

information from all of the handlers is totaled and then distributed.

Administrative Rules and Regulations

Section 993.172 requires handlers to report each month on their holdings, receipts, and shipments of prunes produced in California.

Paragraph (d) of § 993.172 requires handlers to report shipments of dried prunes produced in California. This information is reported on PMC Form 12.1, "Report of Shipments," and an addendum to that form referred to as PMC Form 12.1A, "Cumulative Prune Export Shipments."

Prior to the implementation of this rule, each handler was required to file with the Committee for each month, not later than the 5th working day of the next succeeding month, Forms PMC 12.1 and 12.1A, reporting shipments (including cumulative exports by country) of prunes during the crop year through the last day of the immediately preceding month. PMC Form 12.1 was required to contain at least the following information:

(1) The date, the name, and address of the handler, and the period covered by the report;

(2) The pounds of prunes shipped or otherwise disposed of, other than shipments to or for the account of other handlers as follows: (i) Domestic outlets segregated by uses (including Federal Government agencies); (ii) export markets segregated by countries; (iii) both domestic and export totals segregated by type of pack (carton, visipak, and other); and (iv) pitted prunes (pitted weight) segregated as to total to domestic outlets and total to export markets;

(3) The total pounds shipped to or for the account of other handlers, including interhandler transfers; and

(4) The total pounds of prunes not covered by, or excluded from, the definition of the term "prunes" (§ 993.5) shipped.

PMC Form 12.1A included a listing of the quantities of whole and pitted prunes exported together with the countries to which the exports were made.

Proposed Action

Based upon competition concerns, the Committee unanimously recommended changing the frequency and amount of information that is required to be reported by handlers. While this rule would still allow the Committee to obtain the information it needs for program purposes, this rule allows California prune handlers to file their Shipment Reports on a quarterly, rather

than monthly basis, as currently required.

Handlers will no longer be reporting their export shipment destination countries to the Committee. Instead handlers will only report the regions into which they ship. The amount of information disseminated by the Committee will also be reduced. The Committee will no longer report the countries to which the industry exports, but only the total export shipments (except that total export shipments into regions would be reported annually for marketing policy purposes). The reporting of type of pack would be changed from "carton, visipak, and other" to "bulk and consumer pack" to reveal less marketing information.

By distributing the Shipment Report quarterly, instead of monthly, and revising the report's format to provide less detailed information, the Committee is reducing the amount of marketing information it is releasing. However, this information still satisfies the Committee's need for information to prepare the marketing policy, verify compliance, monitor the accuracy of handler reports, justify government purchases or supply control recommendations, and to help the industry develop their marketing programs and evaluate USDA Market Access Program applications. At least once a year, export shipments by region will be reported for the entire crop year. During the remainder of the year, the Committee may only report total export shipments.

These recommendations by the Committee will reduce the reporting burden on California prune handlers as well as help address some of the marketing concerns of the industry and Committee. These changes will also reduce some of the Committee's administrative costs in disseminating this information quarterly, rather than monthly. Accordingly, appropriate changes are made to paragraph (d) of § 993.172.

Initial Regulatory Flexibility Analysis and the Paperwork Reduction Act

Pursuant to requirements set forth in the Regulatory Flexibility Act (RFA), the Agricultural Marketing Service (AMS) has considered the economic impact of this action on small entities. Accordingly, AMS has prepared this initial regulatory flexibility analysis.

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.

Industry Profile

There are approximately 1,205 producers of dried prunes in the production area and approximately 21 handlers subject to regulation under the marketing order. Small agricultural producers are defined by the Small Business Administration (13 CFR 121.201) as those having annual receipts of less than \$750,000 and small agricultural service firms are defined as those having annual receipts of less than \$5,000,000.

Currently 8 of the 21 handlers (38 percent) shipped over \$5,000,000 worth of dried prunes and could be considered large handlers by the Small Business Administration. Thirteen of the 21 handlers (62 percent) shipped less than \$5,000,000 worth of dried prunes and could be considered small handlers. An estimated 32 producers, or less than 3 percent of the 1,205 total producers, would be considered large growers with annual incomes over \$750,000. The majority of handlers and producers of California dried prunes may be classified as small entities.

Summary of Rule Change

This rule changes the reporting requirements specified in § 993.172(d) of the administrative rules and regulations regarding the reporting of dried prune shipments by handlers. This rule allows the California prune handlers to file their Shipment Reports quarterly, rather than monthly, as required currently. Also handlers will no longer report their export market shipments to the Committee by country, but by region. The amount of information disseminated by the Committee will also be reduced. The Committee will no longer be reporting export shipments by country, but only in total (except that total export shipments into regions would be reported annually to enable the Committee to prepare its marketing policy). The reporting of type of pack also would be changed from "carton, visipak, and other" to "bulk and consumer pack".

Impact of Regulation

Regarding the impact of this rule on affected entities, this action would reduce the reporting and recordkeeping burden on California prune handlers and reduce the Committee's administrative costs. The Committee estimates that 21 California prune