

Rules and Regulations

Federal Register

Vol. 62, No. 159

Monday, August 18, 1997

This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.

The Code of Federal Regulations is sold by the Superintendent of Documents. Prices of new books are listed in the first FEDERAL REGISTER issue of each week.

DEPARTMENT OF AGRICULTURE

Farm Service Agency

7 CFR Part 723

Commodity Credit Corporation

7 CFR Part 1464

RIN 0560-AF03

1997 Marketing Quotas and Price Support Levels for Fire-Cured (type 21), Fire-Cured (types 22-23), Dark Air-Cured (types 35-36), Virginia Sun-Cured (type 37), and Cigar-Filler and Binder (types 42-44 and 53-55) Tobaccos

AGENCIES: Farm Service Agency and Commodity Credit Corporation, USDA.
ACTION: Final rule.

SUMMARY: The purpose of this final rule is to codify the national marketing quotas and price support levels for the 1997 crops for several kinds of tobacco announced by press release on February 27, 1997.

In accordance with the Agricultural Adjustment Act of 1938, as amended (the 1938 Act), the Secretary determined the 1997 marketing quotas to be as follows: fire-cured (type 21), 2.395 million pounds; fire-cured (types 22-23), 43.4 million pounds; dark air-cured (types 35-36), 9.88 million pounds; Virginia sun-cured (type 37), 156,400 pounds; and cigar-filler and binder (types 42-44 and 53-55), 8.4 million pounds.

Quotas are necessary to adjust the production levels of certain tobaccos to more fully reflect supply and demand conditions, as provided by statute.

In addition, in accordance with the Agricultural Act of 1949 as amended (the 1949 Act), the Secretary determined the 1997 levels of price support to be as follows (in cents per pound): fire-cured (type 21), 149.8; fire-cured (types 22-23), 162.3; dark air-cured (types 35-36),

139.8; Virginia sun-cured (type 37), 132.6; and cigar-filler and binder (types 42-44 and 53-55), 116.9. Price supports are generally necessary to maintain grower income.

EFFECTIVE DATE: February 27, 1997.

FOR FURTHER INFORMATION CONTACT: Robert L. Tarczy, STOP 0514, 1400 Independence Avenue, SW, Washington, DC 20250-0514, Phone 202-720-5346.

SUPPLEMENTARY INFORMATION:

Executive Order 12866

This final rule has been determined to be significant for purposes of Executive Order 12866 and, therefore, has been reviewed by OMB.

Federal Assistance Program

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

Executive Order 12988

This final rule has been reviewed in accordance with Executive Order 12988, Civil Justice Reform. The provisions of this rule do not preempt State laws, are not retroactive, and do not involve administrative appeals.

Regulatory Flexibility Act

It has been determined that the Regulatory Flexibility Act is not applicable because Farm Service Agency (FSA) is not 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 of these determinations.

Paperwork Reduction Act

The amendments to 7 CFR parts 723 and 1464 set forth in this final rule do not contain information collections that require clearance through the Office of Management and Budget under the provisions of 44 U.S.C. Chapter 35.

Unfunded Federal Mandates

This rule contains no Federal mandates under the regulatory provisions of Title II of the Unfunded Mandate Reform Act of 1995 (UMRA), for State, local, and tribal governments or the private sector. Thus, this rule is not subject to the requirements of sections 202 and 205 of the UMRA.

Background

This final rule is issued pursuant to the provisions of the 1938 Act and the 1949 Act.

On February 27, 1997, the Secretary determined and announced the national marketing quotas and price support levels for the 1997 crops of fire-cured (type 21), fire-cured (types 22-23), dark air-cured (types 35-36), Virginia sun-cured (type 37), and cigar-filler and binder (types 42-44 and 53-55) tobaccos. A number of related determinations were made at the same time which this final rule affirms. On the same date, the Secretary also announced that referenda would be conducted by mail with respect to fire-cured (types 21-23) and dark air-cured (types 35-36) tobaccos.

