

handlers, 69 Washington sweet cherry handlers, and 10 Washington-Oregon fresh prune handlers subject to regulation under the respective marketing orders. 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 whose annual receipts are less than \$5,000,000.

Based on a three-year average fresh apricot production of 4,225 tons (Washington Apricot Marketing Committee records), a three-year average producer price of \$893 per ton as reported by National Agricultural Statistics Service (NASS), and 272 Washington apricot producers, the average annual producer revenue is approximately \$13,871. In addition, based on Washington Apricot Marketing Committee records and 2002 f.o.b. prices ranging from \$12.50 to \$16.50 per 24-pound container as reported by USDA's Market News Service (MNS), all of the Washington apricot handlers ship under \$5,000,000 worth of apricots.

Based on a three-year average fresh cherry production of 71,220 tons (Washington Cherry Marketing Committee records), a three-year average producer price of \$1,857 per ton as reported by NASS, and 1,800 Washington cherry producers, the average annual producer revenue is approximately \$73,475. In addition, based on Washington Cherry Marketing Committee records and an average 2002 f.o.b. price of \$28.00 per 20-pound container as reported by MNS, 81 percent of the Washington cherry handlers ship under \$5,000,000 worth of cherries.

Based on a three-year average fresh prune production of 4,893 tons (Washington-Oregon Fresh Prune Marketing Committee records), a three-year average producer price of \$210 per ton as reported by NASS, and 215 Washington-Oregon prune producers, the average annual producer revenue is approximately \$4,779. In addition, based on Washington-Oregon Fresh Prune Marketing Committee records and 2002 f.o.b. prices ranging from \$8.50 to \$9.50 per 30-pound container as reported by MNS, all of the Washington-Oregon prune handlers ship under \$5,000,000 worth of prunes.

In view of the foregoing, the majority of Washington apricot, Washington sweet cherry, and Washington-Oregon fresh prune producers and handlers may be classified as small entities.

This rule would increase the assessment rates established for the Committees from \$2.50 to \$3.00 per ton

for apricots, from \$0.75 to \$1.00 per ton for cherries, and from \$1.00 to \$1.50 per ton for prunes. For the 2003–2004 fiscal period, the quantity of assessable fruit is estimated at 3,600 tons for apricots, 64,000 tons for cherries, and 4,300 tons for prunes.

All three Committees are managed from the same office, and as such, major expenses recommended by the Committees for the 2003–2004 year include salaries (\$54,500), rent and maintenance (\$7,200), compliance officer (\$4,840), and Committee travel and compensation (\$4,000). Budgeted expenses for these items in 2002–2003 were \$49,100, \$6,800, \$5,120, and \$6,100, respectively.

The higher assessment rates are necessary to offset increases in salaries and rent and maintenance, and projected decreases in the production of each crop due to the adverse effect of cooler temperatures on the size and quality of the fruit. The additional assessment income would also permit the Washington Apricot Marketing Committee and the Washington-Oregon Fresh Prune Committee to meet budgeted expenses and maintain an acceptable financial reserve. For the Washington Cherry Marketing Committee, the increased assessment rate would allow it to use less reserve funds to meet its budgeted expenses.

The Committees discussed alternatives to this rule, including alternative expenditure levels. Lower assessment rates were considered, but not recommended because they would not generate the income necessary to administer the programs with adequate reserves.

Apricot shipments for 2003 are estimated at 3,600 tons, which should provide \$10,800 in assessment income. Income derived from handler assessments would be adequate to cover budgeted expenses. Funds in the reserve (\$8,360 as of March 31, 2003) would be kept within the maximum permitted by the order (approximately one fiscal period's operational expenses; § 923.42).

Sweet cherry shipments for 2003 are estimated at 64,000 tons, which should provide \$64,000 in assessment income. Income derived from handler assessments, along with funds from the authorized reserve, would be adequate to cover budgeted expenses. Funds in the reserve (\$33,064 as of March 31, 2003) would be kept within the maximum permitted by the order (one fiscal period's operational expenses; § 923.42).

Fresh prune shipments for 2003 are estimated at 4,300 tons, which should provide \$6,450 in assessment income. Income derived from handler

assessments, along with funds from the authorized reserve, would be adequate to cover budgeted expenses. Funds in the reserve (\$5,407 as of March 31, 2003) would be kept within the maximum permitted by the order (approximately one fiscal period's operational expenses; § 924.42).

A review of historical information and preliminary information pertaining to the upcoming crop year indicates that the producer price for the 2003–2004 season could range between \$783 and \$1,050 per ton for Washington apricots, between \$1,580 and \$2,000 per ton for Washington sweet cherries, and between \$166 and \$252 per ton for Washington-Oregon fresh prunes. Therefore, the estimated assessment revenue for the 2003–2004 fiscal period as a percentage of total producer revenue could range between 0.29 and 0.38 percent for Washington apricots, between 0.05 and 0.06 percent for Washington sweet cherries, and between 0.60 and 0.90 for Washington-Oregon fresh prunes.

This action would increase the assessment obligation imposed on handlers. While assessments impose some additional costs on handlers, the costs are minimal and uniform on all handlers. Some of the additional costs may be passed on to producers. However, these costs would be offset by the benefits derived by the operation of the marketing orders. In addition, the Committees' meetings were widely publicized throughout the Washington apricot, Washington sweet cherry, and Washington-Oregon fresh prune industries and all interested persons were invited to attend and participate in the Committees' deliberations on all issues. Like all meetings of these Committees, the May 21, May 22, and June 3 meetings were public meetings and all entities, both large and small, were able to express views on the issues. Finally, interested persons are invited to submit information on the regulatory and informational impacts of this action on small businesses.

This proposed rule would impose no additional reporting or recordkeeping requirements on either small or large Washington apricot, Washington sweet cherry, or Washington-Oregon fresh prune handlers. As with all Federal marketing order programs, reports and forms are periodically reviewed to reduce information requirements and duplication by industry and public sector agencies.

USDA has not identified any relevant Federal rules that duplicate, overlap, or conflict with this rule.

A small business guide on complying with fruit, vegetable, and specialty crop