule provides a 30-day comment period, and any comments received will be considered prior to any finalization of this interim final rule.

List of Subjects in 7 CFR Part 905

Grapefruit, Marketing agreements, Oranges, Reporting and recordkeeping requirements, Tangelos, Tangerines.

For the reasons set forth in the preamble, 7 CFR part 905 is amended as follows:

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

1. The authority citation for 7 CFR part 905 continues to read as follows:

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

2. Section 905.306 is amended by revising the entries for "seedless, red grapefruit", and "seedless, except red grapefruit" in paragraph (a), Table I, to read as follows:

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

§ 905.306 Orange, Grapefruit, Tangerine, and Tangelo Regulation.

(a) * * *

TABLE I

Variety (1)	Regulation period (2)	Minimum grade (3)	Minimum diameter (inches) (4)
*	*	*	*
GRAPEFRUIT			
*	*	*	*
Seedless, red	4/30/92–8/16/92	U.S. No. 2 Russet (External)	3 5/16
	8/17/92–10/25/92	U.S. No. 1 (Internal)	3 5/16
	On and after 10/26/92	Improved No. 2 (External)	3 9/16
		U.S. No. 1 (Internal)	
		Improved No. 2 (External)	
		U.S. No. 1 (Internal)	
Seedless, except red	04/30/92–8/16/92	U.S. No. 2 Russet (External)	3 5/16
	On and after 8/17/92	U.S. No. 1 (Internal)	3 9/16
		Improved No. 2 (External)	
		U.S. No. 1 (Internal)	
*	*	*	*

Dated: April 30, 1992.

Robert C. Keeney,

Deputy Director, Fruit and Vegetable Division.

[FR Doc. 92–10601 Filed 5–6–92; 8:45 am]

BILLING CODE 3410–02–M

Farmers Home Administration

7 CFR Parts 1900, 1910, 1943 and 1955

Providing Assistance to Beginning Farmers or Ranchers

AGENCY: Farmers Home Administration, USDA.

ACTION: Interim rule with request for comments.

SUMMARY: The Farmers Home Administration (FmHA) amends its regulations to define "beginning farmer or rancher." This action is necessary due to provisions in the Food, Agriculture, Conservation, and Trade Act (Pub. L. 101–624), dated November 28, 1990 (hereinafter referred to as the FACT ACT), that require the Agency to define this term and give priority to qualified beginning farmers or ranchers to purchase suitable FmHA inventory farmland. The Agency will give first priority to qualified beginning farmers or ranchers who are also socially disadvantaged applicants. The intended effect is to ensure that a priority is given in providing assistance in the purchase of suitable FmHA inventory farmland property to applicants who are eligible beginning farmers or ranchers.

DATES: Interim rule effective May 7, 1992. Written comments must be submitted on or before June 8, 1992.

ADDRESSES: Submit written comments to the Office of the Chief, Regulations, Analysis and Control Branch, Farmers Home Administration, USDA, South Building, room 6348, 14th and Independence Avenue, SW., Washington, DC 20250. All written comments made pursuant to this notice will be available for public inspection during regular working hours at the above address.

FOR FURTHER INFORMATION CONTACT: Mark Falcone, Senior Loan Officer, Farmer Programs Loan Making Division, Farmers Home Administration, USDA, South Agriculture Building, 14th Street and Independence Avenue SW., Washington, DC 20250, telephone (202) 690–4019.

SUPPLEMENTARY INFORMATION:

Classification

This action has been reviewed under USDA procedures established in Departmental Regulation 1512–1, which implements Executive Order 12291, and has been determined to be nonmajor because it will not result in an annual effect on the economy of $100 million or more.

Intergovernmental Consultation

For the reasons set forth in the final rule related to notice 7 CFR part 3015, subpart V (48 FR 29115, June 24, 1983), and FmHA Instruction 1940–J, "Intergovernmental Review of Farmers Home Administration Programs and Activities" (December 23, 1983), Farm Ownership Loans are excluded from the scope of Executive Order 12372, which requires intergovernmental consultation with State and local officials.

Programs Affected

These changes affect the FmHA farm ownership loan program as listed in the Catalog of Federal Domestic Assistance.

10.407—Farm Ownership Loans.

Environmental Impact Statement

This document has been reviewed in accordance with 7 CFR part 1940, subpart G, "Environmental Program." It is the determination of FmHA that the proposed action does not constitute a major Federal action significantly affecting the quality of the human environment, and in accordance with the National Environmental Policy Act of 1969, Public Law 91-190, an Environmental Impact Statement is not required.

