

after the unit is formed and the market administrator has been notified; and

(ii) Each handler operating reserve supply plant(s) for which the shipping percentages in §1068.7(d)(4) are met as part of a unit described in §1068.7(d)(6) must ship at least 5 percent of the Grade A milk received at its plant(s) from dairy farmers during the month (including milk delivered to the handler's plant(s) from dairy farms for the account of a cooperative association pursuant to §1068.9(c) and milk diverted from the plant(s) by the plant operator but excluding milk diverted to the plant(s) from another pool plant) to pool distributing plants in one of the months of August through December in order for the handler's plant(s) to be a reserve supply plant(s) for the month of December.

(7) The quantity of fluid milk products moved from the reserve supply plant to a pool distributing plant or pool distributing plant unit that shall count toward meeting the shipping requirements of paragraphs (d)(4), (d)(5), and (d)(6) of this section shall be a net quantity which shall exclude the pounds by which the quantity specified in paragraph (d)(7)(i) of this section exceeds the quantity specified in paragraph (d)(7)(ii) of this section.

(i) The pounds of bulk fluid milk products transferred from the pool distributing plant or pool distributing plant unit during the month that were not to another pool distributing plant or pool distributing plant unit or to a commercial food processing establishment pursuant to §1068.40(b)(3).

(ii) 1,000,000 pounds.

(8) A plant must have been a pool plant under this order pursuant to §1068.7 (a), (b) or (d) during each of the preceding months of August through December to be a pool reserve supply plant during the following months of January through July.

(e) The term "pool plant" shall not apply to the following plants:

(1) A producer-handler plant;

(2) A governmental agency plant;

(3) A plant qualified as a pool plant pursuant to this section if the conditions of paragraph (e)(3) (i) and (ii) of this section are met. Such plant shall be exempt from the provisions of this part except for reports that may be re-

quired pursuant to §1068.30(d) and verification of such reports by the market administrator in accordance with §1000.5 of this chapter:

(i) The Secretary determines that a greater quantity of milk in fluid form is disposed of from such plant to a regulated marketing area as defined in another order issued pursuant to the Act either as route disposition, excluding filled milk, or to other order plants qualified on the basis of route disposition, than is disposed of from such plant in the Upper Midwest marketing area either as route disposition, excluding filled milk, or to pool plants qualified on the basis of route disposition; and

(ii) Such milk would be subject to the class price and producer payment provisions of the other marketing agreement or order upon being made exempt from this part; and

(4) That portion of a plant that is physically separated from the Grade A portion of such plant, is operated separately, and is not approved by any regulatory agency for the receiving, processing, or packaging of any fluid milk product for Grade A disposition.

[41 FR 18057, Apr. 30, 1976, as amended at 52 FR 36910, Oct. 2, 1987; 53 FR 19745, May 31, 1988; 55 FR 26635, June 29, 1990]

§ 1068.8 Nonpool plant.

Nonpool plant means any milk or filled milk receiving, manufacturing, or processing plant other than a pool plant. The following categories of nonpool plants are further defined as follows:

(a) *Other order plant* means a plant that is fully subject to the pricing and pooling provisions of another order issued pursuant to the Act.

(b) *Producer-handler plant* means a plant operated by a producer-handler as defined in any order (including this part) issued pursuant to the Act.

(c) *Partially regulated distributing plant* means a nonpool plant that is neither an other order plant nor a producer-handler plant, from which Grade A milk or filled milk is disposed of as route disposition in the marketing area during the month.

(d) *Unregulated supply plant* means a nonpool plant that is neither an other order plant nor a producer-handler

plant, from which fluid milk products are shipped during the month to a pool plant.

(e) *Governmental agency plant* means a plant owned and operated by a government institution which disposes of Class I milk in the marketing area. Such plant shall be exempt from all provisions of this part.

§ 1068.9 Handler.

Handler means:

(a) Any person in his capacity as the operator of a pool plant;

(b) Any cooperative association with respect to milk of a producer that is diverted for the account of the cooperative association from a pool plant in accordance with § 1068.13;

(c) Any cooperative association with respect to milk that it receives for its account from the farm of a producer for delivery to a pool plant in a tank truck owned and operated by, or under the control of, such cooperative association, unless both the cooperative association and the operator of the pool plant notify the market administrator prior to the time that such milk is delivered to the pool plant that the plant operator will be the handler for such milk and will purchase such milk on the basis of weights determined from its measurement at the farm and butterfat tests determined from farm bulk tank samples. Milk for which the cooperative association is the handler pursuant to this paragraph shall be deemed to have been received by the cooperative association at the location of the pool plant to which such milk is delivered;

(d) Any person in his capacity as the operator of a partially regulated distributing plant;

(e) Any person who is a producer-handler;

(f) Any person in his capacity as the operator of an other order plant; and

(g) Any person in his capacity as the operator of an unregulated supply plant.

[41 FR 18057, Apr. 30, 1976, as amended at 47 FR 16614, Apr. 19, 1982]

§ 1068.10 Producer-handler.

Producer-handler means any person who meets all of the following conditions:

(a) Operates a dairy farm and a distribution plant at which Grade A milk of his own production is processed and packaged, and from which there is route disposition in the marketing area;

(b) Receives no milk or fluid milk products at his plant (or at any distribution facility, including routes, operated by him, an affiliate, or any person who controls or is controlled by him) from the farms of other dairy farmers nor from any other source, except receipts of not more than 50,000 pounds of fluid milk products during the month from pool plants of other handlers or from other order plants;

(c) Receives no nonfluid milk products from any source for use in reconstituting fluid milk products; and

(d) The maintenance, care, and management of the dairy animals and other resources necessary to produce such milk and the processing of such milk are the personal enterprise, and the personal risk, of such person.

§ 1068.12 Producer.

(a) Except as provided in paragraph (b) of this section, *producer* means any person who produces milk approved by a duly constituted regulatory agency for disposition as Grade A milk and whose milk is:

(1) Received at a pool plant directly from such person;

(2) Received by a handler described in § 1068.9(c); or

(3) Diverted from a pool plant in accordance with § 1068.13.

(b) "Producer" shall not include:

(1) A producer-handler as defined in any order (including this part) issued pursuant to the Act;

(2) Any person with respect to milk produced by him that is diverted to a pool plant from an other order plant if the other order designates such person as a producer under that order and such milk is allocated to Class II or Class III utilization pursuant to § 1068.44(a)(8)(iii) and the corresponding step of § 1068.44(b);

(3) Any person with respect to milk produced by him that is reported as diverted to an other order plant if any portion of such person's milk so moved is assigned to Class I under the provisions of such other order; and