

# Rules and Regulations

Federal Register

Vol. 61, No. 232

Monday, December 2, 1996

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## DEPARTMENT OF AGRICULTURE

### Farm Service Agency

#### 7 CFR Part 723

### Commodity Credit Corporation

#### 7 CFR Part 1464

RIN 0560-AE46

#### 1996 Marketing Quotas and Price Support Levels for Fire-Cured (Type 21), Fire-Cured (Types 22-23), Dark Air-Cured (Types 35-36), Virginia Sun-Cured (Type 37), Cigar-Filler and Binder (Types 42-44 and 53-55), and Cigar-Filler (Type 46) Tobaccos

**AGENCIES:** Farm Service Agency and Commodity Credit Corporation, USDA.  
**ACTION:** Final rule.

**SUMMARY:** The purpose of this final rule is to codify the national marketing quotas and price support levels for the 1996 crops for several kinds of tobacco announced by press release on March 5, 1996.

In accordance with the Agricultural Adjustment Act of 1938, as amended (the 1938 Act), the Secretary determined the 1996 marketing quotas to be as follows: fire-cured (type 21), 1.97 million pounds; fire-cured (types 22-23), 40.6 million pounds; dark air-cured (types 35-36), 9.2 million pounds; Virginia sun-cured (type 37), 148,000 pounds; cigar-filler and binder (types 42-44 and 53-55), 8.9 million pounds; and cigar-filler (type 46), zero pounds.

Quotas are necessary to adjust the production levels of certain tobaccos to more fully reflect supply and demand conditions, as provided by statute.

In addition, in accordance with the Agricultural Act of 1949 as amended (the 1949 Act), the Secretary determined the 1996 levels of support to be as follows (in cents per pound): fire-cured (type 21), 145.5; fire-cured (types 22-23), 155.7; dark air-cured (types 35-36),

133.9; Virginia sun-cured (type 37), 128.8; cigar-filler and binder (types 42-44 and 53-55), 112.0; and cigar-filler (type 46), 88.1. Price supports are generally necessary to maintain grower income. However, with respect to cigar-filler (type 46) there will be no quotas or price support for the 1996 and subsequent marketing years, unless conditions change, as a result of the recent quota referendum on that type of tobacco.

**EFFECTIVE DATE:** March 5, 1996.

**FOR FURTHER INFORMATION CONTACT:** Robert L. Tarczy, Farm Service Agency (FSA), U.S. Department of Agriculture (USDA), room 5750, South Building, STOP 0514, P.O. Box 2415, Washington, DC 20013-2415, 202-720-5346.

**SUPPLEMENTARY INFORMATION:**

Executive Order 12866

This final rule has been determined to be significant for purposes of Executive Order 12866 and, therefore, has been reviewed by OMB.

Federal Assistance Program

The title and number of the Federal Assistance Program, as found in the Catalog of Federal Domestic Assistance, to which this rule applies, are Commodity Loans and Purchases—10.051.

Executive Order 12778

This final rule has been reviewed in accordance with Executive Order 12778, Civil Justice Reform. The provisions of this rule do not preempt State laws, are not retroactive, and do not involve administrative appeals.

Regulatory Flexibility Act

It has been determined that the Regulatory Flexibility Act is not applicable because Farm Service Agency (FSA) is not required by 5 U.S.C. 553 or any other provision of law to publish a notice of proposed rulemaking with respect to the subject of these determinations.

Paperwork Reduction Act

The amendments to 7 CFR parts 723 and 1464 set forth in this final rule do not contain information collections that require clearance through the Office of Management and Budget under the provisions of 44 U.S.C. Chapter 35.

## Background

This final rule is issued pursuant to the provisions of the 1938 Act and the 1949 Act.

On March 5, 1996, the Secretary determined and announced the national marketing quotas and price support levels for the 1996 crops of fire-cured (type 21), fire-cured (types 22-23), dark air-cured (types 35-36), Virginia sun-cured (type 37), cigar-filler and binder (types 42-44 and 53-55), and cigar-filler (type 46) tobaccos. A number of related determinations were made at the same time which this final rule affirms. On the same date, the Secretary also announced that referenda would be conducted by mail with respect to cigar-filler and binder (types 42-44; 53-55) and (at polling places for) cigar filler (type 46) tobaccos.

