

Proposed Rules

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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 981

[Doc. No. AMS–SC–25–0016]

Almonds Grown in California; Amendment to the Marketing Order

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Proposed rule and referendum order.

SUMMARY: This rulemaking proposes an amendment to Marketing Order No. 981, which regulates the handling of almonds grown in California. The proposed amendment would establish the authority to borrow funds from a commercial lending institution.

DATES: The referendum will be conducted from November 2 through November 20, 2026. The representative period for the referendum is August 1, 2025, through July 31, 2026.

ADDRESSES: Interested persons are invited to submit written questions and comments to the Docket Clerk, Market Development Division, Specialty Crops Program, AMS, USDA, 1400 Independence Avenue SW, STOP 0237, Washington, DC 20250–0237; telephone: (202) 720–2491.

FOR FURTHER INFORMATION CONTACT: Taylor Johnson, Marketing Specialist, or Matthew Pavone, Chief, Rulemaking Services Branch, Market Development Division, Specialty Crops Program, AMS, USDA, 1400 Independence Avenue SW, Stop 0237, Washington, DC 20250–0237; telephone: (202) 720–2491, fax: (202) 720–8938, or email: MarketingOrderComment@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. 981 (7 CFR part

981; the Order), regulating the handling of almonds grown in California. The Almond Board of California (Board) locally administers the Order and is comprised of growers and handlers of almonds operating within California.

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. 981, as amended (7 CFR part 981), Almonds Grown in California, and is necessary for the continued operation of Marketing Order No. 981. 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. 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.” This proposed rule is not intended to have retroactive effect. This proposed rule shall not be deemed to preclude, preempt, or supersede any State program covering almonds grown in California.

Section 8c(17) of the Act (7 U.S.C. 608c(17)) and the supplemental rules of practice at 7 CFR 900.43 authorize the use of informal rulemaking (5 U.S.C. 553) to amend Federal fruit, vegetable, and nut marketing agreements and orders. In determining whether informal rulemaking is appropriate, USDA is required to consider the nature and complexity of the proposed amendments, the potential regulatory and economic impacts on affected entities, and any other relevant matters.

AMS has considered these factors and has determined that the amendment proposed herein is not unduly complex and the nature of the proposed amendment is appropriate for utilizing the formal through informal rulemaking process to amend the Order. A

discussion of the potential regulatory and economic impacts on affected entities is discussed later in the “Initial Regulatory Flexibility Analysis” section of this proposed rule and referendum order below.

The Board discussed the proposal at length at its meeting held on August 8, 2024. Following that meeting, the Board voted on the proposed amendment to the Order, nine in favor and one opposed, by electronic vote distributed on August 19 and concluded on August 28, 2024.

A proposed rulemaking soliciting public comments on the proposed amendments was published in the **Federal Register** on March 20, 2026 (91 FR 13526). AMS received four comments during the comment period. Two comments supported the proposal and two opposed the proposal. Of the two supportive comments, one emphasized that while there is a clear need to exercise borrowing authority, it should not be the primary or sole solution to address the issue of timing gaps between the Board’s spending needs and assessment revenue collection. Instead, the comment recommended the Board undertake additional review of alternative solutions, such as adjustments to the timing of assessment and revenue collection to better match the cash flow needs during the Board’s fiscal year. Of the two oppositional comments, one cited concerns about the impacts of overall borrowing costs, such as interest accrual and the need for greater oversight of Board spending. The other comment cited concerns relating to the overall scope of the proposed authority, including a lack of definitive terms, lack of regulation of loan repayment, and lack of borrowing caps. The commenter also noted concerns with the potential for late payments, loan changes, and debt accrual over time.

As noted above, during its discussions, the Board undertook a thorough review of the proposal and identified the suitable parameters of short-term loan duration and maximum borrowing limits not to exceed approved crop year budget ceilings. Such parameters and limitations would promote fiscal responsibility and reduce the risk of debt accumulation because borrowing would be structured around approved expenditures, the timing of those expenses and assessment

collection, and anticipated assessment revenue sufficient to repay funds within the 12-month period specified in the rule. The Board further articulated its commitment to implement monitoring and oversight policies by its finance department to track interest rates and debt levels; parameters and control mechanisms overseeing loan timing, limits, and terms would be discussed and communicated to industry at annual Board meetings open to the public and through other outreach efforts, providing transparency in financial planning and decision-making. In addition, short-term borrowing against a seasonal line of credit from commercial lending institutions is a common practice used by businesses to manage cash flow and is authorized under other marketing orders. Based on all the information available to AMS at this time, including the comments received in response to the proposed rule, no substantive changes will be made to the proposed amendment. AMS made one minor grammatical change to add a hyphen between “short” and “term.”