During March 24-27, 1997, eligible producers of fire-cured (types 21-23) and dark air-cured (types 35-36) tobacco voted in separate referenda to determine whether such producers favor marketing quotas for the 1997, 1998 and 1999 marketing years (MYs) for these tobaccos. Of the producers voting, 90.6 percent favored marketing quotas for fire-cured (types 21-23) tobacco while 89.6 percent favored marketing quotas for dark air-cured (types 35-36) tobacco. Accordingly, quotas and price supports for fire-cured (types 21-23) and dark air-cured (types 35-36) tobacco are in effect for the 1997 MY.

In accordance with section 312(a) of the 1938 Act, the Secretary of Agriculture was required to proclaim not later than March 1 of any MY with respect to any kind of tobacco, other than burley and flue-cured tobacco, a national marketing quota for any such kind of tobacco for each of the next 3 MYs if such MY was the last year of 3 consecutive years for which marketing quotas previously proclaimed will be in effect. With respect to fire-cured (types 21-23) and dark air-cured (types 35-36) tobaccos, the 1996 MY is the last year of 3 such consecutive years. Accordingly, subject to producer approval, marketing quotas for these tobaccos have been proclaimed for each of the 3 MYs beginning October 1, 1997; October 1, 1998; and October 1, 1999. Quotas for the other tobaccos covered by this notice were approved in referenda which are still effective.

Because of producer approval of quotas, sections 312 and 313 of the 1938 Act required that the Secretary

announce the reserve supply level and the total supply of fire-cured (type 21), fire-cured (types 22–23), dark air-cured (types 35–36), Virginia sun-cured (type 37), and cigar-filler and binder (types 42–44 and 53–55) tobaccos for the MY beginning October 1, 1997.

The Secretary also announces the amounts of the national marketing quotas, national acreage allotments, national acreage factors for apportioning the national acreage allotments (less reserves) to old farms, and the amounts of the national reserves and parts thereof available for (1) new farms and (2) making corrections and adjusting inequities in old farm allotments.

Under the 1949 Act, price support is required to be made available for each crop of a kind of tobacco for which marketing quotas are in effect or for which marketing quotas have not been disapproved by producers. With respect to the 1997 crop of the five kinds of tobacco that are the subject of this notice, the respective maximum level of price support for these kinds is determined in accordance with section 106 of the 1949 Act. Announcement of the price support levels for these five kinds of tobacco are normally made before the planting seasons. Under the provisions of Section 1108(c), of Pub. L. No. 99-272, the price support level announcements do not require prior rulemaking. For the 1997 crops, the price support announcements were made on February 27, 1997, at the same time the quota announcements were made. Quota and price support determinations for burley and flue-cured tobacco are made separately and are the subject of separate notices.

Quotas and Related Determinations Statutory Provisions

Section 312(b) of the 1938 Act provides, in part, that the national marketing quota for a kind of tobacco is the total quantity of that kind of tobacco that may be marketed so that a supply of such tobacco equal to its reserve supply level is made available during the MY.

Section 313(g) of the 1938 Act provides that the Secretary may convert the national marketing quota into a national acreage allotment for apportionment to individual farms.

Since producers of these kinds of tobacco generally produce considerably less than their respective national acreage allotments allow, a larger effective quota is necessary to make available production equal to the reserve supply level. Further, under section 312(b) of the 1938 Act the amount of the national marketing quota

may, not later than the following March 1, be increased by not more than 20 percent over the straight formula amount if the Secretary determines that such increase is necessary in order to meet market demands or to avoid undue restriction of marketings in adjusting the total supply to the reserve supply level.

Section 301(b)(14)(B) of the 1938 Act defines "reserve supply level" as the normal supply, plus 5 percent thereof, to ensure a supply adequate to meet domestic consumption and export needs in years of drought, flood, or other adverse conditions, as well as in years of plenty. "Normal supply" is defined in section 301(b)(10)(B) of the 1938 Act as a normal year's domestic consumption and exports, plus 175 percent of a normal year's domestic use and 65 percent of a normal year's exports as an allowance for a normal year's carryover.

Normal year's domestic consumption is defined in section 301(b)(11)(B) of the 1938 Act as the average quantity produced and consumed in the United States during the 10 MYs immediately preceding the MY in which such consumption is determined, adjusted for current trends in such consumption. Normal year's exports is defined in section 301(b)(12) of the 1938 Act as the average quantity produced in and exported from the United States during the 10 MYs immediately preceding the MY in which such exports are determined, adjusted for current trends in such exports.

