



This document is scheduled to be published in the Federal Register on 12/17/2015 and available online at <http://federalregister.gov/a/2015-31777>, and on [FDsys.gov](http://FDsys.gov)

**DEPARTMENT OF AGRICULTURE**

**Agricultural Marketing Service**

**7 CFR Part 930**

[Doc. No. AMS-FV-15-0063; FV16-930-1 PR]

**Tart Cherries Grown in the States of Michigan, et al.; Free and Restricted Percentages for the 2015-16 Crop Year for Tart Cherries**

**AGENCY:** Agricultural Marketing Service, USDA.

**ACTION:** Proposed rule.

**SUMMARY:** This proposed rule would implement a recommendation from the Cherry Industry Administrative Board (Board) to establish free and restricted percentages for the 2015-16 crop year under the marketing order for tart cherries grown in the states of Michigan, New York, Pennsylvania, Oregon, Utah, Washington, and Wisconsin (order). The Board locally administers the marketing order and is comprised of producers and handlers of tart cherries operating within the production area. This action would establish the proportion of tart cherries from the 2015 crop which may be handled in commercial outlets at 80 percent free and 20 percent restricted. In addition, this proposal would increase the carry-out volume of fruit to 55 million pounds for this season. These percentages should

stabilize marketing conditions by adjusting supply to meet market demand and help improve grower returns.

**DATES:** Comments must be received by [INSERT DATE 30 DAYS AFTER THE DATE OF PUBLICATION IN THE FEDERAL REGISTER].

**ADDRESSES:** Interested persons are invited to submit written comments concerning this proposal. Comments must be sent to the Docket Clerk, Marketing Order and Agreement Division, Specialty Crops Program, AMS, USDA, 1400 Independence Avenue SW, STOP 0237, Washington, DC 20250-0237; Fax: (202) 720-8938; or Internet:

<http://www.regulations.gov>. All comments should reference the document number and the date and page number of this issue of the **Federal Register** and will be made available for public inspection in the Office of the Docket Clerk during regular business hours, or can be viewed at:

<http://www.regulations.gov>. All comments submitted in response to this proposal will be included in the record and will be made available to the public. Please be advised that the identity of the individuals or entities submitting the comments will be made public on the internet at the address provided above.

**FOR FURTHER INFORMATION CONTACT:** Jennie M. Varela, Marketing Specialist, or Christian D. Nissen, Regional

Director, Southeast Marketing Field Office, Marketing Order and Agreement Division, Specialty Crops Program, AMS, USDA; Telephone: (863) 324-3375, Fax: (863) 291-8614, or E-mail: Jennie.Varela@ams.usda.gov or Christian.Nissen@ams.usda.gov.

Small businesses may request information on complying with this regulation by contacting Jeffrey Smutny, Marketing Order and Agreement 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 E-mail: Jeffrey.Smutney@ams.usda.gov.

**SUPPLEMENTARY INFORMATION:** This proposal is issued under Marketing Agreement and Order No. 930, both as amended (7 CFR part 930), regulating the handling of tart cherries produced in the States of Michigan, New York, Pennsylvania, Oregon, Utah, Washington and Wisconsin, hereinafter referred to as the "order." The order is effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), hereinafter referred to as the "Act."

The Department of Agriculture (USDA) is issuing this proposed rule in conformance with Executive Orders 12866, 13563, and 13175.

This proposal has been reviewed under Executive Order 12988, Civil Justice Reform. Under the order provisions now in effect, free and restricted percentages may be established for tart cherries handled during the crop year. This proposed rule would establish free and restricted percentages for tart cherries for the 2015-16 crop year, beginning July 1, 2015, through June 30, 2016.

The Act provides that administrative proceedings must be exhausted before parties may file suit in court. Under section 608c(15)(A) of the Act, any handler subject to an order may file with USDA a petition stating that the order, any provision of the order, or any obligation imposed in connection with the order is not in accordance with law and request a modification of the order or to be exempted therefrom. A handler is afforded the opportunity for a hearing on the petition. After the hearing, USDA would rule on the petition. The Act provides that the district court of the United States in any district in which the handler is an inhabitant, or has his or her principal place of business, has jurisdiction to review USDA's ruling on the petition, provided an action is filed not later than 20 days after the date of the entry of the ruling.