AMS will conduct a producer referendum to determine support for the proposed amendment. If appropriate, a final rule will then be issued to effectuate the amendment if it is favored by producers in the referendum.

Proposal—Seasonal Line of Credit

Section 981.81 of the Order authorizes the collection of assessments from almond handlers to provide funds to meet authorized Board expenses and the operating reserve requirements. This proposal would establish § 981.81(f), to authorize the Board to borrow funds from a commercial lending institution through a seasonal line of credit. The authority to borrow would provide short-term funds to address cashflow constraints associated with the timing of program expenditures and revenue collection. This would ensure continuity in operations and Board functions, such as during the first few months of the marketing year when new crop is received but no assessment revenue is collected. Borrowed funds would be repaid within a maximum period of 12 months.

The topic of borrowing authority previously appeared before California almond growers as a proposed amendment to the Order during a proposed rulemaking in April 2023 (88 FR 25559) and subsequent referendum order (88 FR 68500) conducted by USDA between October 30 and November 20, 2023. The proposal to add borrowing authority to the Order received the support of 63.59% of

almond growers voting, representing 56.15% of the production volume. To be enacted, at least two-thirds of the growers voting, or at least two-thirds of the volume represented by those growers voting, would need to vote in favor of a proposal.

Subsequently, the Board reviewed and discussed borrowing authority over several meetings in 2023 and 2024 to understand and identify the underlying cause of the failed amendment. It was determined the cause of the failed amendment was a combination of grower confusion with the regulatory language that appeared on the ballot and a lack of coordinated communication with stakeholders. Despite the failure, the Board believes that having borrowing authority would allow it to better manage approved expenditures and maintain cash flow. In addition, the Board maintained that any funds borrowed would be carefully monitored in accordance with internal policies modified to ensure fiscal responsibility.

As almond tonnage and assessment revenue have increased since the Order's promulgation, the industry has approved increasingly larger budgets which have year-round financial commitments. However, growers do not necessarily deliver the entire assessable crop at one time, nor do handlers have the facilities to process the entire crop at one time, and handlers instead purchase and market almonds throughout the production cycle. As a result, only about 18 percent of assessment revenue is paid to the Board when the first crop year assessment invoice is sent to handlers in October. Subsequently, the Board invoices for assessments in the second and third quarters of the crop year. Yet, many research activities and marketing programs are initiated early in the crop year, necessitating payment when services are performed, often well before the first assessments are received from October invoices. Although the Board currently maintains a reserve fund to help pay for early expenses, this fund is insufficient to advance some of the necessary payments. Authorizing the Board to borrow from commercial lending institutions would help it manage and sustain program activities during times of cash flow deficiencies.

Board members further noted that the ability to borrow against a line of credit is a common tool authorized in other Federal marketing orders, especially to accommodate expenses when the assessment revenue necessary to pay such expenses is not received until later in the year.

While addressing general business concerns about the potential risks

associated with debt financing, the Board agreed that its internal control policies would be revised to reflect the new borrowing authorities. Notably, the Board stressed that these policies would include: monitoring by the finance department to take interest rates, debt levels, and timing of loans into consideration; allowing the lending institution to determine the maximum line of credit available; making the amount of credit needed proportional to the net position; and, ensuring line of credit advances are short term in nature, with preferred lengths and timelines to be decided by the industry-led finance and audit committee. The Board continues to believe that this proposal would make the Board more operationally efficient while not exceeding approved crop year budget ceilings. The Board does not anticipate this amendment to negatively impact California almond growers or handlers of any size.

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 action 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 are unique in that they are brought about through group action of typically small entities acting on their own behalf.

There are approximately 7,596 almond growers in the production area and 100 handlers subject to regulation under the Order. At the time this analysis was prepared, the Small Business Administration (SBA) defined small agricultural producers of almonds as those having annual receipts equal to or less than \$3.75 million (North American Industry Classification System (NAICS) code 111335, Tree Nut Farming). Small agricultural service firms, which include almond handlers, are defined by the SBA as those having annual receipts equal to or less than \$34 million (NAICS code 115114, Postharvest Crop Activities) (13 CFR 121.201).

To estimate the number of almond growers that would be considered small businesses per the SBA definition, AMS calculates the acreage required to produce the volume of almonds at an average price to reach the \$3.75 million threshold. Due to the alternate-bearing

nature of almonds, a two-year average is used to estimate price and yield, based on the most recent National Agricultural Statistics Service (NASS) data for 2023 and 2024. Based on a two-year average price of \$1.93 per pound, shelled, and a two-year average yield of 1,880 pounds per acre, shelled, an almond grower would need more than 1,033 bearing acres to exceed the SBA threshold of \$3.75 million (\$3.75 million divided by \$1.93 per pound, divided by 1,880 pounds per acre). According to the 2022 Census of Agriculture, 134 farms had almond acreage of 1,500 acres or more. This means that of the 7,596 growers in California, at least 98 percent of them would be considered small businesses.

