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This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Part 906

[Doc. No. AMS–SC–17–0037; SC17–906–1 PR]

Oranges and Grapefruit Grown in the Lower Rio Grande Valley in Texas; Decreased Assessment Rate

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Proposed rule.

SUMMARY: This proposed rule would implement a recommendation from the Texas Valley Citrus Committee (Committee) to decrease the assessment rate established for the 2017–18 and subsequent fiscal periods from $0.09 to $0.02 per 7/10-bushel carton or equivalent of oranges and grapefruit handled under the Marketing Order (Order). The assessment rate would remain in effect indefinitely unless modified, suspended, or terminated. This proposed rule also makes administrative revisions to the subpart headings to bring the language into conformance with the Office of Federal Register requirements.

DATES: Comments must be received by January 3, 2018.

ADDRESSES: Interested persons are invited to submit written comments concerning this proposed rule. Comments must be sent to the Docket Clerk, Marketing Order and Agreement Division, Specialty Crops Program, AMS, USDA, 1400 Independence Avenue SW., STOP 0237, Washington, DC 20250–0237; Fax: (202) 720–8938; or Internet: *http://www.regulations.gov.* Comments should reference the document number and the date and page number of this issue of the **Federal Register** and will be available for public inspection in the Office of the Docket Clerk during regular business hours, or can be viewed at: *http://www.regulations.gov.* All comments submitted in response to this proposed rule will be included in the record and will be made available to the public. Please be advised that the identity of the individuals or entities submitting the comments will be made public on the Internet at the address provided above.

FOR FURTHER INFORMATION CONTACT: Doris Jamieson, Marketing Specialist, or Christian D. Nissen, Regional Director, Southeast Marketing Field Office, Marketing Order and Agreement Division, Specialty Crops Program, AMS, USDA; Telephone: (863) 324–3375, Fax: (863) 291–8614, or Email: *Doris.Jamieson@ams.usda.gov* or *Christian.Nissen@ams.usda.gov.*

Small businesses may request information on complying with this regulation by contacting Richard Lower, Marketing Order and Agreement Division, Specialty Crops Program, AMS, USDA, 1400 Independence Avenue SW., STOP 0237, Washington, DC 20250–0237; Telephone: (202) 720–2491, Fax: (202) 720–8938, or Email: *Richard.Lower@ams.usda.gov.*

SUPPLEMENTARY INFORMATION: This action, pursuant to 5 U.S.C. 553, proposes an amendment to regulations issued to carry out a marketing order as defined in 7 CFR 900.2(j). This proposal is issued under Marketing Agreement and Order No. 906, as amended (7 CFR part 906), regulating the handling of oranges and grapefruit grown in the Lower Rio Grande Valley in Texas. Part 906, (hereinafter referred to as 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 Committee locally administers the Order and is comprised of producers and handlers of oranges and grapefruit operating within the production area.

The Department of Agriculture (USDA) is issuing this proposed rule in conformance with Executive Orders 13563 and 13175. This action falls within a category of regulatory actions that the Office of Management and Budget (OMB) exempted from Executive Order 12866 review. Additionally, because this proposal does not meet the definition of a significant regulatory action, it does not trigger the requirements contained in Executive Order 13771. See OMB's Memorandum titled ''Interim Guidance Implementing Section 2 of the Executive Order of January 30, 2017, titled 'Reducing Regulation and Controlling Regulatory Costs' '' (February 2, 2017).

This proposed rule has been reviewed under Executive Order 12988, Civil Justice Reform. Under the Marketing Order now in effect, Texas orange and grapefruit handlers are subject to assessments. Funds to administer the Order are derived from such assessments. It is intended that the assessment rate will be applicable to all assessable oranges and grapefruit beginning on August 1, 2017, and continue until amended, suspended, or terminated.

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 proposed rule would decrease the assessment rate for the 2017–18 and subsequent fiscal periods from $0.09 to $0.02 per 7/10-bushel carton or equivalent of oranges and grapefruit handled.

The Texas orange and grapefruit Marketing Order provides authority for the Committee, with the approval of USDA, to formulate an annual budget of expenses and collect assessments from handlers to administer the program. The members of the Committee are producers and handlers of Texas oranges and grapefruit. They are familiar with the Committee's needs and with the costs of goods and services in their local area and are thus in a position to formulate an appropriate budget and assessment rate. The assessment rate is formulated and discussed in a public meeting. Thus, all directly affected persons have an opportunity to participate and provide input.

For the 2016–17 and subsequent fiscal periods, the Committee recommended, and USDA approved, an assessment rate that would continue in effect from fiscal period to fiscal period unless modified, suspended, or terminated by USDA upon recommendation and information submitted by the Committee or other information available to USDA.

The Committee met on August 8, 2017, and unanimously recommended 2017–18 expenditures of $152,920 and an assessment rate of $0.02 per 7/10-bushel carton or equivalent of oranges and grapefruit. In comparison, last year's budgeted expenditures were $751,148. The assessment rate of $0.02 is $0.07 lower than the rate currently in effect. The Committee recommended decreasing the assessment rate to reflect that they would not be funding the Mexican fruit fly control program, reducing their budget by more than $595,000.