This proposed rule invites comments on the establishment of free and restricted percentages for the 2015-16 crop year. This proposal would establish the proportion of tart cherries from the 2015 crop which may be handled in commercial outlets at 80 percent free and 20 percent restricted. In addition, this proposal would increase the carry-out volume of fruit to 55 million pounds for calculation purposes for this season. This proposal should stabilize marketing conditions by adjusting supply to meet market demand and help improve grower returns. The proposed carry-out and the final percentages were recommended by the Board at a meeting on September 10, 2015.

Section 930.51(a) of the order provides authority to regulate volume by designating free and restricted percentages for any tart cherries acquired by handlers in a given crop year. Section 930.50 prescribes procedures for computing an optimum supply based on sales history and for calculating these free and restricted percentages. Free percentage volume may be shipped to any market, while restricted percentage volume must be held by handlers in a primary or secondary reserve, or be diverted or used for exempt purposes as prescribed in §§ 930.159 and 930.162 of

the regulations. Exempt purposes include, in part, the development of new products, sales into new markets, the development of export markets, and charitable contributions. For cherries held in reserve, handlers would be responsible for storage and would retain title of the tart cherries.

Under § 930.52, only those districts with an annual average production of at least six million pounds are subject to regulation and any district producing a crop which is less than 50 percent of its annual average is exempt. The regulated districts for the 2015-2016 crop year would be: District 1 - Northern Michigan; District 2 - Central Michigan; District 3 - Southern Michigan; District 4 - New York; District 7 - Utah; District 8 - Washington; and District 9 - Wisconsin. Districts 5 and 6 (Oregon and Pennsylvania, respectively) would not be regulated for the 2015-16 season.

Demand for tart cherries and tart cherry products tend to be relatively stable from year to year. Conversely, annual tart cherry production can vary greatly. In addition, tart cherries are processed and can be stored and carried over from crop year to crop year, further impacting

supply. As a result, supply and demand for tart cherries are rarely in balance.

Because demand for tart cherries is inelastic, total sales volume is not very responsive to changes in price. However, prices are very sensitive to changes in supply. As such, an oversupply of cherries would have a sharp negative effect on prices, driving down grower returns. The Board, aware of this economic relationship, focuses on using the volume control provisions in the order to balance supply and demand to stabilize industry returns.

Pursuant to § 930.50 of the order, the Board meets on or about July 1 to review sales data, inventory data, current crop forecasts and market conditions for the upcoming season and, if necessary, to recommend preliminary free and restricted percentages if anticipated supply would exceed demand. After harvest is complete, but no later than September 15, the Board meets again to update their calculations using actual production data, consider any necessary adjustments to the preliminary percentages, and determine if final free and restricted percentages should be recommended to the Secretary.

The Board uses sales history, inventory, and production data to determine whether there is a surplus,

and if so, how much volume should be restricted to maintain optimum supply. The optimum supply represents the desirable volume of tart cherries that should be available for sale in the coming crop year. Optimum supply is defined as the average free sales of the prior three years plus desirable carry-out inventory. Desirable carry-out is the amount of fruit needed by the industry to be carried into the succeeding crop year to meet market demand until the new crop is available. Desirable carry-out is set by the Board after considering market circumstances and needs. Section 930.50(a) specifies that desirable carry-out can range from zero to a maximum of 20 million pounds, but also authorizes the Board to establish an alternative carry-out figure with the approval of the Secretary.

In addition, USDA's "Guidelines for Fruit, Vegetable, and Specialty Crop Marketing Orders" (<http://www.ams.usda.gov/publications/content/1982-guidelines-fruit-vegetable-marketing-orders>) specify that 110 percent of recent years' sales should be made available to primary markets each season before recommendations for volume regulation are approved. This requirement is codified in § 930.50(g) of the order, which specifies that in years when restricted percentages are established, the

Board shall make available tonnage equivalent to an additional 10 percent of the average sales of the prior three years for market expansion (market growth factor).

