Program payments or any other person who furnishes such information to the U.S. Department of Agriculture (USDA) must permit authorized representatives of USDA or the Government Accountability Office, during regular business hours, to enter the operation and to inspect, examine, and allow representatives to make copies of books, records, or other items for the purpose of confirming the accuracy of the information provided by the participant.

(b) If an ASCF Program payment resulted from erroneous information provided by a participant, or any person acting on their behalf, the payment will be recalculated and the participant must refund any excess payment to FSA with interest calculated from the date of the disbursement of the payment. If FSA determines that the applicant intentionally misrepresented information included on their application, the application will be disapproved and the applicant must refund the full payment to FSA with interest from the date of disbursement.

(c) Any payment under this subpart will be made without regard to questions of title under State law and without regard to any claim or lien. The regulations governing offsets in 7 CFR part 3 apply to ASCF Program payments.

(d) In either applying for or participating in the ASCF Program, or both, the applicant is subject to laws against perjury (including, but not limited to, 18 U.S.C. 1621). If the applicant willfully makes and represents as true any verbal or written declaration, certification, statement, or verification that the applicant knows or believes not to be true, in the course of either applying for or participating in the ASCF Program, or both, then the applicant may be found to be guilty of perjury. Except as otherwise provided by law, if guilty of perjury the applicant may be fined, imprisoned for not more than 5 years, or both, regardless of whether the applicant makes such verbal or written declaration, certification, statement, or verification within or outside the United States.

(e) For the purposes of the effect of a lien on eligibility for Federal programs (28 U.S.C. 3201(e)), USDA waives the restriction on receipt of funds under this subpart but only as to beneficiaries who, as a condition of the waiver, agree to apply ASCF Program payments to reduce the amount of the judgment lien.

(f) In addition to any other Federal laws that apply to the ASCF Program, the following laws apply: 18 U.S.C. 286, 287, 371, and 1001.

William Beam,

Executive Vice President, Commodity Credit Corporation.

[FR Doc. 2026–10930 Filed 5–29–26; 8:45 am]

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DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

9 CFR Part 201

[Doc. No. AMS–FTPP–22–0046]

RIN 0581–AE54

Poultry Grower Payment Systems and Capital Improvement Systems; Delay of Effective Date

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Final rule; delay of effective date.

SUMMARY: The Agricultural Marketing Service (AMS or the Agency) is delaying the effective date of the ''Poultry Grower Payment Systems and Capital Improvement Systems'' final rule (Payment Systems rule or final rule), which was published in the **Federal Register** on January 16, 2025, to allow time for further consideration of actions that may be taken regarding the disposition of the rule. The current effective date of the Payment Systems rule is July 1, 2026. With this action, AMS is delaying the effective date to December 31, 2027.

DATES: As of July 1, 2026, the effective date of the final rule published January 16, 2025 (90 FR 5146) is delayed until December 31, 2027.

FOR FURTHER INFORMATION CONTACT: Jeana Harbison, Acting Director, Packers and Stockyards Division, USDA, AMS, Fair Trade Practices Program, 1400 Independence Ave. SW, Washington, DC 20250; telephone: 202–720–7051; email: *PSDWashingtonDC@usda.gov.*

SUPPLEMENTARY INFORMATION:

A. Background and Basis for Delay

On January 16, 2025, AMS published the final rule, ''Poultry Grower Payment Systems and Capital Improvement Systems'' (Payment Systems rule or final rule) (90 FR 5146, January 16, 2025), to amend 9 CFR part 201 of its regulations under the Packers and Stockyards Act (P&S Act) (7 U.S.C. 181 *et seq.*). The final rule was promulgated in support of Executive Order 14036 (86 FR 36987, July 14, 2021), which Executive Order 14337 revoked on August 13, 2025 (90 FR 40227, August 19, 2025).

The Payment Systems rule addresses the relationship between live poultry dealers (LPDs) and the poultry growers under contract with them. The rule: (1) prohibits LPDs from reducing a grower's compensation based on the grower's ranking under a poultry grower ranking system (9 CFR 201.106); (2) establishes a presumptive violation of the P&S Act by LPDs when aggregate gross annual payments based upon a grower's ranking under a poultry grower ranking system exceeds a certain threshold (§ 201.106); (3) holds LPDs to a duty of fair comparison when designing and operating their poultry grower ranking system and requires documentation of compliance with that duty (§ 201.110); and (4) requires LPDs to provide certain disclosures when requesting or requiring that broiler growers make additional capital investments (§ 201.112).

At the time of publication, AMS estimated that the Payment Systems rule would result in significant costs to both LPDs and poultry growers with no quantifiable benefits.[1] AMS acknowledged it could not rule out the possibility of increased compliance costs, fewer growers participating in the market, and/or reduced production efficiencies, all of which could lead to higher consumer prices.[2]

In the explanatory statement accompanying the Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act, 2026 (Pub. L. 119–37),[3] Congress encouraged the Department to delay implementation of the final rule.[4]

On March 18, 2026, AMS published a proposed rule, ''Poultry Grower Payment Systems and Capital Improvement Systems; Delay of Effective Date'' (the Proposed Delay), proposing to delay the effective date of

[1] *See* ''Poultry Grower Payment Systems and Capital Improvement Systems,'' 90 FR 5146, 5196, 5201, January 16, 2025.

[2] *See id.* at 5198–9.

[3] Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act, 2026, Public Law 119–37, 139 Stat. 495 (November 12, 2025).

[4] 171 Cong. Rec. S8047 (daily ed. November 9, 2025) (Explanatory Statement Submitted by Ms. Collins, Chair of the Senate Committee on Appropriations, Regarding H.R. 5371, the Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act, 2026) (''The agreement encourages the Department to delay implementation of the final rule entitled 'Poultry Grower Payment Systems and Capital Improvement Systems', published by the Department of Agriculture in the **Federal Register** on January 16, 2025 (90 FR 5146 *et seq.*).'')

the Payment Systems rule to December 31, 2027, to allow time for further consideration of actions that may be taken regarding the disposition of the rule (91 FR 12936).

AMS received more than 2,800 comments in response. Commenters included growers, advocacy groups, industry, members of Congress, and the general public. After consideration of the comments submitted, AMS is finalizing the Proposed Delay without change. AMS is doing so in alignment with Congressional direction, and due to the significant estimated costs and the policy and legal issues commenters have identified with the Payment Systems rule. AMS believes delaying the effective date of the rule to December 31, 2027, will allow for thorough consideration of these matters as it deliberates actions that may be taken regarding the disposition of the rule. AMS provides its analysis and response to the comments received in section B of this document.