Discussion of Interim Rule

On May 29, 1991, FmHA published a proposed rule in the **Federal Register** (56 FR 24143-24145) with a comment period ending June 28, 1991. The purpose of this interim rule is to implement provisions of the Consolidated Farm and Rural Development Act (CONACT) added by the FACT ACT, which include: The definition of "beginning farmer or rancher," that those defined as "beginning farmer or rancher" will have priority over operators of not larger than family farms to purchase suitable inventory farmland, and that the FmHA County Committee randomly select the purchaser of suitable inventory property when there is more than one equally qualified eligible applicant. In developing a definition of "beginning farmer or rancher," the Agency referred to Senate Report No. 101-357, 101st Congress, 2nd Session (1990), which indicates Congressional intent as to what the definition of "beginning farmer or rancher" should include, and that it be published as proposed rule for public comment. A Regulatory Impact Analysis (RIA) was also prepared to consider other alternatives to the language included in the Senate Report. A summary of the RIA was addressed in the proposed rule. The FmHA County Commission will determine if an applicant meets the definition of "beginning farmer or rancher."

Due to an oversight by the Agency during the preparation of the proposed rule, FmHA did not address the situation concerning socially disadvantaged applicants who wish to purchase inventory farmland. Section 355 of the CONACT, which was added by section 617 of the Agricultural Credit Act of 1987, requires the Agency to establish annual target participation rates that would ensure that members of socially disadvantaged groups would receive farm ownership (FO) loans and would "have the opportunity to purchase or lease inventory farmland." The Agency published regulations in October 1988 that implemented the targeting of insured FO funds and inventory farmland to members of socially disadvantaged groups. The Agency's attempts to target inventory farmland had somewhat disappointing results. For example, in fiscal year 1990, 292 inventory farms were targeted for leasing and/or credit sale to socially disadvantaged applicants, but only 101 credit sales—representing 35 percent of the targeted farms—were approved.

While section 335(c)(2) of the CONACT requires that beginning farmers and ranchers be given priority to purchase inventory farmland, section 355 of the CONACT places an additional important responsibility upon the Agency to ensure that socially disadvantaged applicants have a viable opportunity to purchase or lease inventory farmland. Given the relative lack of success with targeting specific parcels of inventory farmland to socially disadvantaged applicants, the Agency has determined that the best way to satisfy both statutory provisions is to give first priority, for the purchase of inventory farmland, to qualified beginning farmers or ranchers who also are disadvantaged applicants. Beginning farmers or ranchers, who are not socially disadvantaged applicants, would have second priority. Third priority would be given to socially disadvantaged applicants who meet FO loan eligibility criteria, but who are not beginning farmers, and fourth priority would be given to FO eligible applicants who are neither beginning farmers or ranchers nor socially disadvantaged applicants. The last group would consist of applicants who operate not larger than family-size farms who are not in need of FmHA credit assistance on eligible rates and terms.

As a result of the Agency's decision to give first priority to beginning farmers or ranchers who are also socially disadvantaged applicants, FmHA is publishing this rule as interim rather than final in order to give the public an opportunity to provide comments. The Agency has also revised the definition of "socially disadvantaged applicant" for clarification purposes.

Discussion of Comments and Changes

Five comment letters were received by the close of business on July 5, 1991. The deadline for receiving written comments was June 28, 1991. Comments were received from a member of the public, two FmHA employees, the program leader of the Center for Rural Affairs, and a United States Congressman.

One commenter recommended that the 10-year limit on operating a farm or ranch in the proposed definition of "beginning farmer or rancher" be reduced to six years to more accurately define "beginning." The Agency has not adopted this recommended change and has kept the 10-year limit in the definition in order to follow Congressional intent as set forth in the Senate Report.

Three commenters addressed concerns on the requirement in the definition that states a beginning farmer or rancher is an applicant who, "if a farmer or rancher who previously farmed or ranched their own property, has previously operated a farm or ranch for not more than 10 years and also meets all the other criteria listed above." One of the commenters believed this requirement was confusing, and recommended that it be deleted from the definition. The two other commenters were concerned that this requirement would prohibit farmers, who previously lost their farms and have since reentered farming, to obtain assistance as beginning farmers or ranchers if they had farmed more than ten years before losing their property. Both commenters, one of whom was a Congressman, explained that it was the intent of Congress that the definition be broad enough to permit these farmers or ranchers to be considered beginning farmers or ranchers. Both commenters recommended that this part of the definition be changed to permit qualification as beginning farmers or ranchers if applicants have been farming not more than ten years since operating their previously owned farm property. The Agency has adopted this comment.

