§ 51.2075 U.S. No. 1.

* * * * *

(b) * * *

(5) *For internal (kernel) defects.* 10 percent, by weight, for almonds with kernels failing to meet the requirements of this grade: Provided, that not more than one-half of this tolerance or 5 percent shall be allowed for kernels affected by decay or rancidity, damaged by insects or mold or seriously damaged by shriveling: And provided further, that no part of this tolerance shall be allowed for live insects inside the shell.

* * * * *

3. § 51.2080 is revised to read as follows:

Determination of Grade

§ 51.2080 Determination of Grade.

In grading the inspection sample, the percentage of loose hulls, pieces of shell, chaff and foreign material is determined on the basis of weight. Next, the percentages of nuts which are of dissimilar varieties, undersize or have adhering hulls or defective shells are determined by count, using an adequate portion of the total sample. Finally, the nuts in that portion of the sample are cracked and the percentage having internal defects is determined on the basis of weight.

Dated: July 11, 2012.

David R. Shipman,

Administrator, Agricultural Marketing Service.

[FR Doc. 2012–17229 Filed 7–13–12; 8:45 am]

BILLING CODE 3410–02–P

DEPARTMENT OF AGRICULTURE

Federal Crop Insurance Corporation

7 CFR Part 457

[Docket No. FCIC–12–0006]

RIN 0563–AC39

Common Crop Insurance Regulations; Florida Citrus Fruit Crop Insurance Provisions

AGENCY: Federal Crop Insurance Corporation, USDA.

ACTION: Proposed rule; request for comments.

SUMMARY: The Federal Crop Insurance Corporation (FCIC) proposes to amend the Common Crop Insurance Regulations, Florida Citrus Fruit Crop Insurance Provisions. The intended effect of this action is to provide policy changes, to clarify existing policy provisions to better meet the needs of policyholders, and to reduce vulnerability to program fraud, waste, and abuse. The proposed changes will be effective for the 2014 and succeeding crop years.

DATES: Written comments and opinions on this proposed rule will be accepted until close of business August 15, 2012 and will be considered when the rule is to be made final.

ADDRESSES: FCIC prefers that comments be submitted electronically through the Federal eRulemaking Portal. You may submit comments, identified by Docket ID No. FCIC–12–0006, by any of the following methods:

- *Federal eRulemaking Portal: http://www.regulations.gov.* Follow the instructions for submitting comments.
- *Mail:* Director, Product Administration and Standards Division, Risk Management Agency, United States Department of Agriculture, P.O. Box 419205, Kansas City, MO 64133–6205.

All comments received, including those received by mail, will be posted without change to *http://www.regulations.gov,* including any personal information provided, and can be accessed by the public. All comments must include the agency name and docket number or Regulatory Information Number (RIN) for this rule. For detailed instructions on submitting comments and additional information, see *http://www.regulations.gov.* If you are submitting comments electronically through the Federal eRulemaking Portal and want to attach a document, we ask that it be in a text-based format. If you want to attach a document that is a scanned Adobe PDF file, it must be scanned as text and not as an image, thus allowing FCIC to search and copy certain portions of your submissions. For questions regarding attaching a document that is a scanned Adobe PDF file, please contact the RMA Web Content Team at (816) 823–4694 or by email at *rmaweb.content@rma.usda.gov.*

Privacy Act: Anyone is able to search the electronic form of all comments received for any dockets by the name of the person submitting the comment (or signing the comment, if submitted on behalf of an association, business, labor union, etc.). You may review the complete User Notice and Privacy Notice for Regulations.gov at *http://www.regulations.gov/#!privacyNotice.*

FOR FURTHER INFORMATION CONTACT: Tim Hoffmann, Director, Product Administration and Standards Division, Risk Management Agency, United States Department of Agriculture, Beacon Facility, Stop 0812, Room 421, P.O. Box 419205, Kansas City, MO 64141–6205, telephone (816) 926–7730.

SUPPLEMENTARY INFORMATION:

Executive Order 12866

This rule has been determined to be non-significant for the purposes of Executive Order 12866 and, therefore, it has not been reviewed by the OMB.

Paperwork Reduction Act of 1995

Pursuant to the provisions of the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), the collections of information in this rule have been approved by OMB under control number 0563–0053.

E-Government Act Compliance

FCIC is committed to complying with the E-Government Act of 2002, to promote the use of the Internet and other information technologies to provide increased opportunities for citizen access to Government information and services, and for other purposes.

Unfunded Mandates Reform Act of 1995

Title II of the Unfunded Mandates Reform Act of 1995 (UMRA), establishes requirements for Federal agencies to assess the effects of their regulatory actions on State, local, and tribal governments and the private sector. This rule contains no Federal mandates (under the regulatory provisions of title II of the UMRA) for State, local, and tribal governments or the private sector. Therefore, this rule is not subject to the requirements of sections 202 and 205 of UMRA.

Executive Order 13132

It has been determined under section 1(a) of Executive Order 13132, Federalism, that this rule does not have sufficient implications to warrant consultation with the States. The provisions contained in this rule will not have a substantial direct effect on States, or on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government.

Executive Order 13175

This rule has been reviewed in accordance with the requirements of Executive Order 13175, Consultation and Coordination with Indian Tribal Governments. The review reveals that this regulation will not have substantial and direct effects on Tribal governments and will not have significant Tribal implications.

Regulatory Flexibility Act

FCIC certifies that this regulation will not have a significant economic impact on a substantial number of small

entities. Program requirements for the Federal crop insurance program are the same for all producers regardless of the size of their farming operation. For instance, all producers are required to submit an application and acreage report to establish their insurance guarantees and compute premium amounts, and all producers are required to submit a notice of loss and production information to determine the amount of an indemnity payment in the event of an insured cause of crop loss. Whether a producer has 10 acres or 1000 acres, there is no difference in the kind of information collected. To ensure crop insurance is available to small entities, the Federal Crop Insurance Act authorizes FCIC to waive collection of administrative fees from limited resource farmers. FCIC believes this waiver helps to ensure that small entities are given the same opportunities as large entities to manage their risks through the use of crop insurance. A Regulatory Flexibility Analysis has not been prepared since this regulation does not have an impact on small entities, and, therefore, this regulation is exempt from the provisions of the Regulatory Flexibility Act (5 U.S.C. 605).

