



Agricultural Marketing Service

7 CFR Part 29

[Doc. No. AMS-CN-25-0028]

RIN 0581-AE40

Tobacco Grading and Inspections Services - Rescission of Tobacco Quota Provisions

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

ACTION: Direct final rule.

SUMMARY: This direct final rule amends regulations that govern the inspection of tobacco under the national marketing quota system established under the Agricultural Adjustment Act of 1938. The Fair and Equitable Tobacco Reform Act of 2004 eliminated the price support and quota system for tobacco produced in the United States.

In alignment with E.O. 14192, AMS is removing and, where appropriate, amending regulations that have expired authorizing statutes and govern non-operational programs.

DATES: This direct final rule is effective [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER], without further action or notice, unless a significant adverse comment is received by [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. If a significant adverse comment is received, AMS will publish in the *Federal Register* a withdrawal of this direct final rule prior to the effective date.

ADDRESSES: Comments can be submitted electronically at

<https://www.regulations.gov> by searching the docket number listed above. Interested persons are invited to submit written comments concerning this direct final rule.

Comments may also be submitted by mail or hand delivery to USDA AMS Cotton and Tobacco Program, 3275 Appling Road, Memphis, TN, 38133. All comments should reference the docket number and the date and page number of this issue of the *Federal*

Register. All comments submitted in response to this direct final rule will be included in the record and will be made available to the public at: <https://www.regulations.gov>. Public comments are posted without change. Any identifying information submitted with these comments will also be publicly available.

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.

SUPPLEMENTARY INFORMATION: Part I of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1311 et seq.) authorized the establishment of a national marketing quota program for tobacco to facilitate the orderly marketing of tobacco, thus avoiding abnormally excessive supplies being produced and dumped indiscriminately on the Nation-wide market. However, 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 as well as mandatory grading of types of tobacco eligible for price support.

AMS's regulations governing tobacco marketed under the quota program are contained in 7 CFR 29. Upon reviewing these regulations in light of changes to the law and in alignment with Executive Order 14192, AMS has determined that regulations in 7 CFR part 29 pertaining to the obsolete market quota program should be removed and, where appropriate, amended.

AMS is removing the statutory authorities listed under this subpart B heading since these authorities are redundant - already cited under the heading for part 29. Paragraph (2) under paragraph (a) of § 29.47a is amended to remove provisions directly related to market quota provisions. Likewise, paragraph (6) under paragraph (a) of § 29.47a are removed as they directly pertain to market quota provisions.

AMS is removing redundant and obsolete statutory authorities listed under subpart C heading.

The language in the heading of subpart F is amended to remove references to obsolete market quota program, and the obsolete statutory authorities listed under this subpart heading are being removed. Multiple sections throughout subpart F, including §§ 29.9207, 29.9221, 29.9240, and 29.9261-9262, are being removed as they pertain to the obsolete market quota program. Lastly, §§ 29.9232-9234, and 29.9236, are amended by removing the word “nonquota,” and § 29.9241 is amended by removing the phrase “with no other quota, nonquota.”

Given that AMS has not provided services related to the tobacco quota program in twenty years, there are no known costs or benefits associated with removing AMS’s regulations governing tobacco marketed under the quota program. Mandatory inspection and grading of tobacco subject to marketing quota were user-fee based services, which are services paid for by the industry through fees. Fee rates for tobacco inspection and grading services were set such that all costs associated with these services were covered by revenues generated from providing these services. 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.

Section 553(b)(3)(B) of the Administrative Procedure Act (APA) (5 U.S.C. 551 et seq.) authorizes agencies to dispense with prior notice and comment for rules when the agency for “good cause” finds that those procedures are “impracticable, unnecessary, or contrary to the public interest.” Under this section, an agency, upon finding good cause, may issue a final rule without first publishing a proposed rule. Removing regulations pertaining to tobacco market quotas and making conforming amendments will provide transparency and may reduce confusion for tobacco producers and other stakeholders.

Further, AMS views this action as noncontroversial and anticipates no adverse public comment. This rule will become effective, as published in this document, [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER] without further action, unless adverse comments are received on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. Adverse comments are considered to be those comments that suggest the rule should not be adopted or suggest the rule should be changed.

If AMS receives adverse comments, we will publish a document in the *Federal Register*, withdrawing this rule before the effective date. AMS will then publish a proposed rule for public comment. Following the close of that comment period, the comments will be considered, and a final rule addressing the comments will be published.

Under the Regulatory Flexibility Act (5 U.S.C. 601 et seq.), AMS certifies that this direct final rule will not, if issued, have a significant economic impact on a substantial number of small entities. AMS has not provided services related to the tobacco quota program in twenty years. The amendments made by the direct final rule will merely conform the CFR with AMS' current operating practices. This rule has been determined to be not significant for the purposes of Executive Order 12866 and, therefore, has not been reviewed by OMB. There are no current information collections associated with the regulations related to the tobacco market quota program.

USDA has determined that there is no reliance interest in obsolete regulations. Moreover, regardless of the lawfulness, USDA has no interest in maintaining regulations that have expired authorizing statutes or govern non-operational programs. Maintaining regulations pertaining to the obsolete tobacco market quota program in 7 CFR part 29 are not a priority. Therefore, AMS is amending 7 CFR 29 to remove, and where appropriate, references and provisions pertaining to mandatory inspection and grading required by the obsolete market quota program.

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 B—[Amended]

2. Remove the authority citation to subpart B.

§ 29.74a [Amended]

3. Amend § 29.74a by:

- a. Removing the last sentence of paragraph (a)(2) and;
- b. Removing paragraph (a)(6).

Subpart C—[Amended]

4. Remove the authority citation to subpart C.

Subpart F—Policy Statement and Provisions Governing the Identification and Certification of Tobacco

5. Revise the heading to subpart F to read as set forth above.

6. Remove the authority citation to subpart F.

§ 29.9204 [Amended]

7. Amend §29.9204 by removing the word “nonquota.”

§ 29.9207 [Removed]

8. Remove § 29.9207.

§ 29.9221 [Removed]

9. Remove the undesignated heading “POLICY STATEMENT” and § 29.9221.

10. Revise § 29.9232 to read as follows:

§ 29.9232 Where certification is available.

Tobacco may be inspected and certified by class or type, upon request of an interested party, when the tobacco is displayed at an approved receiving station where the tobacco is accessible to the inspector.

§§ 29.9233, 29.9234, and 29.9236 [Amended]

11. Amend §§ 29.9233, 29.9234, and 29.9236 by removing the word “nonquota” wherever it appears.

§ 29.9240 [Removed]

12. Remove § 29.9240.

13. Amend § 29.9241 by revising the second sentence to read as follows:

§ 29.9241 Accessibility of tobacco.

* * * Each croplot shall be displayed at an approved receiving station in a continuous and orderly sequence with no other producer's tobacco in between. * * *

§§ 29.9261 and 29.9262 [Removed]

14. Remove §§ 29.9261 and 29.9262.

Bruce Summers,

Administrator,

Agricultural Marketing Service.

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