Two commenters requested that an additional requirement be included in the definition of "beginning farmer or rancher". They stated that the definition should contain a limitation on net worth of $100,000 and on assets of $400,000. One of the requirements already listed in the definition is that the applicant must demonstrate "that the available resources of the family of the individual are not sufficient to enable the individual to enter or continue farming or ranching on a viable scale." Present FmHA regulations also require an applicant to meet a test for credit before being considered eligible for assistance. They must prove that they are unable to obtain credit elsewhere at reasonable rates and terms. In addition, another requirement included in the definition states that the applicant cannot own real farm or ranch property which exceeds 15 percent of the median farm or ranch acreage in the country where the applicant will purchase land. These two requirements in the definition, along with the existing test for credit that is necessary to determine farm ownership (FO) eligibility, will eliminate a farmer who has significant assets and a large net worth from consideration. This will assure that benefits will be targeted to those most in need of assistance without having to include an arbitrary limitation on net worth or assets in the definition. Therefore, this proposed change has not been adopted.

The same two commenters also requested to eliminate the requirement in the definition which states that if the applicant is an entity, all members of the entity must meet all of the requirements set forth in the definition. Their concerns are that this requirement would prevent young farmers who are currently involved in a farming operation with their family (*i.e.*, partnership or family corporation) from meeting the definition and having priority in purchasing suitable FmHA inventory farmland. They stated that an individual who meets the definition of a beginning farmer but who is a member of an entity which does not should be considered an eligible applicant if, after the acquisition of the property, the individual withdraws from the entity. The proposed regulations would not prohibit such an applicant from being considered eligible, as the applicant would be applying as an individual and not an entity.

However, some family-size farm entities that lease farm property or own less than 15 percent of the median farm or ranch acreage in the county where they wish to purchase land, and apply as an entity, might have some members who would not be able to meet all of the requirements of the definition. The eligibility requirements for FO loans for members of entities who are related by blood or marriage and those who are not related by blood or marriage are already addressed in § 1943.12 of subpart A of part 1943. Since one of the beginning farmer definition requirements include that the applicant must be an eligible applicant for FO loan assistance, the Agency has removed the requirement that all members of the entity applicant meet all of the requirements of the definition. However, the Agency is requiring that all members of an entity applicant meet some of the requirements to assure that applicants most in need will receive assistance.

One commenter requested that when there is more than one applicant in the priority category that the purchaser will be selected from, that the random selection procedure by the County Committee be open to the public in order to assure integrity of the procedure. The Agency has adopted this recommended change.

Another commenter recommended that a word in a sentence be deleted, as it would cause some applicants to be left out of the notification process when the County Committee selected another applicant to purchase suitable farmland. The Agency has adopted this comment and has revised the sentence to clarify that all applicants considered in the random selection process and not chosen will be notified in writing that they were not selected.

In the proposed rule, the Agency stated that random selection would not be appealable. Random selection is required by § 335 of the CONACT. It is not appealable because it is based on clear and objective legal requirements; there is no use of Agency discretion. While random selection is not appealable, an applicant may appeal the Country Committee's discretionary exclusion of the applicant from the priority category that the purchaser will be selected from, as addressed in the proposed rule in § 1910.6(e) of subpart A of part 1910. Section 1900.57 of subpart B of part 1990 (Adverse Decisions and Administrative Appeals) has been revised to conform with the language in the proposed rule.

The Agency has removed the requirement in the definition of a beginning farmer or rancher that read in the proposed rule: "provides a majority of the day to-day labor and management of the farm or ranch individually or along with the immediate family," since labor and management requirements of the applicant are already covered under FO eligibility criteria, which criteria is one of the requirements necessary to meet the beginning farmer or rancher definition.

The Agency has also amended the introductory paragraph of the definition of a beginning farmer or rancher and the first requirement listed in the definition. The introductory paragraph has been clarified to state that the applicant is an individual or an entity. The first requirement in the proposed rule stated that a beginning farmer must be an eligible applicant for insured FO assistance. This interim rule revises the requirement by stating that a beginning farmer or rancher must be an eligible applicant for insured or guaranteed loan assistance. This will assure that priority will also be given to eligible guaranteed applicants who meet the other criteria under the definition. It is the intent of Congress for the Agency to give priority to all eligible FmHA applicants, as section 1822 of the FACT ACT requests the Agency to maintain statistics on the number of insured and guaranteed loans made, and inventory farmland sold or leased, to eligible beginning farmers and ranchers.

Due to the Agency's decision to give priority to socially disadvantaged applicants for the purchase of inventory farmland, § 1955.107(f) has been amended to revise and add some priority categories, as addressed in the "Discussion of Interim Rule." As a result, all references in FmHA regulations addressing the targeting of specific inventory farmland to socially disadvantaged applicant's have been deleted.

