

*Indian Tribal Organization (ITO)* means:

(1) The recognized governing body of any Indian tribe on a reservation; or

(2) The tribally recognized intertribal organization which the recognized governing bodies of two or more Indian tribes on a reservation authorize to operate SNAP or a Food Distribution Program on their behalf.

\* \* \* \* \*

*State agency* means:

(1) The agency of State government, including the local offices thereof, which enters into an agreement with FNS for the distribution of USDA Foods on all or part of an Indian reservation, and

(2) The ITO of any Indian tribe, determined by the Department to be capable of effectively administering a Food Distribution Program, which enters into an agreement with FNS for the distribution of USDA Foods on all or part of an Indian reservation.

(3) State agencies are also referred to as FDPIR administering agencies.

■ 5. § 253.5 [Corrected]

On page 87255, in the first column, in amendment 39, correct the section heading to read as follows:

**§ 253.5 State agency requirements.**

\* \* \* \* \*

■ 6. § 253.6 [Corrected]

■ i. On page 87255, in the second column, in amendment 40, correct paragraphs (a)(2), (d)(3)(vii); and (e)(1) to read as follows:

\* \* \* \* \*

(a) \* \* \*

(2) *Nonhousehold members.* The following individuals residing with a household shall not be considered household members in determining the household's eligibility. Nonhousehold members specified in paragraphs (a)(2) (i) and (iv) who are otherwise eligible may participate in the Program as separate households.

\* \* \* \* \*

(d) \* \* \*

(3) \* \* \*

(vii) The earned income (as defined in paragraph (d)(2)(i) of this section) of children who are members of the household, who are students at least half time and who have not attained their eighteenth birthday. \* \* \*

\* \* \* \* \*

(e) *Income deductions*—(1) *Earned income deduction.* Households with earned income, as defined in paragraph (d)(2)(i) of this section, shall be allowed a deduction of twenty percent of their gross earned income. Earned income excluded under paragraph (d)(3) of this section shall not be considered earned

income for the purpose of computing this deduction.

\* \* \* \* \*

**Tameka Owens,**

*Acting Administrator and Assistant Administrator, Food and Nutrition Service.*

[FR Doc. 2024–30575 Filed 12–20–24; 8:45 am]

**BILLING CODE 3410–30–P**

## DEPARTMENT OF AGRICULTURE

### Agricultural Marketing Service

#### 7 CFR Part 1210

[Doc. No. AMS–SC–24–0020]

#### Watermelon Research and Promotion Plan; Increased Assessment Rate

**AGENCY:** Agricultural Marketing Service (AMS), Department of Agriculture (USDA).

**ACTION:** Final rule.

**SUMMARY:** This final rule implements a recommendation from the National Watermelon Promotion Board to increase the assessment rate from six cents per hundredweight to nine cents per hundredweight. Domestic watermelon producers of 10 acres or more and domestic first handlers of watermelons will each pay four and a half cents per hundredweight, and importers of 150,000 pounds or more annually of watermelons will pay nine cents per hundredweight. This final rule also amends current regulatory language to correct non-substantive and typographical errors.

**DATES:** This rule is effective January 22, 2025.

**FOR FURTHER INFORMATION CONTACT:**

William Hodges, Marketing Specialist, Mid-Atlantic Region Branch, Market Development Division, Specialty Crops Program, AMS, USDA, 1400 Independence Avenue SW, Room 1406–S, STOP 0244, Washington, DC 20250–0244; Telephone: (443) 571–8456; or Email: [William.Hodges2@usda.gov](mailto:William.Hodges2@usda.gov).

**SUPPLEMENTARY INFORMATION:** This final rule affecting the Watermelon Research and Promotion Plan (7 CFR part 1210) (Plan) is authorized under the Watermelon Research and Promotion Act (7 U.S.C. 4901–4916) (Act).

