

will tend to effectuate the declared policy of the Act.

#### List of Subjects in 7 CFR Part 981

Almonds, Marketing agreements, Reporting and recordkeeping requirements.

#### PART 981—ALMONDS GROWN IN CALIFORNIA

■ Accordingly, the interim final rule amending 7 CFR part 981, which was published at 69 FR 1269 on January 8, 2004, is adopted as a final rule without change.

Dated: April 19, 2004.

**Kenneth C. Clayton,**

*Associate Administrator, Agricultural Marketing Service.*

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BILLING CODE 3410-02-P

#### DEPARTMENT OF AGRICULTURE

#### Agricultural Marketing Service

#### 7 CFR Part 989

[Docket No. FV04-989-1 IFR]

#### Raisins Produced From Grapes Grown in California; Final Free and Reserve Percentages for 2003-04 Crop Natural (Sun-Dried) Seedless Raisins

**AGENCY:** Agricultural Marketing Service, USDA.

**ACTION:** Interim final rule with request for comments.

**SUMMARY:** This rule establishes final volume regulation percentages for 2003-04 crop Natural (sun-dried) Seedless (NS) raisins covered under the Federal marketing order for California raisins (order). The order regulates the handling of raisins produced from grapes grown in California and is locally administered by the Raisin Administrative Committee (Committee). The volume regulation percentages are 70 percent free and 30 percent reserve. The percentages are intended to help stabilize raisin supplies and prices, and strengthen market conditions.

**DATES:** Effective April 23, 2004. The volume regulation percentages apply to acquisitions of NS raisins from the 2003-04 crop until the reserve raisins from that crop are disposed of under the marketing order. Comments received by June 21, 2004, will be considered prior to issuance of a final rule.

**ADDRESSES:** Interested persons are invited to submit written comments concerning this rule. Comments must be sent to the Docket Clerk, Marketing Order Administration Branch, Fruit and

Vegetable Programs, AMS, USDA, 1400 Independence Avenue, SW., STOP 0237, Washington, DC 20250-0237; Fax: (202) 720-8938; or E-mail: [moab.docketclerk@usda.gov](mailto:moab.docketclerk@usda.gov), or <http://www.regulations.gov>. All comments should reference the docket number and the date and page number of this issue of the **Federal Register** and will be made available for public inspection in the Office of the Docket Clerk during regular business hours, or can be viewed at: <http://www.ams.usda.gov/fv/moab.html>.

#### FOR FURTHER INFORMATION CONTACT:

Maureen T. Pello, Senior Marketing Specialist, California Marketing Field Office, Marketing Order Administration Branch, Fruit and Vegetable Programs, AMS, USDA, 2202 Monterey Street, suite 102B, Fresno, California 93721; telephone: (559) 487-5901; Fax: (559) 487-5906; or George Kelhart, Technical Advisor, Marketing Order Administration Branch, Fruit and Vegetable Programs, AMS, USDA, 1400 Independence Avenue, SW., STOP 0237, Washington, DC 20250-0237; telephone: (202) 720-2491; Fax: (202) 720-8938.

Small businesses may request information on complying with this regulation by contacting Jay Guerber, Marketing Order Administration Branch, Fruit and Vegetable Programs, AMS, USDA, 1400 Independence Avenue, SW., STOP 0237, Washington DC 20250-0237; telephone: (202) 720-2491; Fax: (202) 720-8938; or E-mail: [Jay.Guerber@usda.gov](mailto:Jay.Guerber@usda.gov).

**SUPPLEMENTARY INFORMATION:** This rule is issued under Marketing Agreement and Order No. 989 (7 CFR part 989), both as amended, regulating the handling of raisins produced from grapes grown in California, hereinafter referred to as the "order." The order is effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), hereinafter referred to as the "Act."

The Department of Agriculture (USDA) is issuing this rule in conformance with Executive Order 12866.

This rule has been reviewed under Executive Order 12988, Civil Justice Reform. Under the order provisions now in effect, final free and reserve percentages may be established for raisins acquired by handlers during the crop year. This rule establishes final free and reserve percentages for NS raisins for the 2003-04 crop year, which began August 1, 2003, and ends July 31, 2004. This rule will not preempt any State or local laws, regulations, or policies,

unless they present an irreconcilable conflict with this rule.