After the Board determines optimum supply, desirable carry-out, and market growth factor, it must examine the current year's available volume to determine whether there is an oversupply situation. Available volume includes carry-in inventory (any inventory available at the beginning of the season) along with that season's production. If production is greater than the optimum supply minus carry-in, the difference is considered surplus. This surplus tonnage is divided by the sum of production in the regulated districts to reach a restricted percentage. This percentage must be held in reserve or used for approved diversion activities, such as exports.

The Board met on June 25, 2015, and computed an optimum supply of 208 million pounds for the 2015-16 crop year using the average of free sales for the three previous seasons and a desirable carry-out of 20 million pounds. The Board then subtracted the estimated carry-in of 104 million pounds from the optimum supply to calculate the production needed from the 2015-16 crop to meet optimum supply. This number, 104 million pounds, was subtracted

from the Board's estimated 2015-16 production of 233 million pounds to calculate a surplus of 129 million pounds of tart cherries. The surplus minus the market growth factor was then divided by the expected production in the regulated districts (228 million pounds) to reach a preliminary restricted percentage of 48 percent for the 2015-16 crop year.

In discussing the calculations, industry participants commented that a carry-out of 20 million pounds would not meet their needs at the end of the season before the new crop is available. To address that concern, the Board recommended increasing the desirable carry-out to 55 million pounds for the 2015-2016 season. This change increased the optimum supply to 243 million pounds, reducing the surplus to 94 million pounds.

The Board also discussed whether the substantial reduction of supply in 2012 due to weather was still a factor that needed to be considered in determining optimum supply. Because of the crop loss, sales in 2012-13 reached only 123 million pounds, nearly 100 million pounds less than 2013-14 sales. In the previous two seasons when considering volume regulation, the Board recommended economic adjustments to account for the substantial decline

in 2012. The Board again determined that the market required additional tonnage to continue recovering sales and voted to make an economic adjustment of 43 million pounds to increase the available supply of tart cherries. The Board also complied with the market growth factor requirement by adding 19 million pounds (188 million times 10 percent, rounded) to the free supply.

The economic adjustment and market growth factor further reduced the preliminary surplus to 32 million pounds. After these adjustments, the preliminary restricted percentage was recalculated as 14 percent (32 million pounds divided by 228 million pounds).

The Board met again on September 10, 2015, to consider establishing final volume regulation percentages for the 2015-16 season. The final percentages are based on the Board's reported production figures and the supply and demand information available in September. The total production for the 2015-16 season was 249 million pounds, 25 million pounds above the Board's June estimate. In addition, growers diverted 1 million pounds in the orchard, leaving 248 million pounds available to market. Using the actual production numbers, and accounting for the recommended increase in desirable carry-out and economic

adjustment, as well as the market growth factor, the restricted percentage was recalculated.

The Board subtracted the carry-in figure used in June of 104 million pounds from the optimum supply of 243 million pounds to determine 139 million pounds of 2015-16 production would be necessary to reach optimum supply. The Board subtracted the 139 million pounds from the actual production of 248 million pounds, resulting in a surplus of 109 million pounds of tart cherries. The surplus was then reduced by subtracting the economic adjustment of 43 million pounds and the market growth factor of 19 million pounds, resulting in an adjusted surplus of 47 million pounds. The Board then divided this final surplus by the actual production in the regulated districts (240 million pounds) to calculate a restricted percentage of 20 percent with a corresponding free percentage of 80 percent for the 2015-16 crop year, as outlined in the following table:

	Millions of pounds
<b>Final Calculations:</b>	
(1) Average sales of the prior three years	188
(2) Plus desirable carry-out	55
(3) Optimum supply calculated by the Board	243
(4) Carry-in as of July 1, 2015	104
(5) Adjusted optimum supply (item 3 minus item 4)	139
(6) Board reported production	248
(7) Surplus (item 6 minus item 5)	109

(8) Total economic adjustments	43
(9) Market growth factor	19
(10) Adjusted Surplus (item 7 minus items 8 and 9)	47
(11) Production from regulated districts	240
<hr/>	
Final Percentages:	Percent
Restricted (item 10 divided by item 11 × 100)	20
Free (100 minus restricted percentage)	80
<hr/>	

The primary purpose of setting restricted percentages is an attempt to bring supply and demand into balance. If the primary market is oversupplied with cherries, grower prices decline substantially. Restricted percentages have benefited grower returns and helped stabilize the market as compared to those seasons prior to the implementation of the order. The Board believes the available information indicates that a restricted percentage should be established for the 2015-16 crop year to avoid oversupplying the market with tart cherries. Consequently, based on its discussion of this issue and the result of the above calculations, the Board recommended final percentages of 80 percent free and 20 percent restricted by a vote of 16 in favor and 1 against.