The major expenditures recommended by the Committee for the 2017–18 year include $79,220 for management, $50,000 for compliance, and $23,700 for operating expenses. Budgeted expenses for these items in 2016–17 were $77,200, $50,000, and $23,700, respectively.

The assessment rate recommended by the Committee was derived by considering anticipated expenses, expected shipments of 7.5 million 7/10-bushel cartons, and the amount of funds available in the authorized reserve. Income derived from handler assessments calculated at $150,000 (7.5 million × $0.02), along with interest income and funds from the Committee's authorized reserve, would be adequate to cover budgeted expenses of $152,920. Funds in the reserve (currently $282,572) would be kept within the maximum permitted by the Order (approximately one fiscal period's expenses as stated in § 906.35).

The assessment rate recommended in this proposed rule would continue in effect indefinitely unless modified, suspended, or terminated by USDA upon recommendation and information submitted by the Committee or other available information.

Although this assessment rate would be effective for an indefinite period, the Committee will continue to meet prior to or during each fiscal period to recommend a budget of expenses and consider recommendations for modification of the assessment rate. The dates and times of Committee meetings are available from the Committee or USDA. Committee meetings are open to the public and interested persons may express their views at these meetings. USDA would evaluate Committee recommendations and other available information to determine whether modification of the assessment rate is needed. Further rulemaking will be undertaken as necessary. The Committee's 2017–18 budget and those for subsequent fiscal periods will be reviewed and, as appropriate, approved by USDA.

This proposed rule also makes administrative revisions to the subpart headings of the regulations.

Initial Regulatory Flexibility Analysis

Pursuant to requirements set forth in the Regulatory Flexibility Act (RFA) (5 U.S.C. 601–612), the Agricultural Marketing Service (AMS) has considered the economic impact of this proposed rule 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 businesses subject to such actions in order that small businesses will not be unduly or disproportionately burdened. Marketing orders issued pursuant to the Act, and the rules issued thereunder, are unique in that they are brought about through group action of essentially small entities acting on their own behalf.

There are approximately 170 producers of oranges and grapefruit in the production area and 13 handlers subject to regulation under the Marketing Order. Small agricultural producers are defined by the Small Business Administration (SBA) as those having annual receipts less than $750,000, and small agricultural service firms are defined as those whose annual receipts are less than $7,500,000 (13 CFR 121.201).

According to Committee data, the average price for Texas citrus during the 2015–16 season was approximately $17.48 per box and total shipments were 7.5 million boxes. Using the average price and shipment information, the number of handlers (13), and assuming a normal distribution, the majority of handlers would have average annual receipts of greater than $7,500,000. Thus, the majority of Texas citrus handlers may be classified as large business entities.

In addition, based on information from the National Agricultural Statistics Service, the weighted grower price for Texas citrus during the 2015–16 season was approximately $14.64 per box. Using the weighted average price and shipment information, and assuming a normal distribution, the majority of producers would have annual receipts of less than $750,000. Thus, the majority of Texas citrus producers may be classified as small business entities.

This proposal would decrease the assessment rate collected from handlers for the 2017–18 and subsequent fiscal periods from $0.09 to $0.02 per 7/10-bushel carton or equivalent of Texas citrus. The Committee unanimously recommended 2017–18 expenditures of $152,920 and an assessment rate of $0.02 per 7/10-bushel carton or equivalent handled. The assessment rate of $0.02 is $0.07 lower than the 2016–17 rate. The quantity of assessable oranges and grapefruit for the 2017–18 fiscal period is estimated at 7.5 million 7/10-bushel cartons. Thus, the $0.02 rate should provide $150,000 in assessment income (7.5 million × $0.02). Income derived from handler assessments, along with interest income and funds from the Committee's authorized reserve (currently $282,572), would be adequate to cover budgeted expenses.

The major expenditures recommended by the Committee for the 2017–18 year include $79,220 for management, $50,000 for compliance, and $23,700 for operating expenses. Budgeted expenses for these items in 2016–17 were $77,200, $50,000, and $23,700, respectively.

The Committee recommended decreasing the assessment rate to reflect that it would not be funding the Mexican fruit fly control program, reducing its budget by more than $595,000.

Prior to arriving at this budget and assessment rate, the Committee considered information from various sources, such as the Committee's Budget and Personnel Committee, and the Research Committee. Alternative expenditure levels were discussed by these committees who reviewed the relative value of various activities to the Texas citrus industry. These committees determined that all program activities were adequately funded and essential to the functionality of the Order, thus no alternate expenditure levels were deemed appropriate. Additionally, alternate assessment rates of $0.01 and $0.015 per 7/10 bushel-carton were discussed. However, it was determined that these lower assessment rates would draw too heavily from reserves, roughly $78,000 and $43,000, respectively. The proposed rate of $0.02 per 7/10 bushel-carton would draw an anticipated $2,800 from reserves, thereby leaving reserves intact for future needs.

