



# Code of Federal Regulations

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## 7

### Parts 1000 to 1199

Milk Orders  
Revised as of January 1, 2003

### Agriculture

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Containing a codification of documents  
of general applicability and future effect

As of January 1, 2003

*With Ancillaries*

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*Cite this Code:* CFR

*To cite the regulations in  
this volume use title,  
part and section num-  
ber. Thus, 7 CFR  
1000.1 refers to title 7,  
part 1000, section 1.*

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## Explanation

The Code of Federal Regulations is a codification of the general and permanent rules published in the Federal Register by the Executive departments and agencies of the Federal Government. The Code is divided into 50 titles which represent broad areas subject to Federal regulation. Each title is divided into chapters which usually bear the name of the issuing agency. Each chapter is further subdivided into parts covering specific regulatory areas.

Each volume of the Code is revised at least once each calendar year and issued on a quarterly basis approximately as follows:

Title 1 through Title 16.....	as of January 1
Title 17 through Title 27.....	as of April 1
Title 28 through Title 41.....	as of July 1
Title 42 through Title 50.....	as of October 1

The appropriate revision date is printed on the cover of each volume.

### LEGAL STATUS

The contents of the Federal Register are required to be judicially noticed (44 U.S.C. 1507). The Code of Federal Regulations is prima facie evidence of the text of the original documents (44 U.S.C. 1510).

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The Code of Federal Regulations is kept up to date by the individual issues of the Federal Register. These two publications must be used together to determine the latest version of any given rule.

To determine whether a Code volume has been amended since its revision date (in this case, January 1, 2003), consult the "List of CFR Sections Affected (LSA)," which is issued monthly, and the "Cumulative List of Parts Affected," which appears in the Reader Aids section of the daily Federal Register. These two lists will identify the Federal Register page number of the latest amendment of any given rule.

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Each volume of the Code contains amendments published in the Federal Register since the last revision of that volume of the Code. Source citations for the regulations are referred to by volume number and page number of the Federal Register and date of publication. Publication dates and effective dates are usually not the same and care must be exercised by the user in determining the actual effective date. In instances where the effective date is beyond the cut-off date for the Code a note has been inserted to reflect the future effective date. In those instances where a regulation published in the Federal Register states a date certain for expiration, an appropriate note will be inserted following the text.

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#### CFR INDEXES AND TABULAR GUIDES

A subject index to the Code of Federal Regulations is contained in a separate volume, revised annually as of January 1, entitled CFR INDEX AND FINDING AIDS. This volume contains the Parallel Table of Statutory Authorities and Agency Rules (Table I). A list of CFR titles, chapters, and parts and an alphabetical list of agencies publishing in the CFR are also included in this volume.

An index to the text of “Title 3—The President” is carried within that volume.

The Federal Register Index is issued monthly in cumulative form. This index is based on a consolidation of the “Contents” entries in the daily Federal Register.

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#### REPUBLICATION OF MATERIAL

There are no restrictions on the republication of material appearing in the Code of Federal Regulations.

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For inquiries concerning CFR reference assistance, call 202–741–6000 or write to the Director, Office of the Federal Register, National Archives and Records Administration, Washington, DC 20408 or e-mail [info@fedreg.nara.gov](mailto:info@fedreg.nara.gov).

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RAYMOND A. MOSLEY,  
*Director,*  
*Office of the Federal Register.*

*January 1, 2003.*



## THIS TITLE

Title 7—AGRICULTURE is composed of fifteen volumes. The parts in these volumes are arranged in the following order: parts 1–26, 27–52, 53–209, 210–299, 300–399, 400–699, 700–899, 900–999, 1000–1199, 1200–1599, 1600–1899, 1900–1939, 1940–1949, 1950–1999, and part 2000 to end. The contents of these volumes represent all current regulations codified under this title of the CFR as of January 1, 2003.

The Food and Nutrition Service current regulations in the volume containing parts 210–299, include the Child Nutrition Programs and the Food Stamp Program. The regulations of the Federal Crop Insurance Corporation are found in the volume containing parts 400–699.

All marketing agreements and orders for fruits, vegetables and nuts appear in the one volume containing parts 900–999. All marketing agreements and orders for milk appear in the volume containing parts 1000–1199. Part 900—General Regulations is carried as a note in the volume containing parts 1000–1199, as a convenience to the user.



# Title 7—Agriculture

(This book contains parts 1000 to 1199)

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*Part*

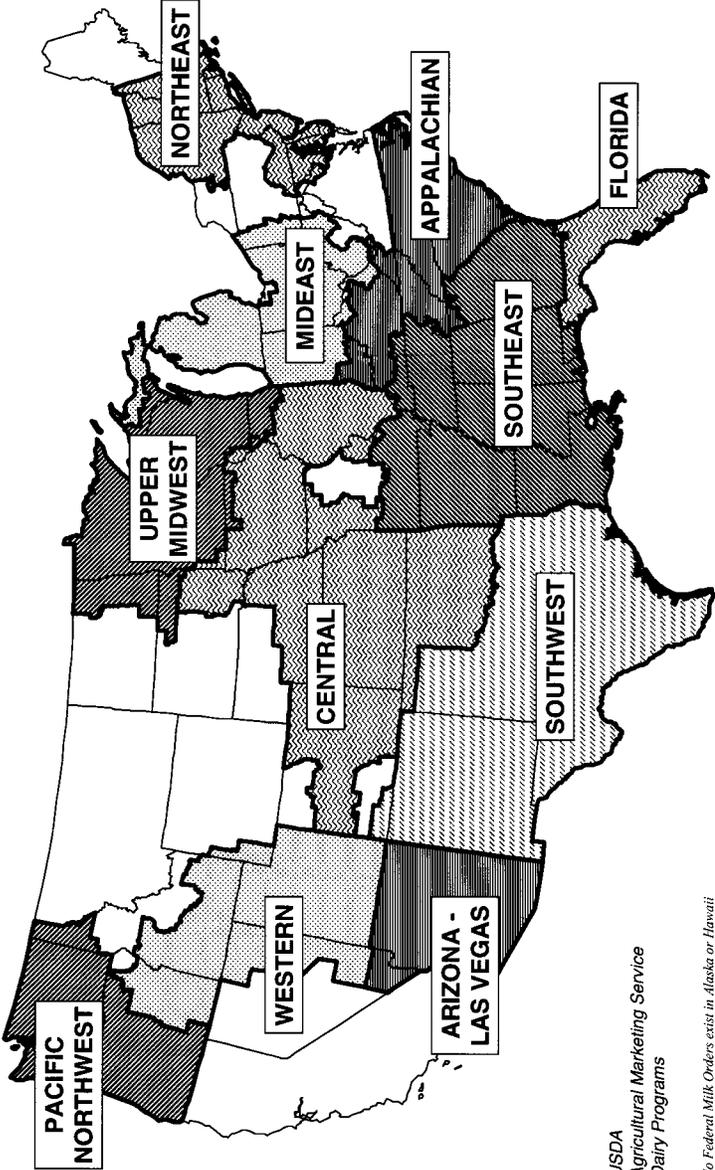
SUBTITLE B—REGULATIONS OF THE DEPARTMENT OF AGRICULTURE  
(CONTINUED)

CHAPTER X—Agricultural Marketing Service (Marketing  
Agreements and Orders; Milk), Department of Agri-  
culture ..... 1000



Subtitle B—Regulations of  
the Department of  
Agriculture (Continued)

**FEDERAL MILK MARKETING ORDER AREAS**  
As of January 1, 2003



USDA  
Agricultural Marketing Service  
Dairy Programs

*No Federal Milk Orders exist in Alaska or Hawaii*

## CHAPTER X—AGRICULTURAL MARKETING SERVICE (Marketing Agreements and Orders; Milk) DEPARTMENT OF AGRICULTURE

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## NOTE

7 CFR part 900, the general regulations with respect to marketing agreements and orders, is herein set forth for convenience of users of this volume.

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- 900.68 Applications for reopening hearings; for rehearings or rearguments of proceedings; or for reconsideration of orders.

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#### Subpart—Supplemental Rules of Practice for Marketing Orders, Marketing Agreements, and Requirements Issued Pursuant to 7 U.S.C. 608b(b) and 7 U.S.C. 608e Covering Fruits, Vegetables, and Nuts

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**Subpart—Information Collection**

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SOURCE: 25 FR 5907, June 28, 1960, unless otherwise noted.

**Subpart—Rules of Practice and Procedure Governing Proceedings to Formulate Marketing Agreements and Marketing Orders**

AUTHORITY: Sec. 10, 48 Stat. 37, as amended; 7 U.S.C. 610.

**§ 900.1 Words in the singular form.**

Words in this subpart in the singular form shall be deemed to import the plural, and vice versa, as the case may demand.

**§ 900.2 Definitions.**

As used in this subpart, the terms as defined in the Act shall apply with equal force and effect. In addition, unless the context otherwise requires:

(a) The term *Act* means Public Act No. 10, 73d Congress (48 Stat. 31), as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937 (50 Stat. 246), as amended.

(b) The term *Department* means the United States Department of Agriculture.

(c) The term *Secretary* means the Secretary of Agriculture of the United States, or any officer or employee of the Department to whom authority has heretofore been delegated, or to whom authority may hereafter be delegated, to act in his stead.

(d) The terms *Administrative Law Judge* or *Judge* means any administrative law judge appointed pursuant to 5 U.S.C. 3105, and assigned to conduct the proceeding.

(e) The term *Administrator* means the Administrator of the Agricultural Marketing Service, with power to redelegate, or any officer or employee of the Department to whom authority has been delegated or may hereafter be delegated to act in his stead.

(f) [Reserved]

(g) The term “FEDERAL REGISTER” means the publication provided for by the Act of July 26, 1935 (49 Stat. 500), and acts supplementary thereto and amendatory thereof.

(h) The term *hearing* means that part of the proceeding which involves the submission of evidence.

(i) The term *marketing agreement* means any marketing agreement or any amendment thereto which may be entered into pursuant to section 8b of the Act.

(j) The term *marketing order* means any order or any amendment thereto which may be issued pursuant to section 8c of the Act, and after notice and hearing as required by said section.

(k) The term *proceeding* means a proceeding upon the basis of which a marketing agreement may be entered into or a marketing order may be issued.

(l) The term *hearing clerk* means the hearing clerk, United States Department of Agriculture, Washington, DC.

[25 FR 5907, June 28, 1960, as amended at 26 FR 7796, Aug. 22, 1961; 28 FR 579, Jan. 23, 1963; 37 FR 8059, Apr. 25, 1972; 38 FR 29798, Oct. 29, 1973]

**§ 900.3 Proposals.**

(a) A marketing agreement or a marketing order may be proposed by the Secretary or by any other person. If any person other than the Secretary proposes a marketing agreement or marketing order, he shall file with the Administrator a written application, together with at least four copies of the proposal, requesting the Secretary to hold a

## Agricultural Marketing Service, USDA

## Pt. 900 (Note)

hearing upon the proposal. Upon receipt of such proposal, the Administrator shall cause such investigation to be made and such consideration thereof to be given as, in his opinion, are warranted. If the investigation and consideration lead the Administrator to conclude that the proposed marketing agreement or marketing order will not tend to effectuate the declared policy of the Act, or that for other proper reasons a hearing should not be held on the proposal, he shall deny the application, and promptly notify the applicant of such denial, which notice shall be accompanied by a brief statement of the grounds for the denial.

(b) If the investigation and consideration lead the Administrator to conclude that the proposed marketing agreement or marketing order will tend to effectuate the declared policy of the Act, or if the Secretary desires to propose a marketing agreement or marketing order, he shall sign and cause to be served a notice of hearing, as provided in this subpart.

### § 900.4 Institution of proceeding.

(a) *Filing and contents of the notice of hearing.* The proceeding shall be instituted by filing the notice of hearing with the hearing clerk. The notice of hearing shall contain a reference to the authority under which the marketing agreement or marketing order is proposed; shall define the scope of the hearing as specifically as may be practicable; shall contain either the terms or substance of the proposed marketing agreement or marketing order or a description of the subjects and issues involved and shall state the industry, area, and class of persons to be regulated, the time and place of such hearing, and the place where copies of such proposed marketing agreement or marketing order may be obtained or examined. The time of the hearing shall not be less than 15 days after the date of publication of the notice in the FEDERAL REGISTER, as provided in this subpart, unless the Administrator shall determine that an emergency exists which requires a shorter period of notice, in which case the period of notice shall be that which the Administrator may determine to be reasonable in the circumstances: *Provided*, That, in the case of hearings on amendments to marketing agreements or marketing orders, the time of the hearing may be less than 15 days but shall not be less than 3 days after the date of publication of the notice in the FEDERAL REGISTER.

(b) *Giving notice of hearing and supplemental publicity.* (1) The Administrator shall give or cause to be given notice of hearing in the following manner:

(i) By publication of the notice of hearing in the FEDERAL REGISTER;

(ii) By mailing a true copy of the notice of hearing to each of the persons known to the Administrator, to be interested therein;

(iii) By issuing a press release containing the complete text or a summary of the contents of the notice of hearing and making the same available to such newspapers in the area proposed to be subjected to regulation as reasonably will tend to bring the notice to the attention of the persons interested therein;

(iv) By forwarding copies of the notice of hearing addressed to the governors of such of the several States of the United States and to executive heads of such of the Territories and possessions of the United States as the Administrator, having due regard for the subject matter of the proposal and the public interest, shall determine, should be notified.

(2) Legal notice of the hearing shall be deemed to be given if notice is given in the manner provided by paragraph (b)(1)(i) of this section; and failure to give notice in the manner provided in paragraph (b)(1)(ii), (iii), and (iv) of this section shall not affect the legality of the notice.

(c) *Record of notice and supplemental publicity.* There shall be filed with the hearing clerk or submitted to the judge at the hearing an affidavit or certificate of the person giving the notice provided in (b)(1)(iii) and (iv) of this section. In regard to the provisions relating to mailing in (b)(1)(ii) of this section, a determination by the Administrator that such provisions have been complied with shall be filed with the hearing clerk or submitted to the judge at the hearing. In the alternative, if notice is not given in the manner provided in (b)(1)(ii), (iii), and (iv) of this section there shall be filed with the hearing clerk or submitted to the judge at the hearing a determination by the Administrator that such notice is impracticable, unnecessary, or contrary to the public interest with a brief statement of the reasons for such determination. Determinations by the Administrator as herein provided shall be final.

### § 900.5 Docket number.

Each proceeding, immediately following its institution, shall be assigned a docket number by the hearing clerk and thereafter the proceeding may be referred to by such number.

### § 900.6 Judges.

(a) *Assignment.* No judge who has any pecuniary interest in the outcome of a proceeding shall serve as judge in such proceeding.

(b) *Powers of judges.* Subject to review by the Secretary, as provided elsewhere in this subpart, the judge, in any proceeding, shall have power to:

(1) Rule upon motions and requests;

(2) Change the time and place of hearing, and adjourn the hearing from time to time or from place to place;

(3) Administer oaths and affirmations and take affidavits;

(4) Examine and cross-examine witnesses and receive evidence;

(5) Admit or exclude evidence;

(6) Hear oral argument on facts or law;

(7) Do all acts and take all measures necessary for the maintenance of order at the hearing and the efficient conduct of the proceeding.

(c) *Who may act in absence of judge.* In case of the absence of the judge or his inability to act, the powers and duties to be performed by him under this part in connection with a proceeding may, without abatement of the proceeding unless otherwise ordered by the Secretary, be assigned to any other judge.

(d) *Disqualification of judge.* The judge may at any time withdraw as judge in a proceeding if he deems himself to be disqualified. Upon the filing by an interested person in good faith of a timely and sufficient affidavit of personal bias or disqualification of a judge, the Secretary shall determine the matter as a part of the record and decision in the proceeding, after making such investigation or holding such hearings, or both, as he may deem appropriate in the circumstances.

#### § 900.7 Motions and requests.

(a) *General.* All motions and requests shall be filed with the hearing clerk, except that those made during the course of the hearing may be filed with the judge or may be stated orally and made a part of the transcript.

Except as provided in § 900.15(b) such motions and requests shall be addressed to, and ruled on by, the judge if made prior to his certification of the transcript pursuant to § 900.10 or by the Secretary if made thereafter.

(b) *Certification to Secretary.* The judge may in his discretion submit or certify to the Secretary for decision any motion, request, objection, or other question addressed to the judge.

#### § 900.8 Conduct of the hearing.

(a) *Time and place.* The hearing shall be held at the time and place fixed in the notice of hearing, unless the judge shall have changed the time or place, in which event the judge shall file with the hearing clerk a notice of such change, which notice shall be given in the same manner as provided in § 900.4 (relating to the giving of notice of the hearing): *Provided*, That, if the change in time or place of hearing is made less than 5 days prior to the date previously fixed for the hearing, the judge, either in addition to or in lieu of causing the notice of the change to be given, shall announce, or cause to be announced, the change at the time and place previously fixed for the hearing.

(b) *Appearances—(1) Right to appear.* At the hearing, any interested person shall be given an opportunity to appear, either in person or through his authorized counsel or representative, and to be heard with respect to mat-

ters relevant and material to the proceeding. Any interested person who desires to be heard in person at any hearing under these rules shall, before proceeding to testify, state his name, address, and occupation. If any such person is appearing through a counsel or representative, such person or such counsel or representative shall, before proceeding to testify or otherwise to participate in the hearing, state for the record the authority to act as such counsel or representative, and the names and addresses and occupations of such person and such counsel or representative. Any such person or such counsel or representative shall give such other information respecting his appearance as the judge may request.