During the discussion of the proposed restriction, some members expressed concern regarding competition from imported tart cherry juice concentrate. In particular, some were concerned that the additional volume from imports

is not accounted for in the Optimum Supply Formula, thus not capturing overall supply and demand. An economist from Michigan State University is working with the Board to assemble information on tart cherry imports. The Board also voted to establish an import committee to review the data on imports once it is available. Another member asserted that any restriction would adversely impact growers' ability to sell all of their fruit. One member also said that a 20 percent restriction seemed high given the moderate production in 2015.

One member noted setting the restriction at 20 percent would aid in maintaining price stability, with another member reminding the Board of the importance of the order and volume control in avoiding oversupplying the market with tart cherries. One other member said it was also important to maintain a reserve in case of another crop disaster. Other members stated the demand adjustment and the recommended increased carry-out would put sufficient fruit on the market in the coming year.

After reviewing the available data, and considering the concerns expressed, the Board determined that a 20 percent restriction with a carry-out volume of 55 million pounds would meet sales needs and establish some reserves

without oversupplying the market. Thus, the Board recommended establishing final percentages of 80 percent free and 20 percent restricted. The Board could meet and recommend the release of additional volume during the crop year if conditions so warranted.

### **Initial Regulatory Flexibility Analysis**

Pursuant to requirements set forth in the Regulatory Flexibility Act (RFA) (5 U.S.C. 601-612), the Agricultural Marketing Service (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 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 600 producers of tart cherries in the regulated area and approximately 40 handlers of tart cherries who are subject to regulation under the order. Small agricultural producers are defined by the Small Business Administration (SBA) as those having annual

receipts of less than \$750,000 and small agricultural service firms have been defined as those whose annual receipts are less than \$7,000,000 (13 CFR 121.201).

According to the National Agricultural Statistics Service (NASS) and Board data, the average annual grower price for tart cherries during the 2014-15 season was \$0.35 per pound, and total utilization was around 300 million pounds. Therefore, average receipts for tart cherry producers were around \$175,800, well below the SBA threshold for small producers. In 2014, The Food Institute estimated an f.o.b. price of \$0.96 per pound for frozen tart cherries, which make up the majority of processed tart cherries. Using this data, average annual handler receipts were about \$6.9 million, which is also below the SBA threshold for small agricultural service firms. Assuming a normal distribution, the majority of producers and handlers of tart cherries may be classified as small entities.

The tart cherry industry in the United States is characterized by wide annual fluctuations in production. According to NASS, tart cherry production in 2012 was 85 million pounds, 294 million pounds in 2013, and in 2014, production was 304 million pounds. Because of these fluctuations, the supply and demand for tart cherries are

rarely equal.

Demand for tart cherries is inelastic, meaning changes in price have a minimal effect on total sales volume. However, prices are very sensitive to changes in supply, and grower prices vary widely in response to the large swings in annual supply, with prices ranging from a low of 7.3 cents per pound in 1987 to a high of 59.4 cents per pound in 2012.

Because of this relationship between supply and price, oversupplying the market with tart cherries would have a sharp negative effect on prices, driving down grower returns. The Board, aware of this economic relationship, focuses on using the volume control authority in the order in an effort to balance supply and demand in order to stabilize industry returns. This authority allows the industry to set free and restricted percentages as a way to bring supply and demand into balance. Free percentage cherries can be marketed by handlers to any outlet, while restricted percentage volume must be held by handlers in reserve, diverted or used for exempted purposes.

This proposal would establish free and restricted percentages using an increased carry-out volume of 55 million pounds for the 2015-16 crop year under the order

for tart cherries. This proposal would control the supply of tart cherries by establishing percentages of 80 percent free and 20 percent restricted for the 2015-16 crop year. These percentages should stabilize marketing conditions by adjusting supply to meet market demand and help improve grower returns. The proposal would regulate tart cherries handled in Michigan, New York, Utah, Washington, and Wisconsin. The authority for this action is provided for in §§ 930.51(a) and 930.52 of the order. The Board recommended this action at a meeting on September 10, 2015.

