

California almond producers and handlers may be classified as small entities.

The budget of expenses for the 1995–96 crop year was prepared by the Board, the agency responsible for local administration of the marketing order, and submitted to the Department for approval. The members of the Board are producers and handlers of California almonds. They are familiar with the Board'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. The budget was formulated and discussed in a public meeting. Thus, all directly affected persons have had an opportunity to participate and provide input.

The assessment rate recommended by the Board was derived by dividing anticipated expenses by expected receipts of California almonds. Because that rate will be applied to handlers' actual receipts, a rate must be established that will provide sufficient income to pay the Board's budgeted expenses.

The Board met on May 12, 1995, and unanimously recommended a 1995–96 budget of \$4,952,591, as compared to the \$5,235,262 ultimately budgeted for the previous year. For the 1994–95 year, the Board initially recommended, and the Department approved, expenditures totalling \$9,435,262. Of that total amount, \$6.575 million was budgeted for promotional activities and \$300,000 was intended to be added to the Board's monetary reserve. The assessment rate for the 1994–95 crop year was initially set at 2.25 cents per kernel pound of almonds. However, because of uncertainty created by legal decisions regarding the Board's former advertising and promotion program, the Board ultimately postponed certain advertising activities and recommended reducing its assessment rate on handlers to .25 cents per pound. As approved by the Department, budgeted expenditures for promotional activities were reduced to \$2.675 million and the Board curtailed its plans to add \$300,000 to its reserve.

For the 1995–96 year, the Board has budgeted \$2.358 million for a line item entitled information and research, with the bulk of these funds targeted for public relations, food service and industrial promotional programs, and research. In addition, the Board has budgeted \$150,000 for China and Indonesia Consumer Education, thus maintaining a presence in foreign markets. Unlike the 1994–95 crop year, the Board will not be receiving any funds through the marketing promotion program conducted by the Department's

Foreign Agricultural Service for the 1995–96 crop year.

Items which have decreased compared to those budgeted for 1994–95 (in parentheses) are: Salaries, \$598,251 (\$795,318), employee benefits, \$37,391 (\$50,000), retirement benefits, \$44,869 (\$64,000), payroll taxes, \$45,766 (\$55,400), travel, \$75,000 (\$100,000), meetings, \$13,000 (\$35,000), office rent, \$70,000 (\$90,000), storage rent, \$4,000 (\$5,000), equipment rent, \$3,000 (\$5,000), security, \$1,000 (\$2,500), utilities, \$12,000 (\$13,500), alliances with other organizations to provide information on almonds to consumers, \$11,000 (\$20,000), econometric model and statistical analysis, \$10,000 (\$40,000), program accountability analyses to assess the effectiveness of the advertising and market development programs, \$100,000 (\$150,000), furniture and fixtures, \$0 (\$10,000), and computers and software, \$20,000 (\$25,000).

Budget items for 1995–96 which have increased compared to those budgeted for 1994–95 (in parentheses) are: Research conference, \$30,000 (\$25,000), contract labor and consultants, \$55,000 (\$30,000), compliance audits and analysis, \$95,000 (\$75,000), data processing, \$10,000 (\$6,000), postage and delivery, \$40,000 (\$32,000), office supplies, \$17,500 (\$15,000), printing, \$17,500 (\$12,000), repairs and maintenance, \$15,500 (\$12,500), publications, \$15,500 (\$3,500), dues, subscriptions, and registration fees, \$12,000 (\$7,500), newsletters and releases, \$45,000 (\$25,000), production research, \$512,650 (\$489,134), crop estimate, \$90,736 (\$85,600), acreage survey, \$37,429 (\$35,310), nutrition and issues research, \$175,000 (\$50,000), vehicles, \$20,000 (\$15,000), office equipment, \$20,000 (\$15,000), and the addition of \$25,000 for aflatoxin monitoring.

The Board also unanimously recommended an assessment rate of .75 cents per kernel pound, .50 cents higher than last year. Revenues for the 1995–96 crop year are expected to be \$3,096,000 from administrative assessments (based on an estimate of 412.8 million pounds of marketable almonds), \$100,000 from interest, and \$16,000 from the almond industry conference, for a total of \$3,212,000. The Board plans on using money from its reserve to meet the estimated expenses of \$4,952,591 for the year. In addition, any unexpended funds from 1995–96 may be carried over to cover expenses during the first four months of the 1996–97 crop year.

This action will impose an obligation on handlers to pay assessments. The

assessments are uniform for all handlers. The assessment cost will be offset by the benefits derived by the operation of the marketing order.

Therefore, the Administrator of the AMS has determined that this action will not have a significant economic impact on a substantial number of small entities.

After consideration of all relevant matter presented, including the information and recommendations submitted by the Board 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 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 action until 30 days after publication in the **Federal Register** because: (1) The Board needs to have sufficient funds to pay its expenses which are incurred on a continuous basis; (2) the crop year begins on July 1, 1995, and the marketing order requires that the rate of assessment for the crop year apply to all assessable California almonds handled during the crop year; (3) handlers are aware of this action which was unanimously recommended by the Board at a public meeting and is similar to other budget actions issued in past years; and (4) this interim final rule provides a 30-day comment period, and all comments timely received will be considered prior to finalization of this rule.

List of Subjects in 7 CFR Part 981

Almonds, Marketing agreements, Nuts, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, 7 CFR part 981 is amended as follows:

PART 981—ALMONDS GROWN IN CALIFORNIA

1. The authority citation for 7 CFR part 981 continues to read as follows:

Authority: 7 U.S.C. 601–674.

Note: This section will not appear in the Code of Federal Regulations.

2. A new § 981.342 is added to read as follows:

§ 981.342 Expenses and assessment rate.

Expenses of \$4,952,591 by the Almond Board of California are authorized for the crop year ending June 30, 1996. An assessment rate for the crop year payable by each handler in