#### Executive Orders 12866, 13563, and 14094

USDA is issuing this rule in conformance with Executive Orders 12866, 13563, and 14094. Executive Orders 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select

regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, reducing costs, harmonizing rules, and promoting flexibility. Executive Order 14094 reaffirms, supplements, and updates Executive Order 12866 and further directs agencies to solicit and consider input from a wide range of affected and interested parties through a variety of means. This rule is not a significant regulatory action within the meaning of Executive Order 12866. Accordingly, this action has not been reviewed by the Office of Management and Budget under sec. 6 of the Executive order.

#### Executive Order 13175

This action was reviewed in accordance with the requirements of Executive Order 13175, Consultation and Coordination with Indian Tribal Governments, which requires agencies to consider whether their rulemaking actions will have Tribal implications. AMS has determined that this rule is unlikely to have substantial direct effects on one or more Indian Tribes, or the relationship between the Federal Government and Indian Tribes, or on the distribution of power and responsibilities between the Federal Government and Indian Tribes.

#### Executive Order 12988

This rule was reviewed under Executive Order 12988, Civil Justice Reform. It is not intended to have retroactive effect. The Act provides that it shall not affect or preempt any other Federal or State law authorizing promotion or research relating to an agricultural commodity.

Under sec. 1650 of the Act (7 U.S.C. 4909), a person may file a written petition with the Secretary of Agriculture (Secretary) if they believe that the Plan, any provision of the Plan, or any obligation imposed in connection with the Plan, is not in accordance with the law. In any petition, the person may request a modification of the Plan or an exemption from the Plan. The petitioner will have the opportunity for a hearing on the petition. Afterwards, an Administrative Law Judge (ALJ) will issue a decision. If the petitioner disagrees with the ALJ's ruling, the petitioner has 30 days to appeal to the Judicial Officer, who will issue a ruling on behalf of the Secretary. If the petitioner disagrees with the Secretary's ruling, the petitioner may file, within 20 days, an appeal in the U.S. District

Court for the district where the petitioner resides or conducts business.

### Background

Under the Plan, the National Watermelon Promotion Board (Board) administers a nationally coordinated program of research, development, advertising, and promotion designed to strengthen the position of watermelons in the marketplace, and to establish, maintain, and expand markets for watermelons. To administer the program, §§ 1210.328 and 1210.341 of the Plan authorize the Board, with the approval of AMS, to formulate an annual budget of expenses and collect assessments on domestic producers growing 10 acres or more of watermelons, domestic first handlers of watermelons, and importers of 150,000 or more pounds of watermelons per year. The Board is familiar with both the program's needs and the rising costs of research and promotion initiatives and is able to formulate an appropriate budget and assessment rate.

This final rule increases the assessment rate from six to nine cents per hundredweight of watermelons. Domestic watermelon producers of 10 acres or more and domestic first handlers of watermelons will each pay four and a half cents per hundredweight, and importers of 150,000 pounds or more annually of watermelons will pay nine cents per hundredweight. The Plan specifies that handlers are responsible for collecting and submitting both the producer and handler assessments to the Board, reporting their handling of watermelons, and maintaining records necessary to verify their reporting(s). Importers are responsible for payment of assessments to the Board on watermelons imported into the United States through the U.S. Customs Service and Border Protection.

### Adjustment to the Assessment Rate

This final rule amends § 1210.515 of the Plan by increasing the assessment rate from six cents per hundredweight to nine cents per hundredweight. The assessment on domestic watermelon producers of 10 acres or more and domestic first handlers of watermelons increases from three cents per hundredweight to four and a half cents per hundredweight, and the assessment on importers of 150,000 pounds or more annually of watermelons increases from six cents per hundredweight to nine cents per hundredweight. The Board recommended increasing the assessment rate to address inflation's impact on buying power while maintaining competitiveness in the marketplace.

The Board discussed this recommendation over several months at various State and regional watermelon association meetings in addition to presenting at a public town hall meeting on February 23, 2024, at the National Watermelon Association's (NWA) annual convention. The Board sent out postcards to all industry contacts in their database to invite them to the NWA town hall meeting and provide information on the potential assessment increase. The Board met on February 24, 2024, and voted unanimously to propose the assessment increase. Board members present for the vote represented domestic producers, first handlers, and importers.

