

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 potato production of 35,448,000 hundredweight as calculated from Committee records, a three-year average of producer prices of \$6.10 per hundredweight reported by the National Agricultural Statistics Service, and 900 Idaho-Eastern Oregon potato producers, the average annual producer revenue is approximately \$240,259. It can be concluded, therefore, that most of these producers may be classified as small entities.

In addition, based on Committee records and 2002–03 f.o.b. shipping point prices ranging from \$5.00 to \$35.00 per hundredweight reported by USDA's Market News Service, many Idaho-Eastern Oregon potato handlers may ship over \$5,000,000 worth of potatoes. In view of the foregoing, few of the handlers may be classified as small entities as defined by the SBA.

This rule increases the assessment rate established for the Committee and collected from handlers for the 2003–04 and subsequent fiscal periods from \$0.0026 to \$0.0045 per hundredweight of potatoes handled. The Committee unanimously recommended 2003–04 expenditures of \$145,317 and an assessment rate of \$0.0045 per hundredweight. The proposed assessment rate is \$0.0019 per hundredweight higher than the 2002–03 rate. The quantity of assessable potatoes for the 2003–04 fiscal period is estimated to be 36,500,000 hundredweight. Income derived from handler assessments (approximately \$164,250) should be adequate to cover budgeted expenses.

The major expenditures recommended by the Committee for the 2003–04 fiscal period include \$95,067 for salaries and benefits, \$16,500 for transportation, \$13,500 for travel, \$6,800 for rent and utilities, and \$4,800 for office expenses. Budgeted expenses for these items in 2002–2003 were \$92,144, \$9,000, \$14,000, \$6,300, and \$6,500, respectively.

The assessment rate increase is necessary to offset increases in salaries and operating expenses, declining potato shipments, and the depletion of operating reserves. The Committee estimated the reserve to be \$33,000 at the 2002–03 fiscal period end. At the current rate of \$0.0026 per hundredweight, and the estimated potato production of 36,500,000

hundredweight for the 2003–04 fiscal period, the projected income for the 2003–04 fiscal period would be \$94,900. This amount, along with the projected reserve of \$33,000, is approximately \$19,417 less than required to fund the proposed 2003–04 budget and \$9,194 less than the 2002–03 budgeted amount. Thus, the Committee believes that the projected assessment income at the current assessment rate and funds held in reserve would not be sufficient to fund the Committee's operations without increasing the assessment rate.

At the recommended rate of \$0.0045 per hundredweight (assessment income of \$164,250) and expenditures of \$145,317, the Committee may increase its reserve by up to \$18,933. The projected reserve would be approximately \$51,933 on July 31, 2004, which the Committee determined to be both appropriate and acceptable.

The Committee considered alternate levels of assessment but determined that increasing the assessment rate to \$0.0045 per hundredweight will allow the Committee to adequately fund operations and replenish the reserve to an acceptable level. The Committee decided that any assessment rate between \$0.0026 per hundredweight and \$0.0045 per hundredweight would not be sufficient to accomplish the Committee's goals. Prior to arriving at the budget and assessment rate recommendations, the Committee considered information from various sources, including the Committee's Finance and Executive Committees.

A review of historical information and preliminary information pertaining to the upcoming fiscal period indicates that the producer price for the 2003–04 fiscal period could range between \$4.50 and \$6.00 per hundredweight of potatoes. Therefore, the estimated assessment revenue as a percentage of total producer revenue could range between 0.1 and 0.075 percent.

This action increases 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 are offset by the benefits derived by the operation of the marketing order. In addition, the Committee's meeting was widely publicized throughout the Idaho-Eastern Oregon potato industry and all interested persons were invited to attend the meeting and participate in Committee deliberations on all issues. Like all Committee meetings, the June 16, 2003, meeting was a public meeting and all entities, both large and small, were able to express views on this issue.

This rule imposes no additional reporting or recordkeeping requirements on either small or large Idaho-Eastern Oregon potato 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 proposed rule concerning this action was published in the **Federal Register** on August 28, 2003 (68 FR 51713). Copies of the proposed rule were also mailed or sent via facsimile to all potato handlers. Finally, the proposal was made available through the Internet by the Office of the Federal Register and USDA. A 15-day comment period ending September 12, 2003, was provided for interested persons to respond to the proposal. No comments were received.

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.

Pursuant to 5 U.S.C. 553, it is also found and determined that good cause exists for not postponing the effective date of this rule until 30 days after publication in the **Federal Register** because the 2003–2004 fiscal period began on August 1, and the marketing order requires that the rate of assessment for each fiscal period apply to all assessable Idaho-Eastern Oregon potatoes handled during such fiscal period. Further, handlers are aware of this rule which was unanimously recommended by the Committee. Also, a 15-day comment period was provided for in the proposed rule, and no comments were received.

List of Subjects in 7 CFR Part 945

Marketing agreements, Potatoes, Reporting and recordkeeping requirements.

■ For the reasons set forth in the preamble, 7 CFR part 945 is amended as follows: