

UNITED STATES DEPARTMENT OF AGRICULTURE

1930-220th St. SE, Ste. 102
Bothell, WA 98021-8471
Phone: (425) 487-6009
Fax: (425) 487-2775
E-mail: fmaseattle@fmaseattle.com

Agricultural Marketing Service
Dairy Programs
FEDERAL MILK ORDERS 124 & 131

10050 N 25th Ave., Ste. 302
Phoenix, AZ 85021-1664
Phone: (602) 547-2909
Fax: (602) 547-2906
E-mail: ma@fmma.net

February 1, 2013

TO: Handlers, Cooperative Associations and Interested Parties

FROM: William A. Wise
Market Administrator
Bothell, Washington

SUBJECT: Extension of Dairy Forward Pricing Program until September 30, 2013

The Dairy Forward Pricing Program, established under the 2008 Farm Bill, allowed forward price contracts between handlers and dairy farmers to be entered into through September 30, 2012. On January 2, 2013, legislation passed by Congress was signed by President Obama that extended the Dairy Forward Price Program by one year. Handlers may now enter into new forward price contracts with producers or cooperative associations of producers through September 30, 2013. All other provisions of the Dairy Forward Price Program remain the same.

Please reference the included Federal Register Notice for additional information.

Please note:

- All new contracts must be signed by both parties prior to the effective month. The signed contract and disclosure statement must be received by the Market Administrator prior to the 15th of the applicable month. For example, to contract for March 2013 milk, the forward contract and disclosure statement must be signed prior to March 1, 2013, and received by the Market Administrator by March 15, 2013.
- The disclosure statement must be signed the same date as the contract.
- Producer milk that has been forward contracted under the terms of the Program is not subject to Federal Order minimum pricing provisions.
- Any pooled milk subject to a new forward contract entered into from October 2012 through January 2013 and the contract includes milk deliveries in those months is subject to Federal Order minimum pricing provisions for those months.
- Forward Contracts established under this program may not extend past September 30, 2015.
- Forward contracts established prior to October 1, 2012, are not impacted.

Please call John Mykrantz at 425-487-5612, or e-mail jmykrantz@fmaseattle.com with any questions.

/s/ William A. Wise
Market Administrator



USDA Issues Notice Extending the Dairy Forward Pricing Program

AMS No. 011-13

Sam Jones-Ellard (202) 660-2268
Samuel.jones@ams.usda.gov

WASHINGTON, Jan. 31, 2013 – The U.S. Department of Agriculture has issued a notice extending the Dairy Forward Pricing Program to allow producers and cooperative associations to enter into forward price contracts under the program through Sept. 30, 2013.

The notice, which becomes effective on Feb. 1, 2013, also extends all other program requirements outlined in the program's Oct. 31, 2008, Final Rule until Sept. 30, 2013.

The Dairy Forward Pricing Program allows producers and producer cooperative associations to voluntarily enter into forward price contracts with handlers for milk under the Agricultural Marketing Agreement Act of 1937. The 2008 Farm Bill initially prohibited new forward contracts from being entered into after Sept. 30, 2012, and allowed no forward contracts to extend beyond Sept. 30, 2015.

The passage of the American Taxpayer Relief Act of 2012, signed into law on Jan. 2, 2013, revised the program to allow new contracts to be entered into until Sept. 30, 2013. Any forward contracts entered into until the deadline on Sept. 30, 2013, are still subject to the Sept. 30, 2015, cutoff date.

The notice will be published in the Feb. 1, 2013, *Federal Register*. For more information about the decision contact: Roger Cryan, Director, Economics Division, USDA/AMS/Dairy Programs, Stop 0229-Room 2753-S, 1400 Independence Avenue, S.W., Washington, DC 20250 0231, (202) 720 7091, e mail address: roger.cryan@ams.usda.gov.

#

Get the latest Agricultural Marketing Service news at <http://www.ams.usda.gov/news> or follow us on Twitter @USDA_AMS. You can also read about us on the USDA blog.

USDA is an equal opportunity provider and employer. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, Office of Adjudication, 1400 Independence Ave., SW, Washington, DC 20250-9410 or call (866) 632-9992 (Toll-free Customer Service), (800) 877-8339 (Local or Federal relay), (866) 377-8642 (Relay voice users).

Notices

Federal Register

Vol. 78, No. 22

Friday, February 1, 2013

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[Docket No. AMS-DA-08-0031; DA-08-05]

Continuation of 2008 Farm Bill—Dairy Forward Pricing Program

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Notice.

SUMMARY: The American Taxpayer Relief Act of 2012 (ATRA) extended the authorization of the Dairy Forward Pricing Program contained in the Food, Conservation and Energy Act of 2008 (the 2008 Farm Bill), through September 30, 2013. This document provides notice that producers and cooperative associations of producers may enter into forward price contracts under the Dairy Forward Pricing Program through September 30, 2013, as provided for in the Final Rule published October 31, 2008 (73 FR 64868). The 2008 Farm Bill initially prohibited new forward contracts from being entered into after September 30, 2012, and no forward contracts entered into under the program extending beyond September 30, 2015. However, passage of the ATRA that was signed into law on January 2, 2013, revised the program to allow new contracts to be entered into until September 30, 2013. Any forward contract entered into up and until the September 30, 2013, deadline is still subject to the September 30, 2015, cutoff date to meet the terms of the contract.

DATES: *Effective Date:* February 1, 2013.

FOR FURTHER INFORMATION CONTACT:

Roger Cryan, Director, Economics Division, USDA/AMS/Dairy Programs, Stop 0229—Room 2753—S, 1400 Independence Avenue SW., Washington, DC 20250-0231, (202) 720-7091, email address: roger.cryan@ams.usda.gov.

SUPPLEMENTARY INFORMATION: The Dairy Forward Pricing Program (73 FR 64868) allows producers and cooperative associations of producers to voluntarily enter into forward price contracts with handlers for milk used for Class II, III, or IV purposes under the Agricultural Marketing Agreement Act of 1937 (AMAA), (7 U.S.C. 601 *et seq.*) The program also allows handlers regulated under the Federal milk marketing order program to pay producers and cooperative associations in accordance

with the terms of a forward contract and not have to pay the minimum Federal order blend price for producer milk. This program was initially established in accordance with the 2008 Farm Bill (H.R. 6124, Pub. L. 110-246). The American Taxpayer Relief Act of 2012 (ATRA), (H.R. 8, Pub. L. 112-240), extended the authorization of the Dairy Forward Pricing Program contained in the Food, Conservation and Energy Act of 2008 (the 2008 Farm Bill) (H.R. 6124, Pub. L. 110-246) through September 30, 2013.

The program authorizes that under the AMAA, milk handlers pay producers or cooperative associations of producers a negotiated price, rather than the Federal order minimum blend price for producer milk if subject to conditions and terms of a forward contract, provided the volume of such milk does not exceed the handler's Class II, III, and IV utilization for the month on the order that regulates the milk. The program applies to producer milk regulated under Federal milk marketing orders that is not classified as Class I milk or milk otherwise intended for fluid use and that is in the current of interstate or foreign commerce or directly burdens, obstructs, or affects interstate or foreign commerce of Federally regulated milk. The Federal milk marketing order program consists of 10 Federal milk marketing orders (7 CFR parts 1001-1131).

Dated: January 29, 2013.

Rex A. Barnes,

Acting Administrator.

[FR Doc. 2013-02170 Filed 1-31-13; 8:45 am]

BILLING CODE 3410-02-P