

Proposed Rules

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This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Part 920

[Docket No. FV95-920-3PR]

Kiwifruit Grown in California; Proposed Revision of Inspection Requirements

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Proposed rule.

SUMMARY: This proposed rule would extend the period of validation for initial inspection certificates issued for California kiwifruit. The proposed revision would extend the validation period for initial inspection certificates from December 15 to December 31 or 21 days from the date of inspection, whichever is later. The current period does not allow sufficient time between the initial inspection, which may occur between October and December, and reinspection which must occur after December 15. This rule would reduce costs to the industry because of the increase in time between the initial inspection and reinspection.

DATES: Comments must be received by September 25, 1995.

ADDRESSES: Interested persons are invited to submit written comments concerning this rule. Comments must be submitted in triplicate to the Docket Clerk, Fruit and Vegetable Division, AMS, USDA, P.O. Box 96456, Room 2523-S, Washington, DC 20090-6456, or by facsimile at (202) 720-5698. Comments should reference this docket number and the date and page number of this issue of the **Federal Register** and will be made available for public inspection in the Office of the Docket Clerk during regular business hours.

FOR FURTHER INFORMATION CONTACT: Charles L. Rush, Marketing Order Administration Branch, Fruit and Vegetable Division, AMS, USDA, P.O. Box 96456, room 2526-S, Washington, DC 20090-6456, telephone (202) 690-

3670; or Rose Aguayo, California Marketing Field Office, Marketing Order Administration Branch, Fruit and Vegetable Division, AMS, USDA, 2202 Monterey Street, Suite 102B, Fresno, California 93721; telephone (209) 487-5901.

SUPPLEMENTARY INFORMATION: This proposed rule is issued under Marketing Order No. 920 (7 CFR part 920), as amended, regulating the handling of kiwifruit grown in California, hereinafter referred to as the "order." The 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."

The Department of Agriculture (Department) is issuing this proposed rule in conformance with Executive Order 12866.

This proposed rule has been reviewed under Executive Order 12778, Civil Justice Reform. This action is not intended to have retroactive effect. This proposed rule would 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 608c(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 request 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 or her principle 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 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 65 handlers of California kiwifruit subject to regulation under the order and approximately 600 kiwifruit producers in the production area. Small agricultural service firms are defined by the Small Business Administration (13 CFR 121.601) as those whose annual receipts are less than \$5,000,000, and small agricultural producers have been defined as those having annual receipts of less than \$500,000. A majority of handlers and producers of California kiwifruit may be classified as small entities.

This proposal is in accordance with § 920.55(b) of the order. This section authorizes the committee to establish a period prior to shipment, when inspections must be performed.

Currently, pursuant to § 920.155 of the marketing order, certification of any kiwifruit which is inspected and certified as meeting grade, size, quality, or maturity requirements in effect pursuant to § 920.52 or § 920.53 during each fiscal year shall be valid until December 15 of each year or 21 days from the date of inspection, whichever is later.

The Kiwifruit Administrative Committee (KAC), the agency responsible for local administration of the marketing order, met on June 14, 1995, and unanimously recommended revising the current inspection requirements. The revision would extend the validation period for the initial inspection certificate, from the current December 15 expiration date to December 31 of each year.

Kiwifruit grown in California is typically harvested in mid-October. The fruit is packed shortly after harvest and placed into storage until shipment. The shipping season generally extends throughout the year.

About 55 percent of the harvested fruit is inspected as it is being packed, prior to storage. While the majority of fruit is inspected prior to storage, some handlers have their fruit inspected after storage just prior to shipment.

When kiwifruit is stored, a black sooty mold sometimes appears on the

fruit's surface. This mold, caused by fruit juice on the surface of the fruit, usually begins to show after the kiwifruit has been in storage for over a month. In order to control this problem, a time limit on the validity of inspection certificates was established. The time limit initially established in 1985 was valid until January 15 or 21 days from the date of inspection, whichever was later.

In 1985, it appeared that kiwifruit harvested in October maintained its quality through the following mid January. However, during the 1988/89 season, problems with black sooty mold once again resulted in the KAC reevaluating this position, and as a result the date was changed to December 1, to reduce the likelihood of moldy fruit entering commercial channels.

Again in 1991, the KAC changed the expiration date for initial inspection certificates from December 1 to the current expiration date of December 15. The KAC believed that the December 1 expiration date required shippers to have their fruit reinspected too soon after the initial inspection. Shippers who had their fruit inspected closer to the certificate expiration date of December 1, did not receive the benefit of 21 days between the initial inspection and reinspection. For many shippers this was a financial burden.