Since the Board's inception in 1989, the Board only raised the assessment rate one other time, in 2008. From 2008 to 2023, according to the Board, the United States experienced inflation of 43.7%, which equates to 2.3% when compounded annually. This dollar devaluation translates to a loss in buying power of roughly 30% since the previous assessment increase was instituted. The erosion of buying power and continued inflationary pressure on funds limits the Board's research and promotion activities. The raised assessment rate further supports the Board's goal of a balanced budget beginning in 2025, while still allowing for increased research and promotion of watermelon across the Board's communication, marketing, foodservice, and research committees.

Section 1210.341 of the Plan states, in part, that in the case of an importer, the assessment shall be equal to the combined rate for domestic producers and handlers and shall be paid by the importer at the time of entry of the watermelons into the United States. Accordingly, with the increased assessment rate of nine cents per hundredweight, domestic watermelon producers of 10 acres or more and domestic first handlers of watermelons will each pay four and a half cents per hundredweight, and importers of 150,000 pounds or more annually of watermelons will pay nine cents per hundredweight. This assessment increase is consistent with sec. 1647(f) of the Act (7 U.S.C. 4906(f)), that permits changes in the assessment rate through notice and comment procedures. Section 1210.341(b) of the Plan states that assessment rates shall be fixed by the Secretary in accordance with sec. 1647(f) of the Act (7 U.S.C. 4906(f)). Further, not more than one assessment on a producer, handler, or importer may be collected on any lot of watermelons. Accordingly, the final rule revises § 1210.515(a) of the Plan to

reflect the recommendation of the Board as it relates to assessments.

### Amending Regulatory Language

The final rule also includes changes to § 1210.515(b) of the Plan to amend language and make non-substantive corrections to the text. These edits are administrative changes and will have no impact on the assessment rate. This final rule amends the misspelling of "scheudle" to "schedule"; amends "U.S. Customs Service (USCS)" to "U.S. Customs Service and Border Protection (Customs)"; amends "USCS" to "Customs", and amends "of any other" to "or any other". The final rule also adds clarifying language and amends "may submit the Board" to "may submit to the Board".

### Final Regulatory Flexibility Act and Paperwork Reduction Act

Pursuant to requirements set forth in the Regulatory Flexibility Act (RFA) [5 U.S.C. 601 *et seq.*], AMS has considered the economic impact of this action on the small producers, handlers, and importers that will be affected by this final rule. The purpose of the RFA is to fit regulatory action to scale on businesses subject to such action so that small businesses will not be disproportionately burdened.

Domestic producers of less than 10 acres of watermelons are exempt from this program. Importers of less than 150,000 pounds of watermelons per year are also exempt. According to the Board, there are approximately 429 producers, 121 first handlers, and 183 importers who are subject to the provisions of the Plan.

The Small Business Administration (SBA) defines, in 13 CFR part 121, small agricultural producers of watermelons as those having annual receipts equal to or less than \$3.75 million [NAICS code 111219—Other Vegetable (except Potato) and Melon Farming] and small agricultural service firms (handlers and importers) as those having annual receipts equal to or less than \$34.0 million [NAICS code—111514—Postharvest Crop Activities (except Cotton Ginning)]. Under these definitions, the majority of the producers, handlers, and importers that will be affected by this final rule will be considered small entities. This conclusion is based on the following computations and data, using the Board's assessment rate of six cents per hundredweight.

For 2023, National Agricultural Statistics Service (NASS) reported a season average producer price per pound of \$0.214. The Board estimated the Freight on Board (FOB) price to be

\$0.284 for both importers and handlers in 2023. The Board reported that 2023 assessments received from domestic entities totaled \$2.247 million, with equal proportions of \$1.1235 million coming from producers and handlers. Dividing \$1.1235 million by half of the assessment rate of \$0.06 per hundredweight, as producers and handlers evenly split the assessment, yields an estimate of total producer pounds assessed of 3,745.0 million (\$1.1235 million divided by \$0.0003 per pound). Dividing the total pounds assessed quantity by 429 producers yields an average assessed pounds per producer estimate of 8.73 million. Multiplying the annual assessed pounds per producer estimate of 8.73 million pounds by the 2023 NASS season average producer price per pound of \$0.214 yields an average annual watermelon sales receipts per producer estimate of \$1.87 million. This is well below the SBA small producer size threshold of \$3.75 million.