The Act provides that administrative proceedings must be exhausted before parties may file suit in court. Under section 608c(15)(A) of the Act, any handler subject to an order may file with USDA a petition stating that the order, any provision of the order, or any obligation imposed in connection with the order is not in accordance with law and request a modification of the order or to be exempted therefrom. Such handler is afforded the opportunity for a hearing on the petition. After the hearing USDA would rule on the petition. The Act provides that the district court of the United States in any district in which the handler is an inhabitant, or has his or her principal place of business, has jurisdiction to review USDA's ruling on the petition, provided an action is filed not later than 20 days after the date of the entry of the ruling.

This rule establishes final volume regulation percentages for 2003-04 crop NS raisins covered under the order. The volume regulation percentages are 70 percent free and 30 percent reserve. Free tonnage raisins may be sold by handlers to any market. Reserve raisins must be held in a pool for the account of the Committee and are disposed of through various programs authorized under the order. For example, reserve raisins may be sold by the Committee to handlers for free use or to replace part of the free tonnage raisins they exported; used in diversion programs; carried over as a hedge against a short crop; or disposed of in other outlets not competitive with those for free tonnage raisins, such as government purchase, distilleries, or animal feed.

The volume regulation percentages are intended to help stabilize raisin supplies and prices, and strengthen market conditions. The Committee unanimously recommended final percentages on February 12, 2004.

#### Computation of Trade Demands

Section 989.54 of the order prescribes procedures and time frames to be followed in establishing volume regulation. This includes methodology used to calculate percentages. Pursuant to § 989.54(a) of the order, the Committee met on August 14, 2003, to review shipment and inventory data, and other matters relating to the supplies of raisins of all varietal types. The Committee computed a trade demand for each varietal type for which a free tonnage percentage might be recommended. Trade demand is computed using a formula specified in the order and, for each varietal type, is

equal to 90 percent of the prior year's shipments of free tonnage and reserve tonnage raisins sold for free use into all market outlets, adjusted by subtracting the carryin on August 1 of the current crop year, and adding the desirable carryout at the end of that crop year. As specified in § 989.154(a), the desirable carryout for NS raisins shall equal the total shipments of free tonnage during August and September for each of the past 5 crop years, converted to a natural condition basis, dropping the high and low figures, and dividing the remaining sum by three, or 60,000 natural condition tons, whichever is higher. For all other varietal types, the desirable carryout shall equal the total shipments of free tonnage during August, September and one-half of October for each of the past 5 crop years, converted to a natural condition basis, dropping the high and low figures, and dividing the remaining sum by three.

At its August 2003 meeting, the Committee computed and announced the 2003–04 trade demand for NS raisins at 210,933 tons. The August trade demand, however, did not account for Oleate Seedless raisins (Oleates). Beginning with the 2003–04 crop year, the NS varietal type was modified to include Oleates (68 FR 42943; July 21, 2003). Prior to that time, Oleate was a separate varietal type. The Oleate and NS trade demands were calculated separately. Then the two individual trade demand figures were added together to obtain a combined trade demand reflecting the new combined varietal type. The RAC establishes a 500-ton minimum trade demand for any varietal type for which the computed trade demand is zero or less. The computed trade demand for Oleates was less than zero, so the RAC established the trade demand for Oleates at 500 tons. At USDA's request, the RAC met on September 9, 2003, and recomputed the combined NS trade demand to account for Oleates at 211,493 tons (210,933 plus 500).

**COMPUTED TRADE DEMANDS**  
[Natural condition tons]

|   | NS raisins |
|---|------------|
| Prior year's shipments .....                | 297,176    |
| Multiplied by 90 percent .....              | 0.90       |
| Equals adjusted base .....                  | 267,458    |
| Minus carryin inventory .....               | 116,465    |
| Plus desirable carryout .....               | 60,000     |
| Equals computed NS trade demand .....       | 210,993    |
| Plus Oleate minimum trade demand tons ..... | 500        |
| Equals revised trade demand ..              | 211,493    |

**Computation of Preliminary Volume Regulation Percentages**

Section 989.54(b) of the order requires that the Committee announce, on or before October 5, preliminary crop estimates and determine whether volume regulation is warranted for the varietal types for which it computed a trade demand. That section allows the Committee to extend the October 5 date up to 5 business days if warranted by a late crop.

