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This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Part 925

[Doc. No. AMS–SC–25–0848]

Grapes Grown in a Designated Area of Southeastern California; Decreased Assessment Rate

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Proposed rule.

SUMMARY: This proposed rule would implement a recommendation from the California Desert Grape Administrative Committee (Committee) to decrease the assessment rate established for the 2026 and subsequent fiscal periods from $0.030 to $0.025 per 18-pound lug for grapes grown in a designated area of southeastern California. The proposed assessment rate would remain in effect indefinitely until modified, suspended, or terminated.

DATES: Comments must be received by August 24, 2026.

ADDRESSES: Interested persons are invited to submit written comments concerning this proposed rule. Comments can be sent to the Docket Clerk, Market Development Division, Specialty Crops Program, AMS, USDA, 1400 Independence Avenue SW, STOP 0237, Washington, DC 20250–0237. Comments can also be submitted to the Docket Clerk electronically by email at *MarketingOrderComment@usda.gov* or via the internet at *https://www.regulations.gov.* Comments should reference the document number and the date and page number of this issue of the **Federal Register**.

Comments submitted in response to this proposed rule will be included in the record and will be made available to the public at *https://www.regulations.gov.* Please be advised that public comments are posted to *regulations.gov* without change.

FOR FURTHER INFORMATION CONTACT: Kathie Notoro, Marketing Specialist, or Abigail Maharaj, Chief, West Region Branch, Market Development Division, Specialty Crops Program, AMS, USDA; telephone: (559) 487–5901, or email: *Kathie.Notoro@usda.gov* or *Abigail.Maharaj@usda.gov.*

SUPPLEMENTARY INFORMATION: This action, pursuant to 5 U.S.C. 553, proposes to amend regulations issued to carry out a marketing order as defined in 7 CFR 900.2(j). This proposed rule is issued under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674) (the Act), amending Marketing Order No. 925, (7 CFR part 925, the Order), regulating the handling of grapes grown in a designated area of southeastern California. The Committee locally administers the Order and is comprised of producers and handlers of grapes operating within the area of production, as well as a public member.

This proposed action is exempt from the Office of Management and Budget (OMB) review process required by Executive Order 12866. This proposed rule would amend existing Marketing Order No. 925, as amended (7 CFR part 925), Grapes Grown in a Designated Area of Southeastern California, and is necessary for the continued operation of the Order. Additionally, this proposed action is exempt from the requirements of Executive Order 14192, ‘‘Unleashing Prosperity Through Deregulation,’’ pursuant to section 5(c).

This proposed rule has been reviewed under Executive Order 13175, ‘‘Consultation and Coordination with Indian Tribal Governments,’’ which requires Federal agencies to consider whether their rulemaking actions would have tribal implications. The Agricultural Marketing Service (AMS) has determined that this proposed rule is unlikely to have substantial direct effects on one or more Indian Tribes, on the relationship between the Federal Government and Indian Tribes, or on the distribution of power and responsibilities between the Federal Government and Indian Tribes.

This proposed rule has been reviewed under Executive Order 12988, ‘‘Civil Justice Reform.’’ Under the Order now in effect, California grape handlers are subject to assessments. Funds to administer the Order are derived from such assessments. It is intended that the assessment rate would be applicable to all assessable grapes for the 2026 fiscal period, and continue until amended, suspended, or terminated.

This proposed rule would decrease the assessment rate for California grapes handled under the Order from $0.030 to $0.025 per 18-pound lug for the 2026 and subsequent fiscal periods.

Sections 925.40 and 925.41 of the Order authorize the Committee, with the approval of AMS, to formulate an annual budget of expenses and collect assessments from handlers to administer the program. The members of the Committee are familiar with the Committee’s needs and with the costs of goods and services in their local area and can formulate an appropriate budget and assessment rate. The assessment rate is formulated and discussed in a public meeting, and all directly affected persons have an opportunity to participate and provide input.

For the 2025 fiscal period and subsequent fiscal periods, the Committee recommended, and AMS approved, an assessment rate of $0.030 per 18-pound lug of California grapes grown within the production area. That rate continues in effect from fiscal period to fiscal period until modified, suspended, or terminated by AMS upon recommendation and information submitted by the Committee or other information available to AMS.