Based on these discussions and estimated shipments, the recommended assessment rate of $0.02 would provide $150,000 in assessment income. The

Committee determined that assessment revenue, along with funds from reserves and interest income, would be adequate to cover budgeted expenses for the 2017–18 fiscal period.

A review of historical information and preliminary information pertaining to the upcoming fiscal period indicates that the average grower price for the 2017–18 season should be approximately $15.50 per 7/10-bushel carton or equivalent of oranges and grapefruit. Therefore, the estimated assessment revenue for the 2017–18 crop year as a percentage of total grower revenue would be about 0.1 percent.

This proposed rule would decrease the assessment obligation imposed on handlers. Assessments are applied uniformly on all handlers, and some of the costs may be passed on to producers. However, decreasing the assessment rate reduces the burden on handlers and may also reduce the burden on producers.

The Committee's meeting was widely publicized throughout the Texas citrus industry. All interested persons were invited to attend the meeting and participate in Committee deliberations on all issues. Like all Committee meetings, the August 8, 2017, meeting was a public meeting and all entities, both large and small, were able to express views on this issue. Finally, interested persons are invited to submit comments on this proposed rule, including the regulatory and informational impacts of this action on small businesses.

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35), the Order's information collection requirements have been previously approved by the OMB and assigned OMB No. 0581–0189, Fruit Crops. No changes in those requirements would be necessary as a result of this proposed rule. Should any changes become necessary, they would be submitted to OMB for approval.

This proposed rule would not impose any additional reporting or recordkeeping requirements on either small or large Texas orange and grapefruit 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.

AMS is committed to complying with the E-Government Act, to promote the use of the Internet and other information technologies to provide increased opportunities for citizen access to Government information and services, and for other purposes.

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 marketing agreements and orders may be viewed at: *http://www.ams.usda.gov/rules-regulations/moa/small-businesses.* Any questions about the compliance guide should be sent to Richard Lower at the previously mentioned address in the **FOR FURTHER INFORMATION CONTACT** section.

A 30-day comment period is provided to allow interested persons to respond to this proposal. Thirty days is deemed appropriate since the fiscal period began August 1, 2017, and the Order requires that the rate of assessment apply to all assessable oranges and grapefruit handled during such fiscal period. All written comments timely received will be considered before a final determination is made on this rule.

List of Subjects in 7 CFR Part 906

Grapefruit, Marketing agreements, Oranges, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, 7 CFR part 906 is amended as follows:

PART 906—ORANGES AND GRAPEFRUIT GROWN IN LOWER RIO GRANDE VALLEY IN TEXAS

■ 1. The authority citation for 7 CFR part 906 continues to read as follows:

Authority: 7 U.S.C. 601–674.

[Subpart Redesignated as Subpart A]

■ 2. Redesignate ''Subpart—Order Regulating Handling'' as ''Subpart A—Order Regulating Handling.''

[Subpart Redesignated as Subpart B and Amended]

■ 3. Redesignate ''Subpart—Rules and Regulations'' as Subpart B and revise heading to read as follows:

Subpart B—Administrative Requirements

■ 4. Section 906.235 is revised to read as follows:

§ 906.235 Assessment rate.

On and after August 1, 2017, an assessment rate of $0.02 per 7/10-bushel carton or equivalent is established for oranges and grapefruit grown in the Lower Rio Grande Valley in Texas.

[Subpart Redesignated as Subpart C]

■ 5. Redesignate ''Subpart—Container and Pack Requirements'' as ''Subpart C—Container and Pack Requirements.''

Dated: November 22, 2017.

Bruce Summers,

Acting Administrator, Agricultural Marketing Service.

[FR Doc. 2017–25737 Filed 12–1–17; 8:45 am]

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DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Part 986

[Doc. No. AMS–SC–17–0039; SC17–986–3 PR]

Pecans Grown in the States of Alabama, Arkansas, Arizona, California, Florida, Georgia, Kansas, Louisiana, Missouri, Mississippi, North Carolina, New Mexico, Oklahoma, South Carolina, and Texas; Establishment of Reporting Requirements and New Information Collection

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Proposed rule.

SUMMARY: This proposed rule invites comments on the establishment of reporting requirements under the Federal marketing order for pecans (Order). These reporting requirements would enable collection of information from handlers on: Pecans received; pecans purchased outside the United States; shipments and inventory of pecans; pecans exported by country of destination; and pecans exported for shelling and returned to the United States. This information would be used to provide important statistical reports to the industry, meet requirements under the Order, and to help guide future marketing efforts. This proposal also announces the Agricultural Marketing Service's intention to request approval from the Office of Management and Budget of a new information collection.

DATES: Comments must be received by February 2, 2018. Pursuant to the Paperwork Reduction Act, comments on the information collection burden must be received by February 2, 2018.

ADDRESSES: Interested persons are invited to submit written comments concerning this proposal. Comments must be sent to the Docket Clerk, Marketing Order and Agreement Division, Specialty Crops Program, AMS, USDA, 1400 Independence Avenue SW., STOP 0237, Washington, DC 20250–0237; Fax: (202) 720–8938; or Internet: *http://www.regulations.gov.* All comments should reference the