(2) *Debarment of counsel or representative.* Wherever, while a proceeding is pending before him, the judge finds that a person, acting as counsel or representative for any person participating in the proceeding, is guilty of unethical or unprofessional conduct, the judge may order that such person be precluded from further acting as counsel or representative in such proceeding. An appeal to the Secretary may be taken from any such order, but the proceeding shall not be delayed or suspended pending disposition of the appeal: *Provided*, That the judge may suspend the proceeding for a reasonable time for the purpose of enabling the client to obtain other counsel or other representative.

In case the judge has ordered that a person be precluded from further acting as counsel or representative in the proceeding, the judge, within a reasonable time thereafter shall submit to the Secretary a report of the facts and circumstances surrounding such order and shall recommend what action the Secretary should take respecting the appearance of such person as counsel or representative in other proceedings before the Secretary. Thereafter the Secretary may, after notice and an opportunity for hearing, issue such order, respecting the appearance of such person as counsel or representative in proceedings before the Secretary, as the Secretary finds to be appropriate.

(3) *Failure to appear.* If any interested person fails to appear at the hearing, he shall be deemed to have waived the right to be heard in the proceeding.

(c) *Order of procedure.* (1) The judge shall, at the opening of the hearing prior to the taking of testimony, have noted as part of the record the notice of hearing as filed with the Office of the Federal Register and the affidavit or certificate of the giving of notice or the determination provided for in § 900.4(c).

(2) Evidence shall then be received with respect to the matters specified in the notice of the hearing in such order as the judge shall announce.

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(d) *Evidence*—(1) *In general.* The hearing shall be publicly conducted, and the testimony given at the hearing shall be reported verbatim.

Every witness shall, before proceeding to testify, be sworn or make affirmation. Cross-examination shall be permitted to the extent required for a full and true disclosure of the facts.

When necessary, in order to prevent undue prolongation of the hearing, the judge may limit the number of times any witness may testify to the same matter or the amount of corroborative or cumulative evidence.

The judge shall, insofar as practicable, exclude evidence which is immaterial, irrelevant, or unduly repetitious, or which is not of the sort upon which responsible persons are accustomed to rely.

(2) *Objections.* If a party objects to the admission or rejection of any evidence or to any other ruling of the judge during the hearing, he shall state briefly the grounds of such objection, whereupon an automatic exception will follow if the objection is overruled by the judge. The transcript shall not include argument or debate thereon except as ordered by the judge. The ruling of the judge on any objection shall be a part of the transcript.

Only objections made before the judge may subsequently be relied upon in the proceeding.

(3) *Proof and authentication of official records or documents.* An official record or document, when admissible for any purpose, shall be admissible as evidence without the production of the person who made or prepared the same. Such record or document shall, in the discretion of the judge, be evidenced by an official publication thereof or by a copy attested by the person having legal custody thereof and accompanied by a certificate that such person has the custody.

(4) *Exhibits.* All written statements, charts, tabulations, or similar data offered in evidence at the hearing shall, after identification by the proponent and upon satisfactory showing of the authenticity, relevancy, and materiality of the contents thereof, be numbered as exhibits and received in evidence and made a part of the record. Such exhibits shall be submitted in quadruplicate and in documentary form. In case the required number of copies is not made available, the judge shall exercise his discretion as to whether said exhibits shall, when practicable, be read in evidence or whether additional copies shall be required to be submitted within a time to be specified by the judge. If the testimony of a witness refers to a statute, or to a report or document (including the record of any previous hearing) the judge, after inquiry relating to the identification of such statute, report, or document, shall determine whether the same shall be produced at the hearing and physically be

made a part of the evidence as an exhibit, or whether it shall be incorporated into the evidence by reference. If relevant and material matter offered in evidence is embraced in a report or document (including the record of any previous hearing) containing immaterial or irrelevant matter, such immaterial or irrelevant matter shall be excluded and shall be segregated insofar as practicable, subject to the direction of the judge.

(5) *Official notice.* Official notice may be taken of such matters as are judicially noticed by the courts of the United States and of any other matter of technical, scientific or commercial fact of established character: *Provided,* That interested persons shall be given adequate notice, at the hearing or subsequent thereto, of matters so noticed and shall be given adequate opportunity to show that such facts are inaccurate or are erroneously noticed.

(6) *Offer of proof.* Whenever evidence is excluded from the record, the party offering such evidence may make an offer of proof, which shall be included in the transcript. The offer of proof shall consist of a brief statement describing the evidence to be offered. If the evidence consists of a brief oral statement or of an exhibit, it shall be inserted into the transcript in toto. In such event, it shall be considered a part of the transcript if the Secretary decides that the judge's ruling in excluding the evidence was erroneous. The judge shall not allow the insertion of such evidence in toto if the taking of such evidence will consume a considerable length of time at the hearing. In the latter event, if the Secretary decides that the judge erred in excluding the evidence, and that such error was substantial, the hearing shall be reopened to permit the taking of such evidence.

[25 FR 5907, June 28, 1960, as amended at 37 FR 1103, Jan. 25, 1972]

### § 900.9 Oral and written arguments.

(a) *Oral argument before judge.* Oral argument before the judge shall be in the discretion of the judge. Such argument, when permitted, may be limited by the judge to any extent that he finds necessary for the expeditious disposition of the proceeding and shall be reduced to writing and made part of the transcript.

(b) *Briefs, proposed findings and conclusions.* The judge shall announce at the hearing a reasonable period of time within which interested persons may file with the hearing clerk proposed findings and conclusions, and written arguments or briefs, based upon the evidence received at the hearing, citing, where practicable, the page or pages of the transcript of the testimony where such evidence appears. Factual material other than that adduced at the hearing or subject to official notice shall not be alluded to therein.

and, in any case, shall not be considered in the formulation of the marketing agreement or marketing order. If the person filing a brief desires the Secretary to consider any objection made by such person to a ruling of the judge, as provided in §900.8(d), he shall include in the brief a concise statement concerning each such objection, referring where practicable, to the pertinent pages of the transcript.

**§ 900.10 Certification of the transcript.**

The judge shall notify the hearing clerk of the close of a hearing as soon as possible thereafter and of the time for filing written arguments, briefs, proposed findings and proposed conclusions, and shall furnish the hearing clerk with such other information as may be necessary. As soon as possible after the hearing, the judge shall transmit to the hearing clerk an original and three copies of the transcript of the testimony and the original and all copies of the exhibits not already on file in the office of the hearing clerk. He shall attach to the original transcript of testimony his certificate stating that to the best of his knowledge and belief, the transcript is a true transcript of the testimony given at the hearing except in such particulars as he shall specify; and that the exhibits transmitted are all the exhibits as introduced at the hearing with such exceptions as he shall specify. A copy of such certificate shall be attached to each of the copies of the transcript of testimony. In accordance with such certificate the hearing clerk shall note upon the official record copy, and cause to be noted on other copies, of the transcript each correction detailed therein by adding or crossing out (but without obscuring the text as originally transcribed) at the appropriate place any words necessary to make the same conform to the correct meaning, as certified by the judge. The hearing clerk shall obtain and file certifications to the effect that such corrections have been effected in copies other than the official record copy.

**§ 900.11 Copies of the transcript.**

(a) During the period in which the proceeding has an active status in the Department, a copy of the transcript and exhibits shall be kept on file in the office of the hearing clerk, where it shall be available for examination during official hours of business. Thereafter said transcript and exhibits shall be made available by the hearing clerk for examination during official hours of business after prior request and reasonable notice to the hearing clerk.

(b) If a personal copy of the transcript is desired, such copy may be obtained upon written application filed with the reporter and upon payment of fees at the rate (if any) provided in the contract between the reporter and the Secretary.

**§ 900.12 Administrator's recommended decision.**

(a) *Preparation.* As soon as practicable following the termination of the period allowed for the filing of written arguments or briefs and proposed findings and conclusions the Administrator shall file with the hearing clerk a recommended decision.

(b) *Contents.* The Administrator's recommended decision shall include: (1) A preliminary statement containing a description of the history of the proceedings, a brief explanation of the material issues of fact, law, or discretion presented on the record, and proposed findings and conclusions with respect to such issues as well as the reasons or basis therefor; (2) A ruling upon each proposed finding or conclusion submitted by interested persons; and (3) An appropriate proposed marketing agreement or marketing order effectuating his recommendations.

(c) *Exceptions to recommended decision.* Immediately following the filing of his recommended decision, the Administrator shall give notice thereof, and opportunity to file exceptions thereto by publication in the FEDERAL REGISTER. Within a period of time specified in such notice any interested person may file with the hearing clerk exceptions to the Administrator's proposed marketing agreement or marketing order, or both, as the case may be, and a brief in support of such exceptions. Such exceptions shall be in writing, shall refer, where practicable, to the related pages of the transcript and may suggest appropriate changes in the proposed marketing agreement or marketing order.

(d) *Omission of recommended decision.* The procedure provided in this section may be omitted only if the Secretary finds on the basis of the record that due and timely execution of his functions imperatively and unavoidably requires such omission.

**§ 900.13 Submission to Secretary.**

Upon the expiration of the period allowed for filing exceptions or upon request of the Secretary, the hearing clerk shall transmit to the Secretary the record of the proceeding. Such record shall include: all motions and requests filed with the hearing clerk and rulings thereon; the certified transcripts; any proposed findings or conclusions or written arguments or briefs that may have been filed; the Administrator's recommended decision, if any, and such exceptions as may have been filed.

**§ 900.13a Decision by Secretary.**

After due consideration of the record, the Secretary shall render a decision. Such decision shall become a part of the record and shall include (a) a statement of his findings and conclusions, as well as the reasons or basis therefor, upon all the material issues of fact, law or discretion presented on the

record, (b) a ruling upon each proposed finding and proposed conclusion not previously ruled upon in the record, (c) a ruling upon each exception filed by interested persons and (d) either (1) a denial of the proposal to issue a marketing agreement or marketing order or (2) a marketing agreement and, if the findings upon the record so warrant, a marketing order, the provisions of which shall be set forth directly or by reference, regulating the handling of the commodity or product in the same manner and to the same extent as such marketing agreement, which order shall be complete except for its effective date and any determinations to be made under § 900.14(b) or § 900.14(c): *Provided*, That such marketing order shall not be executed, issued, or made effective until and unless the Secretary determines that the requirements of § 900.14(b) or § 900.14(c) have been met.

**§ 900.14 Execution and issuance of marketing agreements and marketing orders.**

(a) *Execution and issuance of marketing agreement.* If the Secretary has approved a marketing agreement, as provided in § 900.13a, the Administrator shall cause copies thereof to be distributed for execution by the handlers eligible to become parties thereto. If and when such number of the handlers as the Secretary shall deem sufficient shall have executed the agreement, the Secretary shall execute the agreement. After execution of a marketing agreement, such agreement shall be filed with the hearing clerk, and notice thereof, together with notice of the effective date, shall be given by publication in the FEDERAL REGISTER. The marketing agreement shall not become effective less than 30 days after its publication in the FEDERAL REGISTER, unless the Secretary, upon good cause found and published with the agreement, fixes an earlier effective date therefor: *Provided*, That no marketing agreement shall become effective as to any person signatory thereto before either (1) it has been filed with the Office of the Federal Register, or (2) such person has received actual notice that the Secretary has executed the agreement and the effective date of the marketing agreement.

(b) *Issuance of marketing order with marketing agreement.* Whenever, as provided in paragraph (a) of this section, the Secretary executes a marketing agreement, and handlers also have executed the same as provided in section 8c(8) of the Act, he shall, if he finds that it will tend to effectuate the purposes of the Act, issue and make effective the marketing order, if any, which was filed as a part of his decision pursuant to § 900.13a: *Provided*, That the issuance of such order shall have been approved or favored by producers as required by section 8c(8) of the act.

(c) *Issuance of marketing order without marketing agreement.* If, despite the failure or refusal of handlers to sign the marketing

agreement, as provided in section 8c(8) of the Act, the Secretary makes the determinations required under section 8c(9) of the Act, the Secretary shall issue and make effective the marketing order, if any, which was filed as a part of his decision pursuant to § 900.13a.

(d) *Effective date of marketing order.* No marketing order shall become effective less than 30 days after its publication in the FEDERAL REGISTER, unless the Secretary, upon good cause found and published with the order, fixes an earlier effective date therefor: *Provided*, That no marketing order shall become effective as to any person sought to be charged thereunder before either (1) it has been filed with the Office of the Federal Register, or (2) such person has received actual notice of the issuance and terms of the marketing order.

(e) *Notice of issuance.* After issuance of a marketing order, such order shall be filed with the hearing clerk, and notice thereof, together with notice of the effective date, shall be given by publication in the FEDERAL REGISTER. (7 U.S.C. 610(c).)

[25 FR 5907, June 28, 1960, as amended at 53 FR 15659, May 3, 1988]

**§ 900.15 Filing; extensions of time; effective date of filing; and computation of time.**

(a) *Filing, number of copies.* Except as is provided otherwise in this subpart, all documents or papers required or authorized by the foregoing provisions of this subpart to be filed with the hearing clerk shall be filed in quadruplicate. Any document or paper, so required or authorized to be filed with the hearing clerk, shall, during the course of an oral hearing, be filed with the judge. The provisions of this subpart concerning filing with the hearing clerk of hearing notices, recommended and final decisions, marketing agreements and orders, and all documents described in § 900.17 shall be met by filing a true copy thereof with the hearing clerk.

(b) *Extensions of time.* The time for the filing of any document or paper required or authorized by the foregoing provisions of this subpart to be filed may be extended by the judge (before the record is certified by the judge) or by the Administrator (after the record is so certified by the judge but before it is transmitted to the Secretary), or by the Secretary (after the record is transmitted to the Secretary) upon request filed, and if, in the judgment of the judge, Administrator, or the Secretary, as the case may be, there is good reason for the extension. All rulings made pursuant to this paragraph shall be filed with the hearing clerk.

(c) *Effective date of filing.* Any document or paper required or authorized by the foregoing provisions of this subpart to be filed shall be deemed to be filed when it is post-marked or when it is received by the hearing clerk.

(d) *Computation of time.* Sundays and Federal holidays shall be included in computing the time allowed for the filing of any document or paper: *Provided*, That, when such time expires on a Sunday or legal holiday, such period shall be extended to include the next following business day.

[25 FR 5907, June 28, 1960, as amended at 30 FR 254, Jan. 9, 1965]

**§ 900.16 Ex parte communications.**

(a) At no stage of the proceeding following the issuance of a notice of hearing and prior to the issuance of the Secretary's decision therein shall an employee of the Department who is or may reasonably be expected to be involved in the decisional process of the proceeding discuss ex parte the merits of the proceeding with any person having an interest in the proceeding or with any representative of such person: *Provided*, That procedural matters and status reports shall not be included within this limitation; and *Provided further*, That an employee of the Department who is or may reasonably be expected to be involved in the decisional process of the proceeding may discuss the merits of the proceeding with such a person if all parties known to be interested in the proceeding have been given notice and an opportunity to participate. A memorandum of any such discussion shall be included in the record of the proceeding.

(b) No person interested in the proceeding shall make or knowingly cause to be made to an employee of the Department who is or may reasonably be expected to be involved in the decisional process of the proceeding an ex parte communication relevant to the merits of the proceeding except as provided in paragraph (a) of this section.

(c) If an employee of the Department who is or may reasonably be expected to be involved in the decisional process of the proceeding receives or makes a communication prohibited by this section, the Department shall place on the public record of the proceeding:

- (1) All such written communications;
- (2) Memoranda stating the substance of all such oral communications; and
- (3) All written responses, and memoranda stating the substance of all oral responses thereto.

(d) Upon receipt of a communication knowingly made or knowingly caused to be made by a party in violation of this section, the Department may, to the extent consistent with the interest of justice and the policy of the underlying statute, take whatever steps are deemed necessary to nullify the effect of such communication.

(e) For the purposes of this section, *ex parte communication* means an oral or written communication not on the public record with respect to which reasonable prior notice

to all interested parties is not given, but which shall not include requests for status reports (including requests on procedural matters) on any proceeding.

[42 FR 10833, Feb. 24, 1977]

**§ 900.17 Additional documents to be filed with hearing clerk.**

In addition to the documents or papers required or authorized by the foregoing provisions of this subpart to be filed with the hearing clerk, the hearing clerk shall receive for filing and shall have custody of all papers, reports, records, orders, and other documents which relate to the administration of any marketing agreement or marketing order and which the Secretary is required to issue or to approve.

**§ 900.18 Hearing before Secretary.**

The Secretary may act in the place and stead of a judge in any proceeding under this subpart. When he so acts the hearing clerk shall transmit the record to the Secretary at the expiration of the period provided for the filing of proposed findings of fact, conclusions and orders, and the Secretary shall thereupon, after due consideration of the record, issue his final decision in the proceeding: *Provided*, That he may issue a tentative decision in which event the parties shall be afforded an opportunity to file exceptions before the issuance of the final decision.

**Subpart—Rules of Practice Governing Proceedings on Petitions To Modify or To Be Exempted From Marketing Orders**

AUTHORITY: Sec. 5, 49 Stat. 753, as amended; 7 U.S.C. 608c.

