



DEPARTMENT OF AGRICULTURE

3410-02-P

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.

EFFECTIVE DATE: [Insert date of publication in the Federal Register].

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, e-mail 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 1001-1131).

Dated: January 29, 2013

Rex A. Barnes
Acting Administrator

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