With an equal proportion of annual domestic assessments coming from handlers, the total handler pounds assessed is also 3,745.0 million. Dividing total handler pounds assessed by 121 handlers yields an average assessed pounds per handler estimate of 30.95 million pounds. Multiplying this estimate of annual assessed pounds per handler of 30.95 million pounds by the season average handler price per pound of \$0.284, provided by the Board, yields an estimate of average annual watermelon sales receipts per handler of \$8.79 million. This is well below the SBA small handler size threshold of \$34.0 million.

The Board reported that assessments received from importers totaled \$1.196 million in 2023. Dividing \$1.196 million by the assessment rate of \$0.06 per hundredweight (\$0.0006 per pound) yields an estimate of total importer pounds assessed of 1,993.3 million. Dividing the total pounds assessed by the number of importers, 183, yields an average assessed pounds per importer estimate of 10.89 million. Multiplying this estimate of annual assessed pounds per importer of 10.89 million pounds by the season average importer price per pound of \$0.284 yields an estimate of average annual watermelon sales receipts per importer of \$3.09 million. This is well below the SBA small importer size threshold of \$34.0 million. Assuming normal distributions, the majority of producers, handlers, and importers will be classified as small businesses according to SBA size standards.

This final rule amends § 1210.341 of the Plan to mandate that domestic

watermelon producers of 10 acres or more and domestic first handlers of watermelon each pay an assessment rate of four and a half cents per hundredweight, and importers of more than 150,000 pounds or more annually of watermelons pay an assessment of nine cents per hundredweight. Assessments under the program are used by the Board to finance promotion, research, and educational programs designed to increase consumer demand for watermelons in the United States and international markets. This action is the first time the Board has raised the assessment rate since 2008, and the second time the rate has been raised since the program's inception in 1989. The Plan is administered by the Board under the USDA supervision.

According to the Board, the increased assessment rate allows the Board to sustain and expand the promotional, research, and communications programs. The Board approved proposing the assessment rate increase at its February 24, 2024, meeting. This assessment increase is consistent with sec. 1647(f) of the Act (7 U.S.C. 4906(f)) that permits changes in the assessment rate through notice and comment procedures, as the proposed rule was open for a 30-day comment period. Section 1210.341(b) of the Plan states that assessment rates shall be fixed by the Secretary in accordance with sec. 1647(f) of the Act (7 U.S.C. 4906(f)). Currently, § 1210.515(a) of the Plan states that an assessment of three cents per hundredweight shall be levied on all watermelons produced, and on all watermelons first handled for consumption as human food. It also states that an assessment of six cents per hundredweight shall be levied on watermelons imported into the United States for consumption as human food. Further, not more than one assessment on a producer, handler, or importer may be collected on any lot of watermelons. Under this final rule, § 1210.515(a) of the Plan is revised to increase the assessment rate from six cents to nine cents per hundredweight. The final rule increases the assessment rate of three cents per hundredweight to four and a half cents per hundredweight to be levied on all watermelons produced and on all watermelons first handled for consumption as human food in the United States, and increases the assessment rate from six cents to nine cents per hundredweight to be levied on all watermelons imported into the United States for ultimate consumption as human food.

The Board contracted with an independent industry analyst to conduct an inflation impact analysis

using the Consumer Price Index (CPI) published by the U.S. Bureau of Labor Statistics. The base year for the analysis was 2008, the year of the previous assessment rate increase, and the analysis extended through April 2023. The CPI was 211.080 in January 2008 and 303.363 in April 2023. Dividing 303.363 by 211.080 yields a ratio of 1.437, or an increase of 43.7 percent. This inflation rate equates to 2.3% when compounded annually. Dividing the Board's average annual revenue throughout this period of \$3,024,721 by the CPI change ratio of 1.437 yields a figure of \$2,104,601. This decline of \$920,120 shows the budget's reduced buying power of roughly 30 percent since the previous assessment increase. This reduction in buying power due to inflation has a significant impact on the industry's ability to compete for market share. The cost of media services, research programs, promotional opportunities, as well as general administrative costs and fees paid to USDA have continually risen. USDA's AMS oversight costs were budgeted at \$105,000 in 2008, compared to \$147,000 for 2023. It is AMS policy that all research and promotion programs be charged in a fair and equitable manner. Assessments collected have not kept pace with these increasing costs across this time. Movement and sales of watermelon continue to grow, however, that growth has not outpaced the negative effects of inflation.