The Agency has amended the definition of "socially disadvantaged applicant" to delete the term "cultural bias", as this term is too vague a term and difficult to define and actually only applies to those outreach efforts conducted under section 623 of the Agricultural Credit Act of 1987. That section stated that the "Secretary of Agriculture, in coordination with the limited resources farmers' initiative in the office of the Director of the Office of Advocacy and enterprise, shall establish a farm ownership outreach program for persons who are members of any group with respect to which an individual may be identified as a socially disadvantaged individual under section 8(a)(5) of the Small Business Act * * *." Section 8(a)(5) refers to racial, ethnic, and cultural bias. Section 355 of the CONACT defines the term "socially disadvantaged group" as a group "whose members have been subjected to racial or ethnic prejudice * * *." Due to the difficulty in defining the term "cultural bias", and its limited applicability to certain outreach efforts—and to be consistent in defining exactly who is considered a socially disadvantaged applicant for the purposes of both targeting loan funds and ensuring that the opportunity to purchase or lease inventory farmland be given to such applicants—the Agency has decided to revise the definition to adopt the one found in section 355 of the CONACT, which includes just those applicants who are members of groups that have been subjected to racial or ethnic prejudice. The Agency also has revised its regulations to explain that the socially disadvantaged groups covered by the definition are Blacks, American Indians, Alaskan Natives, Hispanics, Asians, and Pacific Islanders. This is in line with past Agency administrative interpretations. The definition also states that, for entity applicants, the majority interest must be held by socially disadvantaged individuals.

Other changes of a clarifying or editorial nature are also included in this interim rule.

List of Subjects

7 CFR Part 1900

Appeals, Credit, Loan programs-Housing and community development.

7 CFR Part 1910

Applications, Credit, Loan programs-Agriculture, Loan programs-Housing and Community Development, Low and moderate income housing, Marital status discrimination, Sex discrimination.

7 CFR Part 1943

Credit, Loan programs-Agriculture, Recreation, Water Resources.

7 CFR Part 1955

Government acquired property, Government property management, Sale of government acquired property, Surplus government property.

Therefore, chapter XVIII, title 7, Code of Federal Regulations is amended as follows:

PART 1900—GENERAL

1. The authority citation for part 1900 is revised to read as follows:

Authority: 7 U.S.C. 1989; 42 U.S.C. 1480; 5 U.S.C. 301; 7 CFR 2.23 and 2.70.

Subpart B—Adverse Decisions and Administrative Appeals

2. Section 1900.52 is amended by revising paragraph (b) to read as follows:

§ 1900.52 Definitions.

* * * * *

(b) *Appellee* (in multi-party appeals only as provided in § 1900.57(m) of this subpart) means a borrower or applicant who was initially selected for leaseback/buyback or homestead protection under § 1951.911 of subpart S of this chapter, when another nonselected applicant appeals the sale.

* * * * *

3. Section 1900.57 is amended by adding paragraph (n) to read as follows:

§ 1900.57 Hearing rules.

* * * * *

(n) *Farmer Program inventory property appeals.* All applicants who are not placed in the priority category that the purchaser will be selected from, may appeal their exclusion from that priority category. All appeals will be concluded prior to the County Committee selecting the purchaser.

PART 1910—GENERAL

4. The authority citation for part 1910 is revised to read as follows:

Authority: 7 U.S.C. 1989; 42 U.S.C. 1480; 5 U.S.C. 301; 7 CFR 2.23 and 2.70.

Subpart A—Receiving and Processing Applications

5. Section 1910.4 (b)(20) is amended by changing the title of Form FmHA 1945-29 from "ASCS Verification of Farm Acreage, Production and Benefits" to "ASCS Verification of Farm Acreages, Production and Benefits."

6. Section 1910.4 is amended by revising the fourth sentence in paragraph (g) and by adding two new sentences after the fourth sentence, and by revising the eighth sentence in paragraph (k) to read as follows:

§ 1910.4 processing applications.

* * * * *

(g) *Determining eligibility.* * * * The County Committee will certify whether or not the applicant meets the eligibility requirements and whether or not the applicant is a beginning farmer or rancher, as defined in § 1955.103 of subpart C of part 1955 of this chapter, by use of Form FmHA 440-2, "County Committee Certification or Recommendation." An eligible FO applicant requesting to purchase suitable farmland, who is considered a beginning farmer or rancher, will be given priority as outlined in § 1955.107 (f) of subpart C of part 1955 of this chapter. In addition, it is the responsibility of the County Committee to determine whether or not the applicant is an operator of not larger than a family size farm, as of the time immediately after the contract of sale or lease is entered into, even though the applicant is not in need of FmHA credit assistance on eligible rates and terms to purchase suitable farmland.* * *

* * * * *

(k) *Active applications.* * * * For applications approved when funds are not available and the steps outlined in § 1910.6(g) have been taken, the County Supervisor will, during the eleventh month following loan approval, notify the applicant that the application will expire 12 months from the date of loan approval.* * *

* * * * *

7. Section 1910.6 is amended by revising the first sentence in paragraph (b)(2), by redesignating paragraphs (e), (f), (g), (h), and (i) as paragraphs (f), (g), (h), (i), and (j), by adding new paragraph (e) , and by revising the last sentence in newly redesignated paragraph (g)(2) to read as follows:

§ 1910.6 Notification of applicant.