The Committee met on October 2, 2003, and announced a preliminary crop estimate for NS raisins of 276,931 tons, which is about 20 percent lower than the 10-year average of 348,419 tons. NS raisins are the major varietal type of California raisin. Adding the carryin inventory of 116,465 tons, plus the 276,931-ton crop estimate resulted in a total available supply of 393,396 tons, which was significantly higher (186 percent) than the 211,493-ton trade demand. Thus, the Committee determined that volume regulation for NS raisins was warranted. The Committee announced preliminary free and reserve percentages for NS raisins, which released 85 percent of the computed trade demand since a minimum field price (price paid by handlers to producers for their free tonnage raisins) had been established. The preliminary percentages were 65 percent free and 35 percent reserve.

In addition, preliminary percentages were announced for Other Seedless raisins. It was ultimately determined that volume regulation was only warranted for NS raisins. As in past seasons, the Committee submitted its marketing policy to USDA for review.

**Computation of Final Volume Regulation Percentages**

Pursuant to § 989.54(c), at its February 12, 2004, meeting, the Committee announced interim percentages for NS raisins to release slightly less than the full trade demand. Based on a revised NS crop estimate of 304,072 tons (up from the October estimate of 276,931 tons), interim percentages for NS raisins were announced at 69.75 percent free and 30.25 percent reserve.

Pursuant to § 989.54(d), the Committee also recommended final percentages at its February 2004 meeting to release the full trade demands for NS raisins. Final percentages were recommended at 70 percent free and 30 percent reserve. The Committee's calculations to arrive at final percentages for NS raisins are shown in the table below:

**FINAL VOLUME REGULATION PERCENTAGES**

[Natural condition tons]

|   | NS raisins |
|---|------------|
| Trade demand .....  | 211,493    |
| Divided by crop estimate .....                              | 304,072    |
| Equals free percentage .....                                | 70         |
| 100 minus free percentage and equals reserve percentage ... | 30         |

In addition, USDA's "Guidelines for Fruit, Vegetable, and Specialty Crop Marketing Orders" (Guidelines) specify that 110 percent of recent years' sales should be made available to primary markets each season for marketing orders utilizing reserve pool authority. This goal will be met for NS raisins by the establishment of final percentages, which release 100 percent of the trade demand and the offer of additional reserve raisins for sale to handlers under the "10 plus 10 offers." As specified in § 989.54(g), the 10 plus 10 offers are two offers of reserve pool raisins, which are made available to handlers during each season. For each such offer, a quantity of reserve raisins equal to 10 percent of the prior year's shipments is made available for free use. Handlers may sell their 10 plus 10 raisins to any market.

For NS raisins, the first 10 plus 10 offer was held in February 2004. A total of 30,513 tons was made available to raisin handlers; all of the raisins were purchased. The second 10 plus 10 offer of 30,513 tons will be made available to handlers in April 2004. Adding the total figure of 61,026 tons of 10 plus 10 raisins to the 211,493 ton trade demand figure, plus 129,345 tons of 2002–03 carryin NS and Oleate inventory equates to 401,864 tons of natural condition raisins, or 377,084 tons of packed raisins, that are available to handlers for free use or primary markets. This is about 132 percent of the quantity of NS and Oleate raisins shipped during the 2002–03 crop year (305,133 natural condition tons or 286,260 packed tons). (Oleates were included in this computation because, as previously stated, Oleates were combined with the NS varietal type beginning with the 2003–04 crop year.)

In addition to the 10 plus 10 offers, § 989.67(j) of the order provides authority for sales of reserve raisins to handlers under certain conditions such as a national emergency, crop failure, change in economic or marketing conditions, or if free tonnage shipments in the current crop year exceed shipments of a comparable period of the prior crop year. Such reserve raisins may be sold by handlers to any market. When implemented, the additional

offers of reserve raisins make even more raisins available to primary markets, which is consistent with USDA's Guidelines.

### Initial Regulatory Flexibility Analysis

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.

