

Mississippi River. (This region is the eastern half of the country, but is named Eastern Cornbelt for consistency with AMS regions.)

We will monitor changes in the swine industry, feedback from producers and other interested parties about the summary reports, and other relevant information to determine if changes in reporting regions need to be considered.

How will GIPSA make summary example contract and monthly report information available? As specified in sections 206.2(g) and 206.3(g)(1) of the regulations, we will make the contract library information and monthly reports available on the Internet on the GIPSA Web site at <http://www.usda.gov/gipsa/> and at the GIPSA Regional Office in Des Moines, Suite 317, 210 Walnut Street, Des Moines, IA 50309. The information available from the GIPSA Web site and at the regional office will be the same.

Initially, summarized information from example contracts could be available as early as 2 months after the final rule becomes effective (30 days after packers will be required to submit example contracts for each of the plants that has the slaughtering capacity specified in the definition of "packer" as specified in section 206.1). Subsequent information on new example contracts made available by packers will be available on a real-time basis, to the extent possible (packers must send GIPSA new example contracts within one business day of the contract being made available). The method and time of delivery and the complexity of contract terms will determine how quickly GIPSA can make the information available. Initially, summarized monthly report information could be available as early as 3 months after the final rule becomes effective (the first day of the month following packers' first monthly report submission.). Subsequent summarized monthly reports will be available the 1st of each month (2 weeks following the packers' monthly report submission).

Executive Order 12866 and Regulatory Flexibility Act

This rule has been determined to be significant for the purposes of Executive Order 12866, and therefore, has been reviewed by the Office of Management and Budget. The following is an economic analysis of the rule that includes the cost-benefit analysis required by Executive Order 12866. The economic analysis also provides a final regulatory flexibility analysis of the potential economic effects on small entities as required by the Regulatory Flexibility Act (5 U.S.C. 601–612).

This rule implements Subtitle B of Title II of the P&S Act, which requires packers to report to the Secretary information for swine packing plants that have the slaughtering capacity specified in the subtitle's definition of "packer." The rule requires the reporting of information on swine marketing contracts by packers for plants that have the slaughtering capacity specified in the definition of "packer."

Each packer purchasing at least 100,000 swine per year must report information for swine processing plants it owns or at which it has swine slaughtered that slaughtered an average of 100,000 head of swine per year during any of the immediately preceding 5 calendar years based on those years in which the plant slaughtered swine. Based on data including 2002, the most recent year for which complete data are available, this includes a total of 53 plants owned or utilized by 33 swine packers.

The rule establishes a swine contract library and requires packers operating or utilizing plants of the specified slaughtering capacity to submit example contracts and monthly reports to provide numbers of swine committed to packers under contract. We believe that this information program will benefit producers, especially small producers. It will increase information available to producers about contract terms, as well as improve producers' and packers' ability to plan with improved knowledge of the volume of swine already contracted for slaughter.

Summary of Costs

No costs will be imposed on producers as a result of the regulations. Monthly reports and information from the contract library on contract terms will be available on the GIPSA Web site on the Internet. Producers with Internet access will be able to access the reports at no additional cost beyond their normal Internet costs. We believe that many producer organizations and private news and information services will copy and redistribute these reports at no direct cost to producers as part of the services they already provide to producers.

Packers required to report will face costs associated with submitting contracts for the contract library. The first component of these costs is the initial cost of compiling and providing to GIPSA a copy of each example contract currently in effect or available at each plant that has the slaughtering capacity specified in the definition of "packer" in section 206.1. As specified in the definition of "contract" in section

206.1, this term includes written and verbal agreements. To submit example contracts for verbal agreements, packers will need to provide written descriptions of the verbal agreement. The second component is the cost of providing a copy of each new example contract subsequently made available by the packer. We estimate the hourly cost of these activities will average \$20 per hour.

Based on our experience reviewing swine contracts in the normal course of enforcing the P&S Act, we believe that the time required for a packer to review its contracts, identify example contracts, and submit those examples as a package (including documenting verbal contracts) will average 9 hours per plant for the initial submission.

The first component of the 9 hours is an initial 4 hours to review the files of contracts and identify examples of existing and available contracts. Packers must identify which contracts are identical for reporting purposes, as specified in section 206.2(d) of the regulations, in order to determine which contracts need to be sent as examples.

The second component of the 9 hours is an additional 5 hours to collect and submit example contracts to GIPSA. This is composed of 0.5 hours per plant per example contract; we increased this estimate from the 0.25 hours estimated in the proposed rule to allow extra time for packers to review the guidelines developed for the submission of example contracts and the time to submit the example contracts electronically. Based on our experience reviewing swine contracts, we have determined that some packers will only have one example contract to report for each plant, while other packers will have a variety of example contracts. For this analysis and to provide an upper estimate for the costs associated with the contract library, we estimated that, on average, packers would have 10 example contracts per plant to be submitted to GIPSA for the initial filing. At 0.5 hours per plant per example contract, it would take 5 hours for the packer to collect and submit the 10 example contracts to GIPSA.

The total one-time cost to compile the initial submission of example contracts for all 53 plants¹² is \$9,540 (\$180 per plant × 53 plants, which combines the first component of \$20 per hour × 4 hours = \$80 and the second component of \$20 per hour × 0.5 hours × 10

¹² The regulation will require a total of 33 pork packing companies (packers) to report for 53 plants that have the slaughtering capacity specified in the definition of "packer" in section 206.1, based on data including 2001, the most recent year for which complete data are available.