

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Part 1206

[Document Number AMS-FV-14-0047]

Mango Promotion, Research, and Information Order; Section 610
Review

AGENCY: Agricultural Marketing Service.

ACTION: Confirmation of regulations.

SUMMARY: This document summarizes the results of an Agricultural Marketing Service (AMS) review of the Mango Promotion, Research, and Information Order (Order) under criteria contained in section 610 of the Regulatory Flexibility Act (RFA). Based upon its review, AMS concluded that there is a continued need for the Order.

DATES: This confirmation is effective [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Interested persons may obtain a copy of the review on the Internet at: http://www.regulations.gov or request a copy from the Promotion and Economics Division, Fruit and Vegetable Program, AMS, U.S. Department of Agriculture (USDA or Department), 1400 Independence Avenue, SW., Room 1406-S, Stop 0244, Washington, DC 20250-0244; facsimile: (202) 205-2800 or electronic mail: Jeanette.Palmer@ams.usda.gov.

FOR FURTHER INFORMATION CONTACT: Jeanette Palmer, Marketing Specialist, Promotion and Economics Division, Fruit and Vegetable Program, AMS, USDA, 1400 Independence Avenue, SW., Room 1406-S, Stop 0244, Washington, DC 20250-0244; telephone: (202) 720-9915; facsimile (202) 205-2800; or electronic mail: Jeanette.Palmer@ams.usda.gov.

SUPPLEMENTARY INFORMATION: The Order (7 CFR part 1206) is authorized under the Commodity Promotion, Research, and Information Act of 1996 (Act) (7 U.S.C. 7411-7425).

The Order became effective on November 3, 2004. It is administered by the National Mango Board (Board) with oversight by the Department. The program is financed by an assessment of three-quarters of a cent per pound on first handlers and importers of 500,000 pounds or more of mangos annually. The Order specifies that first handlers are responsible for submitting assessments to the Board on a monthly basis and maintaining records necessary to verify their reporting.

Importers are responsible for paying assessments on mangos imported for consumption in the United States through the U.S. Customs and Border Protection. The purpose of the Order is to carry out an effective, continuous, and coordinated program of promotion, research, and information designed to strengthen mangos' competitive position, and to maintain and expand the

domestic market for mangos.

The Board is composed of 18 members as follows: 8 importers; 2 domestic producers; 1 first handler; and 7 foreign producers. Nominations for importer, domestic producer, and first handler members are solicited by importers, domestic producers, and first handlers, respectively. Nominations for foreign producer members are solicited from foreign producers and foreign producer associations. Members are appointed to the Board by the Secretary of Agriculture and serve a term of three years.

There are approximately 190 importers and 5 first handlers of mangos subject to the provisions of the Order. The majority of importers, first handlers and producers may be classified as small entities.

AMS published in the **Federal Register** on March 24, 2006, (71 FR 14827) its plan to review certain regulations, including the mango program, under criteria contained in section 610 of the RFA (5 U.S.C. 601-612). Because many AMS regulations impact small entities, AMS decided, as a matter of policy, to review certain regulations which, although they may not meet the threshold requirement under section 610 of the RFA, warrant review.

AMS published a notice of review and request for written comments in the **Federal Register** on June 20, 2014 (79 FR 35296). The comment period ended on August 19, 2014. Three comments were received in response to the notice and are discussed later in this document.

The review was undertaken to determine whether the Order should be continued without change, amended, or rescinded (consistent with the objectives of the Act) to minimize the impacts on small entities. AMS considered the following factors: (1) The continued need for the Order; (2) the nature of complaints or comments received from the public concerning the Order; (3) the complexity of the Order; (4) the extent to which the Order overlaps, duplicates, or conflicts with other Federal rules, and, to the extent feasible, with State and local regulations; and (5) the length of time since the Order has been evaluated or the degree to which technology, economic conditions, or other factors have changed in the area affected by the Order.

Continued Need for the Order. Based on its review, the Department has concluded that there is a continued need for the Order. Numerous benefits to the mango industry would likely not be achieved without the research and promotion collectively funded through the Order. The Board continues to conduct useful

research projects on various aspects of mango production, processing, and nutritional impacts. Examples of recent studies include potential beneficial impacts of mango consumption on mitigating diseases such as diabetes, breast cancer and colon cancer.

An impact study conducted in 2010¹ reviewed the Board's investment in developing a database for monitoring potential and actual mango consumers, and found that the data is quite useful for economic research and for other analytical purposes. The economic data was used for evaluating NMB program impacts on mango demand, and concluded that the impact was significant.

The majority of mangos consumed in the United States are imported and the study reported that the value of U.S. mango imports grew from \$169 million to \$217 million during the period covered by the study, 2005 through 2009. The growth in value was the result of both higher prices and greater volumes imported.

Nature of Complaints and Comments. The three public comments received are discussed in the following paragraphs.

Two commenters expressed support for the mango program.

One commenter stated that the program has helped expand the market and presentation of fresh mangos in general. The commenter also opined that the program has helped improve

¹ "Evaluating the National Mango Board's Programs for Impact on U.S. Demand for Mangos," Ronald L. Ward

stability in the marketplace. Another commenter stated that the Board provides a great service through education, marketing, and research to help increase the awareness and consumption of mangos.

One commenter opposed the program and argued that taxpayer dollars should not be used to promote mangos. Research and promotion programs overseen by USDA are self-help programs and do not receive taxpayer funds. The mango program is funded by first handlers and importers of mangos.

Complexity of the Order. The Order is not unduly complex. It provides authority for the Board to collect assessments from mango importers and first handlers to help maintain and expand the domestic market for mangos.

Extent to Which the Order Overlaps, Duplicates, or

Conflicts with Other Regulations. The Department has not

identified regulations that duplicate, overlap, or conflict with
the Order.

Degree to Which Technology, Economic Conditions or Other

Factors Have Changed. Regarding evaluations of the program or

the degree to which technology, economic conditions, or other

factors have changed in the area affected by the Order, section

512(a)(6) of the Act and section 1206.51 of the Order require the

Board to evaluate the program and to comply with the independent

evaluation provision of the Federal Agricultural Improvement and Reform Act of 1996 (FAIR) [7 USC 7401] every five years. The goal of these evaluations is to assure that the Order and the regulations implemented under it fit the needs of the industry and are consistent with the Act.

The Board conducted an evaluation of the program under the FAIR Act in 2010 and the next five-year evaluation is due in 2015. The previously mentioned study conducted by Dr. Ward with the University of Florida was part of the 2010 evaluation. It used household panel data to develop econometric models for measuring the Board's impact on increasing mango demand. The models established that the Board has had a positive economic impact for the demand for mangos, mostly by attracting more buyers (increased market penetration), and to a lesser extent, by increasing the number of mango purchases per buyer. The study concluded that every \$1 invested in Board activities adds an additional \$7 in mango industry revenue. The volume of mango imports is expected to continue to increase in the future.

Based upon its review, AMS has determined that the Order should be continued. AMS plans to continue working with the mango industry in maintaining an effective program.

Dated: November 4, 2014.

Rex A. Barnes, Associate Administrator.

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