This proposal would result in some fruit being diverted from the primary domestic markets. However, as mentioned earlier, the USDA's "Guidelines for Fruit, Vegetable, and Specialty Crop Marketing Orders" (<http://www.ams.usda.gov/publications/content/1982-guidelines-fruit-vegetable-marketing-orders>) specify that 110 percent of recent years' sales should be made available to primary markets each season before recommendations for volume regulation are approved. The quantity that would be available under this proposal is greater than 110 percent of the average quantity shipped in the prior three years.

In addition, there are secondary uses available for restricted fruit, including the development of new

products, sales into new markets, the development of export markets, and being placed in reserve. While these alternatives may provide different levels of return than the sales to primary markets, they play an important role for the industry. The areas of new products, new markets, and the development of export markets utilize restricted fruit to develop and expand the markets for tart cherries. In 2014-15, these activities accounted for 21 million pounds in sales, nearly 14 million of which were exports.

Placing tart cherries into reserves is also a key part of balancing supply and demand. Although the industry must bear the handling and storage costs for fruit in reserve, reserves stored in large crop years are used to supplement supplies in short crop years. The reserves allow the industry to mitigate the impact of oversupply in large crop years, while allowing the industry to maintain and supply markets in years where production falls below demand. Further, storage and handling costs are more than offset by the increase in price when moving from a large crop to a short crop year.

In addition, the Board recommended an increased carry-out of 55 million pounds and made a demand adjustment of 43 million pounds in order to make the regulation less

restrictive. Even with the recommended restriction, over 300 million pounds of fruit would be available to the domestic market. Consequently, it is not anticipated that this proposal would unduly burden growers or handlers.

While this proposal could result in some additional costs to the industry, these costs are more than outweighed by the benefits. The purpose of setting restricted percentages is to attempt to bring supply and demand into balance. If the primary market (domestic) is oversupplied with cherries, grower prices decline substantially. Without volume control, the primary market would likely be oversupplied, resulting in lower grower prices.

The three districts in Michigan, along with the districts in New York, Utah, Washington, and Wisconsin are the restricted areas for this crop year with a combined total production of 240 million pounds. A 20 percent restriction means 192 million pounds would be available to be shipped to primary markets from these five states. The 192 million pounds from the restricted districts, nearly 9 million pounds from the unrestricted districts (Oregon and Pennsylvania), and the 104 million pound carry-in inventory would make a total of 305 million pounds available as free tonnage for the primary markets. This is similar to the

300 million pounds of total utilization in 2014-2015 and less restrictive than the 12 percent restriction in 2011-2012 which made just under 262 million pounds available. Further, the Board could meet and recommend the release of additional volume during the crop year if conditions so warranted.

Prior to the implementation of the order, grower prices often did not come close to covering the cost of production. The most recent costs of production determined by representatives of Michigan State University are an estimated \$0.33 per pound. To assess the impact that volume control has on the prices growers receive for their product, an econometric model has been developed. Based on the model, the use of volume control would have a positive impact on grower returns for this crop year. With volume control, grower prices are estimated to be approximately \$0.03 per pound higher than without restrictions.

In addition, absent volume control, the industry could start to build large amounts of unwanted inventories. These inventories would have a depressing effect on grower prices. The econometric model shows for every 1 million-pound increase in carry-in inventories, a decrease in grower prices of \$0.0042 per pound occurs.

Retail demand is assumed to be highly inelastic, which indicates that changes in price do not result in significant changes in the quantity demanded. Consumer prices largely do not reflect fluctuations in cherry supplies. Therefore, this proposal should have little or no effect on consumer prices and should not result in a reduction in retail sales.

The free and restricted percentages established by this proposal would provide the market with optimum supply and apply uniformly to all regulated handlers in the industry, regardless of size. As the restriction represents a percentage of a handler's volume, the costs, when applicable, are proportionate and should not place an extra burden on small entities as compared to large entities.