The current period does not allow sufficient time to determine if damage from mold may develop. Sufficient time would need to elapse between the initial inspection, which may occur between October and December, and reinspection, which occurs after December 15. This revision would change the current December 15 inspection certificate expiration date. It would provide that a certificate remains valid until December 31 or 21 days from the date of inspection, whichever is later. Thus, the 21-day limitation would be in effect for all inspected kiwifruit regardless of the date on which it was inspected. This would mean that kiwifruit inspected and packed less than 21 days prior to December 31 would not have to be reinspected until 21 days later.

The KAC estimates that, annually, approximately 25 percent of the crop is reinspected. The reinspection rate is expected to be reduced slightly by making inspection certificates valid until December 31 or 21 days from the date of inspection. Extending the inspection certificate validation from December 15 to December 31 is not expected to have adverse effects on fruit quality.

Over the last five years, the harvest of California kiwifruit has begun later and later. In years past, the kiwifruit harvest began near the beginning of October, with a few starting dates recorded in late September. In recent years, kiwifruit harvests have begun in mid-October due to natural conditions as well as increased grower consciousness about fruit maturity. Fruit that is mature tends to have higher sugar content and is of higher quality. Because of the later harvest dates, the time lapse from harvest to reinspection has decreased over the years.

This two-week change to the reinspection date is not expected to harm the industry's reputation for shipping quality California kiwifruit. Because of research done in the past five years, California growers understand the benefits of harvesting kiwifruit with a higher soluble solids content, which means harvesting at a later date. This, coupled with natural conditions that have also contributed to a delay in harvest, have reduced the number of days from harvest until reinspection.

The KAC also discussed the elimination of reinspection requirements as an alternative. There is however, strong support throughout the industry for maintaining reinspection as a means of assuring fruit quality. The KAC also discussed the use of a sliding reinspection date. This would allow fruit harvested later to be reinspected at a later date. However, it was determined that this would present enforcement problems as it would be difficult to track the harvest date of the entire California crop. The recommendation to establish the reinspection date at December 31 was a compromise agreed to unanimously by the KAC.

This proposal would adjust the time between harvest and reinspection. There would be a slight reduction in cost to the industry due to the additional amount of fruit that would not have to be reinspected.

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

A 30-day comment period is provided to allow interested persons an opportunity to respond to this proposal. All written comments timely received will be considered before a final determination is made on this matter.

List of Subjects in 7 CFR Part 920

Kiwifruit, Marketing agreements.

For the reasons set forth in the preamble, it is proposed that 7 CFR part 920 be amended as follows:

PART 920—KIWIFRUIT GROWN IN CALIFORNIA

1. The authority citation for 7 CFR part 920 continues to read as follows:

Authority: 7 U.S.C. 601-674.

2. Section 920.155 is revised to read as follows:

§ 920.155 Inspection requirement.

Certification of any kiwifruit which is inspected and certified as meeting grade, size, quality, or maturity requirements in effect pursuant to § 920.52 or § 920.53 during each fiscal year shall be valid until December 31 of such year or 21 days from the date of inspection, whichever is later.

Dated: August 21, 1995.

Terry C. Long,

Acting Deputy Director, Fruit and Vegetable Division.

[FR Doc. 95-21179 Filed 8-24-95; 8:45 am]

BILLING CODE 3410-02-P

Rural Housing and Community Development Service, Rural Business and Cooperative Development Service, Rural Utilities Service, Consolidated Farm Service Agency

7 CFR Parts 1924, 1942, 1948, and 1980

RIN 0575-AB59

Planning and Performing Construction and Other Development

AGENCIES: Rural Housing and Community Development Service, Rural Business and Cooperative Development Service, Rural Utilities Service, and Consolidated Farm Service Agency; United States Department of Agriculture.

ACTION: Proposed rule.

SUMMARY: The Rural Housing and Community Development Service (RHCDS), Rural Business and Cooperative Development Service (RBCDS), Rural Utilities Service (RUS) and Consolidated Farm Service Agency (CFSA) propose to amend their regulations regarding construction and other development for farm, housing, community and business programs. This action provides RHCDS, RBCDS, RUS and CFSA borrowers, grant recipients and the public with rules for compliance with seismic safety requirements for new building construction using RHCDS, RBCDS, RUS and CFSA loan, grant and guaranteed funds. This action is necessary to set forth the Agencies'