The Committee met on November 12, 2025, and unanimously recommended, with a vote of six in favor and none opposed, 2026 fiscal period expenditures of $88,450 and an assessment rate of $0.025 per 18-pound lug of California grapes handled for the 2026 and subsequent fiscal periods. In comparison, last fiscal period’s budgeted expenditures were $88,600. The proposed assessment rate of $0.025 per 18-pound lug is $0.005 lower than the rate currently in effect. The Committee recommended decreasing the assessment rate to reduce its reserve funds to within a level authorized by the Order. The Committee estimates 2,000,000 18-pound lugs of assessable California grapes for the 2026 fiscal period, which is equivalent to the 2,000,000 18-pound lugs that was projected for the 2025 fiscal period.

The Committee derived the recommended assessment rate by considering anticipated fiscal period expenses, an expected 2,000,000 18-pound lugs of assessable grapes, and the amount of funds available in the authorized reserve. The expected 2,000,000 18-pound lugs of assessable California grapes would generate $50,000 in assessment revenue at the proposed assessment rate (2,000,000 18-pound lugs multiplied by the $0.025 assessment rate). The income generated from handler assessments, along with $38,450 in reserve funds, should be sufficient to meet the Committee's estimated program expenditures of $88,450 for the 2026 fiscal period. Funds available in the financial reserve (currently about $94,083) would be kept within the maximum reserve level permitted by the Order which is not to exceed approximately one fiscal period's expenses (7 CFR 925.42).

The proposed assessment rate would continue in effect indefinitely until modified, suspended, or terminated by AMS upon recommendation and information submitted by the Committee or other available information. Although this proposed assessment rate would be in effect for an indefinite period, the Committee will continue to meet prior to or during each fiscal period to recommend a budget of expenses and consider recommendations for modification of the assessment rate. The dates and times of Committee meetings are available from the Committee or AMS. Committee meetings are open to the public and interested persons may express their views at these meetings. AMS would evaluate Committee recommendations and other available information to determine whether modification of the assessment rate is needed. Further rulemaking would be undertaken as necessary. The Committee's 2026 fiscal period budget, and those for subsequent fiscal periods, will be reviewed and approved by AMS.

Initial Regulatory Flexibility Analysis

Pursuant to requirements set forth in the Regulatory Flexibility Act (RFA) (5 U.S.C. 601–612), AMS has considered the economic impact of this proposed rule on small entities. Accordingly, AMS has prepared this initial regulatory flexibility analysis.

The purpose of the RFA is to fit regulatory actions to the scale of businesses subject to such actions in order that small businesses will not be unduly or disproportionately burdened. Marketing orders issued pursuant to the Act, and the rules issued thereunder, are unique in that they are brought about through group action of essentially small entities acting on their own behalf.

There are approximately six producers of California grapes in the production area and six handlers subject to regulation under the Order. At the time the analysis was prepared, the Small Business Administration (SBA) defined small agricultural producers of grapes as those having annual receipts equal to or less than $4,000,000 (North American Industry Classification System (NAICS) code 111332, Grape Vineyards, Other Noncitrus Fruit Farming) and small agricultural service firms as those having annual receipts of equal to or less than $34,000,000 (NAICS code 115114, Postharvest Crop Activities) (13 CFR 121.201).

The USDA National Agricultural Statistics Service (NASS) reported an average 2024 California grape producer price of $1,980 per ton, with an estimated production of 18,454 tons. Using the average producer price, production information, the total number of California grape producers subject to the Order, and assuming a normal distribution, the average estimated annual receipts per producer is $6,089,820 ($1,980 multiplied by 18,454 tons equals $36,538,920, divided by 6 producers equals $6,089,820 per producer), which is more than the SBA threshold of $4,000,000. Therefore, the majority of California grape producers subject to the Order would be classified as large entities according to the SBA definition.