The stabilizing effects of this proposal would benefit all handlers by helping them maintain and expand markets, despite seasonal supply fluctuations. Likewise, price stability positively impacts all growers and handlers by allowing them to better anticipate the revenues their tart cherries would generate. Growers and handlers, regardless of size, would benefit from the stabilizing effects of this restriction. In addition, the increased carry-out should

provide processors enough supply to meet market needs going into the next season.

The Board considered some alternatives in its preliminary restriction discussions that affected this recommended action. The first alternative concerned the average sales in estimating demand for the coming season, and the second alternative regarded the recommended carry-out figure.

Regarding demand, the Board began with the actual sales average of 188 million pounds. There was concern, however that this value, which incorporated the weather-related crop failure of 2012, would result in an over-restrictive calculation. After considering options in the range of 40 to 62 million pounds, the Board determined that an adjustment of 43 million pounds, would best meet the industry's sales needs. Thus the other alternatives were rejected and the Board recommended the 43 million pound economic adjustment.

Regarding the carry-out value, the Board previously considered a one-year increase above the 20 million pounds specified in the order to 50 million pounds. However, this season, Board members indicated the carry-out should be even higher to facilitate processing at the end of the crop

year. Board members suggested a series of options from 35 million to 60 million pounds of carry-out. Some feel the additional fruit is necessary while others were more cautious about having additional fruit on the market at the time of harvest, which may put downward pressure on prices. In conjunction with the demand adjustment, the Board reached a consensus and recommended the Secretary increase the maximum carry-out to 55 million pounds for the 2015-2016 season.

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 the Office of Management and Budget (OMB) and assigned OMB No. 0581-0177, Tart Cherries Grown in the States of MI, NY, PA, OR, UT, WA, and WI. No changes in those requirements as a result of this action are necessary. Should any changes become necessary, they would be submitted to OMB for approval.

This proposal would not impose any additional reporting or recordkeeping requirements on either small or large tart cherry 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.

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

In addition, the Board's meeting was widely publicized throughout the tart cherry industry and all interested persons were invited to attend the meeting and participate in Board deliberations on all issues. Like all Board meetings, the June 25, 2015, and September 10, 2015, meetings were public meetings and all entities, both large and small, were able to express views on this issue. Finally, interested persons are invited to submit comments on this proposed rule, including the regulatory and informational impacts of this proposal on small businesses.

A small business guide on complying with fruit, vegetable, and specialty crop marketing agreements and orders may be viewed at: <http://www.ams.usda.gov/rules-regulations/moa/small-businesses>. Any questions about the compliance guide should be sent to Jeffrey Smutny at the

previously mentioned address in the **FOR FURTHER INFORMATION CONTACT** section.

A 30-day comment period is provided to allow interested persons to respond to this proposal. Thirty days is deemed appropriate because this proposed rule would need to be in place as soon as possible since handlers are already shipping tart cherries from the 2015-16 crop. All written comments timely received will be considered before a final determination is made on this matter.

**List of Subjects in 7 CFR Part 930**

Marketing agreements, Reporting and recordkeeping requirements, Tart cherries.

For the reasons set forth in the preamble, 7 CFR part 930 is proposed to be amended as follows:

PART 930--TART CHERRIES GROWN IN THE STATES OF MICHIGAN, NEW YORK, PENNSYLVANIA, OREGON, UTAH, WASHINGTON, AND WISCONSIN

1. The authority citation for 7 CFR part 930 continues to read as follows:

Authority: 7 U.S.C. 601-674.

2. Revise § 930.151 to read as follows:

**§ 930.151 Desirable carry-out inventory.**

For the crop year beginning on July 1, 2015, the

desirable carry-out inventory, for the purposes of determining an optimum supply volume, will be 55 million pounds.

3. Revise § 930.256 to read as follows:

**§ 930.256 Free and restricted percentages for the 2015-16 crop year.**

The percentages for tart cherries handled by handlers during the crop year beginning on July 1, 2015, which shall be free and restricted, respectively, are designated as follows: Free percentage, 80 percent and restricted percentage, 20 percent.

Dated: December 14, 2015.

Rex A. Barnes  
Associate Administrator  
Agricultural Marketing Service

Billing Code 3410-02P  
[FR Doc. 2015-31777 Filed: 12/16/2015 8:45 am; Publication Date: 12/17/2015]