



Agricultural Marketing Service

7 CFR Part 987

[Doc. No. AMS-SC-25-0320]

Domestic Dates Produced or Packed in Riverside County, California; Increased Assessment Rate

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Proposed rule.

SUMMARY: This proposed rule would implement a recommendation from the California Date Administrative Committee (Committee) to increase the assessment rate established for the 2025-2026 crop year and subsequent crop years from \$0.05 to \$0.25 per hundredweight for domestic dates produced or packed in Riverside County, 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: Peter Sommers, Marketing Specialist, or Abigail Maharaj, Chief, West Region Branch, Market Development Division, Specialty Crops Program, AMS, USDA; telephone: (559) 487-5901, or email: PeterR.Sommers@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 the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674) (the Act), amending Marketing Order No. 987 (7 CFR part 987; the Order), regulating the handling of domestic dates produced or packed in Riverside County, California. The California Date Administrative Committee (Committee) locally administers the Order and is comprised of producers and handlers of dates 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 existing Marketing Order No. 987, as amended (7 CFR part 987), Domestic Dates Produced or Packed in Riverside County, California, and is necessary for the continued operation of Marketing Order No. 987. 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. The Agricultural Marketing Service (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 date 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 dates for the 2025-2026 crop year, and continue until amended, suspended, or terminated.

This proposed rule would increase the assessment rate for California dates handled under the Order from \$0.05 to \$0.25 per hundredweight for the 2025-2026 and subsequent crop years.

Sections 987.71 and 987.72 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 2025-2026 crop year and subsequent crop years, the Committee recommended, and AMS approved, an assessment rate of \$0.25 per hundredweight of California dates within the production area. That rate continues in effect from crop year to crop 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 June 26, 2025, and unanimously recommended 2025-2026 crop year expenditures of \$88,385 and an assessment rate of \$0.25 per hundredweight of California dates handled for the 2025-2026 crop year and subsequent crop years. In comparison, the 2024-2025 crop year’s budgeted expenditures were \$89,410. The proposed assessment rate of \$0.25 per hundredweight is \$0.20 higher than the rate currently in effect. The Committee recommended increasing the assessment rate to

replenish its reserve funds, which were depleted due to an assessment rate decrease during the 2024-2025 crop year. Funds will be maintained at an acceptable level as authorized under the Order. The Committee estimates 300,000 hundredweight of assessable California dates for the 2025-2026 crop year, the same amount that the Committee estimated for the 2024-2025 crop year.

The Committee derived the recommended assessment rate by considering anticipated crop year expenses, the estimated volume of assessable dates, and the amount of funds available in the authorized reserve. The expected 300,000 hundredweight of assessable California dates would generate \$75,000 in assessment revenue at the proposed rate (300,000 hundredweight multiplied by the \$0.25 assessment rate). The income generated from handler assessments, along with approximately \$7,285 from the current \$49,553 in reserve funds and \$6,100 of surplus allocation income from the date cull program, would be adequate to meet the Committee's budgeted expenses of \$88,385 for the 2025-2026 crop year. Funds available in the authorized reserve (currently about \$49,553) would be kept within the maximum amount permitted by the Order (not to exceed the average of annual expenses for the preceding five years, as authorized in § 987.72).

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 crop 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. Further rulemaking would be undertaken if further changes are made to the assessment rate. The Committee's 2025-2026 crop year budget, and those for subsequent crop 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.

There are approximately 70 producers of California dates in the production area and 11 handlers subject to regulation under the Order. At the time the analysis was prepared, the Small Business Administration (SBA) defined small agricultural producers as those having annual receipts equal to or less than \$3,500,000 (North American Industry Classification System (NAICS) code 111339, Other Noncitrus Fruit Farming). Small agricultural service firms are defined by the SBA as those having annual receipts of equal to or less than \$34,000,000 (NAICS code 115114, Postharvest Crop Activities) (13 CFR 121.201).

