



Agricultural Marketing Service

7 CFR Part 932

[Doc. No. AMS-SC-25-0002]

Olives Grown in California; Decreased Assessment Rate

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Proposed rule.

SUMMARY: This proposed rule would implement a recommendation from the California Olive Committee (Committee) to decrease the assessment rate established for the 2025 fiscal year and subsequent fiscal years from \$28.00 to \$24.00 per ton of assessable olives grown in California. The proposed assessment rate would remain in effect indefinitely until modified, suspended, or terminated.

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

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 sent 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, will be made available to the public and can be viewed at: <https://www.regulations.gov>. Please be advised that public comments are posted to [regulations.gov](https://www.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 Marketing Order No. 932 as amended (7 CFR part 932), regulating the handling of olives grown in California. Part 932 (referred to as “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 California Olive Committee (Committee) locally administers the Order and is comprised of producers and handlers of olives operating within the area of production.

This action is exempt from the Office of Management and Budget (OMB) review process required by Executive Order 12866. This rule amends the existing Marketing Order No. 932 (7 CFR part 932), Olives Grown in California and is necessary for the continued operation of Marketing Order No. 932. 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.” Under the Order now in effect, California olive 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 olives for the 2025 fiscal year, and continue until amended, suspended, or terminated.

This proposed rule would decrease the assessment rate for assessable olives handled under the Order from \$28.00 to \$24.00 per ton for the 2025 fiscal year and subsequent fiscal years.

Sections 932.38 and 932.39 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 2024 fiscal year and subsequent fiscal years, the Committee recommended, and AMS approved, an assessment rate of \$28 per ton of assessable olives within the production area. That rate continues in effect from fiscal year to fiscal year 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 December 19, 2024, and unanimously recommended 2025 fiscal year expenditures of \$1,174,697 and an assessment rate of \$24 per ton of assessed olives. In comparison, the 2024 fiscal year budgeted expenditures were \$1,100,151. The proposed assessment rate of \$24 is \$4 lower than the rate currently in effect. Although the recommended 2025 fiscal year expenditures are higher than those in 2024, the Committee recommended decreasing the assessment rate due to the significantly higher crop size in 2024 (fruit that is marketed over the course of the 2025 fiscal year), and the need to maintain its reserve funds within a level authorized under the marketing order. The Committee estimates approximately 48,560 tons of olives from the 2024 crop year that

will be assessable during the 2025 fiscal year. This amount is substantially higher than the 34,000 tons of olives that were harvested in 2023.

Olives harvested in 2024 will be marketed over the course of the 2025 fiscal year, which began on January 1, 2025, as the harvested olives are stored in brining tanks and processed over the subsequent year. The 48,560 tons of assessable olives from the 2024 crop would generate \$1,165,440 (48,560 tons multiplied by the \$24 assessment rate) in assessment revenue over the 2025 fiscal year at the proposed assessment rate. The balance of funds needed to cover budgeted expenditures would come from interest income and the Committee's financial reserve. The 2025 fiscal year assessment rate decrease is appropriate to ensure the Committee has sufficient revenue to fund the recommended 2025 fiscal year budgeted expenditures while also ensuring that funds in the reserve do not exceed approximately one fiscal year's expenses, the maximum reserve amount permitted by 7 CFR 932.40.

The Order has a fiscal year and a crop year that are independent of each other. The crop year is a 12-month period that begins on August 1 of each year and ends on July 31 of the following year. The fiscal year is the 12-month period that begins on January 1 and ends on December 31 of each year. Olives are an alternate-bearing crop, with a small crop (2023) followed by a large crop (2024). For this proposed rule, the Committee utilized the estimated 2024 crop year receipts to determine the recommended assessment rate for the 2025 fiscal year.

The Committee derived the recommended assessment rate by considering anticipated fiscal year expenses, the expected volume of assessable olives, and the level of funds available in the authorized financial reserve. The expected 48,560 tons of assessable olives would generate \$1,165,440 in assessment revenue at the proposed rate (48,560 tons multiplied by the \$24 assessment rate). The income generated from handler assessments, along with reserve funds and interest income, would be sufficient to meet

the Committee's estimated program expenditures of \$1,174,697 for the 2025 fiscal year. Funds available in the financial reserve (currently about \$1,723,008) would be kept within the maximum permitted by the Order (approximately one fiscal year's expenses as authorized by 7 CFR 932.40).

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 assessment rate would be in effect for an indefinite period, the Committee will continue to meet prior to or during each fiscal year 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 evaluates Committee recommendations and other available information to determine whether modification of the assessment rate is needed. The Committee's 2025 fiscal year budget, and those for subsequent fiscal years, 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.

The Small Business Administration (SBA) defines, in 13 CFR part 121, small agricultural service firms, including handlers, as those whose average annual receipts are

no greater than \$34 million (North American Industry Classification System (NAICS) code 115114, Postharvest Crop Activities). SBA defines small agricultural producers of olives as those having average annual receipts no greater than \$3.5 million (NAICS code 111339, Other Noncitrus Fruit Farming).