Also, under section 313(g) of the 1938 Act, the Secretary is authorized to establish a national reserve from the national acreage allotment in an amount equivalent to not more than 1 percent of the national acreage allotment for the purpose of making corrections in farm acreage allotments, adjusting for inequities and for establishing allotments for new farms. The Secretary has determined that the national reserve, noted herein, for the 1997 crop of each of these kinds of tobacco is adequate for these purposes.

The Proposed Rule

On January 27, 1997, a proposed rule was published in the **Federal Register** (62 FR 3830) in which interested persons were requested to comment with respect to setting quotas for the tobacco kinds addressed in this notice.

Discussion of Comments

Twenty-five written responses were received during the comment period which ended February 12, 1997. A summary of these comments by kind of tobacco follows:

(1) *Fire-cured (type 21) tobacco*. Eleven comments were received. One recommended no change from the 1996 quota, while 10 others recommended a 15 percent increase in 1997 quotas.

(2) *Fire-cured (types 22–23) tobacco*. Five comments were received. They ranged from recommending no change to recommending a 10 percent increase in 1997 quotas.

(3) *Dark air-cured (types 35–36) tobacco*. Six comments were received. All recommended a 10 percent increase in the quota.

(4) *Virginia sun-cured (type 37) tobacco*. Three comments were received. They recommended a quota increase of between 15 and 20 percent.

(5) *Cigar-filler and binder (types 42–44 and 53–55) tobacco*. No comments were received.

Quota and Related Determinations

Based on a review of these comments and the latest available statistics of the Federal Government, which appear to be the most reliable data available, the following determinations were made for the five subject tobacco kinds:

(1) Fire-Cured (type 21) Tobacco

The average annual quantity of fire-cured (type 21) tobacco produced in the United States that is estimated to have been consumed in the United States during the 10 MYs preceding the 1996 MY was approximately 0.7 million pounds. The average annual quantity produced in the United States and exported from the United States during the 10 MYs preceding the 1996 MY was 2.2 million pounds (farm sales weight basis). Both domestic use and exports have trended sharply downward. Because of these considerations, a normal year's domestic consumption has been determined to be 0.7 million pounds, and a normal year's exports have been determined to be 1.5 million pounds. Application of the formula prescribed by section 301(b)(14)(B) of the 1938 Act results in a reserve supply level of 3.78 million pounds.

Manufacturers and dealers reported stocks held on October 1, 1996, of 2.8 million pounds. The 1996 crop is estimated to be 1.7 million pounds. Therefore, total supply for the 1996 MY is 4.5 million pounds. During the 1996 MY, it is estimated that disappearance will total approximately 2.4 million pounds. Deducting this disappearance from total supply results in a 1997 MY beginning stock estimate of 2.1 million pounds.

The difference between the reserve supply level and the estimated carryover on October 1, 1997, is 1.68 million pounds. This represents the

quantity that may be marketed that will make available during the 1997 MY a supply equal to the reserve supply level. More than 80 percent of the announced national marketing quota is expected to be produced. Accordingly, it has been determined that a 1997 national marketing quota of 1.996 million pounds is necessary to make available production of 1.68 million pounds. As permitted by section 312(b) of the 1938 Act, it was further determined that the 1997 national marketing quota should be increased by 20 percent over the normal formula amount in order to avoid undue restriction of marketings. This determination took into account the size of last year's quota the comments, the long storage time for this tobacco, and the possibility of changes in demand over expected demand.

Thus, the national marketing quota for the 1997 crop is 2.395 million pounds.

In accordance with section 313(g) of the 1938 Act, dividing the 1997 national marketing quota of 2.395 million pounds by the 1992-96, 5-year national average yield of 1,590 pounds per acre results in a 1997 national acreage allotment of 1,506.29 acres.

Pursuant to the provisions of section 313(g) of the 1938 Act, a national acreage factor of 1.125 is determined by dividing the national acreage allotment for the 1997 MY, less a national reserve of 14.38 acres, by the total of the 1997 preliminary farm acreage allotments (previous year's allotments). The preliminary farm acreage allotments reflect the factors specified in section 313(g) of the 1938 Act for apportioning the national acreage allotment, less the national reserve, to old farms.