B. Discussion of Comments

a. Overview of Comments Received

AMS received more than 2,800 comments from farmer associations, poultry and meat industry trade associations, integrated live poultry dealers, non-integrated poultry dealers, poultry growers, farm advocacy organizations, and members of the general public. About 2,700 comments opposed the Proposed Delay, about a dozen supported it, and the remainder of the comments were outside the scope of the Proposed Delay. There were approximately 225 unique comments, meaning a comment that was not replicated by any other comments, and approximately 2,600 form letter comments. Supporters of the Proposed Delay included one large poultry integrator, two meat and poultry trade associations, and several individuals affiliated with non-integrated poultry companies that do not have control over all their inputs. Various poultry growers and grower organizations opposed this proposal.

b. Arguments That Further Delay Is Appropriate

Commenters supporting the delay suggested the delay is necessary to provide clarity to the industry, including contract growers, and to avoid the costs AMS identified in the Payment Systems rule. These commenters also advised that the delay was appropriate to further evaluate the Payment Systems rule's consistency with the P&S Act and its potential to cause significant harm to growers, processors, and American consumers. Further, supportive commenters noted the delay is consistent with Congressional intent citing the explanatory statement in the USDA appropriations bill. Finally, a few commenters recommended the rule undergo further analysis to better assess the impacts for LPDs operating without the benefit of vertical integration.

AMS Response: AMS appreciates the comments in support of the delay and agrees with the commenters. AMS believes delaying the rule is appropriate to avoid near-term implementation costs as the agency further evaluates the rule's financial and operational impacts, particularly in relation to consumer prices. AMS also acknowledges the final rule was primarily designed to address concerns related to integrated production. AMS will consider the impacts for LPDs operating without the benefit of vertical integration in addition to other identified legal and policy concerns as it deliberates actions that may be taken regarding the disposition of the rule.

c. Arguments That Further Delay Is Unnecessary and Harmful

The largest group of comments stated enough time has passed for consideration of the Payment Systems rule and that it should be implemented as planned. Commenters asserted AMS fully considered the costs and benefits of the final rule when it was published and did not provide any new evidence to justify its Proposed Delay. Other commenters noted both growers and LPDs have been preparing for the rule to take effect and further regulatory uncertainty would cause economic harm. More poultry farmers would be harmed by unfair practices under the currently prevailing poultry tournament compensation schemes and go out of business during the 18-month delay due to inadequate or unpredictable compensation than would be the case if the rule becomes effective as originally scheduled. One comment said the justification for delaying the effective date was unclear because a delay is unlikely to improve USDA's understanding of the rule's economic impact. Poultry contracts vary across regions, and to accurately understand the rule's impact on growers would require that USDA contact growers directly. Doing so is next to impossible given growers' concerns about retaliation from LPDs.

AMS Response: AMS appreciates the comments in support of the implementation of the Payment Systems rule and understands the concerns regarding delayed implementation. However, AMS is making no changes in response to these comments. It is AMS' view that the delay of effective date aligns with Congressional direction and is warranted due to the significant estimated costs and the policy and legal issues commenters have identified with the Payment Systems rule. AMS believes delaying the effective date of the rule to December 31, 2027, will allow further consideration of these matters as it deliberates actions that may be taken regarding the disposition of the rule. In the meantime, AMS will continue to utilize its robust enforcement authority to investigate any allegations of unfair practices.

d. Arguments Against the Need for Further Analysis

Approximately 2,700 comments argued that there is no need to delay the Payment Systems rule's effective date to allow time for further analysis of the costs of the rule. Of these, about 2,600 were form letter comments. These commenters cited the consent decree in *United States* v. *Cargill Meat Solutions Corp.*,[5] which required limits on performance pay and the elimination of base pay reductions in its contracts with poultry growers, as evidence that the Payment Systems rule would enforce transparency and fairness under the P&S Act.

One comment asserted that one of AMS' primary justifications for delaying the rule—uncertainty around the rule's provisions on grower incentives—did not accurately reflect the research on this topic. The commenter cited economic literature[6] and indicated that AMS inaccurately characterized the lack of economic research addressing how grower incentives could change in the absence of performance discounts.

AMS Response: AMS appreciates the comments against the need for further analysis. However, AMS disagrees. While the cited consent decree contains provisions similar to § 201.106 of the Payment Systems rule, it does not

[5] United States v. Cargill Meat Solutions Corp., 1:22–cv–1821–SAG (D. Md. June 5, 2023).

[6] The comment cited the following articles: Wang, Zhen and Tomislav Vukina. (2017) ''Welfare Effects of Payment Truncation in Piece Rate Tournaments'' *Journal of Economics* Vol. 120: 219–249; Tsoulouhas, Theofanis and Vukina Tomislav. (2001) ''Regulating Broiler Contracts: Tournaments Versus Fixed Performance Standards'' *American Journal of Agricultural Economics* Vol. 83: 1062–1073; Knoeber, C.R. and Thurman, W.N. (1995), '' 'Don't Count Your Chickens. . .'': Risk and Risk Shifting in the Broiler Industry'' *American Journal of Agricultural Economics,* 77: 486–496; Vukina, Tomislav and William E. Foster, (1996) ''Efficiency Gains in Broiler Production Through Contract Parameter Fine Tuning'' *Poultry Science* Vol. 11: 1351–1358; Lazear, Edward P. and Sherwin Rosen. (1981) ''Rank Order Tournaments as Optimum Labor Contracts'' *Journal of Political Economy* Vol. 89: 841–864.

include provisions analogous to §§ 201.110 or 201.112. Additionally, AMS believes it is important to review these complex requirements on an industry-wide basis rather than within the confines of the operation of one LPD.

AMS disagrees with the commenter's assertion that AMS inaccurately assessed public research. The research the commenter cited is relevant to poultry tournaments and broiler contracts but the research does not specifically address how growers' incentives might change if performance discounts were not part of the tournament and if variability in performance payments were limited—both of which are changes to tournament systems under the Payment Systems rule. Further, these comments are outside the scope of the delay of the effective date of the Payment Systems Rule and speak to the substance of the rule. While the current rulemaking is limited to the delay of Payment Systems rule, AMS appreciates the comments regarding the merits of the underlying rule and believes the diversity of views underscore the need for additional consideration. The agency will consider these comments as it deliberates actions that may be taken regarding the disposition of the rule.

e. Critiques of the Proposed Delay's Benefit-Cost Analysis

Comment: Commenters also argued that the Proposed Delay's benefit-cost analysis is flawed, criticizing how AMS used an assessment of the Payment Systems rule's costs and benefits to justify delaying the effective date. These commenters stated the costs are overestimated and that any claimed savings accruing to LPDs in the first year of the delay would come at the expense of the many unquantified benefits growers would gain from the final rule becoming effective as scheduled. Commenters provided examples of what they deemed were unquantified benefits, including increased certainty of minimum compensation outcomes, improved financial planning and ability to manage financial risk, reduced potential for deception and unfairness, and reduced information asymmetry that would contribute to more efficient investment and resource allocation decisions. With poultry industry sales in excess of $45 billion annually, commenters asserted the costs outlined by AMS are insignificant. When one compares the direct, quantified costs against the significant, unquantified benefits the rule would provide to poultry growers, it appears AMS is ignoring growers' concerns in favor of poultry integrators' interests.