To estimate the number of almond handlers that would be considered small businesses per the SBA definition, AMS calculates total handler revenue using AMS Market News terminal market prices for almonds and for total California almond production, as reported by NASS. The 2024 average terminal market price, used as a proxy for handler price, for almonds grown in California was \$2.82 per pound. Total 2024 California production of almonds was 2.73 billion pounds, shelled. Assuming that all California almonds were processed by domestic handlers, total handler revenue in 2024 is estimated to be nearly \$7.7 billion (\$2.82 per pound multiplied by 2.73 billion pounds). If total handler revenue were evenly distributed among the 100 handlers in the production region, then each handler would have a 2024 annual receipt of nearly \$77 million (\$7.7 billion divided by 100 handlers), surpassing the \$34 million threshold of the SBA definition of a small business. Therefore, based on this analysis, AMS estimates that most almond handlers would not be considered small businesses per the SBA definition.

This proposal would establish § 981.81(f) to authorize the Board to borrow funds from a commercial lending institution through a seasonal line of credit. The authority to borrow funds would provide necessary short-term funds, given cashflow constraints associated with the timing of program expenditures and revenue collection. This amendment would better ensure continuity in operations during periods when neither operating assessments nor reserve funds are sufficient to fund the Board functions. Borrowed funds would be repaid within a maximum period of 12 months.

The Board noted that the ability to borrow against a line of credit is a common tool authorized in other Federal marketing orders, especially to

accommodate expenses when the assessment revenue necessary to pay such expenses is not received until later in the year.

While addressing general business concerns about the potential risks associated with debt financing, the Board agreed that its internal control policies would be revised to reflect the new borrowing authority. Notably, the Board stressed that these policies would include: monitoring by the finance department to take interest rates, debt levels, and timing of loans into consideration; allowing the lending institution to determine the maximum line of credit available; making the amount of credit needed proportional to the net position; and, ensuring line of credit advances are short term in nature, with preferred lengths and timelines to be decided by the industry-led finance and audit committee. The Board continues to believe that this proposal would make the Board more operationally efficient while not exceeding approved crop year budget ceilings. The Board does not anticipate this to negatively impact California almond growers or handlers of any size.

Paperwork Reduction Act

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. 0581-0178, Vegetable and Specialty Crops. No changes in those requirements are necessary because 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 either small or large almond handlers. 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.

The Board's meetings are widely publicized throughout the California almond production area. All interested persons are invited to attend the meetings and encouraged to participate in Board deliberations on all issues.

Like all Board meetings, the meeting held on August 8, 2024, was public, and all entities, both large and small, were encouraged to express their views on the proposed amendment.

A proposed rule concerning this action published in the **Federal Register** on March 20, 2026 (91 FR 13526). A copy of the rule was sent via email to Board staff for distribution to all Board members and California almond growers and handlers. The proposed rule was also made available through the internet by AMS and the Office of the Federal Register via <https://www.regulations.gov>. A 60-day comment period ending May 19, 2026, was provided to allow interested persons to respond to the proposal.

AMS received four comments during the comment period. Two comments supported the proposal and two opposed the proposal. Of the two supportive comments, one emphasized that while there is a clear need to exercise borrowing authority, it should not be the primary or sole solution to address the issue of timing gaps between the Board's spending needs and assessment revenue collection. Instead, the comment recommended the Board undertake additional review of alternative solutions, such as adjustments to the timing of assessment and revenue collection to better match the fiscal year. Of the two oppositional comments, one cited concerns about the impacts of overall borrowing costs, such as interest accrual and the need for greater oversight of Board spending. The other comment cited concerns relating to the overall scope of the proposed authority, including a lack of definitive terms, lack of regulation of loan repayment, and lack of borrowing caps. The commenter also noted the potential for late payments, loan changes, and debt accrual over time. As noted above, during its discussions, the Board undertook a thorough review of the proposal and identified the suitable parameters of short-term loan duration and maximum borrowing limits not to exceed approved crop year budget ceilings. Such parameters and limitations would promote fiscal responsibility and reduce the risk of debt accumulation because borrowing would be structured around approved expenditures, the timing of those expenses and assessment collection, and anticipated assessment revenue sufficient to repay funds within the 12-month period specified in the rule. The Board further articulated its commitment to implement monitoring and oversight policies by its finance department to track interest rates and

debt levels. Such parameters and control mechanisms overseeing loan timing, limits, and terms would be discussed and communicated to industry at Board meetings open to the public and through other outreach efforts, providing transparency in financial planning and decision-making. In addition, and as previously stated, short-term borrowing against a seasonal line of credit from commercial lending institutions is a common practice used by businesses to manage cash flow and is authorized under other Federal marketing orders. Based on all the information available to AMS at this time, including the comments received in response to the proposed rule, no substantive changes will be made to the amendments as proposed. AMS made one minor grammatical change to add a hyphen between “short” and “term”.