According to AMS Market News data, the terminal market price for California grapes handled for the 2025 fiscal period was $34.20 per 18-pound lug ($1.90 per pound multiplied by 18 pounds equals $34.20 per 18-pound lug). The industry shipped 2,050,396 18-pound lugs of grapes for a total value of $70,123,543 (2,050,396 multiplied by $34.20 equals $70,123,543). Dividing this figure by the six regulated grape handlers subject to the Order yields estimated average handler receipts of $11,687,257 ($70,123,543 divided by six handlers equals $11,687,257), which is below the SBA's $34,000,000 annual receipts threshold for small agricultural service firms. Therefore, most California grape handlers subject to the Order would be classified as small entities according to the SBA definition.

This proposed rule would decrease the assessment rate collected from handlers for the 2026 fiscal period and subsequent fiscal periods from $0.030 to $0.025 per 18-pound lug of California grapes. The Committee unanimously recommended 2026 fiscal period expenditures of $88,450 and an assessment rate of $0.025 per 18-pound lug of California grapes. The proposed assessment rate is $0.05 lower than the current rate. The Committee expects the industry to handle 2,000,000 18-pound lugs of California grapes during the 2026 fiscal period. Thus, the proposed $0.025 per 18-pound lug rate should provide $50,000 in assessment income (2,000,000 18-pound lugs multiplied by $0.025 per 18-pound lug). Income derived from handler assessments, along with $38,450 in reserve funds, should be sufficient to meet budgeted expenditures for the 2026 fiscal period.

In recent years, the Committee has contributed surplus assessment revenue to its financial reserve. The Committee recommended decreasing the assessment rate and utilizing some of its existing financial reserve to reduce the reserve level. The Committee would adequately fund 2026 fiscal period budgeted expenses from assessment revenue and funds from its reserve. This proposed rule is expected to lower and maintain the Committee's reserve balance at a level that the Committee believes is appropriate and is compliant with the Order.

Prior to arriving at this budget and the assessment rate recommendation, the Committee discussed various alternatives, including maintaining the current assessment rate of $0.030 per 18-pound lug, as well as decreasing the assessment rate by varying amounts. Ultimately, the Committee determined that the recommended $0.025 per 18-pound lug assessment rate would be able to fund most of its 2026 fiscal period budgeted expenses, with the remaining balance coming from its financial reserve, which would be kept at a balance authorized by the Order. The assessment rate of $0.025 per 18-pound lug was derived by considering anticipated fiscal period expenses, the projected volume of assessable California grapes, the projected balance of funds held in reserve, and additional pertinent factors.

A review of NASS information indicates the average producer price for the 2026 fiscal period should be approximately $17.82 per 18-pound lug of California grapes ($0.99 per pound multiplied by 18-pound lug equals $17.82). Therefore, utilizing the assessment rate of $0.025 per 18-pound lug, assessment revenue for the 2026 fiscal period as a percentage of total producer revenue would be approximately 0.14 percent ($0.025 per 18-pound lug assessment rate divided by $17.82 and multiplied by 100).

This proposed action would decrease the assessment obligation for California grape handlers. Assessments are applied uniformly on all handlers, and some of the costs may be passed on to producers. However, these costs are expected to be offset by the benefits derived by the operation of the Order.

Committee meetings are widely publicized throughout the production area. The California grape industry and all interested persons are invited to attend the meetings and participate in Committee deliberations on all issues. Like all Committee meetings, the November 12, 2025, meeting was a public meeting and all entities, both large and small, were able to express views on this issue. Interested persons are invited to submit comments on this proposed rule, including the regulatory and information collection impacts of this proposed action on small businesses.

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), the Order's information collection requirements have been previously approved by OMB and assigned OMB No. 0581–0189, Fruit and Specialty Crops. No changes to those requirements would be necessary as a result of this proposed rule. Should any changes become necessary, they would be submitted to OMB for approval.

This proposed rule would not impose any additional reporting or recordkeeping requirements on any California grape handlers subject to the Order. As with all Federal marketing order programs, reports and forms are periodically reviewed to reduce information requirements and duplication by industry and public sector agencies.

AMS is committed to complying with the E-Government Act, 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.

AMS has not identified any relevant Federal rules that duplicate, overlap, or conflict with this proposed rule.

After consideration of all relevant material presented, including the information and recommendations submitted by the Committee and other available information, AMS has determined that this proposed rule is consistent with and would effectuate the purposes of the Act.