(2) Fire-Cured (types 22-23) Tobacco

The average annual quantity of fire-cured (types 22-23) tobacco produced in the United States that is estimated to have been consumed in the United States during the 10 years preceding the 1996 MY was approximately 18.7 million pounds. The average annual quantity produced in the United States and exported during the 10 MYs preceding the 1996 MY was 16.2 million pounds (farm sales weight basis).

Domestic use has trended upward while exports have varied. Because of these considerations, a normal year's domestic consumption has been determined to be 30.0 million pounds, and a normal year's exports have been determined to be 18.2 million pounds. Application of the formula prescribed by section 301(b)(14)(B) of the 1938 Act results in a reserve supply level of 118.1 million pounds.

Manufacturers and dealers reported stocks held on October 1, 1996, of 80.2

million pounds. The 1996 crop is estimated to be 42.3 million pounds. Therefore, total supply for the 1996 MY is 122.5 million pounds. During the 1996 MY, it is estimated that disappearance will total approximately 39.0 million pounds. Deducting this disappearance from total supply results in a 1997 MY beginning stock estimate of 83.5 million pounds.

The difference between the reserve supply level and the estimated carryover on October 1, 1997, is 34.6 million pounds. This represents the quantity that may be marketed that will make available during the 1997 MY a supply equal to the reserve supply level. About 95 percent of the announced national marketing quota is expected to be produced. Accordingly, it has been determined that a 1997 national marketing quota of 36.2 million pounds is necessary to make available production of 34.6 million pounds.

Utilizing section 312(b) of the 1938 Act, it was further determined, for the same reasons as with type 21 tobacco, that the 1997 national marketing quota should be increased by 20 percent over the normal formula amount in order to avoid undue restriction of marketings. Thus, the national marketing quota for the 1997 crop is 43.4 million pounds.

In accordance with section 313(g) of the 1938 Act, dividing the 1997 national marketing quota of 43.4 million pounds by the 1992-96, 5-year average yield of 2,551 pounds per acre results in a 1997 national acreage allotment of 17,012.94 acres.

Pursuant to the provisions of section 313(g) of the 1938 Act, a national acreage factor of 1.025 is determined by dividing the national acreage allotment for the 1997 MY, less a national reserve of 136.93 acres, by the total of the 1997 preliminary farm acreage allotments (previous year's allotments). The preliminary farm acreage allotments reflect the factors specified in section 313(g) of the 1938 Act for apportioning the national acreage allotment, less the national reserve, to old farms.

(3) Dark Air-Cured (types 35-36) Tobacco

The average annual quantity of dark air-cured (types 35-36) tobacco produced in the United States that is estimated to have been consumed in the United States during the 10 MYs preceding the 1996 MY was approximately 9.6 million pounds. The average annual quantity produced in the United States and exported from the United States during the 10 MYs preceding the 1996 MY was 1.7 million pounds (farm sales weight basis). Domestic use has been erratic while

exports have trended downward. Because of these considerations, a normal year's domestic consumption has been determined to be 9.9 million pounds, and a normal year's exports have been determined to be 1.5 million pounds. Application of the formula prescribed by section 301(b)(14)(B) of the 1938 Act results in a reserve supply level of 31.2 million pounds.

Manufacturers and dealers reported stocks held on October 1, 1996, of 25.1 million pounds. The 1996 crop is estimated to be 9.1 million pounds. Therefore, total supply for the 1996 MY is 34.2 million pounds. During the 1996 MY, it is estimated that disappearance will total approximately 10.5 million pounds. Deducting this disappearance from total supply results in a 1997 MY beginning stock estimate of 23.7 million pounds.

The difference between the reserve supply level and the estimated carryover on October 1, 1997, is 7.5 million pounds. This represents the quantity that may be marketed that will make available during the 1997 MY a supply equal to the reserve supply level. About 90 percent of the announced national marketing quota is expected to be produced. Accordingly, it has been determined that a national marketing quota of 8.23 million pounds is necessary to make available production of 7.5 million pounds. Utilizing section 312(b) of the 1938 Act, it was further determined that the 1997 national marketing quota should be increased by 20 percent over the normal formula amount in order to avoid undue restriction of marketings. This determination took into account the same factors as with type 21 and industry preferences. This results in a national marketing quota for the 1997 MY of 9.88 million pounds. Otherwise, the quota would be well below the level for the 1996 crop.