* * * * *

(b) * * *

(2) If the County Committee determines that the application is not eligible, the specific reason(s) for the rejection and the factual basis will be listed on Form FmHA 440-2.* * *

* * * * *

(e) *Notification of applicants requesting to purchase suitable farmland.* Applicants requesting to purchase suitable farmland in FmHA inventory will be prioritized by the County Committee in accordance with § 1955.107 (f) of subpart C of part 1955 of this chapter. Prior to the selection of the purchaser, all applicants will be notified of the category in which the County Committee placed them. Those applicants who are not placed in the priority category that the purchaser will be selected from will also be informed of their appeal rights in accordance with subpart B of part 1900 of this chapter. All notifications will include the ECOA statement described in § 1910.6(b)(1) of this subpart.

* * * * *

(g) * * *

(2) * * * If after reconsideration, the application is rejected, proper notification will be sent as outlined in paragraph (b) or (d) of this section.

* * * * *

§ 1910.6 [Amended]

8. Section 1910.6 is amended by changing the reference in the last sentence of newly redesignated paragraph (f) from "(f)" to "(g)", by changing references in the third sentence of newly redesignated paragraph (g) introductory text from "(b)(1) or (b)(2)" to "(b) or (d)" and, in the next to the last sentence, by changing the word "Notice" to "statement."

§ 1910.7 [Amended]

9. 1910.7 (a) is amended in the first sentence by changing "Form FmHA 431-3" to read "Form FmHA 1944-3."

10. Section 1910.50 is revised to read as follows:

§ 1910.50 OMB control number.

The reporting and recordkeeping requirements contained in this regulation have been approved by the Office of Management and Budget and have been assigned OMB control number 0575-0134. Public reporting burden for this collection of information is estimated to vary from 20 minutes to 2 hours per response including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of collection of this information, including suggestions for reducing this burden, to Department of Agriculture, Clearance Officer, OIRM, room 404-W, Washington, DC 20250; and to the Office of Management and Budget, Paperwork Reduction Project

(OMB # 0575–0134), Washington, DC 20503.

11. Exhibit B to subpart A is revised to read as follows:

Exhibit B to Subpart A

Letter to Notify Socially Disadvantaged Applicants/Borrowers Regarding the Availability of Direct Farm Ownership (FO) Loans and the Acquisition/Leasing of FmHA Acquired Farmland.

UNITED STATES DEPARTMENT OF AGRICULTURE

FARMERS HOME ADMINISTRATION

(Insert address)

Date________

Dear ________:

The Farmers Home Administration (FmHA) has authority under the Consolidated Farm and Rural Development Act to target direct farm ownership (FO) loan funds to applicants/borrowers of socially disadvantaged groups. This program provides credit to applicants/borrowers of socially disadvantaged groups, at regular or reduced interest rates, to purchase or enlarge farms. In addition, the program provides that FmHA acquired farmland be made available for sale or lease to applicants/borrowers of socially disadvantaged groups. Socially disadvantaged borrowers with existing direct FO loans may have their accounts deferred and/or reamortized at a reduced interest rate.

If you would like additional information regarding the availability of direct FO loans to, and/or the renting or buying of FmHA acquired farmland by, members of socially disadvantaged groups, you should contact my office.

Sincerely,

County Supervisor.

PART 1943—FARM OWNERSHIP, SOIL AND WATER AND RECREATION

12. The authority citation for part 1943 continues to read as follows:

Authority: 7 U.S.C. 1989; 5 U.S.C. 301; 7 CFR 2.23 and 2.70.

Subpart A—Insured Farm Ownership Loan Policies, Procedures and Authorizations

13. Section 1943.4 is amended by revising the definition of "socially disadvantaged applicant" to read as follows:

§ 1943.4 Definitions.

* * * * *

Socially disadvantaged applicant. An applicant/borrower who has been subjected to racial or ethnic prejudice because of their identify as a member of a group, without regard to their individual qualities. For entity applicants, the majority interest has to be held by socially disadvantaged individuals. FmHA has identified socially disadvantaged groups as Blacks, American Indians, Alaskan Natives, Hispanics, Asians, and Pacific Islanders.

* * * * *

14. Section 1943.13 is amended by removing paragraph (a)(1), by redesignating paragraphs (a)(2) through (a)(6) as paragraphs (a)(1) through (a)(5), and by revising newly designated paragraphs (a)(2) and (a)(3), and paragraph (b)(6) introductory text to read as follows:

§ 1943.13 Outreach program for applicants/borrowers who are members of socially disadvantaged groups.

