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spent for advertising space in magazines, newspapers, outdoor media and transit or time charges for radio and television. No handler shall receive credit in excess of such handler's pro rata share of the total monies allotted by the committee for brand advertising credit. Each advertisement must be published, broadcast or displayed during the fiscal year for which credit is requested. Before any creditable brand advertising may be undertaken pursuant to this paragraph (a)(2) of this section, the Secretary, upon recommendation by the committee, shall prescribe appropriate rules and regulations as are necessary to effectively regulate such activity.

(b) In recommending marketing research and development projects pursuant to this section, the committee shall give consideration to the following factors:

(1) The expected supply of olives in relation to market requirements;

(2) The supply situation among competing areas and commodities; and

(3) The need for marketing research with respect to any marketing development activity and the need for a coordinated effort with USDA's Plentiful Food Program.

(c) In recommending production research projects pursuant to this section, the committee shall give consideration to the extent and need for assistance to, and improvement of California olive production.

(d) If the committee should conclude that a program of production research, marketing research, or development should be undertaken or continued pursuant to this section in any fiscal year, it shall submit the following for the approval of the Secretary:

(1) Its recommendations as to funds to be obtained pursuant to § 932.39 or voluntary contributions;

(2) Its recommendations as to any production research or marketing research project; and

(3) Its recommendation as to promotion activity and paid advertising.

(e) The committee shall, as soon as practicable, prepare and mail reports on current production research and marketing research and development projects to the Secretary and make a copy of such reports available at the

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committee office for examination by producers, handlers, or other interested parties.

[36 FR 20356, Oct. 21, 1971, as amended at 47 FR 32908, July 30, 1982; 47 FR 51093, Nov. 12, 1982]

REGULATIONS

§ 932.50 Report of marketing policy.

At least 14 days prior to the start of each crop year (except that this period may be shortened by the committee not more than 5 days if warranted), the committee shall hold a meeting for the purpose of formulating a marketing policy for the coming crop year: *Provided*, That with respect to the 1982-83 crop year the committee shall hold a meeting for such purpose as soon as practicable. The committee shall prepare and submit to the Secretary promptly after each such meeting, a report setting forth its recommended marketing policy for the ensuing crop year. In the event it becomes advisable to modify such policy, because of changed supply, demand, or other conditions, the committee shall formulate a new policy and shall submit a report thereon to the Secretary. In developing the marketing policy, the committee shall give consideration to the handler carryover, production, probable quality and composition of olive sizes in the crop, trade demand, probable imports, whether producer prices are likely to exceed parity, the probable assessable tonnage and such other factors as may have a bearing on the marketing of olives or the administration of this part. Notice of the committee's marketing policy, and of any modifications thereof, shall be given promptly by reasonable publicity to producers and handlers.

[30 FR 12629, Oct. 2, 1965, as amended at 47 FR 32908, July 30, 1982]

§ 932.51 Incoming regulations.

(a) *Minimum standards for natural condition olives.* (1) Except as otherwise provided in this section, no handler shall process any lot of natural condition olives for use in the production of packaged olives which has not first been:

(i) Weighed on scales sealed by the State of California Department of

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Weights and Measures, an official certified weight certificate issued thereon, and a copy of such certificate furnished to the Federal or Federal-State Inspection Service and the committee; and

(ii) Size-graded, either by sample or by lot, under the supervision of any such inspection service and classified into separate size designations and a certification issued with respect thereto by such inspection service. Such size designations shall be in accordance with those set forth in the U.S. Standards for Grades of Canned Ripe Olives (7 CFR part 52) or subsequent amendments thereto, or such sizes as may be recommended by the committee and established by the Secretary: *Provided*, That, for the purpose of this part, the size designations in said standards shall be deemed to include the following additional size designations.

Designation(s)	Approximate count (per pound)	Average count range (per pound)
Subpetite	181 and up.
Petite	160	141-180, inclusive.
Extra Large Sevillano "L"	82	76-88, inclusive.
Extra Large Sevillano "C"	70	65-75, inclusive.

Provided further, That the additional size designations may be renamed and/or modified as recommended by the committee and approved by the Secretary. Such certification shall show, in addition to the quantities by weight of the olives in the lot that are classified as being in each size or size designation the quantity of olives classified as culls by the handler: *Provided*, That when the Secretary, upon the recommendation of the committee, issues a definition of and classification for "culls", the aforesaid quantity of culls shall be determined on the basis of such definition and in accordance with such classification.

(2) Each handler may satisfy the incoming and outgoing size requirements for any lot of olives under the conditions set forth in subdivisions (i), (ii), and (iii) of this paragraph: *Provided*, That any such lot shall be kept intact under surveillance by the inspection services:

(i) When the Secretary authorizes use of limited size olives for limited use

styles during any crop year, any lot of limited use size olives may be used in the production of packaged olives for limited use styles without an outgoing inspection if such olives are within the following average count range for that variety group, and meet such further size requirements as recommended by the committee with the approval of the Secretary:

Variety	Average count range (per pound)
Group 1, except Ascolano, Barouni, and St. Agostino.	76-88, inclusive.
Group 1, Ascolano, Barouni and St. Agostino.	89-140, inclusive.
Group 2, except Obliza	141-180, inclusive.
Group 2, Obliza	128-140, inclusive.

