

regardless of whether allotments (and proportionate shares) are subsequently instituted.

7. There were two comments concerning reasonable ending stocks in the trigger formula for marketing allotments. One commenter said USDA should choose a method to define reasonable stocks in order to give credibility to the process by which allotments are imposed. The other commenter supported flexibility in determining reasonable carry-over stocks, but suggested USDA use a range of stocks-to-use ratios in order to remain consistent.

CCC has consistently rejected a mechanical formula for determining reasonable ending stocks, and instead depends on a comprehensive analysis of the market situation, outlook, and prices. A purely statistical ratio cannot capture the full complexity of the sugar market.

Thus, CCC rejects the recommendation.

8. Two commenters recommended that CCC allow swaps between beet and quota or domestically produced sugar to facilitate exportation of surplus sugar. The current regulations do not address this issue of "swapping." Rather, this issue will have to be addressed in terms of further rulemaking i.e., a new proposed rule, followed by a comment period and final rule.

9. One commenter urged USDA to use the required monthly data submitted by the industry under section 359a of the 1938 Act for calculating all phases of allotments and allocations because these are the best data available. CCC agrees with the need to use the best available data for determining allotments and allocations. However, the rule is not changed for this comment because the data published by the World Outlook and Situation Board and the National Agricultural Statistics Service are deemed as "official" USDA estimates.

10. One commenter wanted the term "U.S. Market Value" for sugarcane to be defined as "the daily New York No. 14 contract settlement price for the nearest month less prevailing discounts for raw sugar."

CCC does not agree with this proposal because discounts to the No. 14 contract price vary continually over time and among the different refiners.

11. One commenter reiterated a previous contention that CF is a premium product to sugar, does not compete with sugar, and has value based on qualities lacking in sugar. The commenter wanted the calculation of CF equivalence to be revised to give CF credit for qualities that sugar does not possess. CCC maintains that if CF is a

premium product to sugar, then less (not more) of CF would be equivalent to the sugar quantity of 200,000 tons.

Furthermore, the price premium of CF depends not just on the inherent quality of CF relative to sugar but on transient market conditions, including variable competitive relationships among alternative sweeteners.

Thus, CCC rejects the recommendation.

12. The following comments are considered to be outside the limits of this rulemaking, or are clearly contrary to the provisions of the 1938 Act:

(1) Proportionate shares should be established for Florida independent growers,

(2) Imports of sugar from Canada should be reduced to traditional levels, and

(3) Allotments and allocations cannot be justified for fiscal 1994.

Thus, CCC does not address these matters.

13. No comments were received regarding appeal regulations published August 6, 1993 (58 FR 41995).

Thus, 7 CFR 1435.530 is adopted as provided in the interim rule.

Additional Changes

14. Two additional sections of the interim rule are revised to include the specific wording of the 1938 Act.

First, § 1435.507(a) is revised to say that CCC will make quarterly re-estimates "no later than the beginning" of each of the second through fourth quarters of the fiscal year, rather than "before the beginning of each quarter". This will bring the regulations into conformance with section 359b(2) of the 1938 Act.

Second, § 1435.520(b) is revised to say that a processor's allocation will be shared among producers in "a fair and equitable manner which adequately reflects" each producer's production history, rather than in "a fair and adequate manner". This will bring the regulations into conformance with section 359f(a) of the 1938 Act.

List of Subjects in 7 CFR Part 1435

Administrative practice and procedures, Appeals, Loan programs/agriculture, Marketing allotments, Price support programs, Reporting and recordkeeping requirements, Sugar.

Accordingly, the interim rule amending 7 CFR part 1435, which was published on August 6, 1993, (58 FR 41995) is adopted as final without any changes, and the interim rule amending 7 CFR part 1435 which was published on July 6, 1993, (58 FR 36120) is adopted as final with the following changes:

PART 1435—SUGAR

1. The authority citation for 7 CFR part 1435 continues to read as follows:

Authority: 7 U.S.C. 1359aa-1359jj, 1421, 1423, 1446g; 15 U.S.C. 714b and 714c.

2. In § 1435.500, paragraphs (a)(1) and (a)(2) are revised to read as follows:

§ 1435.500 Applicability.

(a) * * *

(1) The marketing by processors, during fiscal years 1992 through 1998, of sugar processed from domestically produced sugarcane and sugar beets;

(2) The marketing by manufacturers, during fiscal years 1992 through 1998, of crystalline fructose manufactured from corn;

* * * * *

3. In § 1435.502, the definition of "sugar syrup" is revised to read as follows:

§ 1435.502 Definitions.

* * * * *

Sugar syrup means a direct-consumption sugar, which is not principally of crystalline structure, that has a sucrose or sucrose-equivalent invert sugar content of less than 94 percent of the total soluble solids.

* * * * *

4. In § 1435.507, paragraph (a) introductory text is revised to read as follows:

§ 1435.507 Annual estimates and quarterly re-estimates.

(a) Before the beginning of each of the fiscal years 1993 through 1998, CCC will estimate, and no later than the beginning of each of the second through fourth quarters of such fiscal years, CCC will re-estimate, for such fiscal year:

* * * * *

5. In § 1435.510, paragraph (d) is revised to read as follows:

§ 1435.510 Adjustment of overall allotment quantity.

* * * * *

(d) If the overall allotment quantity is reduced under paragraph (a)(1) of this section and the quantity of sugar and sugar products marketed, at the time of the reduction, exceeds the processors' reduced allocation, the quantity of excess sugar or sugar products marketed will be deducted from the processor's next allocation of an allotment, if any. The exceptions provided for in § 1435.513 shall be applicable in determining whether a processor has exceeded a reduced allocation.

* * * * *

6. In § 1435.513:

A. Paragraph (f) is revised,

B. Paragraph (g) is removed, and