In accordance with section 313(g) of the 1938 Act, dividing the 1997 national marketing quota of 9.88 million pounds by the 1992-96, 5-year average yield of 2,312 pounds per acre results in a 1997 national acreage allotment of 4,273.36 acres.

Pursuant to the provisions of section 313(g) of the 1938 Act, a national acreage factor of 1.05 is determined by dividing the national acreage allotment for the 1997 MY, less a national reserve of 39.83 acres, by the total of the 1997 preliminary farm acreage allotments (previous year's allotments). The preliminary farm acreage allotments reflect the factors specified in section 313(g) of the 1938 Act for apportioning the national acreage allotment, less the national reserve, to old farms.

(4) Virginia Sun-Cured (Type 37) Tobacco

The average annual quantity of Virginia sun-cured (type 37) tobacco produced in the United States that is estimated to have been consumed in the United States during the 10 MYs preceding the 1996 MY was approximately 110,000 pounds. The average annual quantity produced in the United States and exported from the United States during the 10 MYs preceding the 1996 MY was approximately 90,000 pounds (farm sales weight basis). Both domestic use and exports have shown a sharp downward trend. Because of these considerations, a normal year's domestic consumption has been determined to be 40,000 pounds, and a normal year's exports have been determined to be 24,000 pounds. Application of the formula prescribed by section 301(b)(14)(B) of the 1938 Act results in a reserve supply level of 150,000 pounds.

Manufacturers and dealers reported stocks held on October 1, 1996, of 50,000 pounds. The 1996 crop is estimated to be 120,000 pounds. Therefore, total supply for the 1996 MY is 170,000 pounds. During the 1996 MY, it is estimated that disappearance will total approximately 120,000 pounds. Deducting this disappearance from total supply results in a 1997 MY beginning stock estimate of 50,000 pounds.

The difference between the reserve supply level and the estimated carryover on October 1, 1996, is 100,000 pounds. This represents the quantity that may be marketed that will make available during the 1997 MY a supply equal to the reserve supply level. Less than two-thirds of the announced national marketing quota is expected to be produced. Accordingly, it has been determined that a 1997 national marketing quota of 156,400 pounds is necessary to make available production of 100,000 pounds. Thus, the national marketing quota for the 1997 crop is 156,400 pounds which is greater than the preceding quota by about 6 percent and should not unduly restrict marketings.

In accordance with section 313(g) of the 1938 Act, dividing the 1997 national

marketing quota of 156,400 pounds by the 1992-96, 5-year average yield of 1,375 pounds per acre results in a 1997 national acreage allotment of 113.75 acres.

Pursuant to the provisions of section 313(g) of the 1938 Act, a national acreage factor of 1.15 is determined by dividing the national acreage allotment for the 1997 MY, less a national reserve of 1.09 acres, by the total of the 1997 preliminary farm acreage allotments (previous year's allotments). The preliminary farm acreage allotments reflect the factors specified in section 313(g) of the 1938 Act for apportioning the national acreage allotment, less the national reserve, to old farms.

(5) Cigar-Filler and Binder (types 42-44 and 53-55) Tobacco

The average annual quantity of cigar-filler and binder (types 42-44 and 53-55) tobacco produced in the United States that is estimated to have been consumed in the United States during the 10 MYs preceding the 1996 MY was approximately 13.8 million pounds. The average annual quantity produced in the United States and exported from the United States during the 10 MYs preceding the 1996 MY was less than 100,000 pounds (farm sales weight). Domestic use has trended downward and exports are very small. Based on these considerations, a normal year's domestic consumption has been determined to be 7.8 million pounds, and a normal year's exports has been determined to be zero pounds. Application of the formula prescribed by section 301(b)(14)(B) of the 1938 Act results in a reserve supply level of 22.6 million pounds.

Manufacturers and dealers reported stocks held on October 1, 1996, of 21.8 million pounds. The 1996 crop is estimated to be 4.6 million pounds. Therefore, total supply for the 1996 MY is 26.4 million pounds. During the 1996 MY, it is estimated that disappearance will total about 8.8 million pounds. Deducting this disappearance from total supply results in a 1997 MY beginning stock estimate of 17.6 million pounds.