Federal Assistance Program

This program is listed in the Catalog of Federal Domestic Assistance under No. 10.450.

Executive Order 12372

This program is not subject to the provisions of Executive Order 12372, which require intergovernmental consultation with State and local officials. See the Notice related to 7 CFR part 3015, subpart V, published at 48 FR 29115, June 24, 1983.

Executive Order 12988

This proposed rule has been reviewed in accordance with Executive Order 12988 on civil justice reform. The provisions of this rule will not have a retroactive effect. The provisions of this rule will preempt State and local laws to the extent such State and local laws are inconsistent herewith. With respect to any direct action taken by FCIC or action by FCIC directing the insurance provider to take specific action under the terms of the crop insurance policy, the administrative appeal provisions published at 7 CFR part 11, or 7 CFR part 400, subpart J for determinations of good farming practices, as applicable, must be exhausted before any action against FCIC for judicial review may be brought.

Environmental Evaluation

This action is not expected to have a significant economic impact on the quality of the human environment, health, or safety. Therefore, neither an Environmental Assessment nor an Environmental Impact Statement is needed.

Background

FCIC proposes to amend the Common Crop Insurance Regulations (7 CFR part 457) by revising § 457.107 Florida Citrus Fruit Crop Insurance Provisions, to be effective for the 2014 and succeeding crop years. Several requests have been made for changes to improve the insurance coverage offered, address program integrity issues, simplify program administration, and improve clarity of the policy provisions.

Some of the proposed changes are a result of the United States Department of Agriculture (USDA) Acreage Crop Reporting Streamlining Initiative, which has an objective of using common standardized data and terminology to consolidate and simplify reporting requirements for farmers. FCIC is proposing to change the term ''citrus fruit crop'' to ''citrus fruit commodity'' and to rename the ''citrus fruit commodities'' to be consistent with the terms developed under the Acreage Crop Reporting Streamlining Initiative. This change will allow more efficient sharing of data among agencies and will assist in the effort to reduce the burden of reporting the same information multiple times. Some of the proposed changes herein, such as the addition of the term ''citrus fruit group'' minimize the impact of changes to crop names. With the incorporation of the term ''citrus fruit group'' into the Florida Citrus Fruit Crop Provisions, FCIC will concurrently add a field in the actuarial documents breaking each ''citrus fruit commodity'' into ''citrus fruit groups.'' The ''citrus fruit groups'' will be the basis for determining coverage levels, basic units, and administrative fees. In most cases these proposed changes will result in no change from the current basis by which coverage levels are selected, basic units are established, and administrative fees are assessed.

To be consistent with the objectives of the Acreage Crop Reporting Streamlining Initiative, FCIC is planning to replace the category of ''type'' in the actuarial documents with four categories named ''commodity type,'' ''class,'' ''subclass,'' and ''intended use.'' FCIC is also planning to replace the category of ''practice'' in the actuarial documents with four categories named ''cropping practice,'' ''organic practice,'' ''irrigation practice,'' and ''interval.'' Proposed changes to the Florida Citrus Fruit Crop provisions, such as replacing references to the term ''fruit type'' with the terms ''commodity type'' and ''intended use'' where applicable, will provide an avenue for this transition.

Some of the other proposed changes are in response to an audit (05099–29–At) by the Office of the Inspector General (OIG). The report concluded the Florida Citrus Fruit policy contains a significant vulnerability because the policy does not adequately account for the salvage value of fruit insured as fresh that is sold for another use. FCIC agreed to revise the Florida Citrus Fruit Crop Provisions for the 2014 crop year to address this vulnerability.

The proposed changes are as follows:

1. Section 1—FCIC proposes to revise the definition of ''amount of insurance (per acre)'' to specify the Reference Maximum Dollar Amount used in the calculation will be based on the applicable ''commodity type'' and ''intended use'' in addition to the age of trees. This change is being proposed because the terms ''commodity type'' and ''intended use'' are the terms that will replace type in the actuarial documents that are applicable to determining the amount of insurance per acre.

FCIC proposes to revise the definition of ''citrus fruit crop'' by renaming it as ''citrus fruit commodity'' since insurable commodities are identified in the actuarial documents. FCIC proposes to replace the term ''citrus fruit crop'' with the term ''citrus fruit commodity'' where appropriate throughout the Florida Citrus Fruit Crop Provisions. However, in some places the term ''crop'' will be changed to ''insured crop'' which is defined in the Basic Provisions or the term ''crop'' may be retained if using the common meaning. FCIC proposes to revise the definition of the newly renamed term of ''citrus fruit commodity'' by removing the old names ''Citrus I–IX'' and renaming the ''citrus fruit commodities'' as ''oranges,'' ''grapefruit,'' ''tangelos,'' ''mandarins/tangerines,'' ''tangors,'' ''lemons,'' ''limes,'' and ''any other citrus fruit commodity designated in the actuarial documents.'' In some cases the new ''citrus fruit commodity'' names will result in several of the current ''citrus fruit crops'' being combined into a single ''citrus fruit commodity.'' For example, the current ''citrus fruit crops'' named ''Citrus I (Early and mid-season oranges), Citrus II (Late oranges juice), Citrus VII (Late oranges fresh), and Citrus VIII (Navel oranges)'' will all fall under the new ''citrus fruit commodity''

of ''oranges.'' In other cases the new ''citrus fruit commodity'' names will result in current ''citrus fruit crops'' being split apart into multiple ''citrus fruit commodities.'' For example, the current ''citrus fruit crop'' named ''Citrus VI (Lemons and Limes)'' will become two separate ''citrus fruit commodities'' named ''lemons'' and ''limes.'' This change is being proposed because of the Acreage Crop Reporting Streamlining Initiative. This proposed change in terminology does not change the varieties of citrus that are insurable.