Another commenter argued the Proposed Delay assigns significantly more quantified benefits to LPDs and ignores the qualitative benefits the Payment Systems final rule would provide to growers.

AMS Response: The benefit-cost analysis in the Proposed Delay is based on the benefit-cost analysis in the Payment Systems rule. AMS applied all of the same methods, but for quantified estimates, AMS made use of updated data. Updated wage data from the Department of Labor accounts for most of the differences. As explained further in the benefit-cost analysis of this final rule, AMS also removed certain one-time set-up costs. AMS acknowledges that quantified costs associated with delaying implementation of the Payment Systems rule are significantly less than overall industry revenues, but believes that is only one of a multitude of factors for consideration as is it deliberates actions that may be taken regarding the disposition of the rule. AMS disagrees that it has ignored grower concerns in favor of the interests of LPDs. As evident in the benefit-cost analysis in this final rule, AMS has accounted for the costs and benefits to both segments of the industry. As mentioned previously, AMS is committed to using its robust enforcement authority to investigate any grower allegations of unfair practices during the delay period.

Comment: A few commenters objected to the fact that the Proposed Delay's benefit-cost analysis assigned a cost to each contract poultry grower for review of new contracts and disclosures, even though growers would directly benefit from this activity. Several commenters stated that the time growers would spend reading these documents should not be considered a cost; however, if this time is going to be considered a cost, assuming every grower will do so is an exaggeration of this cost component because the rule does not require growers to read the documents.

AMS Response: AMS estimates some growers will spend more than the average amount of time reading contracts and disclosures. AMS also acknowledges some will spend less time, and some may not read them at all. For the benefit-cost analysis, AMS used its best estimate of the average time expected to be spent for this purpose.

The time growers spend reading the new contracts and disclosures is a cost because it is time they must invest to understand the new requirements even if they ultimately benefit from reading the documents. Time has an opportunity cost, and any hour spent reviewing materials is an hour that cannot be used for farm operations, other productive activities, or off-farm work. And while growers are not required to read every document, AMS expects that many will review the materials because they are directly affected by the rule and need to understand the changes.

Comment: A commenter asserted that AMS did not properly consider the substantial benefits of the Payment Systems rule and the significant harm a delay would cause to both growers and LPDs, undermining benefit-cost concerns; instead, AMS focused only on the implementation and compliance costs.

One commenter argued that AMS overstated the burden on LPDs by assuming each LPD would need to provide an average of 477 prior contracts and disclosure documents in years two through four. They noted these materials would only be required if a complex's average grower payment declined from the previous year, and because grower payments would not decrease at many complexes, these submissions would not always be necessary. The commenter also mentioned that in the Payment Systems rule, AMS explained that the recordkeeping and documentation requirements in the proposed rule were simplified for the final rule. However, in the final rule the agency did not reduce the cost estimate for these requirements because the precise amount of time savings would be difficult to estimate and AMS wanted to avoid underestimating costs (90 FR 5215).

AMS Response: In the regulatory analysis for the Payment Systems rule, AMS explained how it arrived at this estimate. AMS also noted that it does not have sufficient data to predict which complexes would experience a decline in average grower payments from the previous year. Because of that uncertainty, the estimate represents an upper bound scenario. As the analysis in the Payment Systems rule explains, this likely overstates the burden, since many complexes may not experience a year-to-year decline and therefore would not need to submit these materials. AMS used this conservative estimate in this final rule and the analysis in the Payment Systems rule to make sure the analysis captured the full potential burden during the transition period. For this final rule, AMS estimates that the public burden for this information collection would total approximately $1,572,000 in years two

through four representing the maximum amount that AMS could have overestimated costs to growers.

f. Comments Regarding Congressional Direction

Several comments disagreed with AMS' assertation that the Proposed Delay aligns with Congressional direction. They argued that because this provision was part of the explanatory statement included in the Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act, 2026 (Pub. L. 119–37), it does not have the force of law.

AMS Response: Several members of Congress submitted a letter to the Secretary supporting the delay in implementation of the Payment Systems final rule on behalf of their constituents, noting the delay is consistent with the Congressional direction in the explanatory statement. Conversely, AMS also acknowledges that one member of the Senate submitted a comment opposing the delay. Nevertheless, it is typical AMS practice to consider and, to the extent practicable, abide by Congressional directives provided in explanatory statements and committee reports accompanying authorizing and appropriating statutes. This rulemaking aligns with that practice.

g. Arguments That the Proposed Delay Violates the APA

One comment claimed AMS violated the Administrative Procedure Act by: (1) failing to provide new evidence supporting the delay; and (2) substantively revising the final rule to extend the compliance date; this can only be done with a more detailed justification. A commenter also asserted AMS failed to provide a meaningful opportunity to comment on the Proposed Delay by limiting the scope of comments to costs and benefits.

AMS Response: AMS disagrees. AMS included its justification in the Proposed Delay, explaining that the agency would require additional time to consider the policy and legal implications of the Payment Systems rule, especially in light of the rule's significant cost and the latest Congressional direction. 91 FR 12936.

Additionally, the agency did not limit the scope of comments to just those related to costs and benefits. While the agency specifically invited comments and data concerning the benefits and costs of delaying the effective date of the Payment Systems rule (91 FR 12937), the agency also generally solicited public comments on its overall proposal and supporting justifications to delay the effective date of the final rule to December 31, 2027 (91 FR 12936). The agency received substantive comments and considered them in this determination to delay this rule's implementation.

h. Comments Outside the Scope of This Rulemaking

AMS received approximately 125 comments in support of the Payment System rule and against the Proposed Delay of effective date that addressed issues beyond the delay of effective date and went to the substance of the Payment Systems rule. While the current rulemaking is limited to the delay of Payment Systems rule, AMS appreciates the comments regarding the merits of the underlying rule and believes the diversity of views underscore the need for additional consideration. The agency will consider these comments as it deliberates actions that may be taken regarding the disposition of the rule.

C. Conclusion

After consideration of all comments received, AMS has decided to delay the effective date of the final rule until December 31, 2027.

D. Executive Order 12866

This rule has been determined to be ''significant'' under E.O. 12866, as supplemented by Executive Orders 13563 and 14192, and, therefore, has been accordingly reviewed by the Office of Management and Budget (OMB). As a required part of the regulatory process, AMS prepared an economic analysis of the costs and benefits of delaying the effective date of §§ 201.106, 110, 112, and 290 to December 31, 2027.

AMS will delay the effective date of the Payment Systems rule. The Payment Systems rule created four specific provisions including: § 201.106 regarding LPD responsibilities for the design of broiler grower compensation arrangements; § 201.110 regarding the fair operation of broiler grower ranking systems; § 201.112 regarding disclosure requirements for LPDs when requesting additional capital investments from broiler growers; and § 201.290 regarding severability.

Reason for the Final Rule

AMS will delay the effective day of the Payment Systems rule to allow for thorough consideration of estimated costs and the policy and legal issues associated with the final rule.