The difference between the reserve supply level and the estimated carryover on October 1, 1997, is 5.0 million pounds. This represents the

quantity that may be marketed that will make available during the 1997 MY a supply equal to the reserve supply level. Slightly more than 70 percent of the announced national marketing quota is expected to be produced. Accordingly, it has been determined that a 1997 national marketing quota of 7.0 million pounds is necessary to make available production of 5.0 million pounds. As permitted by section 312(b) of the 1938 Act, it was further determined that the 1997 national marketing quota should be increased by 20 percent over the normal formula amount in order to avoid undue restriction of marketings. This results in a 1997-crop national marketing quota of 8.4 million pounds. This determination reflects that there are short reserve supplies and takes into account possible changes in expected demand and the fact that even with this adjustment the new quota will be less than the 1996 crop quota.

In accordance with section 313(g) of the 1938 Act, dividing the 1997 national marketing quota of 8.4 million pounds by the 1992-96, 5-year average yield of 1,876 pounds per acre results in a 1997 national acreage allotment of 4,477.61 acres.

Pursuant to the provisions of section 313(g), of the 1938 Act, a national factor of 1.0 is determined by dividing the national acreage allotment for the 1997 MY, less a national reserve of 9.21 acres, by the total of the 1997 preliminary farm acreage allotments (previous year's allotments). The preliminary farm acreage allotments reflect the factors specified in section 313(g) of the 1938 Act for apportioning the national acreage allotment, less the national reserve, to old farms.

(6) Referendum Results for Fire-Cured (Types 21-23) and Dark Air-Cured (Types 35-36) Tobaccos

Because of the results of producer referenda, marketing quotas shall be in effect for the 1997 MY for fire-cured (types 21-23) and dark air-cured (types 35-36) tobacco. In referenda held March 24-27, 1997, 90.6 percent of producers of fire-cured (types 21-23) and 89.6 percent of producers of dark air-cured (types 35-36) tobaccos voted in favor of marketing quotas.

REFERENDA DATA

Kind of tobacco	Total votes	Yes votes	No votes	Percent yes votes
Fire-cured (types 21-23)	4,405	3,992	413	90.6
Dark air-cured (types 35-36)	4,350	3,898	452	89.6

Price Support

Statutory Provisions

Section 106(f)(6)(A) of the 1949 Act provides that the level of support for the 1997 crop of a kind of tobacco (other than flue-cured and burley) shall be the level in cents per pound at which the 1996 crop of such kind of tobacco was supported, plus or minus, as appropriate, the amount by which (i) the basic support level for the 1997 crop, as it would otherwise be determined under section 106(b) of the 1949 Act, is greater or less than (ii) the support level for the 1996 crop, as it would otherwise be determined under section 106(b). To the extent that the price support level would be increased as a result of that comparison, section 106(f) provides that the increase may be modified using the provisions of 106(d). Under 106(d), the Secretary may reduce the level of support for grades the Secretary determines will likely be in excess supply so long as the weighted level of support for all grades maintains at least 65 percent of the increase in the price

support (from the previous year). The Secretary must consult with the appropriate tobacco associations and take into consideration the supply and anticipated demand for the tobacco, including the effect of the action on other kinds of quota tobacco. In determining whether the supply of any grade of any kind of tobacco of a crop will be excessive, the Secretary is required to consider the domestic supply, including domestic inventories, the amount of such tobacco pledged as security for price support loans, and anticipated domestic and export demand, based on the maturity, uniformity, and stalk position of such tobacco.

Section 106(b) of the 1949 Act provides that the "basic support level" for any year will be determined by multiplying the support level for the 1959 crop of such kind of tobacco by the ratio of the average of the index of prices paid by farmers, including wage rates, interest and taxes (referred to as the "parity index") for the 3 previous

calendar years to the average index of such prices paid by farmers, including wage rates, interest and taxes for the 1959 calendar year.

In addition, section 106(f)(6)(B) of the 1949 Act provides that to the extent requested by the board of directors of an association, through which price support is made available to producers (producer association), the Secretary may reduce the support level determined under section 106(f)(6)(A) of the 1949 Act for the respective kind of tobacco to more accurately reflect the market value and improve the marketability of such tobacco. Accordingly, the price support level for a kind of tobacco set forth in this rule could be reduced if such a request is made.

