

condition tons (.53 x 378,601 tons delivered through February 22, 2003) and carryin is 132,135 natural condition tons, and purchases from reserve total 77,626 natural condition tons (which includes anticipated reserve raisins released through the export program and other purchases), then the total free supply is estimated at 410,419 natural condition tons. The econometric model estimates prices to be \$142 per ton higher than under an unregulated scenario. This price increase is beneficial to all producers regardless of size and enhances producers' total revenues in comparison to no volume

control. Establishing a reserve allows the industry to help stabilize supplies in both domestic and export markets, while improving returns to producers.

Regarding ZC raisins, ZC raisin production is much smaller than NS raisin production. Volume regulation has been implemented for ZC raisins during the 1994–95, 1995–96, 1997–98, 1998–99, 1999–2000, and 2000–01 seasons. Various programs to utilize reserve pool ZC raisins were implemented during those years. As shown in the table below, although production varied during those years, volume regulation helped to reduce

inventories, and helped to strengthen total producer prices (free tonnage plus reserve ZC raisins) from \$412.56 per ton in 1994–95 to a high of \$1,034.03 per ton in 1998–99. The Committee is implementing an export program for ZC raisins, in addition to NS raisins. Through this program, the Committee plans to continue to manage its ZC supply, build and maintain export markets, and ultimately improve producer returns. Volume regulation helps the industry not only to manage oversupplies of raisins, but also maintain market stability.

ZC INVENTORIES AND PRODUCER PRICES DURING YEARS OF VOLUME REGULATION —(NATURAL CONDITION TONS)

Crop year	Deliveries	Inventory		Producer prices (per ton)
		Desirable	Physical	
2001–02	4,213	1,227	1,395	\$1,000.00
2000–01	4,848	1,227	1,109	851.55
1999–2000	3,683	573	1,906	669.14
1998–99	3,880	694	1,188	1,034.03
1997–98	4,826	788	1,679	710.08
1996–97	4,491	987	549	² 1,150.00
1995–96	3,294	782	2,890	711.32
1994–95	5,377	837	4,364	412.56

¹ and ² No volume regulation.

Free and reserve percentages are established by varietal type, and usually in years when the supply exceeds the trade demand by a large enough margin that the Committee believes volume regulation is necessary to maintain market stability. Accordingly, in assessing whether to apply volume regulation or, as an alternative, not to apply such regulation, it has been determined that volume regulation is warranted this season for only two of the ten raisin varietal types defined under the order.

The free and reserve percentages established by this rule release the full trade demands and apply uniformly to all handlers in the industry, regardless of size. For NS raisins, with the exception of the 1998–99 crop year, small and large raisin producers and handlers have been operating under volume regulation percentages every year since 1983–84. There are no known additional costs incurred by small handlers that are not incurred by large handlers. While the level of benefits of this rulemaking are difficult to quantify, the stabilizing effects of the volume regulations impact small and large handlers positively by helping them maintain and expand markets even though raisin supplies fluctuate widely from season to season. Likewise, price stability positively impacts small and large producers by allowing them to

better anticipate the revenues their raisins will generate.

There are some reporting, recordkeeping and other compliance requirements under the order. The reporting and recordkeeping burdens are necessary for compliance purposes and for developing statistical data for maintenance of the program. The requirements are the same as those applied in past seasons. Thus, this action imposes no additional reporting or recordkeeping burdens on either small or large handlers. The forms require information which is readily available from handler records and which can be provided without data processing equipment or trained statistical staff. The information collection and recordkeeping requirements have been previously approved by the Office of Management and Budget (OMB) under OMB Control No. 0581–0178. As with other similar marketing order programs, reports and forms are periodically studied to reduce or eliminate duplicate information collection burdens by industry and public sector agencies. In addition, USDA has not identified any relevant Federal rules that duplicate, overlap, or conflict with this rule. Finally, interested persons are invited to submit information on the regulatory and informational impacts of this action on small businesses.

Further, Committee and subcommittee meetings are widely publicized in advance and are held in a location central to the production area. The meetings are open to all industry members, including small business entities, and other interested persons who are encouraged to participate in the deliberations and voice their opinions on topics under discussion.

A small business guide on complying with fruit, vegetable, and specialty crop marketing agreements and orders may be viewed at: <http://www.ams.usda.gov/fv/moab.html>. Any questions about the compliance guide should be sent to Jay Guerber at the previously mentioned address in the **FOR FURTHER INFORMATION CONTACT** section.

After consideration of all relevant material presented, including the information and recommendation submitted by the Committee and other available information, it is hereby found that this rule, as hereinafter set forth, will tend to effectuate the declared policy of the Act.

This rule invites comments for a 60-day period on the establishment of final volume regulation percentages for 2002–03 crop NS and ZC raisins covered under the order. All comments received within the comment period will be considered prior to finalization of this rule.