

COMPUTED TRADE DEMANDS—Continued
[Natural condition tons]

	NS raisins	ZC raisins
Equals adjusted base	268,320	3,097
Minus carryin inventory	132,135	1,910
Plus desirable carryout	60,000	978
Equals computed trade demand	196,185	2,166

Computation of Preliminary Volume Regulation Percentages

Section 989.54(b) of the order requires that the Committee announce, on or before October 5, preliminary crop estimates and determine whether volume regulation is warranted for the varietal types for which it computed a trade demand. That section allows the Committee to extend the October 5 date up to 5 business days if warranted by a late crop.

Due to a late 2002 crop, the Committee met on October 8, 2002, and announced a preliminary crop estimate for NS raisins of 407,996 tons, which is almost 18 percent higher than the 10-year average of 346,770 tons. NS raisins are the major varietal type of California raisin. Adding the carryin inventory of 132,135 tons, plus 18,000 tons of reserve raisins expected to be released to handlers this season for free use in an export program, plus the 407,996-ton crop estimate resulted in a total available supply of 558,131 tons, which was significantly higher (almost 285 percent) than the 196,185-ton trade demand. Thus, the Committee determined that volume regulation for NS raisins was warranted. The Committee announced preliminary free and reserve percentages for NS raisins, which released 65 percent of the computed trade demand since the field price (price paid by handlers to producers for their free tonnage raisins) had not been established. The preliminary percentages were 31 percent free and 69 percent reserve.

Also at its October 8, 2002, meeting, the Committee announced a preliminary crop estimate for ZC raisins at 4,544 tons, which is comparable to the 10-year

average of 4,494 tons. Combining the carry-in inventory of 1,910 tons with the 4,544-ton crop estimate resulted in a total available supply of 6,454 tons. With the estimated supply significantly higher (almost three times) than the 2,166-ton trade demand, the Committee determined that volume regulation for ZC raisins was warranted. The Committee announced preliminary percentages for ZC raisins, which released 65 percent of the computed trade demand since field price had not been established. The preliminary percentages were 31 percent free and 69 percent reserve.

Field prices for both NS and ZC raisins were established on January 10, 2003, and preliminary percentages were revised on January 13, 2003, to 41 percent free and 59 percent reserve for NS and ZC raisins to release 85 percent of their trade demands.

In addition, preliminary percentages were announced for Other Seedless, Dipped Seedless, and Oleate and Related Seedless. It was ultimately determined that volume regulation was only warranted for NS and ZC raisins. As in past seasons, the Committee submitted its marketing policy to USDA for review.

Modification to Marketing Policy Regarding ZC Raisins

Pursuant to § 989.54(f) of the order, the Committee met on January 29, 2003, and revised its marketing policy regarding ZC raisins due to a major change in economic conditions. The Committee recommended, and USDA subsequently approved, an increase in the ZC trade demand from 2,166 to 3,302 tons. The Committee's rationale

for this action was to take advantage of increased demand created by a short Greek crop. Greece's crop has been reduced due to adverse weather conditions, and the Committee hopes to be able to sell more California ZC raisins in world markets.

Computation of Final Volume Regulation Percentages

Pursuant to § 989.54(c), at its January 29, 2003, meeting, the Committee announced interim percentages for NS and ZC raisins to release slightly less than their full trade demands. Based on a revised NS crop estimate of 373,138 tons (down from the October estimate of 407,996 tons), interim percentages for NS raisins were announced at 52.75 percent free and 47.25 percent reserve. Based on a revised ZC crop estimate of 4,128 tons (down from the October estimate of 4,544 tons), interim percentages for ZC raisins were announced at 79.75 percent free and 20.25 percent reserve.

Pursuant to § 989.54(d), the Committee also recommended final percentages to release the full trade demands for NS and ZC raisins. Final percentages were recommended for ZC raisins at the Committee's January meeting at 80 percent free and 20 percent reserve. Final percentages for NS raisins were recommended by the Committee at a meeting on February 13, 2003, at 53 percent free and 47 percent reserve, based on a revised crop estimate of 373,680 tons (slightly up from the January estimate of 373,138 tons). The Committee's calculations to arrive at final percentages for NS and ZC raisins are shown in the table below:

FINAL VOLUME REGULATION PERCENTAGES
[Natural condition tons]

	NS Raisins	ZC Raisins
Trade demand	196,185	3,302
Divided by crop estimate	¹ 373,680	² 4,128
Equals free percentage	53	80
100 minus free percentage equals reserve percentage	47	20

¹ The crop estimate for NS raisins is underestimated, as acquisitions through the week ending February 22, 2003, were at 378,601 tons.