There are approximately 20 handlers of California raisins who are subject to regulation under the order and approximately 4,500 raisin producers in the regulated area. Small agricultural service firms are defined by the Small Business Administration (13 CFR 121.201) as those having annual receipts of less than \$5,000,000, and small agricultural producers are defined as those having annual receipts of less than \$750,000. Thirteen of the 20 handlers subject to regulation have annual sales estimated to be at least \$5,000,000, and the remaining 7 handlers have sales less than \$5,000,000. No more than 7 handlers, and a majority of producers, of California raisins may be classified as small entities.

Since 1949, the California raisin industry has operated under a Federal marketing order. The order contains authority to, among other things, limit the portion of a given year's crop that can be marketed freely in any outlet by raisin handlers. This volume control mechanism is used to stabilize supplies and prices and strengthen market conditions.

Pursuant to § 989.54(d) of the order, this rule establishes final volume regulation percentages for 2003–04 crop NS raisins. The volume regulation percentages are 70 percent free and 30 percent reserve. Free tonnage raisins may be sold by handlers to any market. Reserve raisins must be held in a pool for the account of the Committee and are disposed of through certain programs authorized under the order.

Volume regulation is warranted this season because the final crop estimate of 304,072 tons combined with the carry-in inventory of 129,345 tons results in a

total available supply of 433,417 tons, which is about 205 percent higher than the 211,493-ton trade demand. (Oleate inventory was included in this computation because, as previously stated, Oleates were combined with the NS varietal type beginning with the 2003–04 crop year.)

The current volume regulation procedures have helped the industry address its marketing problems by keeping supplies in balance with domestic and export market needs, and strengthening market conditions. The current volume regulation procedures fully supply the domestic and export markets, provide for market expansion, and help reduce the burden of oversupplies in the domestic market.

Raisin grapes are a perennial crop, so production in any year is dependent upon plantings made in earlier years. The sun-drying method of producing raisins involves considerable risk because of variable weather patterns.

Even though the product and the industry are viewed as mature, the industry has experienced considerable change over the last several decades. Before the 1975–76 crop year, more than 50 percent of the raisins were packed and sold directly to consumers. Now, over 60 percent of raisins are sold in bulk. This means that raisins are now sold to consumers mostly as an ingredient in another product such as cereal and baked goods. In addition, for a few years in the early 1970's, over 50 percent of the raisin grapes were sold to the wine market for crushing. Since then, the percent of raisin-variety grapes sold to the wine industry has decreased.

California's grapes are classified into three groups—table grapes, wine grapes, and raisin-variety grapes. Raisin-variety grapes are the most versatile of the three types. They can be marketed as fresh grapes, crushed for juice in the production of wine or juice concentrate, or dried into raisins. Annual fluctuations in the fresh grape, wine, and concentrate markets, as well as weather-related factors, cause fluctuations in raisin supply. This type of situation introduces a certain amount of variability into the raisin market. Although the size of the crop for raisin-variety grapes may be known, the amount dried for raisins depends on the demand for crushing. This makes the marketing of raisins a more difficult task. These supply fluctuations can result in producer price instability and disorderly market conditions.

Volume regulation is helpful to the raisin industry because it lessens the impact of such fluctuations and contributes to orderly marketing. For example, producer prices for NS raisins

remained fairly steady between the 1993–94 through the 1997–98 seasons, although production varied. As shown in the table below, during those years, production varied from a low of 272,063 tons in 1996–97 to a high of 387,007 tons in 1993–94, or about 42 percent. According to Committee data, the total producer return per ton during those years, which includes proceeds from both free tonnage plus reserve pool raisins, has varied from a low of \$904.60 in 1993–94 to a high of \$1,049 in 1996–97, or 16 percent. Total producer prices for the 1998–99 and 1999–2000 seasons increased significantly due to back-to-back short crops during those years. Producer prices dropped dramatically for the last three seasons due to record-size production, large carry-in inventories, and stagnant demand.

NATURAL SEEDLESS PRODUCER PRICES

| Crop year      | Deliveries (natural condition tons) | Producer prices (per ton) |
|----------------|-------------------------------------|---------------------------|
| 2002–03 ....   | 388,010                             | <sup>1</sup> \$394.85     |
| 2001–02 ....   | 377,328                             | \$650.94                  |
| 2000–01 ....   | 432,616                             | \$603.36                  |
| 1999–2000 .... | 299,910                             | \$1,211.25                |
| 1998–99 ....   | 240,469                             | <sup>2</sup> \$1,290.00   |
| 1997–98 ....   | 382,448                             | \$946.52                  |
| 1996–97 ....   | 272,063                             | \$1,049.20                |
| 1995–96 ....   | 325,911                             | \$1,007.19                |
| 1994–95 ....   | 378,427                             | \$928.27                  |
| 1993–94 ....   | 387,007                             | \$904.60                  |

<sup>1</sup> Return-to-date, reserve pool still open.