**§ 900.50 Words in the singular form.**

Words in this subpart in the singular form shall be deemed to import the plural, and vice versa, as the case may demand.

**§ 900.51 Definitions.**

As used in this subpart, the terms as defined in the Act shall apply with equal force and effect. In addition, unless the context otherwise requires:

(a) The term *Act* means Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. and Sup. 601);

(b) The term *Department* means the United States Department of Agriculture;

(c) The term *Secretary* means the Secretary of Agriculture of the United States, or any officer or employee of the Department to whom authority has heretofore been delegated, or to whom authority may hereafter be delegated, to act in his stead;

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(d) The terms *administrative law judge* or *judge* means any Administrative Law Judge, appointed pursuant to 5 U.S.C. 3105, and assigned to the proceeding involved;

(e) The term *administrator* means the Administrator of the Agricultural Marketing Service, with power to redelegate, or any officer or employee of the Department to whom authority has been delegated or may hereafter be delegated to act in his stead.

(f) [Reserved]

(g) The term "FEDERAL REGISTER" means the publication provided for by the Act of July 26, 1935 (49 Stat. 500), and acts supplementary thereto and amendatory thereof;

(h) The term *marketing order* means any order or any amendment thereto which may be issued pursuant to section 8c of the Act;

(i) The term *handler* means any person who, by the terms of a marketing order, is subject thereto, or to whom a marketing order is sought to be made applicable;

(j) The term *proceeding* means a proceeding before the Secretary arising under subsection (15)(A) of section 8c of the Act;

(k) The term *hearing* means that part of the proceeding which involves the submission of evidence;

(l) The term *party* includes the Department;

(m) The term *hearing clerk* means the hearing clerk, United States Department of Agriculture, Washington, DC;

(n) [Reserved]

(o) The term *decision* means the judge's initial decision in proceedings subject to 5 U.S.C. 556 and 557, and includes the judge's (1) findings of fact and conclusions with respect to all material issues of fact, law or discretion as well as the reasons or basis thereof, (2) order, and (3) rules on findings, conclusions and orders submitted by the parties;

(p) The term *petition* includes an amended petition.

[25 FR 5907, June 28, 1960, as amended at 26 FR 7796, Aug. 22, 1961, 28 FR 579, Jan. 23, 1963; 37 FR 8059, Apr. 25, 1972; 38 FR 29798, Oct. 29, 1973]

### § 900.52 Institution of proceeding.

(a) *Filing and service of petition.* Any handler desiring to complain that any marketing order or any provision of any such order or any obligation imposed in connection therewith is not in accordance with law, shall file with the hearing clerk, in quadruplicate, a petition in writing addressed to the Secretary. Promptly upon receipt of the petition, the hearing clerk shall transmit a true copy thereof to the Administrator and the General Counsel, respectively.

(b) *Contents of petition.* A petition shall contain:

(1) The correct name, address, and principal place of business of the petitioner. If

petitioner is a corporation, such fact shall be stated, together with the name of the State of incorporation, the date of incorporation, and the names, addresses, and respective positions held by its officers; if an unincorporated association, the names and addresses of its officers, and the respective positions held by them; if a partnership, the name and address of each partner;

(2) Reference to the specific terms or provisions of the order, or the interpretation or application thereof, which are complained of;

(3) A full statement of the facts (avoiding a mere repetition of detailed evidence) upon which the petition is based, and which it is desired that the Secretary consider, setting forth clearly and concisely the nature of the petitioner's business and the manner in which petitioner claims to be affected by the terms or provisions of the order or the interpretation or application thereof, which are complained of;

(4) A statement of the grounds on which the terms or provisions of the order, or the interpretation or application thereof, which are complained of, are challenged as not in accordance with law;

(5) Prayers for the specific relief which the petitioner desires the Secretary to grant;

(6) An affidavit by the petitioner, or if the petitioner is not an individual, by an officer of the petitioner having knowledge of the facts stated in the petition, verifying the petition and stating that it is filed in good faith and not for purposes of delay.

(c) *Motion to dismiss petition.*—(1) *Filing, contents, and responses thereto.* If the Administrator is of the opinion that the petition, or any portion thereof, does not substantially comply, in form or content, with the act or with the requirements of paragraph (b) of this section, or is not filed in good faith, or is filed for purposes of delay, he may, within thirty days after the filing of the petition, file with the Hearing Clerk a motion to dismiss the petition, or any portion thereof, on one or more of the grounds stated in this paragraph. Such motion shall specify the grounds of objection to the petition and if based, in whole or in part, on an allegations of fact not appearing on the face of the petition, shall be accompanied by appropriate affidavits or documentary evidence substantiating such allegations of fact. The motion may be accompanied by a memorandum of law. Upon receipt of such motion, the Hearing Clerk shall cause a copy thereof to be served upon the petitioner, together with a notice stating that all papers to be submitted in opposition to such motion including any memorandum of law, must be filed by the petitioner with the Hearing Clerk not later than 20 days after the service of such notice upon the petitioner. Upon the expiration of the time specified in such notice, or upon receipt of such papers from the petitioner, the Hearing Clerk shall transmit all

papers which have been filed in connection with the motion to the Judge for his consideration.

(2) *Decision by Administrative Law Judge.* The Judge, after due consideration, shall render a decision upon the motion stating the reasons for his action. Such decision shall be in the form of an order and shall be filed with the Hearing Clerk who shall cause a copy thereof to be served upon the petitioner and a copy thereof to be transmitted to the Administrator. Any such order shall be final unless appealed pursuant to §900.65: *Provided*, That within 20 days following the service upon the petitioner of a copy of the order of the Judge dismissing the petition, or any portion thereof, on the ground that it does not substantially comply in form and content with the act or with paragraph (b) of this section, the petitioner shall be permitted to file an amended petition.

(3) *Oral argument.* Unless a written application for oral argument is filed by a party with the hearing clerk not later than the time fixed for filing papers in opposition to the motion, it shall be considered that the party does not desire oral argument. The granting of a request to make oral argument shall rest in the discretion of the Judge.

[25 FR 5907, June 28, 1960, as amended at 38 FR 29798, Oct. 29, 1973]

#### § 900.52a Answer to petition.

(a) *Time of filing.* Within 30 days after the filing of the petition, the Administrator shall file an answer thereto: *Provided*, That if a motion to dismiss the petition, in whole or in part, is made pursuant to §900.52(c), the answer shall be filed within 15 days after the filing of an order of the administrative law judge denying the motion or granting the motion with respect to only a portion of the petition. The answer shall be filed with the hearing clerk who shall cause a copy thereof to be served promptly upon the petitioner.

(b) *Contents.* The answer shall specify which of the material allegations of fact or of law in the petition are controverted and which are not controverted. The answer also may contain affirmative allegations of fact constituting separate defenses and statements of objections to the sufficiency of the whole or any part of the petition.

[25 FR 5907, June 28, 1960]

#### § 900.52b Amended pleadings.

At any time before the close of the hearing the petition or answer may be amended, but the hearing shall, at the request of the adverse party, be adjourned or recessed for such reasonable time as the judge may determine to be necessary to protect the interests of the parties. Amendments subsequent to the first amendment or subsequent to the filing of an answer may be made only with

leave of the judge or with the written consent of the adverse party.

#### § 900.53 Withdrawal of petition.

If, at any time after the petition is filed, the petitioner desires to withdraw the same, he shall file with the hearing clerk (or, if filed during the course of a hearing, with the judge) a written request for permission to withdraw. The judge may, in his discretion, thereupon dismiss the petition without further procedure: *Provided*, That, if the request to withdraw is filed after a hearing has been opened, permission to withdraw shall be granted only in exceptional circumstances.

#### § 900.54 Docket number.

Each proceeding, immediately following its institution, shall be assigned a docket number by the hearing clerk and thereafter the proceeding may be referred to by such number.

#### § 900.55 Judges.

(a) *Assignment.* No judge who has any pecuniary interest in the outcome of the proceeding, or who has participated in any investigation preceding the institution of the proceeding, shall serve as judge in such proceeding.

(b) *Conduct.* The judge shall conduct the proceeding in a fair and impartial manner and shall not discuss ex parte the merits of the proceeding with any person who is or who has been connected in any manner with the proceeding in an advocative or investigative capacity.

(c) *Powers of judges.* Subject to review by the Secretary, as provided elsewhere in this subpart, the judge shall have power to:

- (1) Rule upon motions and requests;
- (2) Adjourn the hearing from time to time, and change the time and place of hearing;
- (3) Administer oaths and affirmations and take affidavits;
- (4) Issue subpoenas, under the facsimile signature of the Secretary, requiring the attendance and testimony of witnesses and the production of books, records, contracts, papers, and other documentary evidence;
- (5) Examine witnesses and receive evidence;
- (6) Take or order, under the facsimile signature of the Secretary, the taking of depositions;
- (7) Admit or exclude evidence;
- (8) Hear oral argument on facts or law;
- (9) Consolidate hearings upon two or more petitions pertaining to the same order;
- (10) Do all acts and take all measures necessary for the maintenance of order at the hearing and the efficient conduct of the proceeding.

(d) *Who may act in absence of judge.* In case of the absence of the judge or his inability to act, the powers and duties to be performed

by him under these rules of practice in connection with a proceeding may, without abatement of the proceeding unless otherwise ordered by the Secretary, be assigned to any other judge.

(e) *Disqualification of judge.* The judge may at any time withdraw as judge in a proceeding if he deems himself to be disqualified. Upon the filing by an interested person in good faith of a timely and sufficient affidavit of personal bias or disqualification of a judge, the Secretary shall determine the matter as a part of the record and decision in the proceeding, after making such investigation or holding such hearings, or both, as he may deem appropriate in the circumstances.

#### § 900.56 Consolidated hearings.

At the discretion of the judge, hearings upon two or more petitions pertaining to the same order may be consolidated, and the evidence taken at such consolidated hearing may be embodied in a single record.

#### § 900.57 Intervention.

Intervention in proceedings subject to this subpart shall not be allowed, except that, in the discretion of the Secretary or the judge, any person (other than the petitioner) showing a substantial interest in the outcome of a proceeding shall be permitted to participate in the oral argument and to file a brief.

#### § 900.58 Prehearing conferences.

In any proceeding in which it appears that such procedure will expedite the proceeding, the judge, at any time prior to the commencement of or during the course of the hearing, may request the parties or their counsel to appear at a conference before him to consider (a) the simplification of issues; (b) the possibility of obtaining stipulations of fact and of documents which will avoid unnecessary proof; (c) the limitation of the number of expert or other witnesses; and (d) such other matters as may expedite and aid in the disposition of the proceeding. No transcript of such conference shall be made, but the judge shall prepare and file for the record a written summary of the action taken at the conference, which shall incorporate any written stipulations or agreements made by the parties at the conference or as a result of the conference. If the circumstances are such that a conference is impracticable, the judge may request the parties to correspond with him for the purpose of accomplishing any of the objects set forth in this section. The judge shall forward copies of letters and documents to the parties as the circumstances require. Correspondence in such negotiations shall not be a part of the record, but the judge shall submit a written summary for the record if any action is taken.

#### § 900.59 Motions and requests.

(a) *General.* All motions and requests shall be filed with the hearing clerk, except that those made during the course of an oral hearing may be filed with the judge or may be stated orally and made a part of the transcript.

The judge is authorized to rule upon all motions and requests filed or made prior to the transmittal by the hearing clerk to the Secretary of the record as provided in this subpart. The Secretary shall rule upon all motions and requests filed after that time.

(b) *Certification of motions.* The submission or certification of any motion, request, objection, or other question to the Secretary shall be in the discretion of the judge.

[25 FR 5907, June 28, 1960, as amended at 38 FR 29798, Oct. 29, 1973]

#### § 900.60 Oral hearings before judge.

(a) *Time and place.* The judge shall set a time and place for hearing and shall file with the hearing clerk a notice stating the time and place of hearing. If any change in the time or place of hearing becomes necessary, it shall be made by the judge, who, in such event, shall file with the hearing clerk a notice of the change. Such notice shall be served upon the parties, unless it is made during the course of an oral hearing and made a part of the transcript.

(b) *Appearances—(1) Representation.* In any proceeding under the act, the parties may appear in person or by counsel or other representative. The Department, if represented by counsel, shall be represented by an attorney assigned by the General Counsel of the Department, and such attorney shall present or supervise the presentation of the position of the Department.

(2) *Debarment of counsel or representative.* Whenever, while a proceeding is pending before him, the judge finds that a person acting as counsel or representative for any party to the proceeding is guilty of unethical or unprofessional conduct, the judge may order that such person be precluded from further acting as counsel or representative in such proceeding. An appeal to the Secretary may be taken from any such order, but the proceeding shall not be delayed or suspended pending disposition of the appeal: *Provided*, That the judge may suspend the proceeding for a reasonable time for the purpose of enabling the client to obtain other counsel or representative.

In case the judge has issued an order precluding a person from further acting as counsel or representative in the proceeding, the judge, within a reasonable time thereafter, shall submit to the Secretary a report of the facts and circumstances surrounding the issuance of the order and shall recommend what action the Secretary should take respecting the appearance of such person as

counsel or representative in other proceedings before the Secretary. Thereafter, the Secretary may, after notice and an opportunity for hearing, issue such order respecting the appearance of such person as counsel or representative in proceedings before the Secretary as the Secretary finds to be appropriate.

(3) *Failure to appear.* If the petitioner, after being duly notified, fails to appear at the hearing, he shall be deemed to have authorized the dismissal of the proceeding, without further procedure, and with or without prejudice as the judge may determine. In the event that the petitioner appears at the hearing and no representative of the Department appears, the judge shall proceed *ex parte* to hear the evidence of the petitioner. *Provided,* That failure on the part of such representative of the Department to appear at a hearing shall not be deemed to be waiver of the Department's right to file suggested findings of fact, conclusions and order; to be served with a copy of the judge's initial decision and to appeal to the Secretary with respect thereto.

(c) *Order of proceeding.* Except as may be determined otherwise by the judge, the petitioner shall proceed first at the hearing.

(d) *Evidence—(1) In general.* The hearing shall be publicly conducted, and the testimony given at the hearing shall be reported verbatim.

The testimony of witnesses at a hearing shall be upon oath or affirmation and subject to cross-examination.

Any witness may, in the discretion of the judge, be examined separately and apart from all other witnesses except those who may be parties to the proceeding.

The judge shall exclude, insofar as practicable, evidence which is immaterial, irrelevant, or unduly repetitious, or which is not of the sort upon which responsible persons are accustomed to rely.

(2) *Objections.* If a party objects to the admission or rejection of any evidence or to the limitation of the scope of any examination or cross-examination, or any other ruling of the judge, he shall state briefly the grounds of such objection, whereupon an automatic exception will follow which may be pursued in an appeal pursuant to §900.65 by the party adversely affected by the judge's ruling.

(3) *Depositions.* The deposition of any witness shall be admitted, in the manner hereinafter provided in and subject to the provisions of §900.61.

(4) *Affidavits.* Except as is otherwise provided in this subpart, affidavits may be admitted only if the evidence is otherwise admissible and the parties agree (which may be determined by their failure to make timely objections) that affidavits may be used.

(5) *Proof and authentication of official records or documents.* An official record or

document, when admissible for any purpose, shall be admissible in evidence without the production of the person who made or prepared the same. Such record or document shall, in the discretion of the judge, be evidenced by an official publication thereof or by a copy attested by the person having legal custody thereof and accompanied by a certificate that such person has the custody.

(6) *Exhibits.* All written statements, charts, tabulations, or similar data offered in evidence at the hearing shall, after identification by the proponent and upon a satisfactory showing of the admissibility of the contents thereof, be numbered as exhibits and received in evidence and made a part of the record. Except where the judge finds that the furnishing of copies is impracticable, a copy of each exhibit, in addition to the original, shall be filed with the judge for the use of each other party to the proceeding. The judge shall advise the parties as to the exact number of copies which will be required to be filed and shall make and have noted on the record the proper distribution of the copies.

If the testimony of a witness refers to a statute, or to a report, document, or transcript, the judge, after inquiry relating to the identification of such statute, report, document, or transcript, shall determine whether the same shall be produced at the hearing and physically be made a part of the evidence as an exhibit, or whether it shall be incorporated into the evidence by reference. If relevant and material matter offered in evidence is embraced in a report, document, or transcript containing immaterial or irrelevant matter, such immaterial or irrelevant matter shall be excluded and shall be segregated insofar as practicable, subject to the direction of the judge.

(7) *Official notice.* Official notice will be taken of such matters as are judicially noticed by the courts of the United States and of any other matter of technical, scientific, or commercial fact of established character: *Provided,* That the parties shall be given adequate notice, at the hearing or by reference in the judge's report or the tentative order or otherwise, of matters so noticed, and (except where official notice is taken, for the first time in the proceeding, in the final order) shall be given adequate opportunity to show that such facts are erroneously noticed.

(8) *Offer of proof.* Whenever evidence is excluded from the record, the party offering such evidence may make an offer of proof, which shall be included in the transcript. The offer of proof shall consist of a brief statement describing the evidence to be offered. If the evidence consists of a brief oral statement or of an exhibit, it shall be inserted into the transcript in toto. In such event, it shall be considered a part of the transcript if the Secretary decides that the judge's ruling in excluding the evidence was

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erroneous. The judge shall not allow the insertion of such evidence in toto if the taking of such evidence will consume a considerable length of time at the hearing. In the latter event, if on appeal the Secretary decides that the judge erred in excluding the evidence, and that such error was substantial, the hearing shall be reopened to permit the taking of such evidence.