A 30-day comment period is provided to allow interested persons to respond to this proposed rule. All written comments timely received will be considered before a final determination is made on this proposed rule.

List of Subjects in 7 CFR Part 925

Grapes, Marketing agreements, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, the Agricultural Marketing Service proposes to amend 7 CFR part 925 as follows:

PART 925—GRAPES GROWN IN A DESIGNATED AREA OF SOUTHEASTERN CALIFORNIA.

■ 1. The authority citation for 7 CFR Part 925 continues to read as follows:

Authority: 7 U.S.C. 601–674.

■ 2. Revise § 925.215 to read as follows:

§ 925.215 Assessment rate.

On and after January 1, 2026, an assessment rate of $0.025 per 18-pound lug is established for grapes grown in a designated area of southeastern California.

Erin Morris,

Administrator, Agricultural Marketing Service.

[FR Doc. 2026–14918 Filed 7–22–26; 8:45 am]

BILLING CODE 3410–02–P

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Part 985

[Doc. No. AMS–SC–25–0716]

Spearmint Oil Produced in the Far West; Salable Quantities and Allotment Percentages for the 2026–2027 Marketing Year

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Proposed rule.

SUMMARY: This proposed rule would implement a recommendation from the Far West Spearmint Oil Administrative Committee (Committee) to establish salable quantities and allotment percentages for Class 1 (Scotch) and Class 3 (Native) spearmint oil produced in Washington, Idaho, and Oregon and parts of Nevada and Utah (Far West) for the 2026–2027 marketing year.

DATES: Comments must be received by August 24, 2026.

ADDRESSES: Interested persons are invited to submit written comments concerning this proposed rule. Comments can be sent to the Docket Clerk, Market Development Division, Specialty Crops Program, AMS, USDA, 1400 Independence Avenue SW, STOP 0237, Washington, DC 20250–0237. Comments can also be submitted to the Docket Clerk electronically by email: *MarketingOrderComment@usda.gov* or via the internet at: *https://www.regulations.gov*. Comments should reference the document number and the date and page number of this issue of the **Federal Register**. Comments submitted in response to this proposed rule will be included in the record and will be made available to the public, and can be viewed at: *https://www.regulations.gov*. Please be advised that comments are posted to *regulations.gov*without change.

FOR FURTHER INFORMATION CONTACT: Joshua R. Wilde, Marketing Specialist, or Barry Broadbent, Chief, Northwest Region Branch, Market Development Division, Specialty Crops Program, AMS, USDA; telephone: (503) 326–2724, or email: *Joshua.R.Wilde@usda.gov* or *Barry.Broadbent@usda.gov*.

SUPPLEMENTARY INFORMATION: This action, pursuant to 5 U.S.C. 553, proposes to amend regulations issued to carry out a marketing order as defined in 7 CFR 900.2(j). This proposed rule is issued under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674) (the Act), amending Marketing Order No. 985 (7 CFR part 985; the Order), regulating the handling of spearmint oil produced in the Far West. The Committee locally administers the Order and is comprised of spearmint oil producers operating within the production area, and a public member.

This action is exempt from the Office of Management and Budget (OMB) review process required by Executive Order 12866. This rule amends existing Marketing Order No. 985, as amended (7 CFR part 985), Marketing Order Regulating the Handling of Spearmint Oil Produced in the Far West, and is necessary for the continued operation of Marketing Order No. 985. Additionally, this action is exempt from the requirements of Executive Order 14192, ''Unleashing Prosperity Through Deregulation,'' pursuant to section 5(c).

This proposed rule has been reviewed under Executive Order 13175, ''Consultation and Coordination with Indian Tribal Governments,'' which requires Federal agencies to consider whether their rulemaking actions would have Tribal implications. The Agricultural Marketing Service (AMS) has determined this proposed rule is unlikely to have substantial direct effects on one or more Indian Tribes, on the relationship between the Federal Government and Indian Tribes, or on the distribution of power and responsibilities between the Federal Government and Indian Tribes.

This proposed rule has been reviewed under Executive Order 12988, ''Civil Justice Reform.'' This proposed rule is not intended to have a retroactive effect. Under the Order now in effect, salable quantities and allotment percentages