During March 25-28, 1996, eligible producers of cigar-filler and binder (types 42-44; 53-55) and cigar-binder (type 46) tobacco voted in separate referenda to determine whether such producers disapprove marketing quotas for the 1996, 1997, and 1998 marketing years (MYs) for these tobaccos. Of the producers voting, 78.7 percent favored marketing quotas for cigar-filler and binder tobacco while no one voted in the cigar-filler (type 46) referendum. Accordingly, quotas and price supports for cigar-filler and binder tobacco are in effect for the 1996 MY. As it appears that there is no interest in growing cigar-filler (type 46) tobacco and that there are no current producers of this type of tobacco, it has been determined that quotas and price support shall not be in effect for the 1996 and subsequent MYs. For the same reasons, it has been determined that there shall not be any further referenda held for this type unless production resumes and a petition for a reinstatement of quotas is submitted by one-fourth of the then-current producers or by such other number of producers as appears to make the holding of a referenda worthwhile and appropriate.

In accordance with section 312(a) of the 1938 Act, the Secretary of Agriculture was required to proclaim not later than March 1 of any MY with respect to any kind of tobacco, other than burley and flue-cured tobacco, a national marketing quota for any such kind of tobacco for each of the next 3 MYs if such MY is the last year of 3 consecutive years for which marketing

quotas previously proclaimed will be in effect. With respect to cigar-filler and binder (types 42-44; 53-55) and cigar-filler (type 46) tobaccos, the 1995 MY is the last year of 3 such consecutive years. Accordingly, subject to producer approval, marketing quotas for these tobaccos have been proclaimed for each of the 3 MYs beginning October 1, 1996; October 1, 1997; and October 1, 1998. As indicated, however, only types 42-44; 53-55 producers approved the quotas.

Because of producer approval of quotas, sections 312 and 313 of the 1938 Act required that the Secretary also announce the reserve supply level and the total supply of fire-cured (type 21), fire-cured (types 22-23), dark air-cured (types 35-36), Virginia sun-cured (type 37), cigar-filler and binder (types 42-44 and 53-55), and cigar-filler (type 46), tobaccos for the MY beginning October 1, 1996, and for these tobaccos, the amounts of the national marketing quotas, national acreage allotments, national acreage factors for apportioning the national acreage allotments (less reserves) to old farms, and the amounts of the national reserves and parts thereof available for (1) new farms and (2) making corrections and adjusting inequities in old farm allotments. However, these determinations were subject to those referenda which were required to be held this year.

Also, under the 1949 Act, price support is required to be made available for each crop of a kind of tobacco for which marketing quotas are in effect or for which marketing quotas have not been disapproved by producers. With respect to the 1996 crop of the six kinds of tobacco that are the subject of this notice of final rulemaking, the respective maximum level of support for six of those kinds is determined in accordance with section 106 of the 1949 Act. Announcement of the price support levels for these six kinds of tobacco are normally made before the planting seasons. For the 1996 crops, the announcements were made on March 5, 1996, at the same time as the quota announcements, and subject to producer approval for those types which were subject to a 1996 referendum.

#### Quotas and Related Determinations

##### *Statutory Provisions*

Section 312(b) of the 1938 Act provides, in part, that the national marketing quota for a kind of tobacco is the total quantity of that kind of tobacco that may be marketed such that a supply of such tobacco equal to its reserve supply level is made available during the MY.

Section 313(g) of the 1938 Act provides that the Secretary may convert the national marketing quota into a national acreage allotment for apportionment to individual farms.

Since producers of these kinds of tobacco generally produce considerably less than their respective national acreage allotments allow, a larger quota is necessary to make available production equal to the reserve supply level. Further, the amount of the national marketing quota so announced may, not later than the following March 1, be increased by not more than 20 percent if the Secretary determines that such increase is necessary in order to meet market demands or to avoid undue restriction of marketings in adjusting the total supply to the reserve supply level.

Section 301(b)(14)(B) of the 1938 Act defines "reserve supply level" as the normal supply, plus 5 percent thereof, to ensure a supply adequate to meet domestic consumption and export needs in years of drought, flood, or other adverse conditions, as well as in years of plenty. "Normal supply" is defined in section 301(b)(10)(B) of the 1938 Act as a normal year's domestic consumption and exports, plus 175 percent of a normal year's domestic use and 65 percent of a normal year's exports as an allowance for a normal year's carryover.

Normal year's domestic consumption is defined in section 301(b)(11)(B) of the 1938 Act as the average quantity produced and consumed in the United States during the 10 MYs immediately preceding the MY in which such consumption is determined, adjusted for current trends in such consumption. Normal year's exports is defined in section 301(b)(12) of the 1938 Act as the average quantity produced in and exported from the United States during the 10 MYs immediately preceding the MY in which such exports are determined, adjusted for current trends in such exports.