(e) [Reserved]

(f) *Transcript.* (1) During the period in which the proceeding has an active status the transcript and exhibits shall be kept on file in the office of the hearing clerk, where it shall be available for examination during official hours of business. Thereafter said transcript and exhibits shall be made available by the hearing clerk for examination during official hours of business after prior request and reasonable notice to the hearing clerk.

(2) If a personal copy of the transcript is desired, such copy may be obtained upon written application filed with the reporter, and upon payment of fees at the rate (if any) provided in the contract between the reporter and the Secretary.

[25 FR 5907, June 28, 1960, as amended at 38 FR 29798, Oct. 29, 1973]

### § 900.61 Depositions.

(a) *Procedure in lieu of deposition.* Before any party may have testimony taken by deposition, said party shall, if practicable, submit to the other party an affidavit which shall set forth the facts to which the witness would testify, if the deposition should be taken. If, after examination of such affidavit, the other party agrees, or (within 10 days after submission of the affidavit) fails to object, that the affidavit may be used in lieu of the deposition, the judge shall admit the affidavit in evidence and shall not order the deposition to be taken.

(b) *Application for taking deposition.* Upon the application of a party to the proceeding, the judge may, at any time after the filing of the moving paper, order, under the facsimile signature of the Secretary, the taking of testimony by deposition. The application shall be in writing and shall be filed with the hearing clerk and shall set forth: (1) The name and address of the proposed deponent; (2) the name and address of the person (referred to hereinafter in this section as the "officer"), qualified under the rules in this part to take depositions, before whom the proposed examination is to be made; (3) the proposed time and place of the examination, which shall be at least 15 days after the date of the mailing of the application; and (4) the reasons why such deposition should be taken.

(c) *Judge's order for taking deposition.* If, after the examination of the application, the judge is of the opinion that the deposition should be taken, he shall order its taking.

The order shall be filed with the hearing clerk and shall be served upon the parties and shall state: (1) The time and place of the examination (which shall not be less than 10 days after the filing of the order); (2) the name of the officer before whom the examination is to be made; (3) the name of the deponent. The officer and the time and place need not be the same as those suggested in the application.

(d) *Qualifications of officer.* The deposition shall be taken before the judge or before an officer authorized by the law of the United States or by the law of the place of the examination to administer oaths, or before an officer authorized by the Secretary to administer oaths.

(e) *Procedure on examination.* The deponent shall be examined under oath or affirmation and shall be subject to cross-examination. The testimony of the deponent shall be recorded by the officer or by some person under his direction and in his presence. In lieu of oral examination, parties may transmit written interrogatories to the officer prior to the examination and the officer shall propound such interrogatories to the deponent.

The applicant must arrange for the examination of the witness either by oral examination or by written interrogatories. If it is found by the judge, upon the protest of a party to the proceeding, that such party has his residence and his place of business more than 100 miles from the place of the examination and that it would constitute an undue hardship upon such party to be represented at the examination, the applicant will be required to conduct the examination by means of interrogatories. When the examination is conducted by means of interrogatories, copies of the interrogatories shall be served upon the other parties to the proceeding at least five days prior to the date set for the examination, and the other parties shall be afforded an opportunity to file with the officer cross-interrogatories at any time prior to the time of the examination.

(f) *Certification by officer.* The officer shall certify on the deposition that the deponent was duly sworn by him and that the deposition is a true record of the deponent's testimony. He shall then securely seal the deposition, together with two copies thereof, in an envelope and mail the same by registered mail to the hearing clerk.

(g) *Use of depositions.* A deposition ordered and taken in accord with the provisions of this section may be used in a proceeding under the act if the judge finds that the evidence is otherwise admissible and (1) that the witness is dead; or (2) that the witness is at a distance greater than 100 miles from the place of hearing, unless it appears that the absence of the witness was procured by the party offering the deposition; or (3) that the witness is unable to attend or testify because

of age, sickness, infirmity or imprisonment; or (4) that the party offering the deposition has endeavored to procure the attendance of the witness by subpoena but has been unable to do so; or (5) that such exceptional circumstances exist as to make it desirable, in the interests of justice, to allow the deposition to be used. If a deposition has been taken, and the party upon whose application it was taken refuses to offer it in evidence, the other party may offer the deposition, or any part thereof, in evidence.

**§ 900.62 Subpenas.**

(a) *Issuance of subpoenas.* The attendance of witnesses and the production of documentary evidence from any place in the United States on behalf of any party to the proceeding may, by subpoena, be required at any designated place of hearing. Subpenas may be issued by the Secretary or by the judge, under the facsimile signature of the Secretary, upon a reasonable showing by the applicant of the grounds, necessity, and reasonable scope thereof.

(b) *Application for subpoena duces tecum.* Subpenas for the production of documentary evidence, unless issued by the judge upon his own motion, shall be issued only upon a verified written application. Such application shall specify, as exactly as possible, the documents desired and shall show their competency, relevancy, and materiality and the necessity for their production.

(c) *Service of subpoenas.* Subpenas may be served (1) by a United States Marshal or his deputy, or (2) by any other person who is not less than 18 years of age, or (3) by registering and mailing a copy of the subpoena addressed to the person to be served at his or its last known residence or principal place of business or residence. Proof of service may be made by the return of service on the subpoena by the United States Marshal or his deputy; or, if served by an individual other than a United States Marshal or his deputy, by an affidavit of such person stating that he personally served a copy of the subpoena upon the person named therein; or, if service was by registered mail, by an affidavit made by the person mailing the subpoena that it was mailed as provided in this paragraph and by the signed return post-office receipt: *Provided*, That, if the subpoena is issued on behalf of the Department, the return receipt without an affidavit of mailing shall be sufficient proof of service. In making personal service, the person making service shall leave a copy of the subpoena with the person subpoenaed; the original, bearing or accompanied by the required proof of service shall be returned to the official who issued the same.

**§ 900.63 Fees and mileage.**

Witnesses who are subpoenaed and who appear in such proceeding, including witnesses whose depositions are taken, shall be paid

the same fees and mileage that are paid witnesses in the courts of the United States, and persons taking depositions shall be entitled to the same fees as are paid for like services in the courts of the United States, to be paid by the party at whose request the deposition is taken. Witness fees and mileage shall be paid by the party at whose instance the witnesses appear, and claims therefor, as to witnesses subpoenaed on behalf of the Department, shall be proved before the person issuing the subpoena, and, as to witnesses subpoenaed on behalf of any other party, shall be presented to such party.

**§ 900.64 The Administrative Law Judge's decision.**

(a) *Corrections to and certification of transcript.* (1) At such time as the judge may specify, but not later than the time fixed for filing proposed findings of fact, conclusions and order, or briefs, as the case may be, the parties may file with the judge proposed corrections to the transcript. (2) As soon as practicable after the filing of proposed findings of fact, conclusions and order, or briefs, as the case may be, the judge shall file with the hearing clerk his certificate indicating any corrections to be made in the transcript, and stating that, to the best of his knowledge and belief, the transcript, as corrected, is a true, correct, and complete transcript of the testimony given at the hearing, and that the exhibits are all the exhibits properly a part of the hearing record. The original of such certificate shall be attached to the original transcript and a copy of such certificate shall be served upon each of the parties by the hearing clerk who shall also enter onto the transcript (without obscuring the text) any correction noted in the certification.

(b) *Proposed findings of fact, conclusions, and orders.* Within 10 days (unless the judge shall have announced at the hearing a shorter or longer period of time) after the transcript has been filed with the hearing clerk, as provided in paragraph (a) of this section, each party may file with the hearing clerk proposed findings of fact, conclusions, and order, based solely upon the evidence of record, and briefs in support thereof.

(c) *Administrative Law Judge's decision.* The judge, within a reasonable time after the termination of the period allowed for the filing of proposed findings of fact, conclusions, and orders, and briefs in support thereof, shall prepare upon the basis of the record, and shall file with the hearing clerk, his initial decision, a copy of which shall be served by the hearing clerk, upon each of the parties. Such decision shall become final without further proceedings 35 days after the date of service thereof, unless there is an appeal to the Secretary by a party to the proceeding: *Provided, however*, That no decision shall be

final for the purpose of judicial review except a final decision issued by the Secretary pursuant to an appeal by a party to the proceeding.

[25 FR 5907, June 28, 1960, as amended at 38 FR 29799, Oct. 29, 1973]

**§ 900.65 Appeals to Secretary: Transmittal of record.**

(a) *Filing of appeal.* Any party who disagrees with a judge's decision or any part thereof, may appeal the decision to the Secretary by transmitting an appeal petition to the hearing clerk within 30 days after service of said decision upon said party. Each issue set forth in the appeal, and the arguments thereon, shall be separately numbered; shall be plainly and concisely stated; and shall contain detailed citations of the record, statutes, regulations and authorities being relied upon in support thereof. The appeal petition shall be served upon the other party to the proceeding by the hearing clerk.

(b) *Argument before Secretary*—(1) *Oral argument.* A party bringing an appeal may request within the prescribed time period for filing such appeal, an opportunity for oral argument before the Secretary. Failure to make such request in writing, within the prescribed time period, shall be deemed a waiver of oral argument. The Secretary, in his discretion, may grant, refuse or limit any request for oral argument on appeal.

(2) *Scope of argument.* Argument to be heard on appeal, whether oral or in a written brief, shall be limited to the issues raised by the appeal, except that if the Secretary determines that additional issues should be argued, the parties shall be given reasonable notice of such determination, so as to permit preparation of adequate arguments on all the issues to be argued.

(c) *Response.* Within 20 days after service of an appeal brought by a party to the proceeding, any other party may file a response in support of or in opposition to such appeal.

(d) *Transmittal of record.* Whenever an appeal is filed by a party to the proceeding, the hearing clerk shall transmit to the Secretary the record of the proceeding. Such record shall include: The pleadings; any motions and requests filed, and the rulings thereon; the transcript of the testimony taken at the hearing, as well as the exhibits filed in connection therewith; any statements filed under the shortened procedure; any documents or papers filed in connection with prehearing conferences; such proposed findings of fact, conclusions, and orders, and briefs in support thereof, as may have been filed in connection with the hearing; the judge's initial decision; and the appeal petition; briefs in support thereof, and responses thereto as may have been filed in the proceeding.

[38 FR 29799, Oct. 29, 1973]

**§ 900.66 Consideration of appeal by the Secretary and issuance of final order.**

(a) *Consideration of appeal.* As soon as practicable after the receipt of the record from the hearing clerk, or, in case oral argument was had, as soon as practicable thereafter, the Secretary, upon the basis of and after due consideration of the record, shall rule on the appeal. If the Secretary decides that no change or modification of the judge's decision is warranted, he may adopt the Judge's decision as the final order of the Secretary, preserving any right of the party bringing the appeal to seek judicial review of such decision in the proper forum. At no stage of the proceeding between its institution and the issuance of the order shall the Secretary discuss ex parte the merits of the proceeding with any person who is connected with the proceeding in an advocative or an investigative capacity, or with any representative of such person: *Provided, however,* That the Secretary may discuss the merits of the proceeding with such a person if all parties to the proceeding, or their representatives, have been given an opportunity to be present. If, notwithstanding the foregoing provisions of this section, a memorandum or other communication from any party, or from any person acting on behalf of any party, which relates to the merits of the proceeding, receives the personal attention of the Secretary (or, if an official other than the Secretary is to issue the order, then of such other official) during the pendency of the proceeding, such memorandum or communication shall be regarded as argument made in the proceeding and shall be filed with the hearing clerk, who shall serve a copy thereof upon the opposite party to file a reply thereto.

(b) *Issuance of final order.* A final order issued by the Secretary shall be filed with the hearing clerk, who shall serve it upon the parties: *Provided,* That, if the terms of the order differ substantially from those proposed in the decision of the judge, the Secretary shall, if he deems it advisable to do so, direct that a copy of the order be served upon the parties as a tentative order; and, in such event, opportunity shall be given the parties to file exceptions thereto and written arguments or briefs in support of such exceptions. In such case, if exceptions are filed within a period of time (to be fixed by the Secretary but not to exceed 20 days) following the service of the tentative order, the Secretary shall give consideration, to and shall make such changes in the tentative order as he deems to be appropriate; otherwise, the tentative order shall become final, as of the day following the date of expiration of the period fixed for the filing of exceptions.

[38 FR 29799, Oct. 29, 1973]

**§ 900.67 [Reserved]****§ 900.68 Applications for reopening hearings; for rehearings or rearguments of proceedings; or for reconsideration of orders.**

(a) *Petition requisite*—(1) *Filing; service.* An application for reopening the hearing to take further evidence, or for rehearing or reargument of the proceeding, or for reconsideration of the order shall be made by petition addressed to the Secretary and filed with the hearing clerk, who immediately shall notify and serve a copy thereof upon the other party to the proceeding. Every such petition shall state specifically the grounds relied upon.

(2) *Petitions to reopen hearings.* A petition to reopen the hearing for the purpose of taking additional evidence may be filed at any time prior to the issuance of the final order. Every such petition shall state briefly the nature and purpose of the evidence to be adduced, shall show that such evidence is not merely cumulative, and shall set forth a good reason why such evidence was not adduced at the hearing.

(3) *Petitions to rehear or reargue proceedings, or to reconsider orders.* A petition to rehear or reargue the proceeding or to reconsider the final order shall be filed within 15 days after the date of the service of such order. Every such petition shall state specifically the matters claimed to have been erroneously decided, and alleged errors must be briefly stated.

(b) *Procedure for disposition of petitions.* Within 10 days following the service of any petition provided for in this section, the other party to the proceeding shall file with the hearing clerk an answer thereto. As soon as practicable thereafter, the Secretary shall announce the decision granting or denying the petition. Unless the Secretary shall determine otherwise, the issuance or operation of the order shall not be stayed pending the decision of the Secretary upon the petition. In the event that any such petition is granted by the Secretary, the applicable rules of practice, as set out elsewhere in this subpart, shall be followed.

**§ 900.69 Filing; service; extensions of time; effective date of filing; and computation of time.**

(a) *Filing; number of copies.* Except as provided otherwise herein, all documents or papers required or authorized in this subpart to be filed with the hearing clerk shall be filed in quadruplicate: *Provided*, That, if there are more than two parties to the proceeding, a sufficient number of additional copies shall be filed so as to provide for service upon all the parties to the proceeding. Any document or paper, required or authorized in this subpart to be filed with the hearing clerk, shall,

during the course of an oral hearing, be filed with the judge.

(b) *Service; proof of service.* Copies of all such papers shall be served upon the parties by the hearing clerk, by the judge, or by some other employee of the Department or by a United States Marshal or his deputy. Service shall be made either (1) by delivering a copy of the document or paper to the individual to be served or to a member of the partnership to be served or to the president, secretary, or other executive officer or any director of the corporation, organization, or association to be served, or to the attorney or agent of record of such individual, partnership, corporation, organization, or association; or (2) by leaving a copy of the document or paper at the principal office or place of business of such individual, partnership, corporation, organization, or association, or of his or its attorney or agent of record; or (3) by registering and mailing a copy of the document or paper, addressed to such individual, partnership, corporation, organization, or association, or to his or its attorney or agent of record, at his or its last known principal office, place of business, or residence. Proof of service hereunder shall be made by the affidavit of the person who actually made the service. The affidavit contemplated herein shall be filed with the hearing clerk, and the fact of filing thereof shall be noted on the docket of the proceeding.

(c) *Extensions of time.* The time for the filing of any documents or papers required or authorized in this subpart to be filed may be extended upon (1) a written stipulation between the parties, or (2) upon the request of a party, by the judge before the transmittal of the record to the Secretary, or by the Secretary at any other time if, in the judgment of the Secretary or the judge, as the case may be, there is good reason for the extension.

(d) *Effective date of filing.* Any document or paper, except a petition filed pursuant to § 900.52, required or authorized under these rules to be filed shall be deemed to have been filed when it is postmarked, or when it is received by the hearing clerk. Any petition filed under § 900.52 shall be deemed to be filed when it is received by the hearing clerk.

(e) *Computation of time.* Sundays and Federal holidays shall be included in computing the time allowed for the filing of any document or paper: *Provided*, That, when such time expires on a Sunday or legal holiday, such time shall be extended to include the next following business day.

**§ 900.70 Applications for interim relief.**

(a) *Filing the application.* A person who has filed a petition pursuant to § 900.52 may by separate application filed with the hearing clerk apply to the Secretary for an order

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postponing the effective date of, or suspending the application of, the marketing order or any provision thereof, or any obligation imposed in connection therewith, pending final determination of the proceeding.

(b) *Contents of the application.* The application shall contain a statement of the facts upon which the relief is requested, including any facts showing irreparable injury. The application must be signed and sworn to by the petitioner and any facts alleged therein which are not within his personal knowledge shall be supported by affidavits of a person or persons having personal knowledge of such facts or by proper documentary evidence thereof.

(c) *Answer to application.* Immediately upon receipt of the application, the hearing clerk shall transmit a copy thereof, together with all supporting papers, to the Administrator, who shall, within 20 days, or such other time fixed by the Secretary, after the filing of the application file an answer thereto with the hearing clerk.

(d) *Contents of answer.* The answer shall contain a statement of the objections, if any, of the Administrator to the application for interim relief, and may be supported by affidavits and documentary evidence.