Provided, That the varietal groupings and/or average count ranges may be changed, and additional size certification procedures and requirements may be established as recommended by the committee and approved by the Secretary;

(ii) When limited use size olives are not authorized for limited use styles during any crop year, any lot of the minimum canning size olives may be used in the production of packaged olives for limited use styles without an outgoing inspection for size if such olives are within the following average count range for that variety group, and meet such further size requirements as recommended by the committee with approval of the Secretary:

Variety	Average count range (per pound)
Group 1, except Ascolano, Barouni, and St. Agostino.	65-75, inclusive.
Group 1, Ascolano, Barouni and St. Agostino.	65-88, inclusive.
Group 2, except Obliza	128-140, inclusive.
Group 2, Obliza	106-121, inclusive.

Provided, That for whole and whole pitted styles of olives an additional size grading is required after processing, prior to canning, and those olives that fail to meet the requirements in §932.52 may be used in limited use styles. *Provided further*, That the varietal groupings, average count ranges, and/or other size requirements may be changed or modified as recommended by the committee and approved by the Secretary;

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(iii) The committee may recommend, subject to approval by the Secretary, size certification procedures for olives used in the production of canned whole or pitted styles of olives: *Provided*, That if size certification for canned whole or pitted styles is implemented, marketing order sizes shall be adopted and size requirements in the U.S. Grade Standards shall not apply. Size certification of such styles shall be applicable to any or all sizes of olives recommended by the committee and approved by the Secretary pursuant to § 932.52(a)(2). Size certification procedures recommended to the Secretary may include but are not limited to the establishment of average count ranges, acceptable count ranges, and approximate counts (midpoints) for each variety or variety group.

(3) Each handler shall, under the supervision of any such inspection service, dispose of into noncanning use an aggregate quantity of olives, comparable in size and characteristics and equal to the quantities shown on the certification for each lot to be:

(i) Variety Group 1 olives, except the Ascolano, Barouni, and St. Agostino varieties, of a size which individually weigh less than 1/60 pound;

(ii) Variety Group 1 olives of the Ascolano, Barouni, and St. Agostino varieties of a size which individually weigh less than 1/40 pound;

(iii) Variety Group 2 olives, except the Obliza variety, of a size which individually weigh less than 1/180 pound;

(iv) Variety Group 2 olives of the Obliza variety of a size which individually weigh less than 1/140 pound;

(v) Such other sizes for the foregoing variety groups as are not authorized for limited use pursuant to § 932.52; and
(vi) Olives classified as culls.

(4) Notwithstanding the provisions of paragraph (a)(3) of this section, a handler may (i) meet any deficit in such handler's undersize obligation in one variety by disposing of, under supervision of the inspection service, as other than canned ripe olives, an equal quantity of undersize olives, of any other variety, or by so disposing of an equal quantity of olives of that or any other variety of sizes larger than undersize of a quality better than culls, and (ii) meet any deficit in such han-

dlers' cull obligation in one variety by so disposing of an equal quantity of cull olives of any other variety, or by so disposing of an equal quantity of olives of any variety of sizes larger than undersize of a quality better than culls.

(5) Each handler shall hold at all times a quantity of olives equal to the quantities required in paragraph (a)(3) of this section, less any quantity previously disposed of as specified in such subparagraph.

(b) Whenever a handler receives a lot of natural condition olives, or makes a separation resulting in a subplot, solely for use in the production of green olives or canned ripe olives of the "tree-ripened" type, he may handle such lot or subplot without regard to the provisions of this section and § 932.52 only if (1) he notifies the committee upon receiving such a lot or making such a separation; (2) the identity of all such lots and sublots of olives is maintained by keeping them separate and apart from other olives he receives; (3) the packaged olives produced from such lots and sublots after processing are canned ripe olives of the "tree-ripened" type or green olives; and (4) there are no outgoing regulations pursuant to § 932.52 then applicable to packaged olives that are canned ripe olives of the "tree-ripened" type or green olives.

[30 FR 12629, Oct. 2, 1965, as amended at 33 FR 11267, Aug. 8, 1968; 36 FR 20356, Oct. 21, 1971; 47 FR 32909, July 30, 1982]

EFFECTIVE DATE NOTE: At 56 FR 49669, Oct. 1, 1991, in § 932.51, paragraphs (a)(3) (i), (ii), (iii), (iv) and the words "for the foregoing variety groups" in paragraph (a)(3)(v) were suspended indefinitely.

§ 932.52 Outgoing regulations.

(a) *Minimum standards for packaged olives.* No handler shall use processed olives in the production of packaged olives or ship such packaged olives unless they have first been inspected as required pursuant to § 932.53 and meet each of the following applicable requirements:

(1) Canned ripe olives, other than those of the "tree-ripened" type, shall grade at least U.S. Grade C as such grade is defined in the U.S. Standards for Grades of Canned Ripe Olives (7