Armada Corporate Intelligence conducted a five-year return on investment (ROI) study for the Board from 2017–2021, to determine the impact of Board activities on the demand for watermelons. The resultant ROI for the Board's promotional endeavors is approximately 19:1, which displays that the activities of the Board have a significant positive impact on the watermelon industry. For further details, the study is located at <https://www.watermelon.org/press-releases/watermelon-board-announces-significant-positive-impact-for-watermelon-industry-with-191-roi/>. Armada Corporate Intelligence's 2021 econometric analysis is aligned with prior economic studies developed for the Board, including Dr. Harry Kaiser of Cornell University's 2017 analysis.<sup>1</sup>

With the increased assessment, the financial commitment of the US watermelon industry for research and promotion activity will increase approximately 50% in current dollars. For example, if we apply the assessment increase to 2023, in which collections

<sup>1</sup> <https://www.watermelon.org/wp-content/uploads/2020/01/Econometric-Evaluation.pdf>.

totalled \$3,442,105, the increase in assessments collected would have been approximately \$1,721,053. The Board will use the additional funds to expand promotion and research activities, maintain operating reserves, and address inflation's impact on buying power.

The Board estimates the adjusted assessment rate of nine cents per hundredweight will increase the cost to watermelon producers and handlers from \$12 per truckload of watermelons to \$18 per truckload of watermelons. Similarly, the adjusted assessment rate will increase the cost to watermelon importers from \$24 a truckload to \$36 a truckload. This is based on a 40,000-pound net weight of watermelons per truckload.

Regarding alternatives, first, the Board considered maintaining the current assessment rate of six cents per hundredweight. However, with no increase to the assessment rate, the Board determined many research and promotion programs would be reduced or eliminated to balance the budget. Consequently, the alternative of maintaining the current assessment rate was rejected.

The second alternative considered by the Board was a two-cent increase to the assessment rate, raising the assessment rate from six cents per hundredweight to eight cents per hundredweight. This would allow the Board to operate with a balanced budget beginning in 2025, in addition to increasing investment in Board promotions. However, the Board decided against supporting a two-cent increase as inflationary pressure may further limit operations of the Board in coming years.

The third alternative considered by the Board was a tiered increase of the assessment rate with a two-cent increase effective on January 1, 2025, for a rate of eight cents per hundredweight, and an additional one-cent increase effective on January 1, 2026, for a rate of nine cents per hundredweight. This option to spread the assessment increase over a prolonged period was considered, but the Board ultimately decided against this alternative to avoid confusion with concurrent annual assessment adjustments.

This final rule also includes administrative changes to § 1210.515(b) of the Plan to correct non-substantive and typographical errors. These administrative changes have no impact on the assessment rate.

This rule will not impose additional recordkeeping requirements on first handlers, producers, or importers of watermelons. Producers of fewer than 10 acres of watermelon and importers of

less than 150,000 pounds of watermelon annually are exempt. There are no Federal rules that duplicate, overlap, or conflict with this rule. In accordance with the Office of Management and Budget (OMB) regulation [5 CFR part 1320] which implements the Paperwork Reduction Act of 1995 [44 U.S.C. chapter 35], the information collection and recordkeeping requirements that are imposed by the Plan have been approved previously under OMB control number 0581-0093. This rule will not result in a change to the information collection and recordkeeping requirements previously approved.

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 or citizen access to Government information and services, and for other purposes.

USDA determined this rule is consistent with the Act and would effectuate its purposes.