(e) *Transmittal to Secretary.* Upon receiving the answer of the Administrator or upon the expiration of the time for filing the answer, the hearing clerk shall transmit to the Secretary for his decision all papers filed in connection with the application.

(f) *Hearing and oral argument.* The Secretary may, in his discretion, permit oral argument or the taking of testimony in connection with such application. However, unless written request therefor is filed with the hearing clerk prior to the transmittal of the papers to the Secretary, the parties shall be deemed to have waived oral argument and the taking of testimony.

(g) *Decision by Secretary.* The Secretary may grant or deny the application. Any action taken by the Secretary shall be in the form of an order filed with the hearing clerk and shall contain a brief statement of the reasons for the action taken. The hearing clerk shall cause copies of the order to be served upon the parties.

### § 900.71 Hearing before Secretary.

The Secretary may act in the place and stead of a judge in any proceeding hereunder. When he so acts the hearing clerk shall transmit the record to the Secretary at the expiration of the period provided for the filing of proposed findings of fact, conclusions and orders, and the Secretary shall thereupon, after due consideration of the record, issue his final order in the proceeding; *Provided*, That he may issue a tentative order in which event the parties shall be afforded an opportunity to file appeals before the issuance of the final order.

## Subpart—Supplemental Rules of Practice for Marketing Orders, Marketing Agreements, and Requirements Issued Pursuant to 7 U.S.C. 608b(b) and 7 U.S.C. 608e Covering Fruits, Vegetables, and Nuts

AUTHORITY: 7 U.S.C. 601-74.

SOURCE: 61 FR 20717, May 8, 1996, unless otherwise noted.

### § 900.80 Words in the singular form.

Words in this subpart in the singular form shall be deemed to import the plural, and vice versa, as the case may demand.

### § 900.81 Definitions.

As used in this subpart, the terms as defined in the act shall apply with equal force and effect. In addition, unless the context otherwise requires:

(a) The term *Act* means Public Act No. 10, 73 Congress (48 Stat. 31) as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937 (50 Stat. 246), as amended.

(b) The term *Department* means the United States Department of Agriculture.

(c) The term *Secretary* means the Secretary of Agriculture of the United States, or any officer or employee of the Department to whom authority has heretofore been delegated, or to whom authority may hereafter be delegated, to act in his stead.

(d) The term *Administrator* means the Administrator of the Agricultural Marketing Service, with power to redelegate, or any officer or employee of the Department to whom authority has been delegated or may hereafter be delegated to act in his stead.

(e) The term *proceeding* means a proceeding before the Secretary arising under sections 8a, 8b(b), 8c(14), 8e, 10(c) and 10(h).

(f) The term *hearing* means that part of the proceeding which involves the submission of evidence.

(g) The term *marketing agreement* means any marketing agreement or any amendment thereto which may be entered into pursuant to section 8b of the act.

(h) The term *marketing order* means any order or any amendment thereto which may be issued pursuant to section 8c of the act, and after notice and hearing as required by said section.

(i) The term *handler* means any person who, by the terms of a marketing order or marketing agreement, is subject thereto, or to whom a marketing order or marketing agreement is sought to be made applicable.

(j) The term *importer* means any person who, by the terms of section 8e of the act, is subject thereto.

(k) The term *person* means any individual, corporation, partnership, association, or any other business unit.

**§ 900.82 Stipulation procedures.**

The Administrator, or the Administrator's representative, may, at any time before the issuance of a complaint seeking a civil penalty under the Act, enter into a stipulation with any handler or importer in accordance with the following procedures:

(a) The Administrator, or the Administrator's representative, shall give the handler or importer notice of the alleged violation of the applicable marketing order or marketing agreement, or the requirements issued pursuant to 7 U.S.C. 608b(b) and 7 U.S.C. 608e, and an opportunity for a hearing thereon as provided by the Act;

(b) In agreeing to the proposed stipulation, the handler or importer expressly waives the opportunity for a hearing and agrees to pay a specified civil penalty within a designated time;

(c) The Administrator, or the Administrator's representative, agrees to accept the specified civil penalty in settlement of the particular matter involved if it is paid within the designated time;

(d) In cases where the handler or importer does not pay the specified civil penalty within the designated time, or the handler or importer does not agree to the stipulation, the Administrator may issue an administrative complaint; and

(e) The civil penalty that the Administrator may have proposed in a stipulation agreement shall have no bearing on the civil penalty amount that the Department may seek in a formal administrative proceeding against the same handler or importer for the same alleged violation.

**Subpart—Procedure Governing Meetings To Arbitrate and Mediate Disputes Relating to Sales of Milk or Its Products**

AUTHORITY: Sec. 3, 50 Stat. 248; 7 U.S.C. 671.

**§ 900.100 Words in the singular form.**

Words in this subpart in the singular form shall be deemed to import the plural, and vice versa, as the case may demand.

**§ 900.101 Definitions.**

As used in this subpart, the terms as defined in the Act shall apply with equal force and effect. In addition, unless the context otherwise requires:

(a) The term *Act* means section 3 of the Agricultural Marketing Agreement Act of 1937, as amended (50 Stat. 248, as amended; 7 U.S.C. 671);

(b) The term *Department* means the United States Department of Agriculture;

(c) The term *Secretary* means the Secretary of Agriculture of the United States, or any officer or employee of the Department to whom authority has heretofore been delegated, or to whom authority may hereafter be delegated, to act in his stead;

(d) The term *General Counsel* means the General Counsel of the Department;

(e) The term *Administrator* means the Administrator of the Agricultural Marketing Service, with power to redelegate, or any officer or employee of the Department to whom authority has been delegated or may hereafter be delegated to act in his stead.

(f) The term *Service* means the Agricultural Marketing Service.

(g) The term *Division* means the Dairy Division of the Service.

(h) The term *cooperative* means any association, incorporated or otherwise, which is in good faith owned or controlled by producers, or organizations thereof, of milk or its products, and which is bona fide engaged in the collective processing or preparing for market or handling or marketing, in the current of interstate or foreign commerce, of milk or its products;

(i) The term *arbitrator* means any officer or employee of the Service designated by the Administrator, pursuant to the Act, to arbitrate a bona fide dispute with reference to the terms and conditions of the sale of milk or its products between a producer cooperative and purchasers, handlers, processors, or distributors of milk or its products;

(j) The term *mediator* means any officer or employee of the Service designated by the Administrator, pursuant to the act, to mediate a bona fide dispute with reference to terms and conditions of the sale of milk or its products between a producer cooperative and purchasers, handlers, processors, or distributors of milk or its products;

(k) The term *hearing clerk* means the hearing clerk, United States Department of Agriculture, Washington, DC.

[25 FR 5907, June 28, 1960, as amended at 26 FR 7797, Aug. 22, 1961, 28 FR 579, Jan. 23, 1963; 37 FR 8059, Apr. 25, 1972]

**§ 900.102 Filing of applications for mediation or arbitration.**

All applications for mediation or arbitration, all submissions, and all correspondence regarding mediation or arbitration shall be addressed to the Secretary, attention of the Division.

**§ 900.103 Application for mediation.**

An application for mediation by cooperative shall be in writing and shall include the following information:

(a) Names in full of the parties to the dispute and their addresses;

(b) Description of the cooperative organization and business, including copies of the

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articles of incorporation or association, by-laws, and membership contract; information regarding the number of shares of outstanding stock and the approximate portion owned by active producers; a statement of the function performed in connection with the collective processing, preparing, handling, or marketing of milk or its products; and data relative to the distribution of membership by States, the distribution by States of plant facilities for collecting, processing, or disposing of milk or its products, and the business operations for the year last past, including the total quantity of milk and its products handled by the applicant and the proportion of that quantity that was sold in States other than the States of production;

(c) Suggested time and place for meeting between parties and mediator.

### § 900.104 Inquiry by the Administrator.

Upon receipt of an application for mediation, the Administrator, through such officers or employees of the Service as he may designate, may make any inquiry which is deemed to be necessary or proper in order to determine whether a bona fide dispute exists.

### § 900.105 Notification.

The Administrator, acting on behalf of the Secretary will notify the applicant as to whether he considers that mediation will effectuate the purpose of the act and as to whether he will mediate.

### § 900.106 Assignment of mediator.

The Director of the Division shall assign a mediator, from the group designated by the Administrator, to act in such capacity.

### § 900.107 Meetings.

All meetings held pursuant to §§900.103 to 900.109 shall be held with and under the direction of the mediator.

### § 900.108 Mediator's report.

The mediator, upon the completion of mediation proceedings, shall submit to the Administrator a complete report on such proceedings.

### § 900.109 Mediation agreement.

An agreement arrived at by mediation shall not become effective until approved by the Secretary, and the Secretary will not approve an agreement if there is evidence of fraud, if there is a lack of evidence to support the agreement, or if the agreement provides for any unfair trade practice.

### § 900.110 Application for arbitration.

An application for arbitration by a cooperative shall be in writing and shall contain the following information:

(a) Names in full of the parties to the dispute and their addresses;

(b) The same information required under §900.103(b);

(c) Concise statement of dispute to be submitted;

(d) Originals or certified copies of all contracts, if any, involved in the dispute, and of correspondence which has passed between the parties and of any other documents or information relied upon;

(e) Dates before which it is desired that the hearing shall be had and the award shall become effective;

(f) Suggested time and place for arbitration hearing.

The applicant shall send a copy of the application to each other party to the dispute.

### § 900.111 Inquiry by the Administrator.

Upon receipt of an application for arbitration, the Administrator, through such officers or employees of the Service as he may designate, may make any inquiry deemed to be necessary or proper in order to determine whether a bona fide dispute exists, to assist the parties in reducing the dispute to well-defined issues, and to select an arbitrator who would be satisfactory to all parties.

### § 900.112 Notification.

The Administrator, acting on behalf of the Secretary, within a reasonable time after the receipt of an application, will notify the applicant as to whether he will grant the application.

### § 900.113 Submission.

Within a reasonable time after the receipt of the Administrator's consent to arbitrate, the parties to the dispute shall file with the Administrator a formal submission, which shall contain the following information:

(a) Names in full of the parties;

(b) Addresses of the parties to whom all notifications and communications concerning the arbitration shall be sent;

(c) Description of the organization and businesses of all parties to the dispute, including sufficient information to show that the cooperative is a bona fide one, and that the parties are engaged in activities in the current of interstate or foreign commerce;

(d) Concise statement of the specific questions submitted and a brief outline of the contentions of each party to the dispute, and a statement as to the period of time during which the award shall be in effect, said period to be not less than thirty days from the effective date of the award;

(e) Name of arbitrator;

(f) Time and place of arbitration, including street address;

(g) Stipulation by the parties that they will produce any books, records, and correspondence required by the arbitrator as being necessary to a fair determination of the dispute;

(h) Agreement by the parties that they will consider the award as final and will comply therewith;

(i) Stipulation by the parties that arbitration is to take place under rules and regulations issued by the Secretary, and that any such rules and regulations pertaining to mediation and arbitration shall be considered a part of the submission;

(j) Stipulation that a stenographic report of the proceedings must be made.

The submission shall be signed by each party before a notary public, and when the signature is that of an agent of a corporation or cooperative association, the same shall be accompanied by evidence of the authority to sign.

A submission may be withdrawn at any time before the award, and any question held by the arbitrator to be a separable question may be withdrawn before award by agreement of all parties. When any question is so withdrawn, the parties shall file with the arbitrator the agreement on that question reached by the parties, showing all the details thereof, and the arbitrator shall include it in the record of the arbitration.

#### § 900.114 Designation of arbitrator.

The Administrator, after receiving the submission, will designate one or more persons to act as arbitrator.

#### § 900.115 Hearing.

The arbitrator shall have full discretion to conduct the hearing in such manner as will, in his opinion, enable him to ascertain all the facts in the case.

Parties to the dispute may appear in person or by duly accredited agents and may be represented by counsel.

All relevant and material evidence may be presented. The arbitrator shall not be bound by the legal rules of evidence.

The arbitrator, in the presence of the parties, may require the production of books and records for examination by himself, but not for examination of confidential information by other parties to the dispute unless the party producing the same consents to its examination by the other parties to the dispute.

No evidence offered by one party shall be received except in the presence of all parties unless the parties so agree in a submission specifying the nature of the evidence to be received.

Final determination as to what will be considered confidential information shall be made by the arbitrator.

The arbitrator may request the opinions of economists, marketing specialists, statisticians, lawyers, accountants, and other experts.

When more than two arbitrators are designated to hear a dispute, and they disagree, the award of the majority shall be the final

award. If the arbitrators are evenly divided, there shall be no award.

A stenographic record of all the proceedings during an arbitration must be made.

#### § 900.116 Award.

An award shall be made within ten days after the close of the hearing.

The award shall be in writing and shall cover only points of dispute raised in the submission.

The arbitrator, in making the award, may use his own technical knowledge in addition to the evidence submitted by the parties.

The award shall state the period during which it shall be in effect, said period to be not less than thirty days from the effective date thereof; and said period may be extended by agreement among the parties upon notification thereof to the Administrator, unless or until the Administrator withdraws his approval.

The arbitrator shall sign the award in the presence of a notary public, or, when more than one arbitrator is designated the arbitrator shall sign in the presence of each other.

Copies of the award shall be delivered to the parties by the Division.

#### § 900.117 Approval of award.

The award shall not become effective until approved by the Secretary, and the Secretary will not approve an award if there is evidence of fraud, or evidence of misconduct upon the part of the arbitrator, or lack of evidence to support the award, or if the award provides for any unfair trade practice.

#### § 900.118 Costs.

The parties jointly shall pay for the stenographic record. A copy of the record shall be furnished by the parties to the arbitrator and shall be forwarded by him to the Administrator, ultimately to be filed in the office of the hearing clerk.

The arbitrator shall not receive compensation for parties to the dispute.

### Subpart—Miscellaneous Regulations

AUTHORITY: Sec. 10, 48 Stat. 37, as amended; 7 U.S.C. 610.

#### § 900.200 Definitions.

As used in this subpart, the terms as defined in the Act shall apply with equal force and effect. In addition, unless the context otherwise requires:

(a) The term *Act* means Public Act No. 10, 73d Congress (48 Stat. 31), as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937 (50 Stat. 246, 7 U.S.C. 601), as amended;

(b) The term *Department* means the United States Department of Agriculture;

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(c) The term *Secretary* means the Secretary of Agriculture of the United States, or any officer or employee of the Department to whom authority has heretofore been delegated, or to whom authority may hereafter be delegated, to act in his stead;

(d) The term *General Counsel* means the General Counsel of the Department;

(e) The term *Administrator* means the Administrator of the Agricultural Marketing Service, with power to redelegate, or any officer or employee of the Department to whom authority has been delegated or may hereafter be delegated to act in his stead.

(f) [Reserved]

(g) The term *FEDERAL REGISTER* means the publication provided for by the Act of July 26, 1935 (49 Stat. 500), and acts supplementary thereto and amendatory thereof;

(h) The term *marketing agreement* means any marketing agreement or any amendment thereto which may be entered into pursuant to section 8b of the Act;

(i) The term *marketing order* means any order or any amendment thereto which may be issued pursuant to section 8c of the Act;

(j) The term *person* means any individual, corporation, partnership, association, or any other business unit;

(k) The term *official* means the Secretary, any officer, employee, or other person employed or appointed by the Department, and any agency or agent appointed by the Secretary to administer a marketing agreement or a marketing order, and any agent or employee of any such agency or agent;

(l) The term *information* means and includes reports, books, accounts, records, and the facts and information contained therein and required to be furnished to or acquired by any official pursuant to the provisions of any marketing agreement or marketing order.

[25 FR 5907, June 28, 1960, as amended at 26 FR 7796, Aug. 22, 1961; 28 FR 579, Jan. 23, 1963]

### § 900.201 Investigation and disposition of alleged violations.

Whenever the Administrator has reason to believe that any handler has violated, or is violating, the provisions of any marketing order, he may institute such investigation and, after due notice to such handler, conduct such hearing in order to determine the facts as, in his opinion, are warranted. If, in the opinion of the Administrator and the General Counsel, the facts developed as a result of such investigation or hearing warrant such action, the General Counsel shall refer the matter to the Attorney General for appropriate action.

### § 900.210 Disclosures of information.

All information in the possession of any official which relates to the business or property of any person, and which was furnished

by, or obtained from, such person pursuant to the provisions of any marketing agreement or marketing order, shall be kept confidential and shall not be disclosed, divulged, or made public, unless otherwise expressly provided in said marketing agreement or marketing order, or unless said person authorizes said official, in writing, to disclose such information, except that:

(a) Such information may be disclosed, divulged, or made public if it has been obtained from or furnished by a person who is not the person to whose business or property such information relates or an employee of such latter person, or if such information is otherwise required by law to be furnished to an official;

(b) Such information may be furnished to other officials for use in the regular course of their official duties;

(c) Such information may be combined and published in the form of general statistical studies or data in which the identity of the person furnishing such information or from whom it was obtained shall not be disclosed;

(d) Such information may be disclosed upon lawful demand made by the President or by either House of Congress or any committee thereof, or, if the Secretary determines that such disclosure is not contrary to the public interest, such information may be disclosed in response to a subpoena by any court of competent jurisdiction.