* * * * *

(a) * * *

(2) Increase the number of inventory farms sold to members of socially disadvantaged groups. In selling suitable inventory farmland, priority will be given to members of socially disadvantaged groups who are also considered beginning farmers or ranchers, as set forth in § 1955.107(f) of subpart C of part 1955 of this chapter.

(3) Target direct FO loan funds to members of socially disadvantaged groups to ensure they are provided access to FO loan funds, as outlined in Exhibit B of this subpart.

* * * * *

(b) * * *

(6) Initiate special media outreach activities to inform members of socially disadvantaged groups of the availability of acquired farmland and of targeted and non-targeted direct FO loan funds.

* * * * *

15. Exhibit B to subpart A is revised to read as follows:

Exhibit B—Target Participation Rates for Farmers Home Administration (FmHA) Direct Farm Ownership (FO) Loans to Members of Socially Disadvantaged Groups

I. General

The Farmers Home Administration (FmHA) is statutorily required to establish target participation rates for providing direct Farm Ownership (FO) loan funds to members of socially disadvantaged groups. These rates are established to ensure that members of socially disadvantaged groups are provided access to direct FO loan funds to purchase suitable farmland. The target participation rate established for each state, and each county within the state, is based on the proportion of minority rural population to the total rural population in the state, and for each county within the state.

II. Implementation Responsibilities

States will meet their target participation rates in use of direct FO loan funds as provided in this Exhibit. The targeted portion of a state's fiscal year direct FO allocation, as outlined in exhibit A of subpart L of part 1940 of this chapter, will be used exclusively to enable members of socially disadvantaged groups to purchase suitable farmland. Additional funds will be available from the National Office Reserve to enable States to obligate loans for socially disadvantaged applicants should their targeted allocation be insufficient. This requirement does not prohibit States from using their allocation of regular direct FO funds for making loans to members of socially disadvantaged groups.

III. Other Information

The National Office will provide each State Director with a list of the target participation rates for each county by October 1 of each year. State Directors shall make available to each County and District Office the county(ies) target participation rates. State Directors will make every effort to provide the greater amount of direct FO loan funds to counties having the larger socially disadvantaged population.

TOTAL U.S. PARTICIPATION RATE

State	Target Participation rate (percent)
Alabama	21
Alaska	34
Arizona	39
Arkansas	13
California	20
Colorado	11
Connecticut	3
Delaware	17
Florida	14
Georgia	20
Hawaii	68
Idaho	6
Illinois	2
Indiana	1
Iowa	1
Kansas	3
Kentucky	3
Louisiana	25
Maine	1
Maryland	14
Massachusetts	2
Michigan	3
Minnesota	2
Mississippi	37
Missouri	2
Montana	8
Nebraska	2
Nevada	12
New Hampshire	1
New Jersey	8
New Mexico	57
New York	3
North Carolina	21
North Dakota	5
Ohio	2
Oklahoma	12
Oregon	5
Pennsylvania	2
Rhode Island	2
South Carolina	34
South Dakota	9
Tennessee	6
Texas	22
Utah	7
Vermont	1
Virginia	2
Washington	7
West Virginia	3
Wisconsin	2
Wyoming	7

TOTAL U.S. PARTICIPATION RATE—Continued

State	Target Participation rate (percent)
U.S. Total	10

PART 1955—PROPERTY MANAGEMENT

16. The authority citation for part 1955 continues to read as follows:

Authority: 7 U.S.C. 1989; 42 U.S.C. 1480; 5 U.S.C. 301; 7 CFR 2.23 and 2.70.

Subpart B—Management of Property

17. Section 1955.53 is amended by revising the definition of "socially disadvantaged individual" to read as follows:

§ 1955.53 Definitions.

* * * * *

Socially disadvantaged applicant. An applicant/borrower who has been subjected to racial or ethnic prejudice because of their identity as a member of a group, without regard to their individual qualities. For entity applicants, the majority interest has to be held by socially disadvantaged individuals. FmHA has identified socially disadvantaged groups as Blacks, American Indians, Alaskan Natives, Hispanics, Asians, and Pacific Islanders.

* * * * *

18. Section 1955.66 is amended by removing paragraph (p) and by revising the first sentence of paragraph (c)(2) to read as follows:

§ 1955.66 Lease of real property.

* * * * *

(c) * * *

(2) * * * The approval official will make a special effort to insure that those prospective lessees are reached in the marketing area who traditionally would not be expected to lease FmHA farm inventory properties or apply for farm ownership loan assistance because of existing racial or ethnic prejudice.* * *

Subpart C—Disposal of Inventory Property

19. Section 1955.103 is amended by placing the definition of "auction sale" after the definition of "approval official", by adding, in alphabetical order before the definition of "capitalization value," the definition of "beginning farmer or rancher", and by revising the definition of "socially disadvantaged applicant" to read as follows:

§ 1955.103 Definitions.