FCIC proposes to remove the definition of ''citrus fruit type (fruit type)'' and add definitions of ''commodity type'' and ''intended use'' to be consistent with the Acreage Reporting and Streamlining Initiative. ''Commodity type'' and ''intended use'' are the categories that will replace type in the actuarial documents that are applicable to the Florida Citrus Fruit Crop Provisions.

FCIC proposes to add the definition of ''citrus fruit group.'' The term ''citrus fruit group'' refers to a method of grouping ''commodity types'' and ''intended uses'' within the ''citrus fruit commodity'' through the actuarial documents for the purposes of electing coverage levels, establishing basic units, and assessing administrative fees. This change is being proposed in order to make the insurance coverage as similar to that which was previously provided while still being consistent with the Acreage Crop Reporting Streamlining Initiative.

FCIC proposes to revise the definition of ''excess wind'' to allow the use of the Florida Automated Weather Network (FAWN) reporting stations and any other weather reporting stations identified in the Special Provisions in addition to the U.S. National Weather Service (NWS) reporting stations for determining wind speeds. Using the NWS reporting station, the FAWN weather reporting station, or any other weather reporting station identified in the Special Provisions operating nearest to the insured acreage at the time of damage will result in a more precise measurement of wind speeds due to the availability of additional data points. The use of FAWN data is currently allowed by the Special Provisions.

FCIC proposes to add the definition of ''unmarketable'' because it is currently undefined. FCIC proposes to define ''unmarketable'' as citrus fruit that cannot be processed into products for human consumption.

2. Section 2—FCIC proposes to revise section 2(a) by adding language to allow basic units by ''citrus fruit group'' designated within a ''citrus fruit commodity'' in the actuarial documents. For example, under the new ''citrus fruit commodity'' named ''grapefruit,'' all ''grapefruit'' with the intended use of fresh could be in one ''citrus fruit group'' and all ''grapefruit'' with the intended use of juice could be in another ''citrus fruit group'' identified in the actuarial documents. In this example, all ''grapefruit'' acreage with an intended use of fresh can be insured as one basic unit and all ''grapefruit'' acreage with an intended use of juice can be insured as another basic unit. This proposed change in terminology is intended to allow policyholders to keep their current unit structure to the maximum extent practicable. However, in some cases, such as with the ''citrus fruit crop'' named ''Citrus VI (Lemons and Limes),'' which will become separate ''citrus fruit commodities'' named ''lemons'' and ''limes,'' the policyholder will now be able to establish separate basic units for each of these ''citrus fruit commodities.''

3. Section 3—FCIC proposes to revise section 3(a) by adding language to allow the policyholder to select separate coverage levels by ''citrus fruit group'' designated within a ''citrus fruit commodity'' in the actuarial documents. For example, under the new ''citrus fruit commodity'' of ''oranges,'' all early and mid-season oranges will be grouped together as one ''citrus fruit group'' and the policyholder must select the same coverage level for all citrus fruit insured under this ''citrus fruit group.'' These revisions to terminology will allow policyholders to continue to elect coverage levels on the same basis they currently elect for most crops. However, in some cases, such as with the ''citrus fruit crop'' named ''Citrus VI (Lemons and Limes)'' which will become separate ''citrus fruit commodities'' named ''lemons'' and ''limes,'' the policyholder will now be able to select separate coverage levels for the ''citrus fruit groups'' within each of these ''citrus fruit commodities.''

FCIC proposes to revise section 3(c) to specify the reporting requirements for ''citrus fruit commodities'' insured under the Florida Citrus Fruit Crop Provisions. The proposed revision to section 3(c) includes four subparagraphs stating what the policyholder must report by the acreage reporting date contained in the actuarial documents. The reporting requirements include any event or action that could reduce the yield per acre of the insured ''citrus fruit commodity'' and the number of affected acres, the number of trees on insurable and uninsurable acreage, age of the trees, interplanted trees, planting pattern, and any other information the insurance provider requests in order to establish the amount of insurance. These requirements are being added because this information is necessary to establish the amount of insurance because it affects the potential production of the unit.

FCIC proposes to revise section 3(d) by clarifying the reasons FCIC will reduce insurable acreage or the amount of insurance, or both. The reasons given for a reduction are consistent with the reporting requirements contained in the proposed revision of section 3(c). Those reasons include interplanted trees, a decrease in plant stand, cultural practices that may reduce the productive capacity of the trees, disease, damage, and any other circumstance that may reduce the productive capacity of the trees or that may reduce the yield per acre from previous levels. FCIC proposes to remove the term ''fruit type'' and replace it with the term ''commodity type'' since this is the category in the actuarial documents that is relevant when determining the effect of interplanted trees.

FCIC proposes to designate the second sentence from section 3(d) as section 3(e) and revise it to state, ''If you fail to notify us of any circumstance that may reduce the productive capacity of the trees or that may reduce the yield per acre from previous levels, we will reduce the acreage or amount of insurance or both as necessary any time we become aware of the circumstance.'' The current provision states these same consequences, but is phrased differently. This change is being proposed to clarify ''circumstances that may reduce the productive capacity of the trees or that may reduce the yield per acre from previous levels'' are the reasons for reducing the acreage or amount of insurance.

FCIC proposes to redesignate section 3(e) as 3(f). FCIC proposes to remove the old provisions from section 3(f), which states that we will reduce your amount of insurance per acre for damage that occurred prior to the insurance period. This same information is contained in the revised section 3(d). Therefore, with the proposed revisions to section 3(d), section 3(f) becomes redundant and is no longer necessary.

