

hop industry as a *New Producer* for the 2003 crop year, shall be entitled to an allotment base as a matter of right. Such allotment base shall be calculated in the same manner as with any other producer; *Provided:* However that the *New Producer's* representative base period and initial allotment base shall be limited exclusively to the 2003 crop year, and any such allotment shall be determined by the *New Producer's* actual production in 2003.

§ 991.54 Issuance of Annual Allotments.

(a) Whenever the Secretary establishes a salable quantity and allotment percentage that may be marketed during a marketing year, the Committee shall issue an annual allotment to each producer holding an allotment base. Each producer's annual allotment shall be determined by multiplying the producer's allotment base by the allotment percentage.

(b) On or before February 1, the Committee shall furnish each registered holder of an allotment base a form for the producer to apply for an annual allotment for the ensuing marketing year. The Committee, shall establish rules and regulations prescribing the information to be submitted on this form. The Committee shall notify each producer of the producer's annual allotment within 10 days after the Secretary establishes the salable quantity and allotment percentage.

(c) Through 2003, a handler may acquire Alpha Acid of a producer's own production to fulfill a written contract entered into by these two persons prior to January 31, 2002. The terms of this contract shall require the producer to deliver to that handler a specified quantity of Alpha Acid from that producer's production at a specific price from a specified acreage and produced prior to 2003. The quantity of Alpha Acid acquired by the handler pursuant to that contract during the 2003–04 or 2004–05 marketing year may exceed the producer's annual allotment for the applicable marketing year, but shall be charged against the producer's annual allotment for that year.

§ 991.55 Identification.

(a) Each producer shall, under supervision of the Committee, identify each variety of Alpha Acid by October 15 of each year.

(b) Identification shall include the name of the producer, the variety of hops, the net weight, the lot number and such other information as may be required by the Committee.

(c) No handler shall handle as salable Alpha Acid that has not been identified as provided in this section, and no

person shall alter or remove any identification.

§ 991.56 Excess Hops and Hop Products.

Alpha Acid that is in excess of an individual producer's annual allotment at the conclusion of his/her harvest shall be identified as excess Alpha Acid and shall be disposed of as follows:

(a) Before November 30, or such date as the Committee may establish, a producer, following notification of the Committee, may transfer excess alpha acid to another producer to enable that producer to fill a deficiency in that producer's annual allotment, or

(b) On December 1, or such other date as the Committee, with the approval of the Secretary, may establish, excess Alpha Acid shall be identified as Reserve Pool Alpha Acid.

(c) No handler shall handle Reserve Pool Alpha Acid.

(d) The Committee may establish such rules and regulations as it deems necessary for the administration of the Reserve Pool.

§ 991.57 Reserve pool requirements.

(a) General. The Committee shall pool Reserve Pool Alpha Acid in a manner to accurately account for its receipt, storage, and disposition. The Committee shall designate a Committee employee as Reserve Pool Manager. Administration of the provisions in this section shall be in accordance with such rules and regulation as the Committee may prescribe.

(b) Disposition. (1) When, in any marketing year, a producer has produced less than the annual allotment of Alpha Acid, the producer may, upon notification of the Committee, fill the deficiency with Alpha Acid from the producer's Reserve Pool.

(2) Under supervision of the Committee, a producer may exchange salable alpha acid for the same quantity of reserve alpha acid from own production so long as the alpha acid is properly identified.

§ 991.58 Transfers.

(a) Nothing contained in this part shall prevent a producer from transferring the location where that producer's annual allotment is produced to another location except that the producer shall report the transfer to the Committee within 30 days after the transfer.

(b) A producer may transfer all or part of an allotment base to another producer under rules and regulations established by the Committee: *Provided*, That the allotment base obtained by transfer from another producer or issued pursuant to § 991.53(e) shall not be transferred for at

least 2 years following transfer or issuance, and that the person receiving the allotment base submit to the Committee, evidence of an ability to produce hops from such allotment base in the first marketing year following the transfer or issuance of the allotment base.

Reports and Records

§ 991.60 Reports.

(a) Inventory. Each handler shall file, with the Committee or its designee, a certified report showing such information as the Committee may specify with respect to any hops which were held by such handler on March 1 and September 1 or such other dates as the Committee may designate.

(b) Receipts. Each handler shall, upon request of the Committee, file with the Committee a certified report showing the quantity of hops handled.

(c) Other Reports. Upon the request of the Committee, each handler shall furnish to the Committee such other information as may be necessary to enable it to exercise its powers and perform its duties under this part.

§ 991.61 Records.

Each handler shall maintain such records pertaining to all hops handled as will substantiate the required reports. All such records shall be maintained for not less than 2 years after the termination of the marketing year to which such records relate.

§ 991.62 Verification of reports & records.

For the purpose of assuring compliance with record keeping requirements and verifying reports filed by handlers, the Secretary and the Committee through its duly authorized employees, shall have access to any premises where applicable records are maintained, where hops and or hop products are received or held, and at any time during reasonable business hours shall be permitted to inspect such handler premises, and any and all records of such handlers with respect to matters within the purview of this part.

§ 991.63 Confidential information.

All reports and records furnished or submitted by handlers to, or obtained by the employees of, the Committee which contain data or information constituting a trade secret or disclosing the trade position, financial condition, or business operations of the particular handler from whom received, shall be treated as confidential and the reports and all information obtained from records shall at all times be kept in the custody and under the control of one or more employees of the Committee who