In accordance with section 313(g) of the 1938 Act, the Secretary is authorized to establish a national reserve from the national acreage allotment in an amount equivalent to not more than 1 percent of the national acreage allotment for the purpose of making corrections in farm acreage allotments, adjusting for inequities, and for establishing allotments for new farms. The Secretary has determined that the national reserve, noted herein, for the 1996 crop of each of these kinds of tobacco is adequate for these purposes.

##### *The Proposed Rule*

On February 12, 1996, a proposed rule was published (61 FR 5316) in which

interested persons were requested to comment with respect to setting quotas for the tobacco kinds addressed in the notice.

#### Discussion of Comments

Twenty-six written responses were received during the comment period which ended February 16, 1996. A summary of these comments by kind of tobacco follows:

(1) *Fire-cured (type 21) tobacco*. Five comments were received. They all recommended no change from the 1995 quota.

(2) *Fire-cured (types 22-23) tobacco*. Eight comments were received. Five recommended no change from the 1995 marketing quota, while the three others recommended a small increase in quota.

(3) *Dark air-cured (types 35-36) tobacco*. Seven comments were received. Five recommended no change and the others recommended a slight decrease in the quota.

(4) *Virginia sun-cured (type 37) tobacco*. Five comments were received. All recommended a 10-percent increase in quota.

(5) *Cigar-filler and binder (types 42-44 and 53-55) tobacco*. One comment was received, recommending no change in quota.

(6) *Cigar filler (type 46) tobacco*. No comments were received.

#### *Quota and Related Determinations*

Based on a review of these comments and the latest available statistics of the Federal Government, which appear to be the most reliable data available, the following determinations were made for the six subject tobacco kinds:

(1) *Fire-Cured (type 21) Tobacco*  
The average annual quantity of fire-cured (type 21) tobacco produced in the United States that is estimated to have been consumed in the United States during the 10 MYs preceding the 1995 MY was approximately 1.1 million pounds. The average annual quantity produced in the United States and exported from the United States during the 10 MYs preceding the 1995 MY was 2.5 million pounds (farm sales weight basis). Both domestic use and exports have trended sharply downward. Because of these considerations, a normal year's domestic consumption has been determined to be 0.7 million pounds, and a normal year's exports have been determined to be 1.59 million pounds. Application of the formula prescribed by section 301(b)(14)(B) of the 1938 Act results in a reserve supply level of 4.78 million pounds.

Manufacturers and dealers reported stocks held on October 1, 1995, of 3.5 million pounds. The 1995 crop is

estimated to be 1.5 million pounds. Therefore, total supply for the 1995 MY is 5.0 million pounds. During the 1995 MY, it is estimated that disappearance will total approximately 1.8 million pounds. Deducting this disappearance from total supply results in a 1996 MY beginning stock estimate of 3.2 million pounds.

The difference between the reserve supply level and the estimated carryover on October 1, 1996, is 1.58 million pounds. This represents the quantity that may be marketed that will make available during the 1996 MY a supply equal to the reserve supply level. About 80 percent of the announced national marketing quota is expected to be produced.

Accordingly, it has been determined that a 1996 national marketing quota of 1.97 million pounds is necessary to make available production of 1.58 million pounds. Thus, the national marketing quota for the 1996 MY is 1.97 million pounds.

In accordance with section 313(g) of the 1938 Act, dividing the 1996 national marketing quota of 1.97 million pounds by the 1991-95, 5-year national average yield of 1,496 pounds per acre results in a 1996 national acreage allotment of 1,316.84 acres.

Pursuant to the provisions of section 313(g) of the 1938 Act, a national acreage factor of 1.0 is determined by dividing the national acreage allotment for the 1996 MY, less a national reserve of 9.15 acres, by the total of the 1996 preliminary farm acreage allotments (previous year's allotments). The preliminary farm acreage allotments reflect the factors specified in section 313(g) of the 1938 Act for apportioning the national acreage allotment, less the national reserve, to old farms. (Those with access to an "old" allotment.)