(e) Such information may be offered in evidence (whether or not it has been obtained from or furnished by the person against whom it is offered) by or on behalf of the Secretary, the United States, or the official who obtained it or to whom it was furnished, in any administrative hearing held pursuant to section 8c (15)(A) of the Act or in any action, suit, or proceeding, civil or criminal, in which the Secretary or the United States or any such official is a party, and (1) which is instituted (i) for the purpose of enforcing or restraining the violation of any marketing agreement or marketing order, or (ii) for the purpose of collecting any penalty or forfeiture provided for in the act, or (iii) for the purpose of collecting any monies due under a marketing agreement or marketing order, or (2) in which the validity of any marketing agreement or marketing order, or any provision of either, is challenged or involved.

(f) Such information may be furnished to the duly constituted authorities of any State, pursuant to a written agreement made under authority of section 10(i) of the Act, to the extent that such information is relevant to transactions within the regulatory jurisdiction of such authorities.

### § 900.211 Penalties.

Any official who shall have violated the provisions of § 900.210 by wilfully divulging, disclosing, or making public any information

acquired by or furnished to or in the possession or custody of such official pursuant to the provisions of a marketing agreement or marketing order shall be subject to a penalty of \$100 for each offense. (The civil penalty provided in this section is prescribed under the authority contained in sec. 10(c) of the Act (7 U.S.C. 610(c)); this provision is not intended to supersede the provision in sec. 8d(2) of the Act (7 U.S.C. 608d(2)) for criminal liability and removal from office.

**Subpart—Procedure for Conduct of Referenda To Determine Producer Approval of Milk Marketing Orders To Be Made Effective Pursuant to Agricultural Marketing Agreement Act of 1937, as Amended**

AUTHORITY: Secs. 1-19, 48 Stat. 31, as amended; 7 U.S.C. 601-674.

SOURCE: 30 FR 15412, Dec. 15, 1965, unless otherwise noted.

**§ 900.300 General.**

Unless otherwise prescribed, the procedure contained in this subpart shall be applicable to each producer referendum conducted for the purpose of ascertaining whether the issuance by the Secretary of a milk marketing order is approved or favored, as required under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (48 Stat. 31, as amended, 7 U.S.C. 601-674). The procedure in this subpart replaces the procedure for conducting similar referenda (15 FR 5177) issued August 7, 1950.

**§ 900.301 Definitions.**

As used in this subpart and in all supplementary instructions, forms, and documents, unless the context or subject matter otherwise requires, the following terms shall have the following meanings:

(a) *Act*. "Act" means Public Act. No. 10, 73d Congress (48 Stat. 31), as amended and as re-enacted and amended by the Agricultural Marketing Agreement Act of 1937 (50 Stat. 246), as amended.

(b) *Department*. "Department" means the United States Department of Agriculture.

(c) *Secretary*. "Secretary" means the Secretary of Agriculture of the United States, or any officer or employee of the Department to whom authority has heretofore been delegated, or to whom authority may hereafter be delegated, to act in his stead.

(d) *Administrator*. "Administrator" means the Administrator of the Agricultural Marketing Service, with power to redelegate, or any officer or employee of the Department to whom authority has been delegated or may hereafter be delegated to act in his stead.

(e) *Person*. "Person" includes any individual, partnership, corporation, association, and any other business unit.

(f) *Order*. "Order" means the marketing order (including an amendatory order) with respect to which the Secretary has directed that a referendum be conducted.

(g) *Producer*. "Producer" means any person who is a dairy farmer and who, during the representative period, met the requirements of the term "producer" as defined in the order had such order been in effect during the representative period.

(h) *Handler*. "Handler" means any person who, during the representative period, met the requirements of the term "handler" as defined in the order had such order been in effect during the representative period.

(i) *Referendum agent*. "Referendum agent" means the person designated by the Secretary to conduct the referendum.

(j) *Representative period*. "Representative period" means the period designated by the Secretary pursuant to section 8c of the act (7 U.S.C. 608c).

(k) *Cooperative association*. "Cooperative association" means any association of producers that the administrator has found to be qualified pursuant to section 608c(12) of the Act.

[30 FR 15412, Dec. 5, 1965, as amended at 37 FR 8059, Apr. 25, 1972]

**§ 900.302 Associations eligible to vote.**

(a) Any association of producers, not previously determined to be a cooperative association may file an application for a determination as to whether it is a cooperative association and thus eligible to vote in a referendum. Such application shall be filed with the Administrator at least 60 days prior to the holding of the referendum: *Provided, however,* That the Administrator may permit the filing of an application in less than 60 days when, in the opinion of the Administrator, such filing would not delay the conduct of the referendum.

(b) Within a time fixed by the referendum agent, but not later than 5 days prior to the final date for balloting, each cooperative association electing to vote shall, upon the request of the referendum agent, furnish to him a certified list showing the name and address of each producer for whom it claims the right to vote and the plant at which such person's milk was received during the representative period.

**§ 900.303 Conduct of referendum.**

The referendum shall be conducted by mail in the manner prescribed in this subpart. The referendum agent may utilize such personnel or agencies of the Department as are deemed necessary by the Administrator.

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### § 900.304 Who may vote.

(a) Each producer shall be entitled to only one vote and to cast one ballot in each referendum; and no person who may claim to be a producer shall be refused a ballot. Each producer casting more than one ballot with conflicting votes shall thereby invalidate all ballots cast by such producer in such referendum. Each ballot cast shall contain a certification by the person casting the ballot that he is a producer.

(b) Except as provided in section 8c(5)(B) of the Act, as amended, any cooperative association eligible under § 900.302 may, if it elects to do so, vote and cast one ballot for producers who are members of, stockholders in, or under contract with, such cooperative association. A cooperative association shall submit with its ballot, a certified copy of the resolution authorizing the casting of the ballot. Each such cooperative association entitled to vote in a referendum casting more than one ballot with conflicting votes shall thereby invalidate all ballots cast by such voter in such referendum.

(c) Voting by proxy or agent, or in any manner, except by the producer or cooperative association will not be permitted; however, a producer which is other than an individual may cast its ballot by a person who is duly authorized and such ballot shall contain a certification by such person that the person on whose behalf the ballot is cast is a producer.

### § 900.305 Duties of referendum agent.

The referendum agent shall also:

(a) For purposes of mailing, prepare a record of producers which will disclose the name of each such person, his address, the name of the handler who received the producer's milk during the representative period, and the name of the cooperative association, if any, which claims the right to vote for the producer. Such record may be compiled from readily available sources, including the following:

- (1) Records of the Department;
- (2) Producer records supplied by handlers;
- (3) Health authority records;
- (4) Certifications signed by dairy farmers who claim to be producers;
- (5) Any other reliable sources of information which may be available to the referendum agent.

(b) Apply, as a guide, the following criteria in preparing a record of producers:

(1) When the order requires approval by an appropriate health authority before a person meets the definition of producer, only those persons having such approval and who otherwise meet the definition may be regarded as producers. When the definition of producer requires the shipment of milk to a handler or a plant as well as health authority approval, only those persons having such approval and

whose milk was received by a handler or at a plant may be regarded as producers.

(2) When the order requires shipment to a handler or to a plant, without regard to health authority approval, a person may not be regarded as a producer, except as provided in paragraph (b)(6) of this section, unless his name appears on the handler's producer records.

(3) In the case of a producer that is other than an individual, the business unit shall be regarded as the producer.

(4) No person may be included in the record more than once although he may operate more than one farm, hold more than one health authority approval, or appear on more than one handler's producer records.

(5) In the event the health authority records are not available, are inaccurate, or are incomplete, the appearance of the producer's name on a handler's records as an approved producer shall be prima facie evidence of health authority approval.

(6) In the event any handler refuses or fails to make his records available to the referendum agent, a certification signed by the producer shall be regarded by the referendum agent as prima facie evidence that such person is eligible to vote.

(c) Verify the information supplied by each cooperative association which wishes to vote on behalf of producers, as follows:

(1) Examine the records of the cooperative association for the purpose of ascertaining whether each producer claimed by the cooperative association is a member of, stockholder in, or under contract with the cooperative association.

(2) Identify the persons ascertained to be members of, stockholders in, or under contract with a cooperative association which wishes to vote on behalf of its producers with the names of producers which appear on the record compiled pursuant to paragraph (a) of this section.

(3) In determining whether a cooperative association may vote on behalf of a producer the following criteria shall be used:

(i) The cooperative association may vote for each producer who is a member of, stockholder in, or under contract with such cooperative association on the date of the order directing that the referendum be conducted.

(ii) The cooperative association may cast only one ballot for all such producers.

(iii) Whenever more than one cooperative association claims the right to vote for a producer only the cooperative association which furnished evidence satisfactory to the referendum agent that such association was in fact marketing the milk of the producer on the date of the referendum order may vote for such producer.

### § 900.306 Notice of the referendum.

(a) The referendum agent shall at least 5 days prior to the final date for balloting:

(1) Mail to each cooperative association which has elected to cast a ballot on behalf of its producers and to each of all other known producers, a notice of the referendum which will include instructions for completing the ballot, a statement as to the time within which the ballot must be mailed to, and received by, the referendum agent, a copy of the final decision, and a ballot containing a description of the terms and conditions of the order.

(2) Give public notice of the referendum:

(i) By furnishing press releases and other information to available media of public information (including but not limited to press, radio, and television facilities) serving the area, announcing the time within which ballots must be completed and mailed to and received by the referendum agent, eligibility requirements, where additional information may be procured, and other pertinent information; and

(ii) By such other means as said agent may deem advisable.

**§ 900.307 Time for voting.**

There shall be no voting except within the time specified by the referendum agent as stated in the notice of the referendum.

**§ 900.308 Tabulation of ballots.**

(a) *General.* The referendum agent shall verify the information supplied with each ballot. If he ascertains that the person who cast the ballot was eligible to do so, that the ballot is complete and was mailed and received within the prescribed time, the ballot shall be eligible to be counted. If the referendum agent ascertains that the person who cast the ballot was not eligible to do so, or if the producer who cast the ballot was a member of, stockholder in, or under contract with a cooperative association which cast a valid ballot, or if the ballot is not completed or cast in accordance with instructions, or if the ballot was not mailed to or received by the referendum agent within the prescribed time, the ballot shall be marked "disqualified" with a notation on the ballot as to the reason for the disqualification. The total number of ballots cast, including the disqualified ballots, shall be ascertained. The number of eligible ballots cast approving and the number of eligible ballots cast disapproving the issuance of the order shall also be ascertained. The ballots marked "disqualified" shall not be considered as approving or disapproving the issuance of the order, and the persons who cast such ballots shall not be regarded as participating in the referendum.

(b) *Individual-handler pool provisions.* Whenever separate approval of the pooling provisions of the order is required by section 608c(5)(B)(i) of the Act, any ballot which approves the issuance of the order and disapproves the pooling provisions, or approves

the pooling provisions and disapproves the issuance of the order, shall be disqualified; and the referendum agent shall mark the ballot accordingly.

(c) *Record of results of the referendum.* The referendum agent shall notify the Administrator of the number of eligible ballots cast, the count of the votes, the number of disqualified ballots and the number of producers who were eligible to cast ballots. The referendum agent shall seal the ballots, including those marked "disqualified", the list of eligible voters and tabulation of ballots, and shall transmit to the Administrator a complete detailed report of all action taken in connection with the referendum together with all the ballots cast and all other information furnished to or compiled by the referendum agent.

(d) *Announcement of the results of the referendum.* Announcement of the results of the referendum will be made only at the direction of the Secretary. The referendum agent, or others who assist in the referendum, shall not disclose the results of the referendum or the total number of ballots cast.

**§ 900.309 Confidential information.**

The ballots cast, the identity of any person who voted, or the manner in which any person voted and all information furnished to, compiled by, or in the possession of the referendum agent, shall be regarded as confidential.

**§ 900.310 Supplementary instructions.**

The Administrator is authorized to issue instructions and to prescribe forms and ballots, not inconsistent with the provisions of this subpart, to govern the conduct of referenda by referendum agents.

**§ 900.311 Submittals or requests.**

Interested persons may secure information or make submittals or requests to the Administrator with respect to the provisions contained in this subpart.

**Subpart—Procedure for Determining the Qualification of Cooperative Milk Marketing Associations**

AUTHORITY: Secs. 1-19, 48 Stat. 31, as amended; 7 U.S.C. 601-674.

SOURCE: 32 FR 9821, July 6, 1967, unless otherwise noted.

**§ 900.350 General statement.**

Cooperative marketing associations apply for qualification by the Secretary under the Federal milk order program for certain privileges and exemptions. These privileges and exemptions are expressed in the Agricultural Marketing Agreement Act of 1937 (50

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Stat. 246) as amended, and the milk marketing orders issued pursuant to its provisions.

### § 900.351 Applications for qualification.

Any association of producers may apply for determinations as to whether it is a qualified cooperative association with authority to represent producers in order referendums; has authorization to collect payment from handlers for members' milk; and is rendering specified marketing services to producers. Applicant associations should supply information for these determinations, using as a guide Application Form DA-25. The application form may be obtained from the Dairy Division, Agricultural Marketing Service, United States Department of Agriculture, Washington, DC 20250. Determinations required of the Secretary of Agriculture, or the Administrator of the Agricultural Marketing Service, by delegation are made by the Director of the Dairy Division. Once issued they are valid until amended, suspended or terminated.

### § 900.352 Confidential information.

The documents and other information submitted by an applicant association and otherwise obtained by investigation, examination of books, documents, papers, records, files and facilities, and in reports filed subsequent to initial determinations of qualification, shall be regarded as confidential and shall be governed by § 900.210.

### § 900.353 Qualification standards.

Statutory requirements for qualification of cooperative associations are provided in subsections (5) and (12) of section 608c of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 *et seq.*). The association must: (a) Be a cooperative marketing association of producers, qualified under the provisions of the Act of Congress of February 18, 1922, as amended, known as the "Capper-Volstead Act," (7 U.S.C. 291, 292); (b) have its entire organization and all of its activities under the control of its members; (c) have full authority in the sale of its members' milk; and (d) be engaged in making collective sales or marketing of milk or milk products for the producers thereof. Qualification for exemption from deductions for marketing service payments under specific marketing orders and payment for milk of members under specific orders shall be determined in accordance with the terms of the respective marketing orders.

### § 900.354 Inspection and investigation.

The Secretary of Agriculture, or his duly authorized representative, shall have the right, at any time after an application is received, to examine all books, documents, papers, records, files and facilities of the association, to verify any of the information sub-

mitted and to procure such other information as may be required to determine whether the association is qualified in accordance with its application.

### § 900.355 Annual reporting.

Determinations of qualification for privileges and exemptions are subject to amendment, termination or suspension if the association does not currently meet the qualification standards. An association found to be qualified pursuant to the Act is required to file an annual report after its annual meeting has been held following the close of its fiscal year. Form DA-24 is used for this purpose. The report form is available at the Dairy Division, Agricultural Marketing Service, U.S. Department of Agriculture, Washington, DC 20250. The association is required to file a copy of its report with the Dairy Division at Washington and with the market administrator of each order under which it operates.

### § 900.356 Listing of qualified associations.

A copy of each determination of qualification is furnished to the respective association. Copies are also filed in the Dairy Division, Agricultural Marketing Service, and with the Hearing Clerk, Office of the Secretary, U.S. Department of Agriculture, Washington, DC 20250, where they are available for public inspection. A list of qualified associations engaged in marketing milk under a particular milk marketing order is maintained at the office of the market administrator of the order.

### § 900.357 Denial of application; suspension or revocation of determination of qualification.

Any cooperative association whose application has been wholly or partially denied, or whose determination of qualification has been wholly or partly revoked or suspended, may petition the Secretary for a review of such action. Such petition shall state facts relevant to the matter for which review is sought. After due notice to such cooperative association, the Director of the Dairy Division, or in his absence the Acting Director, shall hold, in the manner hereinafter specified, an informal hearing.

(a) *Notice.* Notice shall be given in writing and shall be mailed to the last known address of the association, or of an officer thereof, at least 3 days before the date set for a hearing. Such notice shall contain: A statement of the time and place of the hearing, said place to be as convenient to the association as can reasonably be arranged, and may contain a statement of the reason for calling the hearing and the nature of the questions upon which evidence is desired or upon which argument may be presented.

(b) *Parties.* Hearings are not to be public and are to be attended only by representatives of the association and of the Government, and such other persons as either the association or the Government desires to have appear for purposes of submitting information or as counsel.

(c) *Conduct of hearing.* The Director or Acting Director of the Dairy Division, or a person designated by him, shall preside at the hearing. The hearing shall be conducted in such manner as will be most conducive to the proper disposition of the matter. Written statements or briefs may be filed by the association within the time specified by the presiding officer.

(d) *Preliminary report.* The presiding officer shall prepare a preliminary report setting forth a recommendation as to what action shall be taken and the basis for such action. A copy of said report shall be served upon the association by mail or in person. The association may file exceptions to said report within 10 days after service thereof.

(e) *Final report.* After due consideration of all the facts and the exceptions, if any, the Director of the Dairy Division shall issue a final report setting forth the action to be taken and the basis for such action.

**Subpart—Procedure for the Conduct of Referenda in Connection With Marketing Orders for Fruits, Vegetables, and Nuts Pursuant to the Agricultural Marketing Agreement Act of 1937, as Amended**

AUTHORITY: Secs. 1-19, 48 Stat. 31, as amended; 7 U.S.C. 601-674.

SOURCE: 30 FR 15414, Dec. 15, 1965, unless otherwise noted.