4. Section 6—FCIC proposes to revise section 6(a) by adding language to allow the insured crop to be all acreage of each ''citrus fruit group,'' designated within a ''citrus fruit commodity'' in the actuarial documents. The ''citrus fruit groups'' within the ''citrus fruit commodity'' will be assessed separate administrative fees and the policyholder can elect to insure one ''citrus fruit group'' and not insure another within

the same ''citrus fruit commodity.'' For example, if the ''citrus fruit commodity'' of oranges has a ''citrus fruit group'' for all early and mid-season oranges and another ''citrus fruit group'' for all late oranges, the policyholder could elect to insure all of his or her early and mid-season oranges in the county, but not insure any late oranges. Since ''citrus fruit groups'' will provide the basis for assessing administrative fees, in most cases this change will result in no change from the basis by which administrative fees are currently assessed. However, in some cases, such as with the ''citrus fruit crop'' named ''Citrus VI (Lemons and Limes)'' which will become separate ''citrus fruit commodities'' named ''lemons'' and ''limes,'' separate administrative fees will be assessed for each of the ''citrus fruit groups'' within these ''citrus fruit commodities'' and the policyholder can elect to insure one and not the other.

FCIC proposes to revise section 6(b)(1) by removing the term ''fruit type'' and adding the term ''commodity type'' in its place since this is the category in the actuarial documents that is relevant when determining the normal maturity period.

FCIC proposes to revise section 6(b)(2) by changing the date of ''April 30'' to ''April 15.'' This date is proposed to be changed to coincide with the proposed new April 16 insurance attachment date to eliminate the current gap in coverage. This provision requires trees to have reached the fifth growing season after being set out to be insurable. The revision will require trees to have been set out by April 15 in order for the year of set out to be considered as a growing season.

FCIC proposes to revise section 6(b)(3) to include ''Ambersweet'' oranges in the list of uninsurable fruit. FCIC has determined ''Ambersweet'' orange trees to be unreliable producers of fruit. Furthermore, ''Ambersweet'' oranges are a poor quality fruit and consequently the trees are scarcely planted for commercial production. Excluding ''Ambersweet'' oranges from insurability will protect program integrity by eliminating the risk associated with insuring them.

FCIC proposes to revise section 6(b)(6) by removing the term ''fruit type'' and adding the term ''commodity type'' in its place since this is the category in the actuarial documents that is relevant when determining the insurability of citrus fruit. FCIC proposes to remove the phrase ''or within the definition of citrus fruit crop'' since the definition of ''citrus fruit crop'' is proposed to be revised.

FCIC proposes to add section 6(f) which will require policyholders who insure fresh fruit to provide management records upon request to verify good fresh citrus fruit production practices were followed from the beginning of bloom stage until harvest. The proposed provision also requires policyholders who insure fresh fruit to provide acceptable fresh fruit sales records upon request from at least one of the previous three crop years; or for fresh fruit acreage new to the operation or for acreage in the initial year of fresh fruit production, a current year fresh fruit marketing contract must be provided upon request. The proposed provision protects program integrity by safeguarding against policyholders purchasing fresh fruit insurance without the intention of producing fresh fruit and without providing the necessary inputs to produce fresh fruit. This requirement is currently implemented through the Special Provisions.

5. Section 7—FCIC proposes to revise section 7 by designating the undesignated introductory paragraph as section 7(a) and redesignating sections 7(a), (b), and (c) as sections 7(a)(1), (2), and (3) respectively. These paragraphs are proposed to be redesignated in order to add a new section 7(b). In redesignated paragraphs 7(a)(1) and (2) FCIC proposes to remove the term ''fruit type'' everywhere this term appears and add the term ''commodity type'' in its place since this is the category in the actuarial documents that will be used to determine the effect of interplanted trees.

FCIC proposes to add section 7(b) which will exclude from insurability any acreage that has been abandoned without undergoing remediation necessary to produce the amount and quality of production needed to achieve the applicable Reference Maximum Dollar Amount prior to insurance attaching. This provision is being added to address situations where citrus acreage has been abandoned prior to insurance attaching. While section 11 of the Basic Provisions states insurance ends upon abandonment of the crop, neither the Basic Provisions nor the Florida Citrus Fruit Crop Provisions address situations where acreage is abandoned prior to the insurance period. Abandoned orchards harbor disease and insects, which without proper control measures and remediation efforts result in poor quality fruit and diminished production. A similar requirement is currently implemented through the Special Provisions.

6. Section 8—FCIC proposes to revise section 8(a)(1) by changing the date insurance attaches from May 1 to April 16. FCIC is proposing this change to eliminate the gap between the sales closing date and the date insurance attaches. For the 2013 crop year the sales closing date was moved from April 1 to April 15 as part of the Acreage Crop Reporting Streamlining Initiative. This gap in coverage could adversely affect producers who want to transfer their property and transfer their coverage and right to an indemnity. Producers can only insure, and transfer, their share at the time insurance attached and this gap created a period in which the producer had no share that could be transferred. This change will eliminate this situation.

FCIC proposes to revise section 8(a)(1)(i) by removing the phrase ''for the fruit type'' from the parenthetical. FCIC also proposes to revise this section by removing the term ''grove'' and adding the term ''acreage'' in its place to be consistent with the terms used in this provision. The revised provision requires the policyholder to provide any information required to determine the condition of the acreage to be insured. This change is being proposed because it is the condition of the acreage that is important and there are other factors to consider besides just the information regarding the fruit type.

FCIC proposes to revise section 8(a)(2) by changing the end of insurance period date for early oranges from February 7 to February 28. This change is being proposed because February 28 coincides more closely to the time harvest is normally completed for early oranges. This change has already been implemented through the Special Provisions.

FCIC proposes to revise section 8(b)(1) to state acreage acquired after the acreage reporting date for the crop year is not insurable unless a transfer of coverage and right to indemnity is executed in accordance with section 28 of the Basic Provisions. The current provision in this section only addresses the insurability of acreage acquired after coverage begins, but on or before the acreage reporting date for the crop year. Since none of the crops insurable under the Florida Citrus Fruit Crop Provisions have an acreage reporting date that occurs after the date insurance attaches for the crop year, this provision is not applicable. Since the language is not applicable, it has been replaced with language that reflects the intent of the provision.

