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amount of assessments he paid in excess of his pro rata share of the actual expenses of the committee and the addition, if any, to the operating reserve.

(c) *Accounting of funds upon termination of order.* Any money collected as assessments pursuant to this subpart and remaining unexpended in the possession of the committee after termination of this part shall be distributed in such manner as the Secretary may direct: *Provided*, That to the extent practical, such funds shall be returned pro rata to the persons from whom such funds were collected.

[35 FR 10742, July 2, 1970]

RESEARCH AND DEVELOPMENT

§ 947.47 Research and development.

The committee, with the approval of the Secretary, may provide for the establishment of marketing research and development projects designed to assist, improve, or promote the marketing, distribution, and consumption of potatoes.

REGULATION

§ 947.50 Marketing policy.

(a) *Preparation.* Prior to each marketing season the committee shall consider and prepare a proposed policy for the marketing of potatoes. In developing its marketing policy the committee shall investigate relevant supply and demand conditions for potatoes. In such investigations the committee shall give appropriate consideration to the following:

(1) Market prices for potatoes, including prices by grade, size, quality, and maturity in different packs, or any other shipping unit;

(2) Supply of potatoes by grade, size, quality, and maturity in the production area and in other production areas;

(3) The trend and level of consumer income;

(4) Establishing and maintaining orderly marketing conditions for potatoes;

(5) Orderly marketing of potatoes as will be in the public interest; and

(6) Other relevant factors.

(b) *Reports.* (1) The committee shall submit a report to the Secretary set-

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ting forth the aforesaid marketing policy and it shall notify producers and handlers of the contents of such report.

(2) In the event it becomes advisable to shift from such marketing policy because of changed supply and demand conditions, the committee shall prepare a new marketing policy in accordance with the manner previously outlined. The committee shall submit a report thereon to the Secretary and notify producers and handlers of the contents of such report on the revised or amended marketing policy.

§ 947.51 Recommendations for regulations.

The committee shall recommend to the Secretary grade, size, quality, and maturity regulations, or amendments thereto, or modifications thereof, whenever it finds that such regulations as provided in § 947.52 will tend to effectuate the declared policy of the act. The committee also may recommend modification, suspension, or termination of any regulation, or amendments thereto, in order to facilitate the handling of potatoes for the purposes authorized in § 947.54. The committee may also recommend amendment, termination, or suspension of any regulation issued under this part.

§ 947.52 Issuance of regulations.

(a) The Secretary shall limit the shipment of potatoes as set forth in this subpart whenever he finds from the recommendation and information submitted by the committee, or from other available information, that it would tend to effectuate the declared policy of the act:

(1) To regulate, in any or all portions of the production area, the handling of particular grades, sizes, qualities, or maturities of any or all varieties of potatoes, or any combination of the foregoing, during any period;

(2) To regulate the handling of particular grades, sizes, qualities, or maturities of any or all varieties of potatoes, or any combination of the foregoing during any period, in the States of Idaho and Washington and Malheur County in Oregon which had been shipped from the production area to specified locations therein for grading or storage pursuant to § 947.54.

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(3) To regulate the handling of particular grades, sizes, qualities, or maturities of any or all varieties differently, for different portions of the production area, for different uses or outlets, for potatoes for prepeeling to different markets, for different packs, or for any combination of the foregoing, during any period; and

(4) To regulate the shipment of potatoes by establishing, in terms of grades, sizes, or both, minimum standards of quality and maturity.

(b) The Secretary may amend any regulation issued under this subpart whenever he finds that such amendment would tend to effectuate the declared policy of the act. The Secretary may also terminate or suspend any regulation whenever he finds that such regulation obstructs or no longer tends to effectuate the declared policy of the act.

(c) The Secretary shall notify the committee of any such regulation issued pursuant to this section and the committee shall give reasonable notice thereof to handlers.

[35 FR 10742, July 2, 1970]

§ 947.53 Minimum quantities.

The committee, with the approval of the Secretary, may establish, for any or all portions of the production area, minimum quantities below which shipments will be free from regulations issued pursuant to this part.

[35 FR 10743, July 2, 1970]

§ 947.54 Shipments for specified purposes.

(a) Whenever the Secretary finds, upon the basis of the recommendations and information submitted by the committee, or from other available information, that it will tend to effectuate the declared policy of the act, he shall modify, suspend, or terminate any or all regulations issued pursuant to this part, in order to facilitate shipments of potatoes for the following purposes:

- (1) Livestock feed;
- (2) Charity;
- (3) Export;
- (4) Seed;
- (5) Prepeeling;
- (6) Canning and freezing;

(7) Processing into other products, including "other processing," pursuant to Public Law 91-196, 91st Cong., second session (Feb. 20, 1970);

(8) Such other purposes as may be specified by the committee, with the approval of the Secretary; and

(9) Grading or storing between the districts within the production area or to and within specified locations in the adjoining States of Idaho and Washington and Malheur County in the State of Oregon.

(b) The Secretary shall give prompt notice to the committee of any modification, suspension, or termination of regulations pursuant to this section, or of any approval issued by him under the provisions of this section.

[35 FR 10743, July 2, 1970]

§ 947.55 Safeguards.

(a) The committee, with the approval of the Secretary, may prescribe adequate safeguards to prevent shipments pursuant to § 947.54 from entering channels of trade and other outlets for other than the specific purpose authorized therefor.

(b) Safeguards provided by this section may include, but shall not be limited to, requirements that handlers:

(1) Shall obtain the inspection required by § 947.60 or pay the assessment provided by § 947.41 or both, in connection with the potato shipments effected in accordance with § 947.54, and

(2) Shall obtain a Special Purpose Certificate from the committee for shipments of potatoes effected or to be effected under provisions of § 947.54.

(c) The committee, with the approval of the Secretary, shall prescribe rules governing the issuance and the contents of Special Purpose Certificates.

(d) The committee may rescind, or deny to any handler, the Special Purpose Certificate if proof satisfactory to the committee is obtained that potatoes shipped by him for the purpose stated in the certificate were handled contrary to the provisions of the certificate and this section.

(e) The committee shall make reports to the Secretary, as requested, showing the number of applications for such certificates, the quantity of potatoes covered by such applications for such certificates, the number of such