When AMS finalized the Payment Systems rule, AMS explained there was uncertainty as to whether the benefits would outweigh the costs.[7] One factor that was difficult to determine was whether the provision that prevents LPDs from applying performance discounts (§ 201.106(a)) and the provision capping variation in performance premiums (§ 201.106(b)) would impact grower incentives. Research indicates growers tend to raise broilers more efficiently with tournament contracts than with other forms of contracts or when LPDs raise broilers in their own facilities.[8] While there is existing literature on broiler tournaments and grower incentives, there is very little literature specifically addressing how growers' incentives might change if performance discounts were not part of the tournament and variability in performance payments were limited as the Payments Systems rule requires. LPDs annually spend tens of billions feeding broilers. If changes to tournament contracts due to the Payment Systems rule's amendments result in even very small decreases in feed efficiency, costs from implementation of the amendments could be considerably larger than the value of the benefits to growers due to reduced variability in compensation. Delaying the effective date will allow AMS to consider policy options with less risk of negative effects on public welfare.

Benefit-Cost Analysis

AMS prepared an economic analysis of the costs and benefits of delaying the effective date of §§ 201.106, 110, 112, and 290. AMS estimated cost and benefits associated with the Payment Systems rule when it was made final in 2025. AMS provided quantitative estimates of direct administrative costs associated with the Payment Systems rule and qualitative descriptions of indirect costs and benefits. This analysis follows the same analytical approach used in the final rule.

The updated estimates incorporate the latest industry parameters and wage rates while maintaining consistency with the methodology used. Hourly wage rates were established using the following Bureau of Labor Statistics (BLS) classifications for each labor category as follows (NAICS Code–OCC code–OCC Title): Management (3116–

[7] *See* ''Poultry Grower Payment Systems and Capital Improvement Systems,'' 90 FR 5202, January 16, 2025.

[8] Knoeber, Charles R. and Walter N. Thurman. ''Testing the Theory of Tournaments: An Empirical Analysis of Broiler Production.'' *Journal of Labor Economics* 12 (April 1994). Levy, Armando and Tomislav Vukina. ''The League Composition Effect in Tournaments with Heterogeneous Players: An Empirical Analysis of Broiler Contracts.'' *Journal of Labor Economics* 22 (2004).

11–1020—General and Operations Managers) for live poultry dealers' managers, and Legal (3110–23–1011–Lawyers) for attorneys.[9] The average hourly wage rates used to estimate cost savings were updated from the final rule to include a 42.34 percent markup for benefits and are as follows: Management—$102.56, Legal—$145.93, Administrative—$48.38, and Information Technology—$101.72. For reference, the analysis in the final rule is described in detail in the **Federal Register** at 90 FR 5146 (see pages 5189–5206).[10]

AMS expects that LPDs will incur $4.9 million in ongoing administrative costs for each of the first four years after the Payment Systems rule becomes effective and $4.1 million annually thereafter. Poultry growers will have approximately $249,000 in ongoing quantified administrative costs each year. Total ongoing administrative costs will be $5.2 million for each of the first four years and $4.3 million each year thereafter.

Regulatory Alternatives Considered

AMS considered three alternatives to the final rule's delay of §§ 201.106, 110, 112, and 290. The first alternative is the ''do nothing'' approach or maintaining the *status quo.* All regulations under the Packers and Stockyards Act will remain unchanged; that is, the Payment Systems final rule will become effective on July 1, 2026. This first alternative forms the baseline against which AMS compares the other alternatives.

The second alternative is this final rule. AMS will delay the effective date of the Payment Systems rule for 18 months. The Payment Systems rule will become effective on December 31, 2027, rather than July 1, 2026.

AMS considered a third alternative, the 12-Month Delay alternative, which is similar to the preferred alternative, but will delay the effective date of §§ 201.106, 110, 112, and 290 by 12 months (July 1, 2027) instead of 18 months (December 31, 2027).

Direct Quantified Benefits of the Final 18-Month Delay of §§ 201.106, 110, 112, and 290—Preferred Alternative

With the final rule's 18-month delay of the Poultry Systems rule, much of the first-year costs in the final rule that AMS considered are one-time setup and preparation activities that processors and growers incurred before the rule became effective. AMS believes many of these costs have likely already occurred, and therefore they are not affected by the delay. The delay will affect recurring costs. The delay will save live poultry growers and LPDs administrative costs associated with the ongoing administrative costs that will otherwise occur in the first 18 months after the Payment Systems final rule becomes effective.

Delaying the effective date for 18 months will shift all costs for both LPDs and growers back by 18 months. This final rule will enable LPDs to save $4.9 million and poultry growers to save $249,000 in administrative costs for a total of $5.2 million in the first year. They will save an additional $2.5 million and $125,000, respectively, in the second year for a total of $7.7 million. Administrative costs for LPDs were expected to decrease by $800,000 in the fifth year after the Payment Systems final rule became effective. With the effective date delayed by 18 months, the decrease in costs will be delayed as well. Costs will be $800,000 higher in the fifth year and $400,000 in the sixth year for LPDs. This will result in ten-year total cost savings of $6.1 million for LPDs and $374,000 for poultry growers; a combined savings of $6.5 million. Table 1 below summarizes cost savings to poultry growers and LPDs of delaying the effective date of the Payment Systems rule until December 31, 2027.

TABLE 1—QUANTIFIED BENEFITS FROM SAVINGS IN ADMINISTRATIVE COSTS FOR LPDS, AND POULTRY GROWERS FROM DELAYING THE EFFECTIVE DATE OF THE PAYMENTS SYSTEMS RULE FOR 18 MONTHS

Value	Growers ($)	LPDs ($)	Total ($)
First-Year	249,000	4,902,000	5,151,000
Ten-Year Total	374,000	6,146,000	6,520,000
Ten-Year Net Present Value discounted at 3%	360,000	6,038,000	6,398,000
Ten-Year Net Present Value discounted at 7%	342,000	5,880,000	6,222,000
Annualized Net Present Value discounted at 3%	42,000	708,000	750,000
Annualized Net Present Value discounted at 7%	49,000	837,000	886,000

Indirect Cost Savings/Benefits of the 18-Month Delay of §§ 201.106, 110, 112 and 290—Preferred Alternative

The indirect benefits (cost savings) of this final rule represent the indirect benefits incurred during the 18-month period of the delay of the effective date. AMS expects that provisions of §§ 201.106, 110, and 112 may require LPDs to change their existing business practices, which has the potential to affect the indirect costs of the Payment Systems rule. As discussed in the Payment Systems rule, AMS does not have sufficient data to make an inference on the number of complexes that will need to change business practices or the magnitude of any changes that will be required.[11]

If LPDs modify existing grower compensation structures in response to § 201.106, changes in performance-based payments could adversely affect grower performance incentives and cause growers to produce broilers less efficiently. As a result, LPDs could face increased production costs. Even a very small change in efficiency could result in relatively large increases in the cost of producing broilers. Those costs could be passed on to consumers.