(2) Fire-Cured (types 22-23) Tobacco

The average annual quantity of fire-cured (types 22-23) tobacco produced in the United States that is estimated to have been consumed in the United States during the 10 years preceding the 1995 MY was approximately 18.3 million pounds. The average annual quantity produced in the United States and exported during the 10 MYs preceding the 1995 MY was 16.4 million pounds (farm sales weight basis). Both domestic use and exports have trended upward recently. Because of these considerations, a normal year's domestic consumption has been determined to be 28.0 million pounds, and a normal year's exports have been determined to be 19.7 million pounds. Application of the formula prescribed by section 301(b)(14)(B) of the 1938 Act results in a reserve supply level of 115.0 million pounds.

Manufacturers and dealers reported stocks held on October 1, 1995, of 80.5 million pounds. The 1995 crop is estimated to be 38.3 million pounds. Therefore, total supply for the 1995 MY is 118.8 million pounds. During the 1995 MY, it is estimated that disappearance will total approximately 36.0 million pounds. Deducting this disappearance from total supply results in a 1996 MY beginning stock estimate of 82.8 million pounds.

The difference between the reserve supply level and the estimated carryover on October 1, 1996, is 32.2 million pounds. This represents the quantity that may be marketed that will make available during the 1996 MY a supply equal to the reserve supply level. About 95 percent of the announced national marketing quota is expected to be produced. Accordingly, it has been determined that a 1996 national marketing quota of 33.8 million pounds is necessary to make available production of 32.2 million pounds.

In accordance with section 312(b) of the 1938 Act, it has been further determined that the 1996 national marketing quota must be increased by 20 percent in order to avoid undue restriction of marketings. Thus, the national marketing quota for the 1996 MY is 40.6 million pounds.

In accordance with section 313(g) of the 1938 Act, dividing the 1996 national marketing quota of 40.6 million pounds by the 1991-95, 5-year average yield of 2,462 pounds per acre results in a 1996 national acreage allotment of 16,490.66 acres.

Pursuant to the provisions of section 313(g) of the 1938 Act, a national acreage factor of 1.0 is determined by dividing the national acreage allotment for the 1996 MY, less a national reserve of 1.37 acres, by the total of the 1996 preliminary farm acreage allotments (previous year's allotments). The preliminary farm acreage allotments reflect the factors specified in section 313(g) of the 1938 Act for apportioning the national acreage allotment, less the national reserve, to old farms.

(3) Dark Air-Cured (types 35-36) Tobacco

The average annual quantity of dark air-cured (types 35-36) tobacco produced in the United States that is estimated to have been consumed in the United States during the 10 MYs preceding the 1995 MY was approximately 9.8 million pounds. The average annual quantity produced in the United States and exported from the United States during the 10 MYs preceding the 1995 MY was 1.8 million pounds (farm sales weight basis). Domestic use has been erratic while exports have trended downward.

Because of these considerations, a normal year's domestic consumption has been determined to be 10.5 million pounds, and a normal year's exports have been determined to be 1.6 million pounds. Application of the formula prescribed by section 301(b)(14)(B) of the 1938 Act results in a reserve supply level of 33.2 million pounds.

Manufacturers and dealers reported stocks held on October 1, 1995, of 27.3 million pounds. The 1995 crop is estimated to be 8.9 million pounds. Therefore, total supply for the 1995 MY is 36.2 million pounds. During the 1995 MY, it is estimated that disappearance will total approximately 10.0 million pounds. Deducting this disappearance from total supply results in a 1996 MY beginning stock estimate of 26.2 million pounds.

The difference between the reserve supply level and the estimated carryover on October 1, 1996, is 7.0 million pounds. This represents the quantity that may be marketed that will make available during the 1996 MY a supply equal to the reserve supply level. About 90 percent of the announced national marketing quota is expected to be produced. Accordingly, it has been determined that a national marketing quota of 7.7 million pounds is necessary to make available production of 7.0 million pounds. In accordance with section 312(b) of the 1938 Act, it has been further determined that the 1996 national marketing quota should be increased by 20 percent in order to avoid undue restriction of marketings. This results in a national marketing quota for the 1996 MY of 9.2 million pounds.

In accordance with section 313(g) of the 1938 Act, dividing the 1996 national marketing quota of 9.2 million pounds by the 1991-95, 5-year average yield of 2,274 pounds per acre results in a 1996 national acreage allotment of 4,045.73 acres.

Pursuant to the provisions of section 313(g) of the 1938 Act, a national acreage factor of 0.95 is determined by dividing the national acreage allotment for the 1996 MY, less a national reserve of 0.26 acre, by the total of the 1996 preliminary farm acreage allotments (previous year's allotments). The preliminary farm acreage allotments reflect the factors specified in section 313(g) of the 1938 Act for apportioning the national acreage allotment, less the national reserve, to old farms.