**§ 900.400 General.**

Referenda for the purpose of ascertaining whether the issuance by the Secretary of Agriculture of a marketing order to regulate the handling of any fruit, vegetable, or nut, or product thereof, or the continuance or termination of such an order, is approved or favored by producers or processors shall, unless supplemented or modified by the Secretary, be conducted in accordance with this subpart.

**§ 900.401 Definitions.**

(a) *Act* means Public Act No. 10, 73d Congress (48 Stat. 31), as amended, and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937 (50 Stat. 246), as amended (7 U.S.C. 601-674).

(b) *Secretary* means the Secretary of Agriculture of the United States, or any officer or employee of the Department to whom authority has heretofore been delegated, or to whom authority may hereafter be delegated,

to act in his stead; and *Department* means the United States Department of Agriculture.

(c) *Administrator* means the Administrator of the Agricultural Marketing Service, with power to redelegate, or any officer or employee of the Department to whom authority has been delegated or may hereafter be delegated to act in his stead.

(d) *Order* means the marketing order (including an amendatory order) with respect to which the Secretary has directed that a referendum be conducted.

(e) *Referendum agent* means the individual or individuals designated by the Secretary to conduct the referendum.

(f) *Representative period* means the period designated by the Secretary pursuant to section 8c of the Act (7 U.S.C. 608c).

(g) *Person* means any individual, partnership, corporation, association, or other business unit. For the purpose of this definition, the term "partnership" includes (1) a husband and wife who have title to, or leasehold interest in, land as tenants in common, joint tenants, tenants by the entirety, or, under community property laws, as community property, and (2) so-called "joint ventures," wherein one or more parties to the agreement, informal or otherwise, contributed capital and others contribute labor, management, equipment, or other services, or any variation of such contributions by two or more parties, so that it results in the growing of the commodity for market and the authority to transfer title to the commodity so produced.

(h) *Producer* means any person defined as a producer in the order who: (1) Owns and farms land, resulting in his ownership of the commodity produced thereon; (2) rents and farms land, resulting in his ownership of all or a portion of the commodity produced thereon; or (3) owns land which he does not farm and, as rental for such land, obtains the ownership of a portion of the commodity produced thereon. Ownership of, or leasehold interest in, land and the acquisition, in any manner other than as hereinbefore set forth, of legal title to the commodity grown thereon shall not be deemed to result in such owners or lessees becoming producers.

[30 FR 15414, Dec. 15, 1965, as amended at 37 FR 8059, Apr. 25, 1972]

**§ 900.402 Voting.**

(a) Each person who is a producer, as defined in this subpart, at the time of the referendum and who also was a producer during the representative period, shall be entitled to only one vote in the referendum, except that: (1) In a landlord-tenant relationship, wherein each of the parties is a producer, each such producer shall be entitled to one vote in the referendum; and (2) a cooperative association of producers, bona fide engaged in marketing the commodity or product

thereof proposed to be regulated, or in rendering services for or advancing the interest of the producers of such commodity or product, may, if it elects to do so, vote, both by number and total volume, for the producers who are members of, stockholders in, or under contract with such association.

(b) Whenever, as required by the act, processors vote on the issuance of an order, each processor who is engaged in canning or freezing within the production area of the commodity covered by the order shall be entitled to vote in the referendum the quantity of such commodity canned or frozen within the production area for market by him during the representative period determined by the Secretary.

(c) Proxy voting is not authorized but an officer or employee of a corporate producer, processor or cooperative association, or an administrator, executor or trustee of a producing estate may cast a ballot on behalf of such producer, processor, estate, or cooperative association. Any individual so voting in a referendum shall certify that he is an officer or employee of the producer, processor, or cooperative association, or an administrator, executor, or trustee of a producing estate, and that he has the authority to take such action. Upon request of the referendum agent, the individual shall submit adequate evidence of such authority.

(d) Each producer, cooperative association of producers, and processor entitled to vote in a referendum shall be entitled to cast one ballot in the referendum. Each producer, cooperative association of producers, and processor casting more than one ballot with conflicting votes shall thereby invalidate all ballots cast by such producer, cooperative association of producers, or processor in such referendum.

#### § 900.403 Instructions.

The referendum agent shall conduct the referendum, in the manner herein provided, under supervision of the Administrator. The Administrator may prescribe additional instructions, not inconsistent with the provisions hereof, to govern the procedure to be followed by the referendum agent. Such agent shall:

(a) Determine the time of commencement and termination of the period of the referendum, and the time prior to which all ballots must be cast.

(b) Determine whether ballots may be cast by mail, at polling places, at meetings of producers or processors, or by any combination of the foregoing.

(c) Provide ballots and related material to be used in the referendum. Ballot material shall provide for recording essential information for ascertaining (1) whether the person voting, or on whose behalf the vote is cast, is an eligible voter, and (2) the total volume (i) produced for market during the representa-

tive period, or (ii) canned or frozen for market during the representative period.

(d) Give reasonable advance notice of the referendum (1) by utilizing without advertising expense available media of public information (including, but not being limited to, press and radio facilities) serving the production area, announcing the dates, places, or methods of voting, eligibility requirements, and other pertinent information, and (2) by such other means as said agent may deem advisable.

(e) Make available to producers and the aforesaid cooperative associations which indicate to the agent their intentions to vote, and to processors when required, instructions on voting, appropriate ballot and certification forms, and, except in the case of a referendum on the termination or continuance of an order, the text of the proposed order and a summary of its terms and conditions: *Provided*, That no person who claims to be qualified to vote shall be refused a ballot.

(f) If ballots are to be cast by mail, cause all the material specified in paragraph (e) of this section to be mailed to each producer (and processor when required) whose name and address is known to the referendum agent.

(g) If ballots are to be cast at polling places or meetings, determine the necessary number of polling or meeting places, designate them, announce the time of each meeting or the hours during which each polling place will be open, provide the material specified in paragraph (e) of this section, and provide for appropriate custody of ballot forms and delivery to the referendum agent of ballots cast.

(h) At the conclusion of the referendum, canvass the ballots, tabulate the results, and, except as otherwise directed, report the outcome to the Administrator and promptly thereafter submit the following:

(1) All ballots received by the agent and appointees, together with a certificate to the effect that the ballots forwarded are all of the ballots cast and received by such persons during the referendum period;

(2) A list of all challenged ballots deemed to be invalid; and

(3) A tabulation of the results of the referendum and a report thereon, including a detailed statement explaining the method used in giving publicity to the referendum and showing other information pertinent to the manner in which the referendum was conducted.

#### § 900.404 Subagents.

The referendum agent may appoint any person or persons deemed necessary or desirable to assist said agent in performing his functions hereunder. Each person so appointed may be authorized by said agent to

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perform, in accordance with the requirements herein set forth, any or all of the following functions (which, in the absence of such appointment, shall be performed by said agent):

- (a) Give public notice of the referendum in the manner specified herein;
- (b) Preside at a meeting where ballots are to be cast or as poll officer at a polling place;
- (c) Distribute ballots and the aforesaid texts to producers (and to processors when required) and receive any ballots which are cast; and
- (d) Record the name and address of each person receiving a ballot from, or casting a ballot with, said subagent and inquire into the eligibility of such person to vote in the referendum.

**§ 900.405 Ballots.**

The referendum agent and his appointees shall accept all ballots cast; but, should they, or any of them, deem that a ballot should be challenged for any reason, said agent or appointee shall endorse above his signature, on said ballot, a statement to the effect that such ballot was challenged, by whom challenged, the reasons therefor, the results of any investigations made with respect thereto, and the disposition thereof. Invalid ballots shall not be counted.

**§ 900.406 Referendum report.**

Except as otherwise directed, the Administrator shall prepare and submit to the Secretary a report on results of the referendum, the manner in which it was conducted, the extent and kind of public notice given, and other information pertinent to analysis of the referendum and its results.

**§ 900.407 Confidential information.**

All ballots cast and the contents thereof (whether or not relating to the identity of any person who voted or the manner in which any person voted) and all information furnished to, compiled by, or in possession of, the referendum agent shall be treated as confidential.

**Subpart—Public Information**

AUTHORITY: 5 U.S.C. 301, 552.

SOURCE: 40 FR 20267, May 9, 1975, unless otherwise noted.

AVAILABILITY OF PROGRAM INFORMATION, STAFF MANUALS AND INSTRUCTIONS, AND RELATED MATERIAL

**§ 900.500 General.**

This subpart is issued in accordance with the regulations of the Secretary of Agriculture in part 1, subpart A, of subtitle A of this title (7 CFR 1.1-1.16), and appendix A thereto, implementing the Freedom of Infor-

mation Act (5 U.S.C. 552). The Secretary's regulations, as implemented by the regulations of this subpart, govern the availability of records of AMS to the public.

**§ 900.501 Public inspection and copying.**

(a) Facilities for public inspection and copying of the indexes and materials required to be made available under §1.2(a) of this title will be provided by AMS during normal hours of operation. Request for this information should be made to the Freedom of Information Act Officer at the following address:

Freedom of Information Act Officer, Agricultural Marketing Service, United States Department of Agriculture, Washington, DC 20250.

(b) Copies of such material may be obtained in person or by mail. Applicable fees for copies will be charged in accordance with the regulations prescribed by the Director, Office of Operations and Finance, USDA.

[44 FR 39151, July 5, 1979]

**§ 900.502 Indexes.**

Pursuant to the regulations in §1.4(b) of this title, AMS will maintain and make available for public inspection and copying current indexes of all material required to be made available in §1.2(a) of this title. Notice is hereby given that publication of these indexes is unnecessary and impractical, since the material is voluminous and does not change often enough to justify the expense of publication.

[44 FR 39151, July 5, 1979]

**§ 900.503 Request for records.**

(a) Requests for records under 5 U.S.C. 552(a)(3) shall be made in accordance with §1.3(a) of this title. Authority to make determinations regarding initial requests in accordance with §1.4(c) of this title is delegated to the Freedom of Information Act Officer of AMS. Requests should be submitted to the FOIA Officer at the following address:

Freedom of Information Act Officer (FOIA Request), Agricultural Marketing Service, United States Department of Agriculture, Washington, DC 20250.

(b) The request shall identify each record with reasonable specificity as prescribed in §1.3 of this title.

(c) The FOIA Officer is authorized to receive requests and to exercise the authority to (1) make determinations to grant requests or deny initial requests, (2) extend the administrative deadline, (3) make discretionary release of exempt records, and (4) make determinations regarding charges pursuant to the fee schedule.

[44 FR 39151, July 5, 1979]

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**§ 900.504 Appeals.**

Any person whose request under § 900.503 above is denied shall have the right to appeal such denial in accordance with § 1.3(e) of this title. Appeals shall be addressed to the Administrator, Agricultural Marketing Service, U.S. Department of Agriculture, Washington, DC 20250.

**Subpart—Information Collection**

AUTHORITY: 44 U.S.C. Ch. 35.

**§ 900.600 General.**

This subpart shall contain such requirements as pertain to the information collection provisions under the Paperwork Reduction Act of 1995.

[63 FR 10492, Mar. 4, 1998]

**§ 900.601 OMB control numbers assigned pursuant to the Paperwork Reduction Act.**

(a) *Purpose.* This section collects and displays the control numbers assigned to information collection requirements by the Office of Management and Budget contained in 7 CFR parts 905 through 998 under the Paperwork Reduction Act of 1995.

(b) *Display.*

7 CFR part where identified and described	Current OMB control No.
905, Florida Oranges, Grapefruit Tangelos	0581-0094
906, Texas Oranges & Grapefruit	0581-0068
911, Florida Limes	0581-0091

7 CFR part where identified and described	Current OMB control No.
915, Florida Avocados	0581-0078
916, California Nectarines	0581-0072
917, California Pears and Peaches	0581-0080
920, California Kiwifruit	0581-0149
922, Washington Apricots	0581-0095
923, Washington Sweet Cherries	0581-0133
924, Washington-Oregon Fresh Prunes	0581-0134
925, S.E. California Desert Grapes	0581-0109
927, Oregon-Washington-California Winter Pears	0581-0089
928, Hawaiian Papayas	0581-0102
929, Cranberries Grown in Designated States	0581-0103
930, Red Tart Cherries	0581-0177
931, Oregon-Washington Bartlett Pears	0581-0092
932, California Olives	0581-0142
945, Idaho-Eastern Oregon Potatoes	0581-0178
946, Washington Potatoes	0581-0178
947, Oregon-California Potatoes	0581-0178
948, Colorado Potatoes	0581-0178
953, Southeastern Potatoes	0581-0178
955, Vidalia Onions	0581-0178
956, Walla Walla Onions	0581-0178
958, Idaho-Oregon Onions	0581-0178
959, South Texas Onions	0581-0178
966, Florida Tomatoes	0581-0178
979, South Texas Melons	0581-0178
981, California Almonds	0581-0071
982, Oregon-Washington Hazelnuts	0581-0178
984, California Walnuts	0581-0178
985, Spearmint Oil	0581-0065
987, California Dates	0581-0178
989, California Raisins	0581-0178
993, California Dried Prunes	0581-0178
997, Domestic Peanuts Not Covered Under the Peanut Marketing Agreement	0581-0163
998, Domestic Peanuts Covered Under the Peanut Marketing Agreement	0581-0067

[63 FR 10492, Mar. 4, 1998]



## PART 1000—GENERAL PROVISIONS OF FEDERAL MILK MARKETING ORDERS

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AUTHORITY: 7 U.S.C. 601–674, and 7253.

SOURCE: 64 FR 47899, Sept. 1, 1999, unless otherwise noted.

### Subpart A—Scope and Purpose

#### § 1000.1 Scope and purpose of this part 1000.

This part sets forth certain terms, definitions, and provisions which shall be common to and apply to Federal milk marketing order in 7 CFR, chapter X, except as specifically defined otherwise, or modified, or otherwise provided, in an individual order in 7 CFR, chapter X.

### Subpart B—Definitions

#### § 1000.2 General definitions.

(a) *Act* means Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 *et seq.*).

(b) *Order* or *Federal milk order* means the applicable part of 7 CFR, chapter X, issued pursuant to Section 8c of the Act as a Federal milk marketing order (as amended).

(c) *Department* means the U.S. Department of Agriculture.

(d) *Secretary* means the Secretary of Agriculture of the United States or any officer or employee of the Department to whom authority has heretofore been delegated, or to whom authority may hereafter be delegated, to act in his stead.

### § 1000.3

(e) *Person* means any individual, partnership, corporation, association, or other business unit.

### § 1000.3 Route disposition.

*Route disposition* means a delivery to a retail or wholesale outlet (except a plant), either directly or through any distribution facility (including disposition from a plant store, vendor, or vending machine) of a fluid milk product in consumer-type packages or dispenser units classified as Class I milk.

### § 1000.4 Plant.

(a) Except as provided in paragraph (b) of this section, *plant* means the land, buildings, facilities, and equipment constituting a single operating unit or establishment at which milk or milk products are received, processed, or packaged, including a facility described in paragraph (b)(2) of this section if the facility receives the milk of more than one dairy farmer.

(b) Plant shall not include:

(1) A separate building without stationary storage tanks that is used only as a reload point for transferring bulk milk from one tank truck to another or a separate building used only as a distribution point for storing packaged fluid milk products in transit for route disposition; or

(2) An on-farm facility operated as part of a single dairy farm entity for the separation of cream and skim or the removal of water from milk.

### § 1000.5 Distributing plant.

*Distributing plant* means a plant that is approved by a duly constituted regulatory agency for the handling of Grade A milk at which fluid milk products are processed or packaged and from which there is route disposition or transfers of packaged fluid milk products to other plants.

### § 1000.6 Supply plant.

*Supply plant* means a plant approved by a duly constituted regulatory agency for the handling of Grade A milk that receives milk directly from dairy farmers and transfers or diverts fluid milk products to other plants or manufactures dairy products on its premises.

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### § 1000.8 Nonpool plant.

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

(a) *A plant fully regulated under another Federal order* means a plant that is fully subject to the pricing and pooling provisions of another Federal order.

(b) *Producer-handler plant* means a plant operated by a producer-handler as defined under any Federal order.

(c) *Partially regulated distributing plant* means a nonpool plant that is not a plant fully regulated under another Federal order, a producer-handler plant, or an exempt plant, from which there is route disposition in the marketing area during the month.

(d) *Unregulated supply plant* means a supply plant that does not qualify as a pool supply plant and is not a plant fully regulated under another Federal order, a producer-handler plant, or an exempt plant.

(e) *An exempt plant* means a plant described in this paragraph that is exempt from the pricing and pooling provisions of any order provided that the operator of the plant files reports as prescribed by the market administrator of any marketing area in which the plant distributes packaged fluid milk products to enable determination of the handler's exempt status:

(1) A plant that is operated by a governmental agency that has no route disposition in commercial channels;

(2) A plant that is operated by a duly accredited college or university disposing of fluid milk products only through the operation of its own facilities with no route disposition in commercial channels;

(3) A plant from which the total route disposition is for individuals or institutions for charitable purposes without remuneration; or

(4) A plant that has route disposition and packaged sales of fluid milk products to other plants of 150,000 pounds or less during the month.

### § 1000.9 Handler.

*Handler* means:

(a) Any person who operates a pool plant or a nonpool plant.