<sup>2</sup> No volume regulation.

There are essentially two broad markets for raisins—domestic and export. In recent years, both export and domestic shipments have been decreasing. Domestic shipments decreased from a high of 204,805 packed tons during the 1990–91 crop year to a low of 156,325 packed tons in 1999–2000. In addition, exports decreased from 114,576 packed tons in 1991–92 to a low of 91,600 packed tons in the 1999–2000 crop year.

In addition, the per capita consumption of raisins has declined from 2.07 pounds in 1988 to 1.48 pounds in 2002. This decrease is consistent with the decrease in the per capita consumption of dried fruits in general, which is due to the increasing availability of most types of fresh fruit through out the year.

While the overall demand for raisins has been decreasing (as reflected in decline in commercial shipments), production has been increasing. Deliveries of NS dried raisins from producers to handlers reached an all-time high of 432,616 tons in the 2000–

01 crop year. This large crop was preceded by two short crop years; deliveries were 240,469 tons in 1998–99 and 299,910 tons in 1999–2000. Deliveries for the 2000–01 crop year soared to a record level because of increased bearing acreage and yields. Deliveries for the 2001–02 crop year were at 377,328 tons, and deliveries for the 2002–03 crop year were 388,010 tons. This year's crop is estimated at 304,072 tons. Three crop years of high production and a large 2001–02 carryin inventory has contributed to the industry's burdensome supply of raisins.

The order permits the industry to exercise supply control provisions, which allow for the establishment of free and reserve percentages, and establishment of a reserve pool. One of the primary purposes of establishing free and reserve percentages is to equilibrate supply and demand. If raisin markets are over-supplied with product, producer prices will decline.

Raisins are generally marketed at relatively lower price levels in the more elastic export market than in the more inelastic domestic market. This results in a larger volume of raisins being marketed and enhances producer returns. In addition, this system allows the U.S. raisin industry to be more competitive in export markets.

To assess the impact that volume control has on the prices producers receive for their product, an econometric model has been constructed. The model developed is for the purpose of estimating nominal prices under a number of scenarios using the volume control authority under the Federal marketing order. The price producers receive for the harvest and delivery of their crop is largely determined by the level of production and the volume of carryin inventories. The Federal marketing order permits the industry to exercise supply control provisions, which allow for the establishment of reserve and free percentages for primary markets, and a reserve pool. The establishment of reserve percentages impacts the production that is marketed in the primary markets.

The reserve percentage limits what handlers can market as free tonnage. Assuming the 70 percent reserve limits the total free tonnage to 212,850 natural condition tons (.70 x the 304,072-ton crop estimate) and carryin is 129,345 natural condition tons, and purchases from reserve total 55,513 natural condition tons (which includes anticipated reserve raisins released through both 10 plus 10 offers), then the total free supply is estimated at 397,708

natural condition tons. The econometric model estimates prices to be \$63 per ton higher than under an unregulated scenario. This price increase is beneficial to all producers regardless of size and enhances producers' total revenues in comparison to no volume control. Establishing a reserve allows the industry to help stabilize supplies in both domestic and export markets, while improving returns to producers.

Free and reserve percentages are established by varietal type, and usually in years when the supply exceeds the trade demand by a large enough margin that the Committee believes volume regulation is necessary to maintain market stability. Accordingly, in assessing whether to apply volume regulation or, as an alternative, not to apply such regulation, it has been determined that volume regulation is warranted this season for only one of the nine raisin varietal types defined under the order.

The free and reserve percentages established by this rule release the full trade demand and apply uniformly to all handlers in the industry, regardless of size. For NS raisins, with the exception of the 1998–99 crop year, small and large raisin producers and handlers have been operating under volume regulation percentages every year since 1983–84. There are no known additional costs incurred by small handlers that are not incurred by large handlers. While the level of benefits of this rulemaking are difficult to quantify, the stabilizing effects of the volume regulations impact small and large handlers positively by helping them maintain and expand markets even though raisin supplies fluctuate widely from season to season. Likewise, price stability positively impacts small and large producers by allowing them to better anticipate the revenues their raisins will generate.