A proposed rule concerning this action was published in the **Federal Register** on July 9, 2024 (89 FR 56234). The proposed rule was featured on the Board's website, in addition to being distributed to all industry stakeholders via the Board's Watermelon Update monthly newsletter. A copy of the proposed rule was also made available through the internet by AMS via <https://www.regulations.gov>. A 30-day comment period ending on August 8, 2024, was provided for interested parties to respond to the proposal.

#### Comment Analysis

During the proposed rule's 30-day comment period, AMS received 33 comments, which may be viewed on <https://www.regulations.gov>. Twenty-four comments received were in support of the changes, seven were opposed, and two were unrelated to the assessment increase or the amendment to regulatory language.

Of the comments supporting the changes, 17 commenters stated the assessment increase would help strengthen research and promotion activities, with 12 of the supportive commenters additionally stating that the increased assessment rate would in turn benefit growers, handlers, and importers across the industry by raising the demand for watermelons through expanded marketing initiatives. Four of these commenters further acknowledged that the Board has a track record of delivering a positive ROI for the industry that allows the Board to maintain competitiveness in the marketplace. Four commenters provided

generic support for the assessment increase.

Of the seven comments that opposed the increase, four commenters voiced concern that the industry already faces enough cost increases across operations due to inflation with two commenters additionally requesting for the Board lower costs rather than raise them. The Board feels they have exhausted all cost-saving measures including scaling back programs and liquidating reserve funds. Before proposing this assessment increase, the Board identified a loss in buying power of roughly 30 percent since the last assessment increase in 2008, which impacts the amount and quality of the research and promotion initiatives the Board can implement. Therefore, a lower assessment rate would further reduce the activities the Board can afford, possibly reducing their ROI.

One comment did not support the assessment increase and expressed concern of being unsure how the additional funds would be utilized. The Plan strictly dictates how the funds can be expended. The Board will fund additional promotional and research initiatives across the communication, marketing, foodservice, and research committees the Board aims to support with an increased budget. These specifically include activities like campus pop-up events to promote watermelon to Gen Z, expanding in-store advertising experiences, conducting recipe contests to reach foodservice operators, and investing further into consumer research. These activities are outlined in the potential budget examples distributed by the Board on their website, which was also provided to the industry through an email in February 2024: <https://www.watermelon.org/wp-content/uploads/2023/12/The-Case-for-the-2025-NWPB-Assessment-Increase-12-11.pdf>.

One opposing comment from an international grower indicates that costs are too high, and that their Federal and State governments do not support them in mitigating against rising farming costs. The same commenter also indicates demand for watermelons has been low for years and that importers will be unfairly affected by the increase since a majority of the crop is imported for United States consumption. AMS acknowledges this comment. However, it is not in the Board's purview to attempt to influence inflation's effect on farming costs, as the Board is prohibited from utilizing funds to influence governmental policy or action as stated in sec. 1647(g)(3) of the Act (7 U.S.C. 4906(g)(3)). As mentioned in the

proposed rule, inflation has affected farming and marketing costs across the industry which requires the Board to raise the assessment rate to fund promotional activities that maintain and expand the market for watermelons. According to the Board's FOB and movement data, (which is available on their website: <https://www.watermelon.org/audiences/industry/assessment/>), the demand for watermelons has increased significantly since the last assessment increase from 4.3 billion pounds in 2008 to 5.5 billion pounds in 2023. The assessment increase is structured so importers pay nine cents per hundredweight, and handlers and producers split the cost each remitting four and a half cents per hundredweight. This is modeled by the current assessment structure of the Plan where importers pay six cents per hundredweight and handlers and procedures each remit three cents per hundredweight. The assessment rate structure borne on the industry is reflective of the production of the commodity. Additionally, four importers of watermelons left supportive comments for the assessment increase during the comment period, with one stating that the Board's efforts increase demand for watermelons in the United States which is evident as the number of watermelons imported from Mexico continue to grow.

