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Room 3071-S, STOP 0201  
Washington, D.C. 20250-0201

**TO:** Julie Wise  
Senior Desk Officer  
Office of Management and Budget

**THROUGH:** Charlene Parker *Charlene Parker 10/9/17*  
Departmental Clearance Officer  
Marketing and Regulatory Programs

**FROM:** Bruce Summers *Bruce Summers*  
Acting Administrator  
Agricultural Marketing Service

**SUBJECT:** Request for Emergency Approval of New Forms for the Cranberry Marketing Committee

The Agricultural Marketing Service (AMS) is requesting emergency approval for new information collection related to the Federal marketing order for cranberries. The collection would enable the Cranberry Marketing Committee (Committee) to encourage and monitor cranberry handlers' compliance with a volume control mechanism.

The use of normal clearance procedures would delay the cranberry industry's ability to manage its inventories in a way that complies with the industry-supported handler withholding program. In anticipation of AMS publishing a final rule later in the year, a majority of the 65 handlers operating across the 10-state production area have already begun managing their inventories according to a recommendation the Committee forwarded to AMS. The Committee, as a result, wants to begin tracking and monitoring compliance in October 2017.

The marketing order authorizes volume control that can be achieved through the use of handler withholdings, producer allotments, or a combination of both. Under the withholding program, USDA sets the "free" and "restricted" percentage of cranberries that can be handled. Handlers can market "free" percentage cranberries through any channel, but "restricted" percentages must be destroyed or diverted to noncompetitive markets (e.g., charitable donation, nonhuman food use, new product development).

Last month, the Committee recommended AMS implement an 85-percent free/15-percent restricted handler withhold program for the 2017-18 fiscal period. The industry has approximately 115 percent of its average sales in inventory. This year is the first time since 2001 that the Committee reached consensus on volume regulation. The industry's marketing season begins in September when harvest traditionally starts and runs throughout the year. The Committee wants the handler withholding program in effect for the 2017-18 season that began September 1. Because the rulemaking process and the forms-approval process take

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approximately six months, the Committee asked AMS to expedite approval of five initial forms so it can begin tracking handler activities meant to reduce cranberry deliveries placed in marketing channels. AMS is clearing a notice with a 60-day comment period on the handler withholding program for publication in the Federal Register.

Without the ability to distribute the forms to handlers, the Committee would not be able to guide handlers through the process of using only authorized outlets during a time of historically high inventories and would not be able to undertake early outreach efforts that would boost handler participation in the program. The five new forms would indicate the anticipated total quantity of cranberries acquired by the respective handler, the amount withheld from handling, and the disposition of such withheld cranberries during the crop year. The forms would also provide for third-party confirmation and an appeal process.

Under AMS oversight, the Committee conducts research and promotion activities and, when supply is deemed to exceed demand, is authorized to establish volume control percentages to better manage inventories and avoid precipitous drops in grower prices. The marketing order regulates the handling of cranberries grown in Massachusetts, Rhode Island, Connecticut, New Jersey, Wisconsin, Michigan, Minnesota, Oregon, Washington, and Long Island in New York. The program is funded by assessments paid by handlers to the Committee.

In compliance with OMB regulations (6 CFR 1320) which implement the Paperwork Reduction Act of 1995 (Pub. L. 104-13), a 60-day notice for comment will be submitted to the Federal Register for publication, and the information collection and recordkeeping requirements that may be imposed by this action are submitted to OMB for emergency review and approval by October 16, 2017.

Attached are the OMB 83-I, the Supporting Statement, AMS-71, and a copy of each of the five forms.

Attachments