(4) Virginia Sun-Cured (type 37) Tobacco

The average annual quantity of Virginia sun-cured (type 37) tobacco

produced in the United States that is estimated to have been consumed in the United States during the 10 MYs preceding the 1995 MY was approximately 150,000 pounds. The average annual quantity produced in the United States and exported from the United States during the 10 MYs preceding the 1995 MY was approximately 110,000 pounds (farm sales weight basis). Both domestic use and exports have shown a sharp downward trend. Because of the considerations, a normal year's domestic consumption has been determined to be 55,000 pounds, and a normal year's exports have been determined to be 13,000 pounds. Application of the formula prescribed by section 301(b)(14)(B) of the 1938 Act results in a reserve supply level of 193,000 pounds.

Manufacturers and dealers reported stocks held on October 1, 1995, of 100,000 pounds. The 1995 crop is estimated to be 80,000 pounds. Therefore, total supply for the 1995 MY is 180,000 pounds. During the 1995 MY, it is estimated that disappearance will total approximately 110,000 pounds. Deducting this disappearance from total supply results in a 1996 MY beginning stock estimate of 70,000 pounds.

The difference between the reserve supply level and the estimated carryover on October 1, 1995, is 123,000 pounds. This represents the quantity that may be marketed that will make available during the 1996 MY a supply equal to the reserve supply level. Over 80 percent of the announced national marketing quota is expected to be produced.

Accordingly, it has been determined that a 1996 national marketing quota of 148,000 pounds is necessary to make available production of 123,000 pounds. Thus, the national marketing quota for the 1996 MY is 148,000 pounds.

In accordance with section 313(g) of the 1938 Act, dividing the 1996 national marketing quota of 148,000 pounds by the 1991-95, 5-year average yield of 1,342 pounds per acre results in a 1996 national acreage allotment of 110.28 acres.

Pursuant to the provisions of section 313(g) of the 1938 Act, a national acreage factor of 1.10 is determined by dividing the national acreage allotment for the 1996 MY, less a national reserve of 0.69 acre, by the total of the 1996

preliminary farm acreage allotments (previous year's allotments). The preliminary farm acreage allotments reflect the factors specified in section 313(g) of the 1938 Act for apportioning the national acreage allotment, less the national reserve, to old farms.

(5) Cigar-Filler and Binder (types 42-44 and 53-55) Tobacco

The average annual quantity of cigar-filler and binder (types 42-44 and 53-55) tobacco produced in the United States that is estimated to have been consumed in the United States during the 10 MYs preceding the 1995 MY was approximately 15.2 million pounds. The average annual quantity produced in the United States and exported from the United States during the 10 MYs preceding the 1995 MY was less than 100,000 pounds (farm sales weight). Domestic use has trended downward and exports are very small. Thus, a normal year's domestic consumption has been determined to be 9.2 million pounds, and a normal year's exports has been determined to be 100,000 pounds. Application of the formula prescribed by section 301(b)(14)(B) of the 1938 Act results in a reserve supply level of 26.8 million pounds.

Manufacturers and dealers reported stocks held on October 1, 1995, of 24.6 million pounds. The 1995 crop is estimated to be 6.2 million pounds. Therefore, total supply for the 1995 MY is 30.8 million pounds. During the 1995 MY, it is estimated that disappearance will total about 9.0 million pounds. Deducting this disappearance from total supply results in a 1996 MY beginning stock estimate of 21.8 million pounds.

The difference between the reserve supply level and the estimated carryover on October 1, 1996, is 5.0 million pounds. This represents the quantity that may be marketed that will make available during the 1996 MY a supply equal to the reserve supply level. Slightly less than 70 percent of the announced national marketing quota is expected to be produced.

Accordingly, it has been determined that a 1996 national marketing quota of 7.4 million pounds is necessary to make available production of 5.0 million pounds. In accordance with section 312(b) of the 1938 Act, it has been further determined that the 1996 national marketing quota must be increased by 20 percent in order to avoid undue restriction of marketings.

This results in a 1996 national marketing quota of 8.9 million pounds.

In accordance with section 313(g) of the 1938 Act, dividing the 1996 national marketing quota of 8.9 million pounds by the 1991-95, 5-year average yield of 1,894 pounds per acre results in a 1996 national acreage allotment of 4,699.05 acres.