There are some reporting, recordkeeping and other compliance requirements under the order. The reporting and recordkeeping burdens are necessary for compliance purposes and for developing statistical data for maintenance of the program. The requirements are the same as those applied in past seasons. Thus, this action imposes no additional reporting or recordkeeping burdens on either small or large handlers. The forms require information which is readily available from handler records and which can be provided without data processing equipment or trained statistical staff. The information collection and recordkeeping requirements have been previously approved by the Office of Management

and Budget (OMB) under OMB Control No. 0581–0178. As with other similar marketing order programs, reports and forms are periodically studied to reduce or eliminate duplicate information collection burdens by industry and public sector agencies. In addition, USDA has not identified any relevant Federal rules that duplicate, overlap, or conflict with this rule. Finally, interested persons are invited to submit information on the regulatory and informational impacts of this action on small businesses.

Further, Committee and subcommittee meetings are widely publicized in advance and are held in a location central to the production area. The meetings are open to all industry members, including small business entities, and other interested persons who are encouraged to participate in the deliberations and voice their opinions on topics under discussion.

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.

This rule invites comments for a 60-day period on the establishment of final volume regulation percentages for 2003–04 crop NS raisins covered under the order. All comments received within the comment period will be considered prior to finalization of this rule.

Pursuant to 5 U.S.C. 553, it is also found and determined upon good cause that it is impracticable, unnecessary, and contrary to the public interest to give preliminary notice prior to putting this rule into effect, and that good cause exists for not postponing the effective date of this rule until 30 days after publication in the **Federal Register** because: (1) The relevant provisions of this part require that the percentages designated herein for the 2003–04 crop year apply to all NS raisins acquired from the beginning of that crop year; (2) handlers are currently marketing their 2003–04 crop NS raisins and this action should be taken promptly to achieve the intended purpose of making the full trade demand available to handlers; (3) handlers are aware of this action, which was unanimously recommended at a

public meeting, and need no additional time to comply with these percentages; and (4) this interim final rule provides a 60-day comment period, and all comments timely received will be considered prior to finalization of this rule.

#### List of Subjects in 7 CFR Part 989

Grapes, Marketing agreements, Raisins, Reporting and recordkeeping requirements.

■ For the reasons set forth in the preamble, 7 CFR part 989 is amended to read as followed:

#### PART 989—RAISINS PRODUCED FROM GRAPES GROWN IN CALIFORNIA

■ 1. The authority citation for 7 CFR part 989 continues to read as follows:

**Authority:** 7 U.S.C. 601–674.

■ 2. Section 989.257 is added to Subpart—Supplementary Regulations to read as follows:

##### § 989.257 Final free and reserve percentages for the 2003–04 crop year.

The final percentages for standard Natural (sun-dried) Seedless raisins acquired by handlers during the crop year beginning on August 1, 2003, which shall be free tonnage and reserve tonnage, respectively, are designated as follows:

| Varietal type                      | Free percentage | Reserve percentage |
|------------------------------------|-----------------|--------------------|
| Natural (sun-dried) Seedless ..... | 70              | 30                 |

Dated: April 16, 2004.

**Kenneth C. Clayton,**

*Acting Administrator, Agricultural Marketing Service.*

[FR Doc. 04–9098 Filed 4–21–04; 8:45 am]

BILLING CODE 3410–02–P

#### FARM CREDIT ADMINISTRATION

##### 12 CFR Parts 609, 611, 612, 614, 615, and 617

RIN 3052–AB69

**Electronic Commerce; Organization; Standards of Conduct and Referral of Known or Suspected Criminal Violations; Loan Policies and Operations; Funding and Fiscal Affairs, Loan Policies and Operations, and Funding Operations; Borrower Rights; Effective Date**

**AGENCY:** Farm Credit Administration.

**ACTION:** Notice of effective date.

**SUMMARY:** The Farm Credit Administration (FCA) published a final rule under parts 609, 611, 612, 613, 614, 615, and 617 on March 9, 2004 (69 FR 10901). This final rule clarifies the rights provided in the Farm Credit Act of 1971, as amended, for loan applicants and borrowers of the Farm Credit System (System). The final rule further explains the responsibilities of the System in providing these rights, responds to comments, and places all borrower rights provisions in one part of our regulations. In accordance with 12 U.S.C. 2252, the effective date of the interim final rule is 30 days from the date of publication in the **Federal Register** during which either or both Houses of Congress are in session. Based on the records of the sessions of Congress, the effective date of the regulations is April 19, 2004.