According to the Committee, there are two handlers subject to regulation under the Order. The volume of olives produced in the production area – a two-year average of 31,520 tons for crop years 2023 to 2024 – would require large scale processing facilities for just two handlers to be able to process the entire California crop; therefore, it is likely that both handlers would exceed the SBA threshold of \$34 million in annual receipts, and therefore, not be considered small businesses under the SBA definition of a small firm engaging in postharvest crop activities.

In the 2022 Census of Agriculture, the most recent to date, the National Agricultural Statistics Service (NASS) reports the existence of 1,613 olive-farming operations in California totaling 41,828 bearing acres. To estimate the number of olive growers that would be considered to be “small” per the SBA definition, AMS calculates the acreage required to produce the volume of olives at an average price to reach the \$3.5 million threshold. Due to the alternate-bearing nature of olives, a two-year average is used to estimate price and yield, based on the most recent NASS data for 2023 and 2024.

NASS reports 2023 and 2024 California grower prices for olives for canning at \$1,080 per ton and \$1,140 per ton, respectively. This results in a two-year average price received by California growers of olives for canning of \$1,110 per ton ($\$1,080$ plus $\$1,140$, divided by 2). Olive yields in California measured 3.04 tons per acre in 2023 and 3.78 tons per acre in 2024, resulting in an average yield of 3.41 tons of olives per acre (3.04 tons plus 3.78 tons, divided by 2). These figures are utilized in the equations below to estimate the amount of acreage needed to produce the volume of olives sold at the average price to reach the SBA threshold of \$3.5 million.

Dividing the SBA threshold for a small olive grower of \$3.5 million by the \$1,110 per ton average grower received price and by the estimated average yield of 3.41 tons per acre results in approximately 925 acres that would be required for an olive grower to reach \$3.5 million in annual receipts. Therefore, AMS concludes that an olive grower would need 926 bearing acres to be considered “large” per the SBA definition.

According to the 2022 Census of Agriculture, published by NASS in February 2024, of the 1,613 olive farms in California, four had bearing acreage between 750 and 999.9 acres, and three had bearing acreage equal to or exceeding 1,000 acres. This means that between 99.6 percent (1,613 minus 7 (4 plus 3), divided by 1,613) and 99.8 percent (1,613 minus 3, divided by 1,613) of farms, or growers, would be considered to be small businesses under the SBA definition.

This proposal would decrease the assessment rate collected from handlers for the 2025 fiscal year and subsequent fiscal years from \$28.00 to \$24.00 per ton of assessable olives. The Committee unanimously recommended 2025 expenditures of \$1,174,697 and an assessment rate of \$24 per ton. The recommended assessment rate of \$24 is \$4 lower than the 2024 assessment rate. The 2024 crop is estimated to be 48,560 tons. The \$24 per ton should provide \$1,165,440 in assessment income (48,560 tons multiplied by \$24 assessment rate). Income derived from handler assessments, along with interest income and funds from the authorized reserve, should be sufficient to cover budgeted expenses.

The Committee deliberated on many of the expenses, weighed the relative value of various programs or projects, and decreased their expenses for inspection and marketing activities while increasing the expenses of their program administration and research activities. Overall, the 2025 budget of \$1,174,697 is \$74,546 more than the \$1,100,151 budgeted for the 2024 fiscal year.

Prior to arriving at this budget and assessment rate, the Committee considered information from various sources including the Committee’s Executive, Marketing,

Inspection, and Research Subcommittees. Alternate expenditure levels were discussed by these groups, based upon the relative value of various projects to the olive industry and the increased olive production. The assessment rate of \$24 per ton of assessable olives was derived by considering anticipated expenses, the high volume of assessable olives, the current balance in the monetary reserve, and additional pertinent factors.

A review of NASS historical and preliminary information indicates the two-year average producer price for California olives is approximately \$1,180 per ton. Therefore, utilizing the recommended assessment rate of \$24 per ton, assessment revenue for the 2024 fiscal year as a percentage of total producer revenue would be approximately 2 percent (\$24 divided by \$1,180, multiplied by 100).

This proposed rule would decrease the assessment obligation imposed on handlers. Assessments are applied uniformly to all handlers. Some of the assessment costs to handlers may be passed on to producers. Decreasing the assessment rate would reduce the burden on handlers and may also, therefore, reduce the burden on producers.

The Committee's meetings are widely publicized throughout the production area and all interested persons are invited to attend the meetings and participate in Committee deliberations on all issues. Like all Committee meetings, the December 19, 2024, meeting was a public meeting 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 information collection impacts of this 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. 0581-0178, "Vegetable and Specialty Crops." No changes in those requirements would be 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 California olive 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.

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.

List of Subjects in 7 CFR Part 932

Marketing agreements, Olives, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, the Agricultural Marketing Service proposes to amend 7 CFR part 932 as follows:

PART 932—OLIVES GROWN IN CALIFORNIA

1. The authority citation for part 932 continues to read as follows:

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

2. Section 932.230 is revised to read as follows:

§ 932.230 Assessment rate.

On and after January 1, 2025, an assessment rate of \$24 per ton is established for California olives.

Erin Morris,

Administrator,

Agricultural Marketing Service.

[FR Doc. 2026-04580 Filed: 3/6/2026 8:45 am; Publication Date: 3/9/2026]