Pursuant to the provisions of section 313(g), of the 1938 Act, a national factor of 1.0 is determined by dividing the national acreage allotment for the 1996 MY, less a national reserve of 9.99 acres, by the total of the 1996 preliminary farm acreage allotments (previous year's allotments). The preliminary farm acreage allotments reflect the factors specified in section 313(g) of the 1938 Act for apportioning the national acreage allotment, less the national reserve, to old farms.

(6) Cigar-Filler (type 46) Tobacco

There is no demand for cigar-filler (type 46) tobacco. Accordingly, the reserve supply level is zero. The estimated carryover at the start of MY 1996 is less than 0.1 million pounds. However, because of the referendum result, there will be no marketing quota, or price support, for this type for 1996 and subsequent MYs, unless a petition for reinstatement of quota is filed.

Because the estimated carryover exceeds the reserve supply level, the quantity of tobacco that may be marketed during MY 1996 and the 1996 acreage allotment are both zero.

(7) Referendum Results for Cigar-Filler and Binder (types 42-44; 53-55) and Cigar-Filler (type 46) Tobaccos

Because of the results of producer referenda, marketing quotas shall be in effect for the 1996 MY for cigar-filler and binder (types 42-44; 53-55) tobacco, but not for cigar-filler (type 46) tobacco. In a referendum held March 25-28, 1996, 78.7 percent of producers of cigar-filler and binder (types 42-44; 53-55) tobacco, voted in favor of marketing quotas. However, no votes were cast in the March 26, 1996, referendum held for producers of cigar binder (type 46) tobacco. As indicated, it was determined for that reason that no quota would be set until a petition for quotas is filed. The regulations adopted in this notice have been drafted accordingly.

Kind of tobacco	Total votes	Yes votes	No votes	Percent yes votes
Cigar-filler and binder (types 42-44; 53-55) .....	1084	853	231	78.7
Cigar-filler (type 46) .....	0	0	0	0

**Price Support**

*Statutory Provisions*

Section 106(f)(6)(A) of the 1949 Act provides that the level of support for the 1996 crop of a kind of tobacco (other than flue-cured and burley) shall be the level in cents per pound at which the 1995 crop of such kind of tobacco was supported, plus or minus, as appropriate, the amount by which (i) the basic support level for the 1996 crop, as determined under section 106(b) of the 1949 Act, is greater or less than (ii) the support level for the 1995 crop, as determined under section 106(b). To the extent that the price support level would be increased as a result of that comparison, section 106(f) provides that the increase may be modified using the provisions of 106(d). Under 106(d), the Secretary may reduce the level of support for grades the Secretary determines will likely be in excess supply so long as the weighted level of support for all grades maintains at least 65 percent of the increase in the price support (from the previous year). The Secretary must consult with the appropriate tobacco associations and take into consideration the supply and anticipated demand for the tobacco, including the effect of the action on

other kinds of quota tobacco. In determining whether the supply of any grade of any kind of tobacco of a crop will be excessive, the Secretary is required to consider the domestic supply, including domestic inventories, the amount of such tobacco pledged as security for price support loans, and anticipated domestic and export demand, based on the maturity, uniformity, and stalk position of such tobacco.

Section 106(b) of the 1949 Act provides that the "basic support level" for any year is determined by multiplying the support level for the 1959 crop of such kind of tobacco by the ratio of the average of the index of prices paid by farmers, including wage rates, interest, and taxes (referred to as the "parity index") for the 3 previous calendar years to the average index of such prices paid by farmers, including wage rates, interest, and taxes for the 1959 calendar year.

In addition, section 106(f)(6)(B) of the 1949 Act provides that to the extent requested by the board of directors of an association, through which price support is made available to producers (producer association), the Secretary may reduce the support level determined under section 106(f)(6)(A) of

the 1949 Act for the respective kind of tobacco to more accurately reflect the market value and improve the marketability of such tobacco. Accordingly, the price support level for a kind of tobacco set forth in this rule could be reduced if such a request is made.

*Price Support Determinations*

The following levels of price support for the 1995 crops of various kinds of tobacco, which were determined in accordance with section 106(f)(6)(A) of the 1949 Act, are as follows:

Kind and type	Support level (cents per pound)
Virginia fire-cured (type 21) .....	143.0
KY-TN fire-cured (types 22-23) .....	151.8
Dark air-cured (types 35-36) .....	130.4
Virginia sun-cured (type 37) .....	126.5
Cigar-filler and binder (types 42-44 and 53-55) .....	110.1
Cigar-filler (type 46) .....	86.1

For the 1996 crop year:

(1) Average parity indexes for calendar year periods 1992-1994 and 1993-1995 are as follows:

Year	Index	Year	Index
1992 .....	1,329	1993 .....	1,355
1993 .....	1,355	1994 .....	1,394
1994 .....	1,394	1995 .....	1,420
Average .....	1,359	Average .....	1,390

(2) Average parity index, calendar year 1959=298.