Findings and Conclusions

AMS has determined that the findings and conclusions, and general findings and determinations included in the proposed rulemaking set forth in the March 20, 2026, issue of the **Federal Register** (91 FR 13526) are appropriate and necessary and are hereby approved and adopted.

Marketing Order

Annexed hereto and made a part hereof is the document entitled “Order Amending the Order Regulating the Handling of Almonds Grown in California.” This document has been decided upon as the detailed and appropriate means of effectuating the foregoing findings and conclusions. It is hereby ordered that this entire proposed rule be published in the **Federal Register**.

Referendum Order

It is hereby directed that a referendum be conducted in accordance with the procedure for the conduct of referenda (7 CFR 900.400–407) to determine whether the annexed Order amending the Order Regulating the Handling of Almonds Grown in California is approved or favored by growers, as defined under the terms of the Order, who during the representative period were engaged in the production of almonds in the production area. The representative period for the conduct of such referendum is hereby determined to be August 1, 2025, through July 31, 2026.

The agents designated by the Secretary to conduct the referendum are Jeremy Sasselli, Bianca Bertrand, and Abigail Maharaj, West Region Branch, Market Development Division, Specialty Crops Program, AMS, USDA; telephone:

(559) 487–5901, or email: Jeremy.Sasselli@usda.gov, BiancaM.Bertrand@usda.gov, and Abigail.Maharaj@usda.gov, respectively.

Order Amending the Order Regulating the Handling of Almonds Grown in California¹

Findings and Determinations

The findings and determinations hereinafter set forth are supplementary to the findings and determinations which were previously made in connection with the issuance of Marketing Order 981; and all said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

1. Marketing Order 981 as hereby proposed to be amended and all the terms and conditions thereof, would tend to effectuate the declared policy of the Act;

2. Marketing Order 981 as hereby proposed to be amended regulates the handling of almonds grown in California and is applicable only to persons in the respective classes of commercial and industrial activity specified in the Order;

3. Marketing Order 981 as hereby proposed to be amended is limited in application to the smallest regional production area which is practicable, consistent with carrying out the declared policy of the Act, and the issuance of several marketing orders applicable to subdivisions of the production area would not effectively carry out the declared policy of the Act;

4. Marketing Order 981 as hereby proposed to be amended prescribes, insofar as practicable, such different terms applicable to different parts of the production area as are necessary to give due recognition to the differences in the production and marketing of almonds produced or packed in the production area; and

5. All handling of almonds grown or handled in the production area, as defined in Marketing Order 981, is in the current of interstate or foreign commerce or directly burdens, obstructs, or affects such commerce.

Order Relative to Handling

It is therefore ordered, that on and after the effective date hereof, all handling of almonds grown in

¹ This order shall not become effective unless and until the requirements of § 900.14 of the rules of practice and procedure governing proceedings to formulate marketing agreements and marketing orders have been met.

California shall be in conformity to, and in compliance with, the terms and conditions of the said Order as hereby proposed to be amended as follows:

The provisions of the proposed marketing order amending the Order contained in the proposed rule issued by the Administrator and published in the **Federal Register** (91 FR 13526) on March 20, 2026, with one minor grammatical change, will be and are the terms and provisions of this order amending the Order and are set forth in full herein.

List of Subjects in 7 CFR Part 981

Marketing agreements, Nuts, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, AMS proposes to amend 7 CFR part 981 as follows:

PART 981—ALMONDS GROWN IN CALIFORNIA

■ 1. The authority citation for part 981 continues to read as follows:

Authority: 7 U.S.C. 601–674.

■ 2. In § 981.81, add paragraph (f) to read as follows:

§ 981.81 Assessment.

* * * * *

(f) *Seasonal Line of Credit.* To provide short-term funds given cashflow constraints associated with the timing of program expenditures and revenue collection. The Board may borrow money from a commercial lending institution for such purposes; funds will be repaid within a maximum of 12 months.

Erin Morris,

Administrator, Agricultural Marketing Service.

[FR Doc. 2026–20622 Filed 10–7–26; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2026–11799; Project Identifier MCAI–2026–00594–R]

RIN 2120–AA64

Airworthiness Directives; Various Helicopters

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).