FCIC proposes to revise section 8(b)(2) to state if a policyholder relinquishes their insurable share on any insurable acreage of citrus before the acreage reporting date of the crop year;

insurance will not attach, no premium will be due, and no indemnity will be payable for such acreage for that crop year. The current provision contains a similar statement, but it also includes a provision that allows a transfer of coverage and right to indemnity if filed before the acreage reporting date. The current provision was written under the assumption that the acreage reporting date occurs after insurance attaches. However, the acreage reporting date established in the actuarial documents for all crops insured under the Florida Citrus Fruit Crop Provisions currently occurs before the insurance attachment date. Since, in accordance with section 28 of the Basic Provisions, a transfer of coverage and right to indemnity can only occur during the crop year, the exception is not applicable given the current dates or the dates contained in this proposed rule. Therefore, the language regarding a transfer of coverage and right to indemnity is proposed to be removed.

7. Section 9—FCIC proposes to revise section 9(a)(6) by removing the statement that only allows excess wind to be a covered cause of loss if the excess wind causes fruit insured as fresh to be unmarketable as fresh. Allowing excess wind to be a covered cause of loss for all crops expands coverage to citrus fruit insured as juice. Allowing this additional level of coverage provides more comprehensive coverage against natural perils. However, this additional coverage may affect premium rates.

8. Section 10—FCIC proposes to revise section 10(b)(1) by removing the phrase ''fruit type and multiplying that result by your share'' and adding the phrase ''applicable commodity type, intended use, and age of trees.'' The term ''fruit type'' is proposed to be replaced with the terms ''commodity type'' and ''intended use'' because these are the categories in the actuarial documents that will replace type that are applicable to determining the amount of insurance for the unit. The phrase ''age of trees'' is proposed to be added because the amount of insurance may also be different based on the age of the trees. The phrase ''multiplying that result by your share'' is proposed to be removed because it is redundant. The definition of ''amount of insurance (per acre)'' already includes instructions to calculate the dollar amount of insurance by multiplying by your share.

FCIC proposes to revise sections 10(b)(2), (5), and (6) by removing the term ''fruit type'' and adding the terms ''commodity type'' and ''intended use'' in its place since these are the categories in the actuarial documents that will replace type that are applicable to determining a loss. The phrase ''age of trees'' is proposed to be added because the amount of insurance may be different based on the age of the trees.

FCIC proposes to revise the example in section 10(b) by removing the phrase ''citrus crop, fruit type'' and adding the phrase ''commodity type, intended use'' in its place to be consistent with the proposed changes in this section.

FCIC proposes to remove section 10(c) which pertains specifically to fruit insured as fresh that is damaged by freeze and is not harvested or could not be marketed. Section 10(c) is proposed to be removed because assessing 50 percent damage for freeze damaged fruit when the amount of actual damage is less than 50 percent can result in over-payment of the claim. Furthermore, while section 10(c) attempts to address the salvage value of fruit by using the amount of juice loss to determine a final percent of damage, it does not reflect the actual salvage value of the fruit because it does not account for price differences between fresh fruit and juice fruit for different ''citrus fruit commodities.''

FCIC proposes to add a new section 10(c) that pertains to fruit insured either as fresh or juice. The proposed section 10(c)(1) will contain the information from section 10(f), but will be revised to clarify that individual citrus fruit damaged due to an insurable cause that is on the ground and unmarketable is 100 percent damaged. The proposed section 10(c)(2) will contain the information from section 10(g), but will be revised to clarify individual fruit that is unmarketable because it is immature, unwholesome, decomposed, adulterated, or otherwise unfit for human consumption due to an insured cause will be considered as 100 percent damaged. FCIC proposes to remove sections 10(f) and (g) because section 10(c) is proposed to contain the same information. This change will improve the readability of the provisions.

FCIC proposes to remove section 10(d), which pertains specifically to fruit insured as fresh that is mechanically separated using the specific gravity (floatation) method into undamaged and freeze damaged fruit. Section 10(d) allows freeze damaged fruit eliminated using the specific gravity method to be considered as damaged production not to exceed 50 percent damage. Section 10(d) is proposed to be removed because it is no longer relevant. The floatation method is rarely used and many packing houses do not keep track of the actual number of fruit eliminated solely due to freeze damage.

FCIC proposes to redesignate section 10(e) as section 10(d). FCIC proposes to revise the newly redesignated section 10(d) by removing references specific to freeze damage so the provision will apply to all insured causes of loss. References to juice crops are proposed to be removed so the provision will apply to ''citrus fruit commodities'' insured as fresh and juice. The provision is proposed to be revised to state that any fruit that can be processed into products for human consumption will be considered marketable. FCIC proposes to remove the default juice contents and state that these will be found in the Special Provisions. Placing the default juice contents in the Special Provisions gives FCIC flexibility to add new default juice contents if new types are made insurable or if the current default juice contents need to be revised. The current method of determining the percent of damage by relating the juice content of the damaged fruit to either the average juice content of the fruit produced on the unit for the three previous crop years or the default juice content provided by FCIC if three years of acceptable juice records are not provided will be retained. However, for fruit insured as fresh, an additional adjustment will be made to increase the percent of damage based on a Fresh Fruit Factor located in the Special Provisions. The Fresh Fruit Factor will represent the difference between historical fresh fruit and juice values. These values will be obtained from the National Agricultural Statistics Service. The Fresh Fruit Factor will be derived by dividing the five-year average of juice prices by the five-year average of fresh prices and subtracting the result from one. When determining the loss the Fresh Fruit Factor will be multiplied by the result obtained by subtracting the percent of damage determined by relating the juice content to the default juice content from 100. This result would then be added to the percent of damage determined by relating the juice content to the default juice content. This proposed provision works by adjusting the percent of undamaged fruit to an amount that represents the salvage value of the juice. This proposed change is in response to an Office of the Inspector General audit that requires FCIC to account for the salvage value of fruit insured as fresh.