(3) 1995 ratio of 1,359 to 298=4.56; 1995 ratio of 1,359 to 298=4.66.

(4) Ratios times 1959 support levels and 1996 increase in basic support levels are as follows:

Kind and type	1959 support level (¢/lb.)	Basic support level <sup>1</sup>		Increase from 1995 to 1996	
		1995 (¢/lb.)	1996 (¢/lb.)	100% (¢/lb.)	65% (¢/lb.)
VA 21 .....	38.8	176.9	180.8	3.9	2.5
KY-TN 22-23 .....	38.8	176.9	180.8	3.9	2.5
KY-TN 35-36 .....	34.5	157.3	160.8	3.5	2.3
VA 37 .....	34.5	157.3	160.8	3.5	2.3
Cigar-filler and binder 42-44, 54-55 .....	28.6	130.4	133.3	2.9	1.9
Cigar-filler 46 .....	29.7	135.4	138.4	3.0	2.0

<sup>1</sup> 1995 ratio is 4.56, 1996 ratio is 4.66.

With respect to 106(d) adjustments, for MY 1996, the flue-cured support level was increased by 65 percent of the formula increase to within about 12 percent of 1995's average market price. For the kinds of tobacco subject of this rule, MY 1995 market prices were further above the support level, and overall loan receipts remained low. Only Virginia Fire-Cured (type 21) and

Virginia sun-cured (type 37) have significant loan stocks relative to use for MY 1995.

In addition, the loan associations for cigar filler and binder (types 42-44; 53-55) have accepted lower price support levels so their tobacco may remain competitive with imports and tobaccos not under support. Therefore, for fire-cured tobacco (type 21), Virginia sun-

cured tobacco (type 37), and cigar-filler and binder tobacco (types 42-44 and 53-55), the MY 1996 support levels consist of the 1995 support levels which were increased by 65 percent of the difference between the 1996 "basic support level" and the 1995 "basic support level." The supply-use ratios for Kentucky-Tennessee fire-cured (types 22-23) and dark air-cured (types 35-36)

suggest adequate supplies. Accordingly, for these tobaccos, the MY 1996 support level consists of the MY 1995 level of support increased by the difference between the MY 1996 "basic support level" and the MY 1995 "basic support level." Also, chewing tobacco, smoking tobacco, and snuff manufacturing formulas limit the substitutability of one of these kinds of tobacco for another. Cigarettes, the principal outlet for flue-cured and burley tobaccos, do not require any of these six kinds of tobacco in their blends.

Accordingly, the following price support determinations were announced on March 5, 1996:

Kind and type	Support level (cents per pound)
Virginia fire-cured (type 21) .....	145.5
Kentucky-Tennessee fire-cured (types 22-23) .....	155.7
Dark air-cured (types 35-36) .....	133.9
Virginia sun-cured (type 37) .....	128.8
Cigar-filler and binder (types 42-44 and 53-55) .....	112.0
Cigar-filler (type 46) .....	88.1

However, as indicated, price support will not be made available for type 46 until such time as quotas may be established for this type.

List of Subjects

7 CFR Part 723

Acreage allotments, Marketing quotas, Penalties, Reporting and recordkeeping requirements, Tobacco.

7 CFR Part 1464

Price supports, Tobacco.

Accordingly, 7 CFR parts 723 and 1464 are amended to read as follows:

**PART 723—TOBACCO**

1. The authority citation for 7 CFR part 723 continues to read as follows:

Authority: 7 U.S.C. 1301, 1311-1314, 1314-1, 1314b, 1314b-1, 1314b-2, 1314c, 1314d, 1314e, 1314f, 1314i, 1315, 1316, 1362, 1363, 1372-75, 1377-1379, 1421, 1445-1, and 1445-2.

2. Section 723.113 is amended by adding paragraph (d) to read as follows:

**§ 723.113 Fire-cured (type 21) tobacco.**

\* \* \* \* \*

(d) The 1996-crop national marketing quota is 1.97 million pounds.