If AMS enforcement of § 201.112 has the effect of preventing broiler growers from making additional capital investments, then such decisions to forgo investment will likely result in fewer benefits for LPDs, and more for growers. AMS is not able to quantify these lost benefits (costs) to LPDs.

As the preferred alternative delays the effective date of the Payment Systems rule for 18 months, LPDs and growers may experience indirect benefits proportional to this delay, though AMS expects these indirect benefits to be small relative to the benefits associated with the Payments Systems rule.

[9] U.S. Bureau of Labor Statistics, *May 2024 National Occupational Employment and Wage Estimates,* May 2024, *https://www.bls.gov/oes/special.requests/oesm24all.zip.*

[10] *See* ''Poultry Grower Payment Systems and Capital Improvement Systems,'' 90 FR 5190, January 16, 2025.

[11] *See* ''Poultry Grower Payment Systems and Capital Improvement Systems,'' 90 FR 5198, January 16, 2025.

Indirect Costs/Foregone Benefits of the 18-Month Delay of §§ 201.106, 110, 112 and 290—Preferred Alternative

There are unquantifiable benefits to the provisions regulating LPDs in §§ 201.106, 110, and 112, which will be foregone in the 18-month period in which the Payment Systems rule will be delayed under the preferred alternative. Section 201.106 could benefit growers from increased clarity and certainty about the lowest possible revenue and reduce variability in outcomes under a growing arrangement. Section 201.110 may benefit broiler growers through improved fairness in comparison. Section 201.112 may provide broiler growers with better information to make financial decisions. The size of these unquantifiable benefits will be directly related to the extent of these reductions. However, AMS does not have sufficient data to make an inference on the number of complexes that will change business practices or the magnitude of any changes that will be required.

AMS expects broiler growers will benefit from the Payment Systems rule, though AMS is unable to predict the size of these benefits with certainty. The indirect benefits of the Payment Systems rule will still occur, they will just be delayed by 18 months. Thus, broiler growers will experience unquantifiable costs (foregone benefits) proportional to this delay, though AMS expects these unquantifiable costs to be small.

Direct Cost Savings/Benefits of the 12-Month Delay Alternative

AMS also evaluated benefits and costs of delaying the effective date for 12 months (12-Month Delay Alternative). The 12-Month Delay Alternative is similar to the final alternative, but the effective date of the Payment Systems rule will be delayed 12 rather than 18 months. Under the 12-Month Delay Alternative all costs for both LPDs and growers will be shifted back by one year, resulting in a savings to LPDs of $4.9 million and poultry growers of $249,000 in administrative costs for a total of $5.2 million in savings. Because administrative costs for LPDs were expected to decrease in the fifth year after the rule became effective, costs in the fifth year will be $800,000 higher for LPDs if the effective date is delayed 12 months. The ten-year total direct administrative cost savings will be $4.3 million for the 12-Month Delay Alternative. The table below contains estimated administrative cost savings for LPDs and poultry growers for the 12-Month delay Alternative.

TABLE 2—QUANTIFIED BENEFITS FROM SAVINGS IN ADMINISTRATIVE COSTS FOR LPDS AND POULTRY GROWERS FROM DELAYING THE EFFECTIVE DATE OF THE PAYMENTS SYSTEMS RULE FOR 12 MONTHS

Value	Growers ($)	LPDs ($)	Total ($)
First-Year	249,000	4,902,000	5,151,000
Ten-Year Total	249,000	4,097,000	4,347,000
Ten-Year Net Present Value discounted at 3%	242,000	4,065,000	4,307,000
Ten-Year Net Present Value discounted at 7%	233,000	4,007,000	4,241,000
Annualized Net Present Value discounted at 3%	28,000	477,000	505,000
Annualized Net Present Value discounted at 7%	33,000	571,000	604,000

Indirect Benefits/Cost Savings of the 12-Month Delay Alternative

As in the case of the preferred alternative, the indirect benefits of the 12-Month Delay Alternative represent the indirect costs not incurred during the 12-month period of the delay of the effective date. The indirect costs of the final rule will still occur, they will just be delayed. Again, AMS cannot rule out the possibility that incentives may be affected by the Payment Systems rule, and AMS is unable to predict specific effects with certainty. LPDs and growers may experience indirect benefits (cost savings) proportional to this 12-month delay, though AMS expects these indirect benefits to be very small. Because the delay is shorter, AMS expects the indirect benefits of 12-Month Delay Alternative to be smaller than the indirect benefits of the preferred alternative.

Unquantifiable Direct Costs Incurred of the 12-Month Delay Alternative

As with the preferred alternative, a 12-month delay of the effective date of the provisions regulating LPDs in §§ 201.106, 110, and 112 will likely impose additional unquantifiable direct costs on LPDs. The nature of these unquantifiable direct costs is the same as in the preferred alternative, but these costs may be smaller do to the shorter delay of the effective date of the Payment Systems rule under the 12-Month Delay Alternative.

Costs/Foregone Benefits of the 12-Month Delay Alternative

The nature of the costs (benefits foregone) under 12-Month Delay Alternative are the same as under the preferred alternative. As in the case of the preferred alternative, the costs of the 12-Month Alternative Delay represent the benefits not incurred during the period of the 12-month delay of the effective date. The benefits of the final rule will still occur, they will just be delayed. As the 12-Month Delay Alternative represents a shorter delay, AMS expects the costs of 12-Month Delay Alternative to be smaller than the costs of the preferred alternative.

Comparison of Alternatives

The benefits and costs of delaying the effective date of the Payments Systems rule are very similar, but all costs and benefits are slightly smaller for the 12-Month Delay Alternative.

AMS is delaying the effective date of the Payment Systems rule to allow for thorough consideration of estimated costs and the policy and legal issues associated with the final rule. Because twelve months may not provide adequate time for the thorough consideration needed, AMS chose the preferred alternative of delaying the effective date by 18 months.

E. Regulatory Flexibility Act

The Regulatory Flexibility Act (5 U.S.C. 601–612) requires agencies to consider the economic impact of each rule on small entities and evaluate alternatives that would accomplish the objectives of the rule without unduly burdening small entities or erecting barriers that would restrict their ability to compete in the market.

AMS is delaying implementation of the Payment Systems rule, which added §§ 201.106, 110, 112 and 290 to the regulations under the P&S Act. Sections 201.106, 110, and 112 would regulate LPDs that contract with poultry growers to raise broilers. The regulations would have no effect on LPDs that contract or process turkeys, geese, ducks or other fowl unless they also contract or process broilers. Currently, the Payment

Systems rule is scheduled to go into effect on July 1, 2026. This rule delays implementation until December 31, 2027.

AMS received more than 2,800 comments from producer associations, poultry and meat industry trade associations, integrated live poultry dealers, non-integrated poultry dealers, poultry growers, farm advocacy organizations, and members of the general public. The significant majority of commenters opposed the Proposed Delay, several supported it, and the remainder were outside the scope of the Proposed Delay. There were about 225 unique comments, meaning a comment that was not replicated by any other comments, and more than 2,600 form letter comments. AMS did not receive any comments concerning the initial regulatory flexibility analysis.