* * * * *

Beginning farmer or rancher. A beginning farmer or rancher is an individual or entity applicant who:

(1) Is an eligible applicant for FO loan assistance in accordance with § 1943.12 of subpart A of part 1943 of this chapter or § 1980.180 of subpart B of part 1980 of this chapter.

(2) Has operated a farm or ranch for not more than 10 years, or if a farmer or rancher who previously farmed or ranched their own property, has not been farming or ranching more than 10 years since operating their previously owned farm property.

(3) Will materially and substantially participate in the operation of the farm or ranch.

(4) Agrees to participate in the loan assessment and borrower training programs developed by FmHA.

(5) Does not own real farm or ranch property or who, directly or through interests in family farm entities, owns real farm or ranch property which does not exceed 15 percent of the median farm or ranch acreage in the county where the applicant will purchase land (median county farm or ranch acreage will be determined from the most recent Census of Agriculture developed by the U.S. Department of Commerce, Bureau of the Census).

(6) Demonstrates that the available resources of the immediate family of the applicant are not sufficient to enable the applicant to enter or continue farming or ranching on a viable scale.

(7) In addition, if an entity applicant, all members of the entity must meet the requirements of paragraphs (2), (5), and (6) of this definition.

* * * * *

Socially disadvantaged applicant. An applicant/borrower who has been subjected to racial or ethnic prejudice because of their identity as a member of a group, without regard to their individual qualities. For entity applicants, the majority interest has to be held by socially disadvantaged individuals. FmHA has identified socially disadvantaged groups as Blacks, American Indians, Alaskan Natives, Hispanics, Asians, and Pacific Islanders.

* * * * *

20. Section 1955.106 is amended by revising paragraph (b) to read as follows:

§ 1955.106 Disposition of farm property.

* * * * *

(b) *Racial and ethnic consideration.* The County Supervisor will make a special effort to insure that prospective purchasers, who traditionally would not be expected to apply for farm ownership loan assistance because of existing racial or ethnic prejudice, are informed of the availability of the Socially Disadvantaged Program. Emphasis will be placed on providing assistance to such socially disadvantaged applicants in accordance with the applicable sections of subpart A of part 1943 of this chapter.

* * * * *

21. Section 1955.107 is amended by revising paragraph (e) and adding paragraph (f) to read as follows:

§ 1955.107 Sale of suitable property (CONACT).

* * * * *

(e) *Selection of purchaser for nonfarm property.* When more than one acceptable offer is received during business hours on the same day, the order in which they will be considered is by lot. If otherwise acceptable, the contract should be signed and accepted subject to approval of credit. "Backup" offers will be retained in case the first offer processed cannot be closed.

(f) *Selection of purchaser for farm property.* After leaseback/buyback and homestead protection rights have expired or been waived, suitable farmland must be sold in priority outlined in paragraph (f)(1) of this section. In determining if the property is a family size farm, the County Committee should refer to the definitions of family farm and farm is § 1943.4 of subpart A of part 1943 of this chapter. When farm inventory property is larger than family size, the property will be subdivided into suitable family size farms pursuant to § 1955.140 of this subpart.

(1) *Priority.* In selling suitable farmland, priority will be given to applicants in the following order, as determined by the County Committee:

(i) Beginning farmers or ranchers, as defined in § 1955.103 of this subpart, as of the time immediately after the contract for sale or lease is entered into, who are also socially disadvantaged applicants, as defined in § 1955.103 of this subpart.

(ii) Beginning farmers or ranchers, as defined in § 1955.103 of this subpart, as of the time immediately after the contract for sale or lease is entered into.

(iii) Operators of not larger than family-size farms, who meet the eligibility requirements outlined in § 1943.12 of subpart A of part 1943 of this chapter or in § 1980.180 of subpart B of part 1980 of this chapter, and who are also socially disadvantaged applicants, as defined in § 1955.103 of this subpart.

(iv) Operators of not larger than family-size farms, who meet the eligibility requirements outlined in § 1943.12 of subpart A of part 1943 of this chapter or in § 1980.180 of subpart B of part 1980 of this chapter.

(v) Operators of not larger than family-size farms, as of the time immediately after the contract of sale or lease is entered into (such operators are not in need of FmHA credit assistance on eligible rates and terms).

(2) *Random selection.* Any appeal by an applicant resulting from: an unfavorable eligibility or feasibility decision, as set forth in § 1910.6 (b) or (d) of subpart A of Part 1910 of this chapter, or the priority category that the County Committee determined that the applicant should be placed in, as set forth in § 1910.6 (e) of subpart A of part 1910 of this chapter, will be concluded prior to the County Committee selecting the purchaser. When there is more than one applicant in the priority category that the purchaser will be selected from, the County Committee will select by lot by placing the names in a receptacle and drawing names sequentially. Drawn offers will be numbered and those drawn after the first drawn offer will be held as backup offers pending sale to the successful offeror. Prospective purchasers of suitable farmland and other interested parties may attend the random selection drawing.