3. Section 723.114 is amended by adding paragraph (d) to read as follows:

**§ 723.114 Fire-cured (types 22-23) tobacco.**

\* \* \* \* \*

(d) The 1996-crop national marketing quota is 40.6 million pounds.

4. Section 723.115 is amended by adding paragraph (d) to read as follows:

**§ 723.115 Dark air-cured (types 35-36) tobacco.**

\* \* \* \* \*

(d) The 1996-crop national marketing quota is 9.2 million pounds.

5. Section 723.116 is amended by adding paragraph (d) to read as follows:

**§ 723.116 Sun-cured (type 37) tobacco.**

\* \* \* \* \*

(d) The 1996-crop national marketing quota is 148,000 pounds.

6. Section 723.117 is amended by adding paragraph (d) to read as follows:

**§ 723.117 Cigar-filler and cigar binder (types 42-44: 53-55) tobacco.**

\* \* \* \* \*

(d) The 1996-crop national marketing quota is 8.9 million pounds.

7. Section 723.118 is amended by adding paragraph (d) to read as follows:

**§ 723.118 Cigar filler (type 46) tobacco.**

\* \* \* \* \*

(d) There shall be no national or individual marketing quotas for the 1996 and subsequent marketing years for this type (46).

**PART 1464—TOBACCO**

8. The authority citation for 7 CFR part 1464 continues to read as follows:

Authority: 7 U.S.C. 1421, 1423, 1441, 1445, and 1445-1; 15 U.S.C. 714b and 714c.

9. Section 1464.13 is amended by adding paragraph (d) to read as follows:

**§ 1464.13 Fire-cured (type 21) tobacco.**

\* \* \* \* \*

(d) The 1996-crop national price support level is 145.5 cents per pound.

10. Section 1464.14 is amended by adding paragraph (d) to read as follows:

**§ 1464.14 Fire-cured (types 22-23) tobacco.**

\* \* \* \* \*

(d) The 1996-crop national price support level is 155.7 cents per pound.

11. Section 1464.15 is amended by adding paragraph (d) to read as follows:

**§ 1464.15 Dark air-cured (types 35-36) tobacco.**

\* \* \* \* \*

(d) The 1996-crop national price support level is 133.9 cents per pound.

12. Section 1464.16 is amended by adding paragraph (d) to read as follows:

**§ 1464.16 Virginia sun-cured (type 37) tobacco.**

\* \* \* \* \*

(d) The 1996-crop national price support is 128.8 cents per pound.

13. Section 1464.17 is amended by adding paragraph (d) to read as follows:

**§ 1464.17 Cigar-filler and binder (types 42-44 and 53-55) tobacco.**

\* \* \* \* \*

(d) The 1996-crop national price support level is 112.0 cents per pound.

14. Section 1464.18 is amended by adding paragraph (d) to read as follows:

**§ 1464.18 Cigar-filler (type 46) tobacco.**

\* \* \* \* \*

(d) Price support shall not be made available for the 1996 and subsequent crops of this type (46).

\* \* \* \* \*

Signed at Washington, DC, on November 12, 1996.

Bruce R. Weber,  
Acting Administrator, Farm Service Agency  
and Executive Vice President, Commodity  
Credit Corporation.

[FR Doc. 96-30551 Filed 11-29-96; 8:45 am]

BILLING CODE 3410-05-P

**DEPARTMENT OF TRANSPORTATION**

**Federal Aviation Administration**

**14 CFR Part 39**

[Docket No. 96-NM-173-AD; Amendment 39-9835; AD 96-24-11]

RIN 2120-AA64

**Airworthiness Directives; Israel Aircraft Industries (IAI), Ltd., Model 1123, 1124, and 1124A Series Airplanes**

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule.

**SUMMARY:** This amendment adopts a new airworthiness directive (AD), applicable to all IAI, Ltd., Model 1123, 1124, and 1124A series airplanes, that requires repetitive inspections of the aileron push-pull tubes for excessive wear and the guide rollers for smooth rotation; and repair or replacement of worn parts with serviceable parts. This amendment is prompted by reports of excessive wear on the aileron push-pull tube in the area of the guide rollers. The actions specified by this AD are intended to prevent such wear, which could result in uneven movement of the control wheel, perforation of the aileron push-pull tube, and consequent reduced roll control of the airplane.

**DATES:** Effective January 6, 1997.

The incorporation by reference of certain publications listed in the regulations is approved by the Director of the Federal Register as of January 6, 1997.