Price Support Determinations

The following levels of price support for the 1996 crops of various kinds of tobacco, which were determined in accordance with section 106(f)(6)(A) of the 1949 Act, are as follows:

Kind and type	Support level (cents per pound)
Virginia fire-cured (type 21)	145.5
KY-TN fire-cured (types 22-23)	155.7
Dark air-cured (types 35-36)	133.9
Virginia sun-cured (type 37)	128.8
Cigar-filler and binder (types 42-44 and 53-55)	112.0

For the 1997 crop year:

(1) Average parity indexes for calendar year periods 1993-1995 and 1994-1996 are as follows:

Year	Index	Year	Index
1993	1,355	1994	1,399
1994	1,399	1995	1,443
1995	1,443	1996	1,504
Average	1,399	Average	1,449

(2) Average parity index, calendar year 1959 = 298.

(3) 1996 ratio of 1,399 to 298 = 4.69; 1997 ratio of 1,449 to 298 = 4.86.

(4) Ratios times 1959 support levels and 1997 increase in basic support levels are as follows:

Kind and type	1959 support level (¢/lb.)	Basic support level ¹		Increase from 1995 to 1996	
		1996 (¢/lb.)	1997 (¢/lb.)	100% (¢/lb.)	65% (¢/lb.)
VA 21	38.8	182.0	188.6	6.6	4.3
KY-TN 22-23	38.8	182.0	188.6	6.6	4.3
KY-TN 35-36	34.5	161.8	167.7	5.9	3.8
VA 37	34.5	161.8	167.7	5.9	3.8
Cigar-filler and binder 42-44, 54-55	28.6	134.1	139.0	4.9	3.2

¹ 1996 ratio is 4.69, 1997 ratio is 4.86.

With respect to 106(d) adjustments, for MY 1997, (that is for the 1997-crop) the flue-cured and burley support levels were increased by 65 percent of the formula increase to within about 13

percent of 1996's average market prices. For the kinds of tobacco subject of this notice, MY 1996 market prices were further above the support level, and overall loan receipts remained low.

In addition, the supply-use ratios for these five kinds suggest adequate supplies. However, all five kinds are eligible for the full increase. In addition, the loan associations for Virginia fire-

cured (type 21) and Virginia sun-cured (type 37) have accepted lower price support levels so their tobacco may remain competitive in world markets. Therefore, for fire-cured (type 21) tobacco and Virginia sun-cured (type 37) tobacco, the 1997-crop support levels were set so as to only add, over 1996-crop levels, 65 percent of the difference between the 1997-crop "basic support level" and the 1996-crop "basic support level." For the other tobaccos covered in this notice there was no such recommendation and the support levels were set accordingly. Accordingly, the price support levels for Kentucky-Tennessee fire-cured (types 22-23), dark air-cured (types 35-36) and cigar filler and binder (types 42-44; 53-55) tobaccos were set to use of the MY 1996 level of support increased by the difference between the MY 1997 "basic support level" and the MY 1996 "basic support level." Chewing tobacco, smoking tobacco, and snuff manufacturing formulas limit the substitutability of one of these kinds of tobacco for another. Cigarettes, the principal outlet for flue-cured and burley tobaccos, do not require any of these five kinds of tobacco in their blends.

Accordingly, the following price support determinations were announced on February 27, 1997 for the 1997 crops of the tobaccos which are the subject of this notice:

Kind and type	Support level (cents per pound)
Virginia fire-cured (type 21)	149.8
Kentucky-Tennessee fire-cured (types 22-23)	162.3
Dark air-cured (types 35-36)	139.8
Virginia sun-cured (type 37)	132.6
Cigar-filler and binder (types 42-44 and 53-55)	116.9

List of Subjects

7 CFR Part 723

Acreage allotments, Marketing quotas, Penalties, Reporting and recordkeeping requirements, Tobacco.

7 CFR Part 1464

Price supports, Tobacco.

Accordingly, 7 CFR parts 723 and 1464 are amended to read as follows:

PART 723—TOBACCO

1. The authority citation for 7 CFR part 723 continues to read as follows:

Authority: 7 U.S.C. 1301, 1311-1314, 1314-1, 1314b, 1314b-1, 1314b-2, 1314c, 1314d, 1314e, 1314f, 1314i, 1315, 1316, 1362,

1363, 1372-75, 1377-1379, 1421, 1445-1, and 1445-2.