(3) *Notification of applicants not selected to purchase suitable farmland due to priority selection.* When the County Committee selects an applicant to purchase suitable farmland, in accordance with this paragraph, all applicants not selected will be notified in writing that they were not selected. The County Committee's random selection by lot is not appealable.

Dated: January 9, 1992.

Roland R. Vautour,

Under Secretary for Small Community and Rural Development.

[FR Doc. 92-10366 Filed 5-6-92; 8:45 am]

BILLING CODE 3410-07-M

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7 CFR Part 1955

Holding Period for Suitable Inventory Farm Property in Accordance with Provisions of the Food, Agriculture, Conservation, and Trade Act of 1990

AGENCY: Farmers Home Administration, USDA.

ACTION: Interim rule with requests for comments.

SUMMARY: The Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624), hereinafter referred to as the "FACT ACT", amends provisions of the Consolidated Farm and Rural Development Act (CONACT) and therefore, revises the procedure by which Farmers Home Administration (FmHA) manages and disposes of farm inventory property. The FmHA amends its regulations to conform to paragraph (a), "Holding Period," of Section 1813, "Disposition of Suitable Property," of the FACT ACT, which will allow the Agency to declare suitable farm inventory property surplus 12 months from the date first published for sale to family-size farm operators, which includes beginning farmers and ranchers. The intended effect is to facilitate the Agency's efforts to sell farm and ranch property, reduce the Agency's holding cost for inventory property and implement the provisions of the FACT ACT.

DATES: Interim rule is effective May 7, 1992. Comments must be submitted on or before June 8, 1992.

ADDRESSES: Submit written comments, in duplicate, to the Office of the Chief, Regulations Analysis and Control Branch, Farmers Home Administration, USDA, room 6348, South Agriculture Building, 14th and Independence Avenue SW., Washington, DC, 20250. All written comments will be available for public inspection during regular working hours at the above address.

FOR FURTHER INFORMATION CONTACT: Roger H. Witt, Branch Chief, Farmers Programs, Loan Servicing and Property Management Division, Farmers Home Administration, USDA, room 5446, Washington, DC 20250, Telephone (202) 720–1984.

SUPPLEMENTARY INFORMATION:

Classification

This action has been reviewed under USDA procedures established in Departmental Regulation 1512–1, which implements Executive Order 12291, and has been determined to be nonmajor because it will not result in an annual effect on the economy of 100 million dollars or more.

Programs Affected

These changes affect the following FmHA programs as listed in the catalog of Federal Domestic Assistance:

10.404—Emergency Loans.
10.406—Farm Operating Loans.
10.407—Farm Ownership Loans.
10.410—Low Income Housing Loans. (Section 502 Rural Housing Loans)
10.416—Soil and Water Loans.

Intergovernmental Consultation

1. For the reasons set forth in the final rule related to Notice 7 CFR part 3015, subpart V (48 FR 29115, June 24, 1983) and FmHA Instruction 1940–J, "Intergovernmental Review of FmHA programs and Activities" (December 23, 1983), Emergency Loans, Farm Operating Loans, and Farm Ownership Loans are excluded with the exception of the nonfarm enterprise activity from the scope of Executive Order 12372 which requires intergovernmental consultation with State and local officials.

2. The Soil and Water Loans Programs is subject to the provisions of Executive Order 12372 and FmHA Instruction 1940–J.

Environmental Impact Statement

This document has been reviewed in accordance with 7 CFR part 1940, subpart G, "Environmental Program." It is the determination of FmHA that this action does not constitute a major Federal action significantly affecting the quality of the human environment, and in accordance with the National Environmental Policy Act of 1969, (Public Law 91–190), an Environmental Impact Statement is not required.

I. Summary of Proposal and Response to Comments

A. Background

Section 1813, "Disposition of Suitable Property," of the FACT ACT amends the CONACT and therefore revises the procedures by which the Agency disposes of farm inventory property. Paragraph (a), "Holding Period," of section 1813 provides that the Agency will classify suitable farm property surplus 12 months from the date first published for sale. Prior to the enactment of the FACT ACT, the Agency was required to hold suitable farm property in inventory for a three-year period after the date of acquisition before it declared the property surplus and sold to the general public. On May 29, 1991, a proposed rule was published in the **Federal Register** (56 FR 24145–24147) and provided for a 30-day comment period ending June 28, 1991. The Agency proposed to amend its regulations by removing the three-year holding period and adding the provision of the FACT ACT that provides that suitable farm property will be classified surplus 12 months from the date the property was first published for sale to family-size farm operators.