Commenters opposed to delaying the effective date of the Payment Systems rule indicated that a delay is unnecessary and harmful to growers. Others criticized the benefit analysis of the proposed delay suggesting that AMS did not consider costs to broiler growers. Commenter also compared the Payment Systems rule to the Justice Department's settlement agreement in *United States* v. *Cargill Meat Solutions Corp.* Some commenters did not agree that delaying the Payment Systems rule was consistent with direction from Congress.

AMS considers the delay to be necessary to consider the cost and benefits imposed on the industry and assess the legal risk created under that rule. With the Payment Systems rule, broiler growers are expected to enjoy most of the benefits, while LPDs bear most of the costs. Consequently, delaying implementation will benefit LPDs while costing broiler growers. This is not something AMS ignored or discounted, and the benefit cost analysis explains how LPDs will benefit from a delay and broiler growers will not. While there are similarities between the *United States* v. *Cargill Meat Solutions Corp* consent decree and Payment Systems rule, there are also important differences and it is not directly comparable to the Payment Systems rule.

Comments supporting the delay suggested that Payment Systems rule was based on anecdotal evidence rather than confirmed facts. Commenters suggested that LPDs have no reason to provide broiler growers with substandard inputs. Comments were also critical of the benefit cost analysis suggesting that AMS underestimated costs such as contract renegotiations, information technology changes and increased litigation risk, which could ultimately lead to higher consumer prices. Another commenter indicated that the Payment Systems rule did not adequately consider small LPDs that are not vertically integrated.

The final rule: (1) prohibits live poultry dealers (LPDs) from reducing a grower's compensation based on the grower's ranking under a poultry grower ranking system; (2) establishes a presumptive violation of the P&S Act by LPDs when aggregate gross annual payments based upon a grower's ranking under a poultry grower ranking system exceeds a certain threshold; (3) holds LPDs to a duty of fair comparison when designing and operating their poultry grower ranking system and requires documentation of compliance with that duty; and (4) requires LPDs to provide certain disclosures when requesting or requiring that broiler growers make additional capital investments.

When AMS finalized the Payment Systems rule, AMS explained there was uncertainty as to whether the benefits would outweigh the costs.[12] There is no literature addressing how growers' incentives might change if performance discounts were not part of the tournament or if variability in performance payments were limited.

AMS is delaying the effective day of the Payment Systems rule to allow for thorough consideration of estimated costs and the policy and legal issues associated with the final rule.

The only firms that the Payment Systems rule directly regulates are LPDs. The SBA defines small businesses by their North American Industry Classification System Codes (NAICS). LPDs, NAICS 311615, are considered small businesses if they have fewer than 1,250 employees.[13]

AMS maintains data on LPDs from the annual reports [14] these firms file with AMS. AMS records of annual reports identified 45 LPDs that processed broilers subject to the regulations during fiscal year 2023. Twenty-four of the LPDs were small businesses according to the SBA standard.

Delaying implementation of the Payment Systems rule will not cause significant costs for any LPD. LPDs will still be required to comply with §§ 201.106, 110, and 112 of the regulations, but will have until December 31, 2027, to do so. The regulations place restrictions on the way LPDs' contract with growers. Delaying implementation will give LPDs more time to make changes to their business practices to comply with the new regulations. No LPD, whether small or large, will be required to change any practices as result of this regulatory action. Rather, LPDs are expected to benefit from the delay of the effective date for §§ 201.106, 110, 112, and 290 due to the cost savings incurred.

In evaluating direct cost savings from delaying the Payment Systems rule, AMS follows the same analytical approach used in the final rule. The updated estimates incorporate the latest industry parameters and wage rates while maintaining consistency with the methodology used. Hourly wage rates were established using the following BLS classifications for each labor category as follows (NAICS Code—OCC code—OCC Title): Management (3116–11–1020—General and Operations Managers) for live poultry dealers' managers, and Legal (3110–23–1011—Lawyers) for attorneys.[15] The average hourly wage rates used to estimate cost savings were updated from the final rule to include a 42.34 percent markup for benefits and are as follows: Management—$102.56, Legal—$145.93, Administrative—$48.38, and Information Technology—$101.72. For reference, the analysis in the final rule is described in detail in the **Federal Register** at 90 FR 5146 (see pages 5189—5206).[16]

Direct Cost Savings/Benefits to Small LPDs of the Final Rule's 18-Month Delay of §§ 201.106, 110, 112, and 290—Preferred Alternative

With the 18-month delay of the Poultry Systems rule, much of the first-year costs in the final rule that AMS considered are one-time setup and preparation activities that processors will incur before the rule became effective. AMS believes many of these costs have likely already occurred, and therefore they are not affected by the delay.

The delay will affect recurring costs. Delaying the effective date of the final rule will enable LPDs to avoid annual administrative costs that will otherwise occur in the first 18 months after the Payment Systems rule becomes effective. Delaying the effective date for 18 months will shift all costs for small

[12] *See* ''Poultry Grower Payment Systems and Capital Improvement Systems,'' 90 FR 5198, January 16, 2025.

[13] 13 CFR part 121.

[14] Live poultry dealers are required to file form PSD 3002, ''Annual Report of Live Poultry Dealers'' (OMB Control No. 0581–0308), with AMS.

[15] U.S. Bureau of Labor Statistics, *May 2024 National Occupational Employment and Wage Estimates,* May 2024, *https://www.bls.gov/oes/special.requests/oesm24all.zip.*

[16] *See* ''Poultry Grower Payment Systems and Capital Improvement Systems,'' 90 FR 5190, January 16, 2025.

LPDs back by 18 months. This final rule will enable small LPDs to save $587,000 in administrative costs in the first year after July 1, 2026, which is the first year after the rule will otherwise become effective. They will save an additional $294,000 in the second year for a total of $881,000. Administrative costs for small LPDs were expected to decrease by $72,000 in the fifth year after the rule became effective. If the effective date is delayed, the decrease in costs will be delayed as well, and costs in the fifth year will be $72,000 higher for small LPDs. These lower administrative costs were expected to continue in the sixth year after the rule became effective. If the effective date is delayed, the decrease in costs for the first half of the sixth year will also be delayed, and costs in the sixth year will be $36,000 higher for small LPDs. This will result in a ten-year total cost savings of $773,000 for small LPDs. Column three in table 3 below summarizes cost savings to small LPDs if the effective date of the Payment Systems rule is delayed until December 31, 2027.

Direct Cost Savings/Benefits of the 12-Month Delay Alternative

AMS also evaluated benefits and costs of delaying the effective date for 12 months (12-Month Delay Alternative). The 12-Month Delay Alternative is similar to the preferred alternative, but the effective date of the Payment Systems rule will be delayed 12 rather than 18 months. Under the 12-Month Delay Alternative all costs for small LPDs will be shifted back by one year, resulting in savings to small LPDs of $587,000 in administrative costs. Because administrative costs for small LPDs were expected to decrease in the fifth year after the rule became effective, costs in the fifth year will be $72,000 higher for small LPDs if the effective date is delayed 12 months. The ten-year total direct administrative cost savings will be $515,000 for the 12-Month Delay Alternative. Column two in table 3 below contains estimated administrative cost savings for small LPDs for the 12-Month Delay Alternative.