FCIC proposes to redesignate section 10(h) as section 10(e). FCIC proposes to revise the newly redesignated section 10(e) to make it applicable to fruit insured as fresh that do not have a default juice content or a Fresh Fruit Factor provided in the Special

Provisions. FCIC proposes to revise the provision to apply to all insurable causes of loss rather than limiting it to hail and wind since the freeze damage method is proposed to be removed. This provision is intended to provide a method for determining losses for fruit insured as fresh in which a salvage market does not exist.

List of Subjects in 7 CFR Part 457

Crop insurance, Florida citrus fruit, Reporting and recordkeeping requirements.

Proposed Rule

Accordingly, as set forth in the preamble, the Federal Crop Insurance Corporation proposes to amend 7 CFR part 457 effective for the 2014 and succeeding crop years as follows:

PART 457—COMMON CROP INSURANCE REGULATIONS

1. The authority citation for 7 CFR part 457 continues to read as follows:

Authority: 7 U.S.C. 1506(l), 1506(o).

2. Amend § 457.107 as follows:

a. Amend the introductory text by removing ''2009'' and adding ''2014'' in its place;

b. Amend section 1 by:

i. Revising the definitions of ''amount of insurance (per acre),'' ''citrus fruit crop,'' and ''excess wind'';

ii. Adding the definitions of ''citrus fruit group,'' ''commodity type,'' ''intended use,'' and ''unmarketable''; and

iii. Removing the definition of ''citrus fruit type (fruit type)'';

c. Amend section 2(a) by removing the phrase ''crop designated in the Special Provisions'' and add the phrase ''group designated within a citrus fruit commodity in the actuarial documents;

d. Revise section 3;

e. Amend section 6 by:

i. Revising paragraph (a);

ii. Amending paragraph (b)(1) by removing the term ''fruit type'' and adding the term ''commodity type'' in its place;

iii. Amending paragraph (b)(2) by removing the number ''30'' and adding the number ''15'' in its place;

iv. Revising paragraph (b)(3);

v. Revising paragraph (b)(6); and

vi. Adding a new paragraph (f);

f. Amend section 7 by:

i. Designating the undesignated introductory paragraph as section 7(a);

ii. Redesignating paragraphs (a), (b), and (c) as (a)(1), (2), and (3) respectively;

iii. Revising the redesignated paragraph (a)(1);

iv. Revising the redesignated paragraph (a)(2); and

v. Adding a new section 7(b);

g. Amend section 8 by:

i. Amending paragraph (a)(1) by removing the date of ''May 1'' and adding the date of ''April 16'' in its place;

ii. Amending paragraph (a)(1)(i) by removing the phrase ''for the fruit type'' and by removing the term ''grove'' and adding the term acreage in its place;

iii. Amending paragraph (a)(2)(i) by removing the phrase ''early and'';

iv. Amending paragraph (a)(2)(ii) by adding the phrase ''early oranges and'' after the phrase ''February 28 for'';

v. Amending paragraph (a)(2)(iv) by removing the comma after the term ''lemons'' and adding the term ''and'' before the term ''limes''; and

vi. Revising paragraph (b);

h. Amend section 9(a)(6) by removing the phrase '', but only if it causes the individual citrus fruit from Citrus IV, V, VII, and VIII to be unmarketable as fresh fruit'';

i. Amend section 10 by:

i. Revising paragraph (b)(1);

ii. Amending paragraph (b)(2) by removing the term ''fruit type'' and adding the phrase ''commodity type, intended use, and age of trees'' in its place;

iii. Amending paragraph (b)(3) by removing the parenthesis around the number ''10'';

iv. Amending paragraph (b)(4) by removing the parenthesis around the number ''10'' in the first sentence;

v. Amending paragraph (b)(5) by removing the parenthesis around the number ''10'' and by removing the term ''fruit type'' and adding the phrase ''commodity type, intended use, and age of trees'' in its place;

vi. Amending paragraph (b)(6) by removing the parenthesis around the number ''10'' and by removing the term ''fruit types'' and adding the phrase ''applicable commodity types, intended uses, and ages of trees'' in its place;

vii. Amending the example in paragraph (b) by removing the opening parenthesis at the beginning of the example and by removing the phrase ''citrus crop, fruit type,'' and adding the phrase ''commodity type, intended use,'' in its place;

viii. Removing paragraphs (c) and (d);

ix. Adding a new paragraph (c);

x. Redesignating paragraph (e) as (d) and revising the newly redesignated paragraph (d);

xi. Removing paragraph (f) and (g); and

xii. Redesignating paragraph (h) as (e) and revising the newly redesignated paragraph (e).

The revised and added text reads as follows:

§ 457.107 Florida citrus fruit crop insurance provisions.

* * * * *

1. Definitions

Amount of insurance (per acre). The dollar amount determined by multiplying the Reference Maximum Dollar Amount shown on the actuarial documents for each applicable commodity type, intended use, and age of trees within a citrus fruit commodity, times the coverage level percent that you elect, times your share.

* * * * *

Citrus fruit commodity. Citrus fruit as follows:

(1) Oranges;

(2) Grapefruit;

(3) Tangelos;

(4) Mandarins/Tangerines;

(5) Tangors;

(6) Lemons;

(7) Limes; and

(8) Any other citrus fruit commodity designated in the actuarial documents.

Citrus fruit group. A designation in the actuarial documents used to identify commodity types and intended uses within a citrus fruit commodity that may be grouped together for the purposes of electing coverage levels, establishing basic units, and assessing administrative fees.

Commodity type. A specific subgroup of a commodity having a characteristic or set of characteristics distinguishable from other subgroups of the same commodity.

Excess wind. A natural movement of air that has sustained speeds exceeding 58 miles per hour (50 knots) recorded at the U.S. National Weather Service (NWS) reporting station (reported as MAX SUST (KT)), the Florida Automated Weather Network (FAWN) reporting station (reported as 10m Wind (mph)), or any other weather reporting station identified in the Special Provisions operating nearest to the insured acreage at the time of damage.

