



## **Agricultural Marketing Service**

### **7 CFR Part 29**

**[Docket No. AMS-CN-25-0025]**

**RIN 0581-AE43**

## **Tobacco Grading and Inspections Services - Rescission of Designated Tobacco Markets**

**AGENCY:** Agricultural Marketing Service (AMS), Department of Agriculture (USDA).

**ACTION:** Final rule.

**SUMMARY:** This action removes and reserves subpart D, titled “Orders of Designation of Tobacco Markets” from the Code of Federal Regulations (CFR). The regulations subpart D are obsolete and unnecessary because The Fair and Equitable Tobacco Reform Act of 2004 eliminated mandatory grading of types of tobacco eligible for price support programs and a referendum of eligible producers voted in favor of terminating the designations for tobacco auction markets in June of 2005.

**DATES:** The final rule is effective [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

**FOR FURTHER INFORMATION CONTACT:** Angie Snyder, Deputy Administrator, USDA-AMS-Cotton and Tobacco Program, 3275 Appling Road, Memphis, TN 38133; Telephone: (901) 384-3000; E-mail: [angie.snyder@usda.gov](mailto:angie.snyder@usda.gov).

**SUPPLEMENTARY INFORMATION:** The Fair and Equitable Tobacco Reform Act of 2004 (sec. 611(b), Pub. L. 108-357, 118 Stat. 1522; Oct. 22, 2004) eliminated the price support and quota system for tobacco produced in the United States and eliminates mandatory grading of types of tobacco eligible for price support programs. Under the Tobacco Inspection Act (ch. 623, sec. 9, 49 Stat. 733; Aug. 23, 1935), mandatory Federal grading of any tobacco sold at auction on a designated market would continue only if

growers supported the designation of existing tobacco auctions markets for the purpose of mandatory grading.

Under the Tobacco Inspection Act (7 U.S.C. 511d), the Secretary is authorized to designate those auction markets where tobacco is bought and sold thereon at auction. Once tobacco markets are designated by the Secretary, no tobacco may be offered for sale at auction on such market until it has been inspected and certified by an authorized representative of the Secretary. It also provides that, before any market is designated, the Secretary is required to determine by referendum the desire of tobacco growers who sold tobacco at auction on such market during the preceding marketing season.

A referendum (70 FR 20724; April 21, 2005), requested by the National Advisory Committee for Tobacco Inspection Services, was conducted May 9 through 13, 2005, to determine if tobacco producers favored termination of designations for the auction markets, thus eliminating the requirement for mandatory Federal inspection. The referendum results, announced on June 15, 2005, showed 57 percent of the producers of flue-cured tobacco, burley tobacco, Kentucky-Tennessee fire cured tobacco, Virginia fire-cured tobacco, Virginia sun-cured tobacco, and dark air-cured tobacco voted in favor of terminating the market designations. A vote by a simple majority of eligible producers was necessary to terminate the designations for auction markets effective for the 2005 and subsequent marketing seasons.

Given that designated tobacco markets that require mandatory grading have not been active since June of 2005, there are no known costs or benefits associated with USDA's regulations governing mandatory tobacco inspection/grading, which are contained in part 29 of title 7 of the Code of Federal Regulations. Currently, subpart D of 7 CFR part 29 includes a policy statement and a list of 188 tobacco markets designated for purposes of mandatory grading.

Upon reviewing these regulations, USDA has determined that subpart D of 7 CFR part 29 should be rescinded for the reasons stated above. To the extent there is any uncertainty about the costs and benefits of these regulations, it is the policy of USDA to err on the side of deregulation and focus resources on fairly and rationally enforcing a discrete and manageable number of regulations. USDA has determined that there is no reliance interest in the regulations to be removed. Moreover, regardless of the lawfulness, USDA has no interest in maintaining a regulation that is unnecessary for the reasons stated above. The regulations in subpart D of 7 CFR part 29 are not a priority.

#### **List of Subjects in 7 CFR Part 29**

Administrative practice and procedure, Advisory committees, Government publications, Imports, Pesticides and pests, Reporting and recordkeeping requirements, Tobacco.

For the reasons set forth in the preamble, AMS amends 7 CFR part 29 as follows:

#### **PART 29—TOBACCO INSPECTION**

1. The authority citation for part 29 continues to read as follows:

**Authority:** 7 U.S.C. 511-511s.

#### **Subpart D — [Removed and Reserved]**

2. Remove and reserve subpart D, consisting of § 29.8001.

**Bruce Summers,**

*Administrator,*

*Agricultural Marketing Service.*

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