Another commenter who stated opposition to the changes presented in the proposed rule voiced concern that importers of watermelons may not have equitable opportunities to address questions or concerns regarding the increase or other Board funded activities. The commenter asked if government officials of exporter countries were notified of the proposed assessment increase. AMS acknowledges this comment and notes that the proposed rule was published in the **Federal Register** to provide notice to all interested parties, including government officials of exporting countries, of the proposed modifications. The comment period provided an opportunity for industry members and the public alike to voice any concerns they may have with the proposed changes to the Plan. As with other interested parties, government officials had notice and opportunity to comment on the proposed assessment increase. No government officials commented on the proposed rule. Additionally, prior to the publication of the proposed rule, the Board conducted outreach to industry stakeholders, including those representing imported watermelons. For example, the Board

presented potential budgetary examples with the assessment increase to inform stakeholders, including importers, of the proposed assessment increase and activities that could be funded by the Board prior to the publication of the proposed rule. The Board presented at various state and regional association meetings, including the National Watermelon Association, which was attended by importers of watermelons, providing all growers equal opportunity to raise questions. In addition, the Board currently has nine importers members who represent the industry and help oversee the Board's policies and budget. AMS and the Board agree that transparency and communication to all stakeholders is critical, and accordingly, the Board notified the industry of the potential assessment increase through a variety of channels including industry-wide newsletters, regional and national conventions, and email correspondence.

AMS received two non-substantive comments. One of the unrelated comments was focused on pest control, and another voiced support for an athlete sponsored by the Board.

Accordingly, no changes were made to the rule as proposed, based on the comments received.

After consideration of all relevant material presented, including the information and recommendations submitted by the Board, the comments received, and other available information, it is hereby found that this rule, as hereinafter set forth, is consistent with and will effectuate the purposes of the Act.

#### List of Subjects in 7 CFR Part 1210

Administrative practice and procedure, Advertising, Agricultural research, Consumer information, Marketing agreements, Reporting and recordkeeping requirements, Watermelons.

For the reasons set forth in the preamble, the Agricultural Marketing Service amends part 1210, chapter XI of title 7 of the Code of Federal Regulations as follows:

#### PART 1210—WATERMELON RESEARCH AND PROMOTION PLAN

■ 1. The authority citation for part 1210 continues to read as follows:

**Authority:** 7 U.S.C. 4901–4916 and 7 U.S.C. 7401.

■ 2. Amend § 1210.515 by revising paragraphs (a) and (b) to read as follows:

##### § 1210.515 Levy of assessments.

(a) An assessment of four and a half cents per hundredweight shall be levied on all watermelons produced for

ultimate consumption as human food, and an assessment of four and a half cents per hundredweight shall be levied on all watermelons first handled for ultimate consumption as human food. An assessment of nine cents per hundredweight shall be levied on all watermelons imported into the United States for ultimate consumption as human food at the time of entry in the United States.

(b) The import assessment shall be uniformly applied to imported watermelons that are identified by the numbers 0807.11.30 and 0807.11.40 in the Harmonized Tariff Schedule of the United States or any other number used to identify fresh watermelons for consumption as human food. The U.S. Customs Service and Border Protection (Customs) will collect assessments on such watermelons at the time of entry and will forward such assessment as per the agreement between Customs and USDA. Any importer or agent who is exempt from payment of assessments may submit to the Board adequate proof of the volume handled by such importer for the exemption to be granted.

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**Erin Morris,**

*Associate Administrator, Agricultural Marketing Service.*

[FR Doc. 2024–30268 Filed 12–20–24; 8:45 am]

**BILLING CODE P**

#### CONSUMER FINANCIAL PROTECTION BUREAU

##### 12 CFR Part 1026

##### Truth in Lending Act (Regulation Z) Adjustment to Asset-Size Exemption Threshold

**AGENCY:** Consumer Financial Protection Bureau.

**ACTION:** Final rule; official interpretation.

**SUMMARY:** The Consumer Financial Protection Bureau (CFPB) is amending the official commentary to its Regulation Z in order to make annual adjustments to the asset-size thresholds exempting certain creditors from the requirement to establish an escrow account for a higher-priced mortgage loan (HPML). The exemption threshold for creditors and their affiliates that regularly extended covered transactions secured by first liens is adjusted to \$2.717 billion and the exemption threshold for certain insured depository institutions and insured credit unions with assets of \$10 billion or less is adjusted to \$12.179 billion.