* * * * *

Intended use. The producer's expected end use or disposition of the commodity at the time the commodity is reported.

* * * * *

Unmarketable. Citrus fruit that cannot be processed into products for human consumption.

* * * * *

3. Insurance Guarantees, Coverage Levels, and Prices for Determining Indemnities

In addition to the requirements of section 3 of the Basic Provisions:

(a) You may select only one coverage level for each citrus fruit group designated within a citrus fruit

commodity in the actuarial documents that you elect to insure. If different amounts of insurance are available for commodity types within a citrus fruit group, you must select the same coverage level for each commodity type. For example, if you choose the 75 percent coverage level for one commodity type, you must also choose the 75 percent coverage level for all other commodity types within that citrus fruit group.

(b) The production reporting requirements contained in section 3 of the Basic Provisions are not applicable.

(c) You must report, by the acreage reporting date designated in the actuarial documents:

(1) Any event or action that could reduce the yield per acre of the insured citrus fruit commodity (including interplanted trees, removal of trees, any damage, change in practices, or any other circumstance that may reduce the productive capacity of the trees) and the number of affected acres;

(2) The number of trees on insurable and uninsurable acreage;

(3) The age of the trees and the planting pattern; and

(4) Any other information we request in order to establish your amount of insurance.

(d) We will reduce insurable acreage or the amount of insurance or both, as necessary:

(1) Based on our estimate of the effect of the interplanted trees on the insured commodity type;

(2) Following a decrease in plant stand;

(3) If cultural practices are performed that may reduce the productive capacity of the trees;

(4) If disease or damage occurs to the trees that may reduce the productive capacity of the trees; or

(5) Any other circumstance that may reduce the productive capacity of the trees or that may reduce the yield per acre from previous levels.

(e) If you fail to notify us of any circumstance that may reduce the productive capacity of the trees or that may reduce the yield per acre from previous levels, we will reduce the acreage or amount of insurance or both as necessary any time we become aware of the circumstance.

(f) For carryover policies:

(1) Any changes to your coverage must be requested on or before the sales closing date;

(2) Requested changes will take effect on April 16, the first day of the crop year, unless we reject the requested increase based on our inspection, or because a loss occurs on or before April 15 (Rejection can occur at any time we discover loss has occurred on or before April 15); and

(3) If the increase is rejected, coverage will remain at the same level as the previous crop year.

* * * * *

6. Insured Crop.

(a) In accordance with section 8 of the Basic Provisions, the insured crop will be all acreage of each citrus fruit group designated within a citrus fruit commodity in the actuarial documents that you elect to insure, in which you have a share, that is grown in the county shown on the application, and for which a premium rate is quoted in the actuarial documents.

(b) * * *

* * * * *

(3) Of ''Meyer Lemons'' and oranges commonly known as ''Sour Oranges,'' ''Clementines,'' or ''Ambersweet'';

* * * * *

(6) Of any commodity type not specified as insurable in the Special Provisions.

* * * * *

(f) For citrus fruit in which fresh fruit coverage is available as designated in the actuarial documents, management records must be available upon request to verify good fresh citrus fruit production practices were followed from the beginning of bloom stage until harvest. In addition, unless otherwise provided in the Special Provisions acceptable fresh fruit sales records must be provided upon request from at least one of the previous three crop years; or for fresh fruit acreage new to the operation or for acreage in the initial year of fresh fruit production, a current year fresh fruit marketing contract must be provided to us upon request.

7. Insurable Acreage.

(a) * * *

(1) Citrus fruit from trees interplanted with another commodity type or another commodity is insurable unless we inspect the acreage and determine it does not meet the requirements contained in your policy.

(2) If the citrus fruit is from trees interplanted with another commodity type or another commodity, acreage will be prorated according to the percentage of the acres occupied by each of the interplanted commodity types or commodities. For example, if grapefruit have been interplanted with oranges on 100 acres and the grapefruit trees are on 50 percent of the acreage, grapefruit will be considered planted on 50 acres and oranges will be considered planted on 50 acres.

* * * * *

(b) In addition to section 9 of the Basic Provisions, any acreage of citrus fruit that has been abandoned and has not subsequently undergone remediation necessary to produce the amount and quality of production needed to achieve the applicable Reference Maximum Dollar Amount prior to insurance attaching is not insurable.

8. Insurance Period.

* * * * *

(b) In addition to the provisions of section 11 of the Basic Provisions:

(1) Acreage acquired after the acreage reporting date for the crop year is not insurable unless a transfer of coverage and right to indemnity is executed in accordance with section 28 of the Basic Provisions.

(2) If you relinquish your insurable share on any insurable acreage of citrus fruit on or before the acreage reporting date of the crop year, insurance will not attach, no premium will be due, and no indemnity payable, for such acreage for that crop year.

* * * * *

10. Settlement of Claim.

* * * * *

(b) * * *

(1) Calculating the amount of insurance for the unit by multiplying the number of acres by the respective dollar amount of insurance per acre for each applicable commodity type, intended use, and age of trees in the unit.

* * * * *

(c) Any individual citrus fruit that, due to an insured cause of loss, is unmarketable because it is:

(1) On the ground will be considered 100 percent damaged; or

(2) Immature, unwholesome, decomposed, adulterated, or otherwise unfit for human consumption will be considered as 100 percent damaged.

(d) In addition to section 10(c), any citrus fruit that can be processed into products for human consumption will be considered marketable. The percent of damage for the marketable citrus fruit will be determined by:

(1) Relating the juice content of the damaged fruit to:

(i) The average juice content of the fruit produced on the unit for the three previous crop years based on your records, if they are acceptable to us; or

(ii) The default juice content provided in the Special Provisions, if at least three years of acceptable juice records are not furnished or the citrus fruit is insured as fresh;

(2) For citrus fruit insured as fresh, the final percent of damage for the marketable citrus fruit will be determined by:

(i) Subtracting the result of section 10(d)(1)(ii) from 100;

(ii) Multiplying the result of section 10(d)(2)(i) by the applicable Fresh Fruit Factor located in the Special Provisions; and

(iii) Adding the result of section 10(d)(2)(ii) to the result of section 10(d)(1)(ii).