TABLE 3—QUANTIFIED BENEFITS FROM SAVINGS IN ADMINISTRATIVE COSTS FOR SMALL LPDS FROM DELAYING THE EFFECTIVE DATE OF THE PAYMENTS SYSTEMS RULE FOR 12 AND 18 MONTHS

Value	12-Month delay ($)	18-Month delay ($)
All Small LPDs Combined:		
First-Year	587,000	587,000
Ten-Year Total	515,000	773,000
Ten-Year Net Present Value discounted at 3%	508,000	755,000
Ten-Year Net Present Value discounted at 7%	497,000	730,000
Annualized Net Present Value discounted at 3%	60,000	88,000
Annualized Net Present Value discounted at 7%	71,000	104,000
Per Entity:		
First-Year	24,000	24,000
Ten-Year Total	21,000	32,000
Ten-Year Net Present Value discounted at 3%	21,000	31,000
Ten-Year Net Present Value discounted at 7%	21,000	30,000
Annualized Net Present Value discounted at 3%	2,000	4,000
Annualized Net Present Value discounted at 7%	3,000	4,000

Threshold Analysis

LPDs report net sales in Annual Reports to AMS.[17] While net sales are not the same as annual revenue, unless the small LPDs have diversified income, net sales is a reasonable substitute for annual revenue. Table 4 below groups small LPDs' net sales into quartiles, reports the average net sales in each quartile, and compares average net sales to average expected cost savings from delaying the Payment Systems rule for 18 months. If a significant impact is defined as 1 percent of net sales and a substantial number is 25 percent (6 firms) of the small businesses, expected direct cost savings resulting from delaying the effective date of the Payment Systems rule 18 months will not be significant. Savings will be largest for the smallest quartile, but not significant. First-year cost savings for the smallest quartile will be 0.24 percent of net revenues. Annualized savings are less than the first-year cost savings.

TABLE 4—COMPARISON OF SMALL LIVE POULTRY DEALERS' NET SALES TO EXPECTED DIRECT COST SAVINGS FROM DELAYING THE EFFECTIVE DATE OF PAYMENT SYSTEMS RULE FOR 18 MONTHS

Quartile	Average net sales	First-Year total as a percent of net sales	Ten year net present value annualized at 3 percent as a percent of net sales	Ten year net present value annualized at 7 percent as a percent of net sales
0 to 25%	$10,017,311	0.244	0.037	0.043
25 to 50%	34,567,539	0.071	0.011	0.012
50 to 75%	92,380,634	0.026	0.004	0.005
75 to 100%	226,958,521	0.011	0.002	0.002

[17] Live poultry dealers are required to file form PSD 3002, ''Annual Report of Live Poultry Dealers'' (OMB Control No. 0581–0308), with AMS.

Data in the table do not account for indirect cost savings related to delaying the effective date of the Payment Systems rule. If LPDs modify existing grower compensation structures in response to § 201.106, changes in performance-based payments could adversely affect grower performance incentives and cause growers to produce broilers less efficiently. As a result, LPDs could face increased production costs. If AMS enforcement of § 201.112 has the effect of preventing broiler growers from making additional capital investments, then such decisions to forgo investment would likely result in fewer benefits for LPDs.

As the preferred alternative will delay the effective date of the Payment Systems rule for 18 months, LPDs and growers may experience indirect benefits proportional to this delay. However, AMS was not able to quantify these indirect benefits. After adding the indirect benefits with the direct cost savings, the benefits of delaying the effective date of the Payment Systems rule could be significant for a substantial number of LPDs.

12-Month Delay Alternative

Benefits of the 12-Month Delay alternative will be very similar to the preferred alternative, but because the delay is shorter, the benefits to LPDs will be less. The table below indicates that neither first-year cost savings to LPDs nor annualized cost savings will be greater than one percent of average net sales for any quartile. Table 5 below has direct cost savings as percentage of average net sales for growers in each quartile.

As with the preferred alternative, LPDs will likely experience indirect benefits from delaying the effective date of the Payment Systems rule. The benefits will be similar to those associated with the preferred alternative, but because the time delay is shorter in the 12-Month Delay alternative, the benefits will be less than the benefits associated with the preferred alternative.

TABLE 5—COMPARISON OF SMALL LIVE POULTRY DEALERS' NET SALES TO EXPECTED DIRECT COST SAVINGS FROM DELAYING THE EFFECTIVE DATE OF PAYMENT SYSTEMS RULE FOR 12 MONTHS

Quartile	Average net sales	First-Year total as percent of net sales	Ten-Year net present value annualized at 3 percent as a percent of net sales	Ten-Year net present value annualized at 7 percent as a percent of net sales
0 to 25%	$10,017,311	0.244	0.025	0.029
25 to 50%	34,567,539	0.071	0.007	0.009
50 to 75%	92,380,634	0.026	0.003	0.003
75 to 100%	226,958,521	0.011	0.001	0.001

After combining the direct and indirect benefits, LPDs will gain more from the preferred alternative, but the difference between the alternatives is small relative to the costs and benefits associated with Payment Systems rule. AMS is delaying the effective date of the Payment Systems rule to allow for thorough consideration of estimated costs and the policy and legal issues associated with the final rule. Because twelve months may not provide adequate time for the thorough consideration needed, AMS chose the preferred alternative of delaying the effective date by 18 months.

AMS does not expect direct cost savings to be significant for a substantial number of LPDs. However, AMS is uncertain of the size of unquantified indirect benefits. If they are added to the quantified savings, benefits could be significant for substantial number of small LPDs.

F. Paperwork Reduction Act

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), AMS requested OMB approval of the new information collection and recordkeeping requirements related to the Payment Systems rule when it was proposed in the **Federal Register** on June 10, 2024 (89 FR 49002). The information collection was approved under OMB Control No. 0581–0346 for a total of 59,182 hours for the first year, and 42,682 hours per year thereafter. No additional collection or recordkeeping requirements would be imposed on the public by the delayal of the effective date of the Payment Systems rule. Accordingly, no additional OMB clearance under the Paperwork Reduction Act is needed.

G. Civil Rights Impact Analysis Statement

In accordance with Executive Order 14281, titled ''Restoring Equality of Opportunity and Meritocracy,'' issued on April 23, 2025 (90 FR 17537, April 28, 2025), this Civil Rights Impact Analysis will not reference any adverse, disparate, or disproportionate impacts on protected groups. Additionally, analyses that examine such impacts on these groups will not be conducted for this Civil Rights Impact Analysis, despite being required by section 12403 of the Agriculture Improvement Act of 2018. According to section 2501A of the Food, Agriculture, Conservation, and Trade Act of 1990, the Department of Agriculture is required to collect and analyze data on program applications and participation rates for each program that serves agricultural producers and landowners. This data has been included in the Civil Rights Impact Analysis. The focus of this Civil Rights Impact Analysis is providing mitigation, outreach, and monitoring Strategies to minimize and/or eliminate potential impacts on individuals who are members of protected groups.