The USDA National Agricultural Statistics Service (NASS) reported an average 2024 California date producer price of \$3,680 per ton, with an estimated production of 61,890 tons. Using the average producer price, production information, the total number of California date producers, and assuming a normal distribution, the average estimated annual receipts per producer is \$3,253,646 (\$3,680 multiplied by 61,890 tons equals \$227,755,200, divided by 70 producers equals \$3,253,646 per producer), which is less

than the SBA threshold of \$3,500,000. Therefore, the majority of California date producers may be classified as small entities according to the SBA definition.

According to USDA Market News data, the terminal market price for packaged dates for the 2024-2025 crop year was \$55.00 per 15-pound carton. With approximately 28,075,520 pounds of dates handled during the 2023-2024 crop year, the industry would have shipped an estimated 1,871,701 15-pound cartons of packaged dates (28,075,520 divided by 15-pound carton) for a total value of \$102,943,555 (1,871,701 multiplied by \$55.00). Dividing this figure by the 11 regulated date handlers yields estimated average handler receipts of \$9,358,505 (\$102,943,555 divided by 11 handlers), which is below the SBA threshold for small agricultural service firms of \$34,000,000 in annual receipts. Therefore, most California date handlers may be classified as small entities according to the SBA definition.

This proposal would increase the assessment rate collected from handlers for the 2025-2026 and subsequent crop years from \$0.05 to \$0.25 per hundredweight of assessable California dates. The Committee unanimously recommended 2025-2026 crop year expenditures of \$88,385 and an assessment rate of \$0.25 per hundredweight of California dates. The proposed assessment rate of \$0.25 is \$0.20 higher than the current rate. The Committee expects the industry to handle 300,000 hundredweight of assessable California dates during the 2025-2026 crop year. Thus, the \$0.25 per hundredweight rate should provide \$75,000 in assessment income (300,000 hundredweight multiplied by \$0.25 per hundredweight). Income derived from handler assessments, along with approximately \$7,285 reserve funds and \$6,100 of surplus allocation income from the date cull program, should be sufficient to meet budgeted expenditures for the 2025-2026 crop year.

The Committee recommended increasing the assessment rate to replenish its reserve funds, which were depleted due to an assessment rate decrease during the 2024-

2025 crop year. Funds will be maintained at an acceptable level as authorized under the Order.

Prior to arriving at this budget and the assessment rate recommendation, the Committee discussed various alternatives, including increasing the assessment rate more and/or less than the rate proposed herein. However, the Committee determined that the recommended assessment rate would achieve its goals of both adequately funding Committee operations and increasing its financial reserve to an appropriate level. Consequently, those alternatives were rejected.

A review of historical and preliminary information indicates the average producer price for the 2025-2026 crop year should be approximately \$2,735 per ton (\$136.75 per hundredweight) of California dates. Therefore, the estimated assessment revenue for the 2025-2026 crop year as a percentage of total producer revenue would be about 0.18 percent ($\$0.25$ per hundredweight assessment rate divided by $\$136.75$ and multiplied by 100).

This proposed action would increase the assessment obligation imposed on California date handlers. Assessments are applied uniformly on all handlers, and some of the costs may be passed on to producers. However, these costs are expected to be offset by the benefits derived by the operation of the Order.

Committee meetings are widely publicized throughout the California domestic date industry. All interested persons are invited to attend the meetings and participate in Committee deliberations on all issues. Like all Committee meetings, the June 26, 2025, 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. This proposed rule does not require changes to the current information collection. Should any changes become necessary, AMS will submit them to OMB for approval.

This proposed rule would not impose any additional reporting or recordkeeping requirements on either small or large California date 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 before a final determination is made on this proposed rule.

List of Subjects in 7 CFR Part 987

Dates, Marketing agreements, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, the Agricultural Marketing Service proposes to amend 7 CFR part 987 as follows:

**PART 987 – DOMESTIC DATES PRODUCED OR PACKED IN RIVERSIDE
COUNTY, CALIFORNIA**

1. The authority citation for 7 CFR part 987 continues to read as follows:

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

2. Revise § 987.339 to read as follows:

§ 987.339 Assessment rate.

On and after October 1, 2025, an assessment rate of \$0.25 per hundredweight is established for dates produced or packed in Riverside County, California.

Erin Morris,
Administrator,
Agricultural Marketing Service.

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