(e) Notwithstanding section 10(d), for citrus fruit insured as fresh that do not have a default juice content or a Fresh Fruit Factor provided in the Special Provisions, any individual citrus fruit not meeting the United States standards for packing as fresh fruit due to an insured cause of loss, will be considered 100 percent damaged.

* * * * *

Signed in Washington, DC, on July 10, 2012.

William J. Murphy,

Manager, Federal Crop Insurance Corporation.

[FR Doc. 2012–17235 Filed 7–13–12; 8:45 am]

BILLING CODE 3410–08–P

DEPARTMENT OF AGRICULTURE

Animal and Plant Health Inspection Service

9 CFR Parts 1 and 2

[Docket No. APHIS–2011–0003]

RIN 0579–AC36

Animal Welfare; Retail Pet Stores and Licensing Exemptions

AGENCY: Animal and Plant Health Inspection Service, USDA.

ACTION: Proposed rule; extension of comment period.

SUMMARY: We are extending the comment period for our proposed rule that would revise the definition of *retail pet store* and related regulations to bring more pet animals sold at retail under the protection of the Animal Welfare Act (AWA). We are also announcing the availability of a revised factsheet regarding our proposal. These actions will allow interested persons additional time to prepare and submit comments.

DATES: We will consider all comments that we receive on or before August 15, 2012.

ADDRESSES: You may submit comments by either of the following methods:

- *Federal eRulemaking Portal:* Go to *http://www.regulations.gov/#!documentDetail;D=APHIS-2011-0003.*
- *Postal Mail/Commercial Delivery:* Send your comment to Docket No. APHIS–2011–0003, Regulatory Analysis and Development, PPD, APHIS, Station 3A–03.8, 4700 River Road Unit 118, Riverdale, MD 20737–1238.

Supporting documents and any comments we receive on this docket may be viewed at *http://www.regulations.gov/#!docketDetail;D=APHIS-2011-0003* or in our reading room, which is located in room 1141 of the USDA South Building, 14th Street and Independence Avenue SW., Washington, DC. Normal reading room hours are 8 a.m. to 4:30 p.m., Monday through Friday, except holidays. To be sure someone is there to help you, please call (202) 799–7039 before coming.

FOR FURTHER INFORMATION CONTACT: Dr. Gerald Rushin, Veterinary Medical Officer, Animal Care, APHIS, 4700 River Road Unit 84, Riverdale, MD 20737–1231; (301) 851–3740.

SUPPLEMENTARY INFORMATION:

Background

On May 16, 2012, we published in the **Federal Register** (77 FR 28799–28805, Docket No. APHIS–2011–0003) a proposal to revise the definition of *retail pet store* and related regulations to bring more pet animals sold at retail under the protection of the Animal Welfare Act (AWA).

''Retail pet stores'' are not required to obtain a license under the AWA or comply with the AWA regulations and standards. Currently, anyone selling, at retail, the following animals for use as pets are considered retail pet stores: Dogs, cats, rabbits, guinea pigs, hamsters, gerbils, rats, mice, gophers, chinchilla, domestic ferrets, domestic farm animals, birds, and cold-blooded species.

Under the proposed rule, ''retail pet store'' status would not apply to such retailers if buyers do not physically enter the seller's place of business or residence in order to personally observe the animals available for sale prior to purchase and/or to take custody of the animals after purchase. Unless otherwise exempt under the regulations, these entities would be required to obtain a license from APHIS and would become subject to the requirements of the AWA. The proposed rule would exempt from regulation anyone who sells or negotiates the sale or purchase of any animal, except wild or exotic animals, dogs, or cats, and who derives no more than $500 gross income from the sale of such animals. In addition, the proposed rule would increase from three to four the number of breeding female dogs, cats, and/or small exotic or wild mammals that a person may maintain on his or her premises and be exempt from licensing and inspection if he or she sells only the offspring of those animals born and raised on his or her premises for use as pets or exhibition, regardless of whether those animals are sold at retail or wholesale.

Comments on the proposed rule were required to be received on or before July 16, 2012. We are extending the comment period on Docket No. APHIS–2011–0003 for an additional 30 days. This action will allow interested persons additional time to prepare and submit comments.

We are also announcing the availability of a revised factsheet to clarify our proposed actions. The revised factsheet is available on the Web at *http://www.aphis.usda.gov/publications/animal_welfare/2012/retail_pets_faq.pdf.*

Authority: 7 U.S.C. 2131–2159; 7 CFR 2.22, 2.80, and 371.7.

Done in Washington, DC, this 11th day of July 2012.

Edward Avalos,

Under Secretary for Marketing and Regulatory Programs.

[FR Doc. 2012–17283 Filed 7–13–12; 8:45 am]

BILLING CODE 3410–34–P

DEPARTMENT OF LABOR

Employee Benefits Security Administration

29 CFR Part 2550

RIN 1210–AB54

Amendment Relating to Reasonable Contract or Arrangement Under Section 408(b)(2)—Fee Disclosure/Web Page

AGENCY: Employee Benefits Security Administration, Labor.

ACTION: Proposed rule.

SUMMARY: This proposed rule is a companion to the Department of Labor (Department) Employee Benefits Security Administration's direct final rule (published today in the ''Rules and Regulations'' section of the **Federal Register**) amending the Department's fiduciary-level fee disclosure regulation under section 408(b)(2) of the Employee Retirement Income Security Act of 1974 (ERISA) to revise the mailing address and enhance the web-based submission procedure for notices filed under the regulation's fiduciary class exemption provision.

The Department is publishing this amendment as a direct final rule without prior proposal because the Department views this as highly technical and anticipates no significant adverse comment. The Department has explained its reasons in the preamble to