2. Section 723.113 is amended by adding paragraph (e) to read as follows:

§ 723.113 Fire-cured (type 21) tobacco.

* * * * *

(e) The 1997-crop national marketing quota is 2.395 million pounds.

3. Section 723.114 is amended by adding paragraph (e) to read as follows:

§ 723.114 Fire-cured (types 22-23) tobacco.

* * * * *

(e) The 1997-crop national marketing quota is 43.4 million pounds.

4. Section 723.115 is amended by adding paragraph (e) to read as follows:

§ 723.115 Dark air-cured (types 35-36) tobacco.

* * * * *

(e) The 1997-crop national marketing quota is 9.88 million pounds.

5. Section 723.116 is amended by adding paragraph (e) to read as follows:

§ 723.116 Sun-cured (type 37) tobacco.

* * * * *

(e) The 1997-crop national marketing quota is 156,400 pounds.

6. Section 723.117 is amended by adding paragraph (e) to read as follows:

§ 723.117 Cigar-filler and binder (types 42-44 and 53-55) tobacco.

* * * * *

(e) The 1997-crop national marketing quota is 8.4 million pounds.

PART 1464—TOBACCO

7. The authority citation for 7 CFR part 1464 continues to read as follows:

Authority: 7 U.S.C. 1421, 1423, 1441, 1445, and 1445-1; 15 U.S.C. 714b and 714c.

8. Section 1464.13 is amended by adding paragraph (e) to read as follows:

§ 1464.13 Fire-cured (type 21) tobacco.

* * * * *

(e) The 1997-crop national price support level is 149.8 cents per pound.

9. Section 1464.14 is amended by adding paragraph (e) to read as follows:

§ 1464.14 Fire-cured (types 22-23) tobacco.

* * * * *

(e) The 1997-crop national price support level is 162.3 cents per pound.

10. Section 1464.15 is amended by adding paragraph (e) to read as follows:

§ 1464.15 Dark air-cured (types 22-23) tobacco.

* * * * *

(e) The 1997-crop national price support level is 139.8 cents per pound.

11. Section 1464.16 is amended by adding paragraph (e) to read as follows:

§ 1464.16 Virginia sun-cured (type 37) tobacco.

* * * * *

(e) The 1997-crop national price support level is 132.6 cents per pound.

12. Section 1464.17 is amended by adding paragraph (e) to read as follows:

§ 1464.17 Cigar-filler and binder (types 42-44 and 53-55) tobacco.

* * * * *

(e) The 1997-crop national price support level is 116.9 cents per pound.

Signed at Washington, DC, on August 10, 1997.

Bruce R. Weber,

Acting Administrator, Farm Service Agency and Executive Vice President, Commodity Credit Corporation.

[FR Doc. 97-21796 Filed 8-15-97; 8:45 am]

BILLING CODE 3410-05-P

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Part 918

[Docket No. FV-97-918-1 FR]

Fresh Peaches Grown in Georgia; Termination of Marketing Order No. 918

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Final rule; Termination of Order.

SUMMARY: This rule terminates the Federal marketing order regulating the handling of fresh peaches grown in Georgia (order) and the rules and regulations issued thereunder. The Georgia peach industry has not operated under the order since its provisions were suspended March 1, 1993. The order does not reflect current industry structure and operating procedures and there is no industry support for reactivating the order. Therefore, there is no need to continue this order.

EFFECTIVE DATE: September 17, 1997.

FOR FURTHER INFORMATION CONTACT: William G. Pimental, Southeast Marketing Field Office, AMS, USDA, P.O. Box 2276, Winter Haven, Florida 33883-2276; telephone: (941) 299-4770, Fax: (941) 299-5169; or Kathleen Finn, Marketing Order Administration Branch, F&V, AMS, USDA, room 2530-S, P.O. Box 96456, Washington, DC 20090-6456; telephone: (202) 720-2491, Fax: (202) 720-5698. Small businesses may request information on compliance with this regulation by contacting: Jay Guerber, Marketing Order Administration Branch, Fruit and Vegetable Division, AMS, USDA, P.O.