**DATES:** *Effective Date:* The regulation amending 12 CFR parts 609, 611, 612, 614, 615, and 617 published on March 9, 2004 (69 FR 15045) is effective April 19, 2004.

#### FOR FURTHER INFORMATION CONTACT:

Mark L. Johansen, Policy Analyst, Office of Policy and Analysis, Farm Credit Administration, McLean, VA 22102–5090, (703) 883–4498, TTY (703) 883–4434; or Joy Strickland, Senior Counsel, Office of General Counsel, Farm Credit Administration, McLean, VA 22102–5090, (703) 883–4020, TTY (703) 883–2020.

(12 U.S.C. 2252(a)(9) and (10))

Dated: April 16, 2004.

**Jeanette C. Brinkley,**

*Secretary, Farm Credit Administration Board.*

[FR Doc. 04–9096 Filed 4–21–04; 8:45 am]

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#### DEPARTMENT OF TRANSPORTATION

##### Federal Aviation Administration

##### 14 CFR Part 39

[Docket No. 2003–CE–59–AD; Amendment 39–13581; AD 2004–08–12]

RIN 2120–AA64

##### **Airworthiness Directives; Schempp-Hirth Flugzeugbau GmbH Models Ventus-2a, Ventus-2b, Discus-2a, and Discus-2b Sailplanes**

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Final rule.

**SUMMARY:** The FAA adopts a new airworthiness directive (AD) for all Schempp-Hirth Flugzeugbau GmbH (Schempp-Hirth) Models Ventus-2a,

Ventus-2b, Discus-2a, and Discus-2b sailplanes. This AD requires you to inspect and modify the elevator mass balance. For Models Discus-2a and Discus-2b sailplanes only, this AD also requires you to replace the elevator pushrod. This AD is the result of mandatory continuing airworthiness information (MCAI) issued by the airworthiness authority for Germany. We are issuing this AD to detect and correct problems within the sailplane elevator control system before they lead to flutter and sailplane instability. This could eventually result in loss of sailplane control.

**DATES:** This AD becomes effective on June 4, 2004.

As of June 4, 2004, the Director of the Federal Register approved the incorporation by reference of certain publications listed in the regulation.

**ADDRESSES:** You may get the service information identified in this AD from Schempp-Hirth Flugzeugbau GmbH, Postfach 14 43, D–73230 Kirchheim/Teck, Germany; telephone : 011 49 7021 7298–0; facsimile: 011 49 7021 7298–199.

You may view the AD docket at FAA, Central Region, Office of the Regional Counsel, Attention: Rules Docket No. 2003–CE–59–AD, 901 Locust, Room 506, Kansas City, Missouri 64106. Office hours are 8 a.m. to 4 p.m., Monday through Friday, except Federal holidays.

**FOR FURTHER INFORMATION CONTACT:** Greg Davison, Aerospace Engineer, FAA, Small Airplane Directorate, 901 Locust, Room 301, Kansas City, Missouri 64106; telephone: (816) 329–4130; facsimile: (816) 329–4090.

#### SUPPLEMENTARY INFORMATION:

##### Discussion

*What events have caused this AD?*

The Luftfahrt-Bundesamt (LBA), which is the airworthiness authority for Germany, recently notified FAA that an unsafe condition may exist on Schempp-Hirth Models Ventus-2a, Ventus-2b, Discus-2a, and Discus-2b sailplanes. The LBA reports that the potential exists for elevator mass balance problems on the referenced sailplanes.

*What is the potential impact if FAA took no action?* Elevator mass balance problems, if not detected and corrected, could lead to flutter and sailplane instability. This could eventually result in loss of sailplane control.

*Has FAA taken any action to this point?* We issued a proposal to amend part 39 of the Federal Aviation Regulations (14 CFR part 39) to include an AD that would apply to all Schempp-Hirth Flugzeugbau GmbH (Schempp-