



Cranberry Marketing Committee

Agency of the USDA, Agricultural Marketing Service

Sent Via Email: moab.docketclerk@usda.gov

To: Docket Clerk
MOAB, FVP, AMS, USDA
1400 Independence Avenue, S.W.
STOP 0237
Washington, D.C. 20250-0237

David Farrimond, CMC General Manager

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To whom it may concern:

On behalf of the Cranberry Marketing Committee (Committee) I appreciate the opportunity to comment on the proposed rule to establish a new CFR Part 926, which upon adoption would provide the Committee with the authority to collect cranberry data from persons not currently subject to the reporting provisions of the Cranberry Marketing Order [7 CFR 929]. The Committee has been anxiously waiting for the USDA to finish its review of this proposed rule and to move forward with issuance of the final rule and implementation of Part 926 since the Marketing Agreement Act of 1937, [section 8(d) was amended] by Public Law 106-78, 113 Stat. 1171, on October 22, 1999.

Starting with the 1999 crop year the cranberry industry has experienced a surge in new acreage plantings, production and the number of cranberry handlers, second-handlers, producer-handlers, processors, brokers and importers both inside and outside of the production areas currently covered by the Cranberry Marketing Order (CMO), 7 CFR Part 929. The result of all of this activity has been supply increasing faster than demand, higher levels of inventories, lower returns to growers and a reduction in the amount of data the Committee is able to obtain on the acquisition, sales and inventories of cranberries and cranberry products.

In developing its annual marketing policy the Committee must estimate the carryover (inventory) of frozen cranberries and other cranberry products [§929.46(3), CMO]. Presently the Committee can only obtain this data from first handlers with processing or receiving facilities in the production area. Currently the Committee doesn't even have the authority to obtain such cranberry related data from any person or entity not regulated under 7 CFR 929 even if they acquire, sell or hold cranberries and cranberry products in inventory.

The adoption and implementation of Part 926 would remedy this situation by authorizing the Committee to expand its data collection beyond the regulated areas, thus providing the Committee, and industry, with critical data that has been unavailable and unobtainable up to this point. The additional data collected under this authority would allow the Committee to make better-informed decisions on the state of the industry that could subsequently lead to the

Committee making a recommendation to the Secretary on whether or not to establish a regulation.

The Committee noted that several of the comments received by the USDA on this proposal have expressed concern that all entities reporting to the Committee would not be using the same conversion factor for cranberry concentrate. The Committee would like to dispel those concerns by noting that following adoption of the final rule establishing Part 926 the Committee will work with the industry to develop rules and regulations, including a conversion factor that can be used industry-wide. There has also been concern expressed as to the number of entities that would be required to file reports. Earlier estimates (1999) made by the Committee indicated there were possibly 100-130 entities, including handlers, second-handlers, producer-handlers, processors, brokers and importers, that would have to report under Part 926. The Committee will be reviewing the requirements for reporting, with the industry, as it develops rules and regulations under this part.

The Committee is somewhat concerned that the Agricultural Marketing Service (AMS) intends to request approval of the new data collection and reporting requirements by the Office of Management and Budget (OMB) before the expanded data collection can be implemented. The Committee is aware that procedurally it is necessary for OMB approval of the reporting forms, Importer Cranberry Inventory Report Form (ICIR A-d) and Handler/Processor Cranberry Inventory Report Form (HPCIR A-D), before the Committee can use them. However, the Committee was unaware that OMB had to approve the new data collection and reporting requirements before it could implement the reporting requirements. It is the Committee's belief that after a thorough review by AMS and OGC that additional scrutiny by OMB would further delay establishment of Part 926. Therefore the Committee is requesting that the USDA, AMS withdraw its intention to seek further review of the reporting requirements by OMB.

Upon review of proposed Part 926 the Committee noted that in §929.16, Reports and §929.17, Reporting requirements, reference is made to 7 CFR 926. The Committee believes that the correct cite should be 7 CFR 929.

The Committee urges the USDA to expedite its issuance of the final rule establishing Part 926 so the Committee will be able to move forward to expand its data collection on behalf of the industry.