

a substantial number of small entities, all of the issues discussed above were considered. The order provisions have been carefully reviewed and every effort has been made to eliminate any unnecessary costs or requirements. Although the order may impose some additional costs and requirements on handlers, it is anticipated that the order would help to strengthen demand for Walla Walla Sweet Onions. Therefore, any additional costs should be offset by the benefits derived from expanded markets and sales benefitting handlers and producers alike. Accordingly, it is determined that the order would not have a significant economic impact on a substantial number of small handlers or producers.

Findings and Conclusions

The material issues, findings and conclusions, rulings, and general findings and determinations included in the Recommended Decision set forth in the November 10, 1994, issue of the **Federal Register** (59 FR 56254) are hereby approved and adopted subject to the following additions and modifications:

In his exception, Mr. Darrington stated his support for research and promotion programs. However, he also stated that he believes the proponent group's intent is to limit production of Walla Walla Sweet Onions and competition among Walla Walla producers and handlers. The Act, which is the legislative authority for the proposed order, provides no authority to either limit the production of a commodity or restrict competition within an industry. The proposed production area has been recognized since the beginning of the twentieth century as having unique soil properties, properties the adjacent areas do not share, to the same degree. However, the production of Walla Walla Sweet Onions uses less than half of the acreage in the Walla Walla Valley; growers wishing to produce Walla Walla Sweet Onions could buy, lease, or rent acreage within the area. Therefore, the size of the production area would not adversely affect competition. The order, as proposed, would authorize research and development projects, including paid advertising. The order also would permit the committee, as representatives of the industry, to establish, with Secretarial approval, container labeling requirements. No other regulatory activity would be authorized.

Mr. Darrington stated that any low grower returns in recent years were due to poor quality onions, not poor market conditions. Poor market conditions can be the result of poor quality product

sold on the market. However, poor market conditions can also be caused by excessive supplies of local product in the market place and excessive supplies of onions from other growing areas, or a combination of all of these factors. Although this part of Mr. Darrington's exception could have merit, it does not alter the findings of the Recommended Decision which addressed poor market conditions for Walla Walla Sweet Onions because poor market conditions often are a result of a poor quality commodity.

Mr. Darrington disagreed with the statement in the Recommended Decision that half or more of the non-storage onions grown in Washington came from the Walla Walla Valley and that half of all Walla Walla Sweet Onion acreage is outside the Walla Walla Valley. The exhibits and testimony presented at the hearing indicate that the Walla Walla Valley produces at least half of Washington State's non-storage onion crop. The evidence does not support Mr. Darrington's statement.

Mr. Darrington also stated that there are other areas in the nation that have marketing orders for their specific onions, but none of them are restricted to such a small area as proposed by this order. This is true. However, section 11 (B) of the Act states that orders issued under this section shall be limited in their application to the smallest regional production areas or regional marketing areas, or both, as the case may be, which the Secretary finds practicable, consistently with carrying out such declared policy. The record indicates that the parts of Walla Walla and Umatilla Counties which are the proposed production area constitute the smallest practicable area.

Mr. Darrington stated that climate and variety are the major factors determining the sweetness of an onion; and that there are years when Walla Walla sweets are far from being sweet due to the growing conditions. This is probably true of all onions, but has no relevance on the findings of the recommended decision.

Mr. Darrington further states that the soil type in the proposed production area is not unique to that area. However, testimony was given to the contrary; witnesses stated that the unique growing conditions in the proposed production area, particularly the low sulfur content of the soil, yield a sweeter, milder onion than is grown elsewhere. Therefore, in order for an onion to be labeled as a Walla Walla Sweet, it would have to be produced in the proposed production area.

Mr. Darrington states that the proposed order allows any onion

variety, other than a sweet Spanish hybrid, grown in the proposed production area to be called a Walla Walla Sweet Onion and that there are a number of varieties grown in the production area that are not sweet. Mr. Darrington states that the order would permit growers within the production area to grow whatever variety they wish and call it a Walla Walla Sweet Onion. As the order is proposed, the committee may, with the approval of the Secretary, exempt individual varieties from any regulations issued under the order. This would allow the committee to prevent onions that do not qualify as "sweet onions" from being marketed as Walla Walla Sweet Onions. Thus, it is the intent that the Walla Walla onion industry would have control over the varieties of onions marketed as Walla Walla Sweet Onions.

Mr. Darrington states that the order proposes that onion seeds not be regulated under the order, and that producers may sell seed onions grown within the production area wherever they wish outside of the area. Onions produced from any Walla Walla onion seed planted outside of the Walla Walla Sweet Onion production area do not qualify as Walla Walla Sweet Onions. For an onion to be assessed and marked as a Walla Walla Sweet Onion, it must be grown within the Walla Walla Sweet Onion production area established by the order and the variety must be recognized by the U.S. Department of Agriculture or recommended by the committee and approved by the Secretary as a sweet onion. Onions that do not meet these criteria may not be marketed as Walla Walla Sweet Onions and would not be assessed. Therefore, although Mr. Darrington's statement with respect to onion seeds is correct, it is not relevant to this discussion.

Mr. Darrington states that the proposed area appears to be very self-serving to the group that is supporting this order. This is true, inasmuch as marketing orders and agreements are self imposed instruments that provide industry members with a means to provide orderly marketing conditions. This proposed order would authorize production and marketing research and marketing development and promotion projects, including paid advertising, and would authorize container markings. This order would also prohibit onions grown outside of the proposed production area from being marketed as Walla Walla Sweets, thus improving returns to producers within the production area by strengthening consumer demand through various promotional activities and by reducing production and marketing costs through