H. Executive Order 12988

This rule is not intended to have a retroactive effect. This rule would not preempt any State or local laws, regulations, or policies unless they present an irreconcilable conflict with this rule.

I. Executive Order 13175

E.O. 13175 requires Federal agencies to consult with Indian Tribes on a government-to-government basis on policies that have Tribal implications. This includes regulations, legislative comments or proposed legislation, and other policy statements or actions. Consultation is required when such policies have substantial direct effects on one or more Indian Tribes, on the relationship between the Federal Government and Indian Tribes, or the distribution of power and responsibilities between the Federal Government and Indian Tribes. The

following is a summary of activity to date.

AMS engaged in a Tribal Consultation in conjunction with a previous rulemaking also under the P&S Act (''Inclusive Competition and Market Integrity Under the Packers and Stockyards Act'' (87 FR 60010, October 3, 2022)) on January 19, 2023, in person in Tulsa, Oklahoma, and virtually. AMS received multiple Tribal comments from that Consultation, many of which were specific to and considered in that rulemaking. In that consultation, Tribes raised legal concerns with respect to the jurisdiction of AMS enforcement of the P&S Act. Tribes commented that the P&S Act does not apply to Tribes and Tribal entities. Those comments raise a legal issue of statutory interpretation, but these concerns are not directly implicated by this rule. AMS does not find that this rule carries substantial direct effects on one or more Indian Tribes beyond the purely legal issue raised during consultation.

AMS recognizes and supports the Secretary's desire to incorporate Tribal and Indigenous perspectives, remove barriers, and encourage Tribal self-determination principles in USDA programs, including hearing and understanding Tribal views on legal authorities and cost implications as facts and circumstances develop. If a Tribe requests additional consultation, AMS will work with USDA's Office of Tribal Relations to ensure meaningful consultation is provided in accordance with E.O. 13175.

J. E-Government Act

AMS is committed to complying with the E-Government Act (44 U.S.C. 3601, *et seq.*) by promoting 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.

K. Unfunded Mandates Reform Act

Title II of the Unfunded Mandates Reform Act of 1995 (UMRA, Pub. L. 104–4) requires Federal agencies to assess the effects of their regulatory actions of State, local, and Tribal governments, or the private sector. Agencies generally must prepare a written statement, including cost benefits analysis, for proposed and final rules with Federal mandates that may result in expenditures of $100 million or more (adjusted for inflation) in any 1 year for State, local or Tribal governments, in the aggregate, or to the private sector. UMRA generally requires agencies to consider alternatives and adopt the more cost effective or least burdensome alternative that achieves the objectives of the rule. This rule will not compel the expenditure in any one year of $100 million or more (adjusted for inflation) by State, local, and Tribal governments, in the aggregate, or by the private sector. Therefore, a statement under 2 U.S.C. 1532 is not required.

L. Congressional Review Act

Pursuant to subtitle E of the Small Business Regulatory Enforcement Fairness Act of 1996 (also known as the Congressional Review Act, 5 U.S.C. 801 *et seq.*), OMB has determined that this rule does not meet the criteria set forth in 5 U.S.C. 804(2).

Erin Morris,

Administrator, Agricultural Marketing Service.

[FR Doc. 2026–10880 Filed 5–28–26; 4:15 pm]

BILLING CODE P

NUCLEAR REGULATORY COMMISSION

10 CFR Parts 2 and 13

[NRC–2023–0211]

RIN 3150–AL13

Adjustment of Civil Penalties for Inflation for Fiscal Year 2026

AGENCY: Nuclear Regulatory Commission.

ACTION: Discontinuation of rulemaking activity.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) is notifying the public that its civil monetary penalty amounts will not increase for the 2026 calendar year, and is discontinuing the rulemaking activity, ''Adjustment of Civil Penalties for Inflation for Fiscal Year 2026.'' This rulemaking activity will no longer be reported in the NRC's portion of the Unified Agenda of Regulatory and Deregulatory Actions (the Unified Agenda).

DATES: Effective June 1, 2026, the rulemaking activity discussed in this document is discontinued.

ADDRESSES: Please refer to Docket ID NRC–2023–0211 when contacting the NRC about the availability of information regarding this document. You may obtain publicly available information related to this document using any of the following methods:

- *Federal Rulemaking website:* Go to *https://www.regulations.gov* and search for Docket ID NRC–2023–0211. Address questions about NRC dockets to Helen Chang; telephone: 301–415–3228; email: *Helen.Chang@nrc.gov.*
- *NRC's Agencywide Documents Access and Management System (ADAMS):* You may obtain publicly available documents online in the ADAMS Public Documents collection at *https://www.nrc.gov/reading-rm/adams.html.* To begin the search, select ''Begin ADAMS Public Search.'' For problems with ADAMS, please contact the NRC's Public Document Room (PDR) reference staff at 1–800–397–4209, at 301–415–4737, or by email to *PDR.Resource@nrc.gov.* For the convenience of the reader, the ADAMS accession numbers are provided in the ''Availability of Documents'' section of this document.
- *NRC's PDR:* The PDR, where you may examine and order copies of publicly available documents, is open by appointment. To make an appointment to visit the PDR, please send an email to *PDR.Resource@nrc.gov* or call 1–800–397–4209 or 301–415–4737, between 8 a.m. and 4 p.m. eastern time, Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: David Suchy, Office of Nuclear Material Safety and Safeguards, U.S. Nuclear Regulatory Commission, Washington, DC 20555–0001; telephone: 301–415–4130; email: *David.Suchy@nrc.gov.*

SUPPLEMENTARY INFORMATION:

I. Background

Congress passed the Federal Civil Penalties Inflation Adjustment Act of 1990 (FCPIAA) to allow for regular adjustment for inflation of civil monetary penalties (CMPs), maintain the deterrent effect of such penalties and promote compliance with the law, and improve the collection of CMPs by the Federal government (Pub. L. 101–410, 104 Stat. 890; 28 U.S.C. 2461 note). On November 2, 2015, Congress amended the FCPIAA through the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (2015 Improvements Act) (Sec. 701, Pub. L. 114–74, 129 Stat. 599). The 2015 Improvements Act requires that the head of each agency continue to adjust CMP amounts, rounded to the nearest dollar, on an annual basis. Specifically, each CMP is to be adjusted based on the percentage change between the Consumer Price Index (CPI) for the month of October, and the CPI for the month of October for the previous year. The NRC most recently adjusted its civil penalties for inflation according to this statutory formula on January 15, 2025 (90 FR 3612).

II. Discussion

In a memorandum dated April 17, 2026, the Office of Management and