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Such increase shall be applicable to all fruit handled during such fiscal period.

(d) The payment of assessments for the maintenance and functioning of the committee may be required under this part throughout the period it is in effect irrespective of whether particular provisions of this part are suspended or become inoperative.

§ 906.35 Accounting.

(a) If, at the end of a fiscal period, the assessments collected are in excess of expenses incurred, such excess shall be accounted for in accordance with one of the following:

(1) If such excess is not retained in a reserve, as provided in paragraph (a)(2) of this section, it shall be refunded proportionately to the persons from whom collected.

(2) The committee, with the approval of the Secretary may carry over such excess into subsequent fiscal periods as a reserve: *Provided*, That funds already in the reserve do not equal approximately 1 fiscal period's expenses. Such reserve funds may be used for any expenses authorized pursuant to § 906.32 and for necessary expenses of liquidation in the event of termination of this part. Upon such termination, any funds not required to defray the necessary expenses of liquidation shall be disposed of in such manner as the Secretary may determine to be appropriate. To the extent practical, such funds shall be returned pro rata to the persons from whom such funds were collected.

(b) All funds received by the committee pursuant to the provisions of this part shall be used solely for the purpose specified in this part and shall be accounted for in the manner provided in this part. The Secretary may at any time require the committee and its members to account for all receipts and disbursements.

(c) Upon the removal or expiration of the terms of office of any member of the committee, such member shall account for all receipts and disbursements and deliver all property and funds in his possession to the committee, and shall execute such assignments and other instruments as may be necessary or appropriate to vest in the committee full title to all of the

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property, funds, and claims vested in such member pursuant to this part.

(d) The committee may make recommendations to the Secretary for one or more of the members thereof, or any other person, to act as a trustee for holding records, funds, or any other committee property during periods of suspension of this subpart, or during any period or periods when regulations are not in effect, and if the Secretary determines such action appropriate, he may direct that such person or persons shall act as trustee or trustees for the committee.

[25 FR 9093, Sept. 22, 1960. Redesignated at 26 FR 12751, Dec. 30, 1961, and amended at 31 FR 10462, Aug. 4, 1966]

RESEARCH AND DEVELOPMENT

§ 906.37 Research and development.

The committee, with the approval of the Secretary, may establish or provide for the establishment of marketing research and development projects, including paid advertising, designed to assist, improve, or promote the marketing, distribution, and consumption of fruit. Any such project for the promotion and advertising of fruit may utilize an identifying mark which shall be made available for use by all handlers in accordance with such terms and conditions as the committee, with the approval of the Secretary, may prescribe. The expenses of such projects shall be paid from funds collected pursuant to § 906.34.

[31 FR 10462, Aug. 4, 1966]

REGULATION

§ 906.38 Marketing policy.

Prior to or at the same time as initial recommendations are made pursuant to § 906.39, the committee shall submit to the Secretary a report setting forth the marketing policy it deems desirable for the industry to follow in shipping fruit from the production area during the ensuing season. Additional reports shall be submitted from time to time if it is deemed advisable by the committee to adopt a new or modified marketing policy because of changes in the demand and supply situation with respect to fruit. The committee shall publicly announce the submission of

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each marketing policy report and copies thereof shall be available at the committee's office for inspection by any producer or handler. In determining each such marketing policy the committee shall give due consideration to the following:

(a) Market prices of fruit, including prices by grade, size, and quality in different packs, and such prices by foreign competing areas;

(b) Supply of fruit, by grade, size, and quality in the production area, and in other production areas, including foreign production areas;

(c) Trend and level of consumer income;

(d) Marketing conditions affecting fruit prices; and

(e) Other relevant factors.

§ 906.39 Recommendations for regulations.

The committee, upon complying with the requirements of § 906.38, may recommend regulations to the Secretary whenever it finds that such regulations, as are provided for in this subpart, will tend to effectuate the declared policy of the act. The committee shall give notice to handlers of any such recommendation at the same time such recommendation is submitted to the Secretary.

§ 906.40 Issuance of regulations.

The Secretary shall limit the handling of fruit whenever he finds from the recommendation and information submitted by the committee, or from other available information, that such regulation would tend to effectuate the declared policy of the act. Such regulations may:

(a) Limit the handling of particular grades, sizes, qualities, maturities, or packs of any or all varieties of fruit during a specified period or periods: *Provided*, That specific maturity requirements applicable to the handling of any variety may be prescribed under this section only in the event that appropriate maturity requirements for such variety are not in effect under State authority.

(b) Limit the handling of particular grades, sizes, qualities, or packs of fruit differently for different varieties, for different containers, for different

purposes specified in § 906.42, or any combination of the foregoing, during any period.

(c) Limit the handling of fruit by establishing, in terms of grades, sizes, or both, minimum standards of quality and maturity.

(d) Fix the size, weight, capacity, dimensions, or pack of the container or containers which may be used in the packaging, transportation, sale, shipment, or other handling of fruit.

(e) Prohibit the handling (1) of any fruit which does not have marked on each container the grade or the registered grade label of the fruit contained therein; (2) of any grapefruit which does not have marked on each fruit the word *Texas* or other words implying Texas origin, except that the committee may recommend and the Secretary establish a tolerance for grapefruit in any container or lot not so marked; and (3) of any container fruit which is misbranded as to variety.

(f) No regulations may be issued under the provisions of this subpart which allots to individual handlers the quantity of fruit which each handler may ship during any regulation period.

§ 906.41 Gift fruit shipments.

The handling to any person of gift packages of fruit individually addressed to such person, in quantities aggregating not more than 500 pounds and not for resale, are exempt from the provisions of §§ 906.34, 906.40, and 906.45, and the regulations issued thereunder, but shall conform to such safeguards as may be established pursuant to § 906.43.

§ 906.42 Shipments for special purposes.

Upon the basis of recommendations and information submitted by the committee, or other available information, the Secretary, whenever he finds that it will tend to effectuate the declared policy of the act, shall modify, suspend, or terminate regulations issued pursuant to §§ 906.34, 906.40, 906.45, or any combination thereof, in order to facilitate the handling of fruit:

(a) For relief or for charity;

(b) For processing or for manufacture or conversion into specified products; and