(b) Any person who receives packaged fluid milk products from a plant for resale and distribution to retail or wholesale outlets, any person who as a broker negotiates a purchase or sale of fluid milk products or fluid cream products from or to any pool or nonpool plant, and any person who by purchase or direction causes milk of producers to be picked up at the farm and/or moved to a plant. Persons who qualify as handlers only under this paragraph under any Federal milk order are not subject to the payment provisions of §§ \_\_\_\_\_ .70, \_\_\_\_\_ .71, \_\_\_\_\_ .72, \_\_\_\_\_ .73, \_\_\_\_\_ .76, and \_\_\_\_\_ .85 of that order.

(c) Any cooperative association with respect to milk that it receives for its account from the farm of a producer and delivers to pool plants or diverts to nonpool plants pursuant to § \_\_\_\_\_ .13 of the order. The operator of a pool plant receiving milk from a cooperative association may be the handler for such milk if both parties notify the market administrator of this agreement prior to the time that the milk is delivered to the pool plant and the plant operator purchases the milk on the basis of farm bulk tank weights and samples.

**§ 1000.14 Other source milk.**

*Other source milk* means all skim milk and butterfat contained in or represented by:

(a) Receipts of fluid milk products and bulk fluid cream products from any source other than producers, handlers described in §1000.9(c) and §1135.11, or pool plants;

(b) Products (other than fluid milk products, fluid cream products, and products produced at the plant during the same month) from any source which are reprocessed, converted into, or combined with another product in the plant during the month; and

(c) Receipts of any milk product (other than a fluid milk product or a fluid cream product) for which the handler fails to establish a disposition.

**§ 1000.15 Fluid milk product.**

(a) Except as provided in paragraph (b) of this section, *fluid milk product* means any milk products in fluid or frozen form containing less than 9 per-

cent butterfat that are intended to be used as beverages. Such products include, but are not limited to: Milk, fat-free milk, lowfat milk, light milk, reduced fat milk, milk drinks, eggnog and cultured buttermilk, including any such beverage products that are flavored, cultured, modified with added nonfat milk solids, sterilized, concentrated, or reconstituted. As used in this part, the term *concentrated milk* means milk that contains not less than 25.5 percent, and not more than 50 percent, total milk solids.

(b) The term fluid milk product shall not include:

(1) Plain or sweetened evaporated milk/skim milk, sweetened condensed milk/skim milk, formulas especially prepared for infant feeding or dietary use (meal replacement) that are packaged in hermetically-sealed containers, any product that contains by weight less than 6.5 percent nonfat milk solids, and whey; and

(2) The quantity of skim milk equivalent in any modified product specified in paragraph (a) of this section that is greater than an equal volume of an unmodified product of the same nature and butterfat content.

**§ 1000.16 Fluid cream product.**

*Fluid cream product* means cream (other than plastic cream or frozen cream), including sterilized cream, or a mixture of cream and milk or skim milk containing 9 percent or more butterfat, with or without the addition of other ingredients.

**§ 1000.17 [Reserved]**

**§ 1000.18 Cooperative association.**

*Cooperative association* means any cooperative marketing association of producers which the Secretary determines is qualified under the provisions of the Capper-Volstead Act, has full authority in the sale of milk of its members, and is engaged in marketing milk or milk products for its members. A federation of 2 or more cooperatives incorporated under the laws of any state will be considered a cooperative association under any Federal milk order if all member cooperatives meet the requirements of this section.

**§ 1000.19 Commercial food processing establishment.**

*Commercial food processing establishment* means any facility, other than a milk plant, to which fluid milk products and fluid cream products are disposed of, or producer milk is diverted, that uses such receipts as ingredients in food products and has no other disposition of fluid milk products other than those received in consumer-type packages (1 gallon or less). Producer milk diverted to commercial food processing establishments shall be subject to the same provisions relating to diversions to plants, including, but not limited to, §§ \_\_\_\_\_ .13 and \_\_\_\_\_ .52 of each Federal milk order.

**Subpart C—Rules of Practice and Procedure Governing Market Administrators**

**§ 1000.25 Market administrator.**

(a) *Designation.* The agency for the administration of the order shall be a market administrator selected by the Secretary and subject to removal at the Secretary's discretion. The market administrator shall be entitled to compensation determined by the Secretary.

(b) *Powers.* The market administrator shall have the following powers with respect to each order under his/her administration:

- (1) Administer the order in accordance with its terms and provisions;
- (2) Maintain and invest funds outside of the United States Department of the Treasury for the purpose of administering the order;
- (3) Make rules and regulations to effectuate the terms and provisions of the order;
- (4) Receive, investigate, and report complaints of violations to the Secretary; and
- (5) Recommend amendments to the Secretary.

(c) *Duties.* The market administrator shall perform all the duties necessary to administer the terms and provisions of each order under his/her administration, including, but not limited to, the following:

- (1) Employ and fix the compensation of persons necessary to enable him/her

to exercise the powers and perform the duties of the office;

(2) Pay out of funds provided by the administrative assessment, except expenses associated with functions for which the order provides a separate charge, all expenses necessarily incurred in the maintenance and functioning of the office and in the performance of the duties of the office, including the market administrator's compensation;

(3) Keep records which will clearly reflect the transactions provided for in the order and upon request by the Secretary, surrender the records to a successor or such other person as the Secretary may designate;

(4) Furnish information and reports requested by the Secretary and submit office records for examination by the Secretary;

(5) Announce publicly at his/her discretion, unless otherwise directed by the Secretary, by such means as he/she deems appropriate, the name of any handler who, after the date upon which the handler is required to perform such act, has not:

- (i) Made reports required by the order;
- (ii) Made payments required by the order; or
- (iii) Made available records and facilities as required pursuant to § 1000.27;

(6) Prescribe reports required of each handler under the order. Verify such reports and the payments required by the order by examining records (including such papers as copies of income tax reports, fiscal and product accounts, correspondence, contracts, documents or memoranda of the handler, and the records of any other persons that are relevant to the handler's obligation under the order), by examining such handler's milk handling facilities, and by such other investigation as the market administrator deems necessary for the purpose of ascertaining the correctness of any report or any obligation under the order. Reclassify skim milk and butterfat received by any handler if such examination and investigation discloses that the original classification was incorrect;

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(7) Furnish each regulated handler a written statement of such handler's accounts with the market administrator promptly each month. Furnish a corrected statement to such handler if verification discloses that the original statement was incorrect; and

(8) Prepare and disseminate publicly for the benefit of producers, handlers, and consumers such statistics and other information concerning operation of the order and facts relevant to the provisions thereof (or proposed provisions) as do not reveal confidential information.

### Subpart D—Rules Governing Order Provisions

#### § 1000.26 Continuity and separability of provisions.

(a) *Effective time.* The provisions of the order or any amendment to the order shall become effective at such time as the Secretary may declare and shall continue in force until suspended or terminated.

(b) *Suspension or termination.* The Secretary shall suspend or terminate any or all of the provisions of the order whenever he/she finds that such provision(s) obstructs or does not tend to effectuate the declared policy of the Act. The order shall terminate whenever the provisions of the Act authorizing it cease to be in effect.

(c) *Continuing obligations.* If upon the suspension or termination of any or all of the provisions of the order there are any obligations arising under the order, the final accrual or ascertainment of which requires acts by any handler, by the market administrator or by any other person, the power and duty to perform such further acts shall continue notwithstanding such suspension or termination.

(d) *Liquidation.* (1) Upon the suspension or termination of any or all provisions of the order the market administrator, or such other liquidating agent designated by the Secretary, shall, if so directed by the Secretary, liquidate the business of the market administrator's office, dispose of all property in his/her possession or control, including accounts receivable, and execute and deliver all assignments or other instru-

ments necessary or appropriate to effectuate any such disposition; and

(2) If a liquidating agent is so designated, all assets and records of the market administrator shall be transferred promptly to such liquidating agent. If, upon such liquidation, the funds on hand exceed the amounts required to pay outstanding obligations of the office of the market administrator and to pay necessary expenses of liquidation and distribution, such excess shall be distributed to contributing handlers and producers in an equitable manner.

(e) *Separability of provisions.* If any provision of the order or its application to any person or circumstances is held invalid, the application of such provision and of the remaining provisions of the order to other persons or circumstances shall not be affected thereby.

### Subpart E—Rules of Practice and Procedure Governing Handlers

#### § 1000.27 Handler responsibility for records and facilities.

Each handler shall maintain and retain records of its operations and make such records and its facilities available to the market administrator. If adequate records of a handler, or of any other persons, that are relevant to the obligation of such handler are not maintained and made available, any skim milk and butterfat required to be reported by such handler for which adequate records are not available shall be considered as used in the highest-priced class.

(a) *Records to be maintained.* (1) Each handler shall maintain records of its operations (including, but not limited to, records of purchases, sales, processing, packaging, and disposition) as are necessary to verify whether such handler has any obligation under the order and if so, the amount of such obligation. Such records shall be such as to establish for each plant or other receiving point for each month:

(i) The quantities of skim milk and butterfat contained in, or represented by, products received in any form, including inventories on hand at the beginning of the month, according to form, time, and source of each receipt;

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(ii) The utilization of all skim milk and butterfat showing the respective quantities of such skim milk and butterfat in each form disposed of or on hand at the end of the month; and

(iii) Payments to producers, dairy farmers, and cooperative associations, including the amount and nature of any deductions and the disbursement of money so deducted.

(2) Each handler shall keep such other specific records as the market administrator deems necessary to verify or establish such handler's obligation under the order.

(b) *Availability of records and facilities.* Each handler shall make available all records pertaining to such handler's operations and all facilities the market administrator finds are necessary to verify the information required to be reported by the order and/or to ascertain such handler's reporting, monetary, or other obligation under the order. Each handler shall permit the market administrator to weigh, sample, and test milk and milk products and observe plant operations and equipment and make available to the market administrator such facilities as are necessary to carry out his/her duties.

(c) *Retention of records.* All records required under the order to be made available to the market administrator shall be retained by the handler for a period of 3 years to begin at the end of the month to which such records pertain. If, within such 3-year period, the market administrator notifies the handler in writing that the retention of such records, or of specified records, is necessary in connection with a proceeding under section 8c(15)(A) of the Act or a court action specified in such notice, the handler shall retain such records, or specified records, until further written notification from the market administrator. The market administrator shall give further written notification to the handler promptly upon the termination of the litigation or when the records are no longer necessary in connection therewith.

**§ 1000.28 Termination of obligations.**

(a) Except as provided in paragraphs (b) and (c) of this section, the obligation of any handler to pay money re-

quired to be paid under the terms of the order shall terminate 2 years after the last day of the month during which the market administrator receives the handler's report of receipts and utilization on which such obligation is based, unless within such 2-year period, the market administrator notifies the handler in writing that such money is due and payable. Service of such written notice shall be complete upon mailing to the handler's last known address and it shall contain, but need not be limited to, the following information:

(1) The amount of the obligation;

(2) The month(s) on which such obligation is based; and

(3) If the obligation is payable to one or more producers or to a cooperative association, the name of such producer(s) or such cooperative association, or if the obligation is payable to the market administrator, the account for which it is to be paid.

(b) If a handler fails or refuses, with respect to any obligation under the order, to make available to the market administrator all records required by the order to be made available, the market administrator may notify the handler in writing, within the 2-year period provided for in paragraph (a) of this section, of such failure or refusal. If the market administrator so notifies a handler, the said 2-year period with respect to such obligation shall not begin to run until the first day of the month following the month during which all such records pertaining to such obligation are made available to the market administrator.

(c) Notwithstanding the provisions of paragraphs (a) and (b) of this section, a handler's obligation under the order to pay money shall not be terminated with respect to any transaction involving fraud or willful concealment of a fact, material to the obligation, on the part of the handler against whom the obligation is sought to be imposed.

(d) Unless the handler files a petition pursuant to section 8c(15)(A) of the Act and the applicable rules and regulations (7 CFR 900.50 through 900.71) within the applicable 2-year period indicated below, the obligation of the market administrator:

(1) To pay a handler any money which such handler claims is due under

the terms of the order shall terminate 2 years after the end of the month during which the skim milk and butterfat involved in the claim were received; or

(2) To refund any payment made by a handler (including a deduction or offset by the market administrator) shall terminate 2 years after the end of the month during which payment was made by the handler.

### Subpart F—Classification of Milk

#### § 1000.40 Classes of utilization.

Except as provided in §1000.42, all skim milk and butterfat required to be reported pursuant to §—30 of each Federal milk order shall be classified as follows:

(a) *Class I milk* shall be all skim milk and butterfat:

(1) Disposed of in the form of fluid milk products, except as otherwise provided in this section;

(2) In packaged fluid milk products in inventory at the end of the month; and

(3) In shrinkage assigned pursuant to §1000.43(b).

(b) *Class II milk* shall be all skim milk and butterfat:

(1) In fluid milk products in containers larger than 1 gallon and fluid cream products disposed of or diverted to a commercial food processing establishment if the market administrator is permitted to audit the records of the commercial food processing establishment for the purpose of verification. Otherwise, such uses shall be Class I;

(2) Used to produce:

(i) Cottage cheese, lowfat cottage cheese, dry curd cottage cheese, ricotta cheese, pot cheese, Creole cheese, and any similar soft, high-moisture cheese resembling cottage cheese in form or use;

(ii) Milkshake and ice milk mixes (or bases), frozen desserts, and frozen dessert mixes distributed in half-gallon containers or larger and intended to be used in soft or semi-solid form;

(iii) Aerated cream, frozen cream, sour cream, sour half-and-half, sour cream mixtures containing nonmilk items, yogurt, and any other semi-solid product resembling a Class II product;

(iv) Custards, puddings, pancake mixes, coatings, batter, and similar products;

(v) Buttermilk biscuit mixes and other buttermilk for baking that contain food starch in excess of 2% of the total solids, provided that the product is labeled to indicate the food starch content;

(vi) Formulas especially prepared for infant feeding or dietary use (meal replacement) that are packaged in hermetically-sealed containers;

(vii) Candy, soup, bakery products and other prepared foods which are processed for general distribution to the public, and intermediate products, including sweetened condensed milk, to be used in processing such prepared food products;

(viii) A fluid cream product or any product containing artificial fat or fat substitutes that resembles a fluid cream product, except as otherwise provided in paragraph (c) of this section; and

(ix) Any product not otherwise specified in this section; and

(3) In shrinkage assigned pursuant to §1000.43(b).

(c) *Class III milk* shall be all skim milk and butterfat:

(1) Used to produce:

(i) Cream cheese and other spreadable cheeses, and hard cheese of types that may be shredded, grated, or crumbled;

(ii) [Reserved]

(iii) Evaporated or sweetened condensed milk in a consumer-type package; and

(2) In shrinkage assigned pursuant to §1000.43(b).

(d) *Class IV milk* shall be all skim milk and butterfat:

(1) Used to produce:

(i) Butter, plastic cream, anhydrous milkfat, and butteroil; and

(ii) Any milk product in dried form;

(2) In inventory at the end of the month of fluid milk products and fluid cream products in bulk form;

(3) In the skim milk equivalent of nonfat milk solids used to modify a fluid milk product that has not been accounted for in Class I; and

(4) In shrinkage assigned pursuant to §1000.43(b).

(e) *Other uses.* Other uses include skim milk and butterfat used in any product described in this section that

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is dumped, used for animal feed, destroyed, or lost by a handler in a vehicular accident, flood, fire, or similar occurrence beyond the handler's control. Such uses of skim milk and butterfat shall be assigned to the lowest priced class for the month to the extent that the quantities destroyed or lost can be verified from records satisfactory to the market administrator.

[64 FR 47899, Sept. 1, 1999, as amended at 65 FR 82833, Dec. 28, 2000]

## § 1000.41 [Reserved]

### § 1000.42 Classification of transfers and diversions.

(a) *Transfers and diversions to pool plants.* Skim milk or butterfat transferred or diverted in the form of a fluid milk product or transferred in the form of a bulk fluid cream product from a pool plant or a handler described in §1135.11 of this chapter to another pool plant shall be classified as Class I milk unless the handlers both request the same classification in another class. In either case, the classification shall be subject to the following conditions:

(1) The skim milk and butterfat classified in each class shall be limited to the amount of skim milk and butterfat, respectively, remaining in such class at the receiving plant after the computations pursuant to §1000.44(a)(9) and the corresponding step of §1000.44(b);

(2) If the transferring plant received during the month other source milk to be allocated pursuant to §1000.44(a)(3) or the corresponding step of §1000.44(b), the skim milk or butterfat so transferred shall be classified so as to allocate the least possible Class I utilization to such other source milk; and

(3) If the transferring handler received during the month other source milk to be allocated pursuant to §1000.44(a)(8) or (9) or the corresponding steps of §1000.44(b), the skim milk or butterfat so transferred, up to the total of the skim milk and butterfat, respectively, in such receipts of other source milk, shall not be classified as Class I milk to a greater extent than would be the case if the other source milk had been received at the receiving plant.

(b) *Transfers and diversions to a plant regulated under another Federal order.*

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Skim milk or butterfat transferred or diverted in the form of a fluid milk product or transferred in the form of a bulk fluid cream product from a pool plant to a plant regulated under another Federal order shall be classified in the following manner. Such classification shall apply only to the skim milk or butterfat that is in excess of any receipts at the pool plant from a plant regulated under another Federal order of skim milk and butterfat, respectively, in fluid milk products and bulk fluid cream products, respectively, that are in the same category as described in paragraph (b)(1) or (2) of this section:

(1) As Class I milk, if transferred as packaged fluid milk products;

(2) If transferred or diverted in bulk form, classification shall be in the classes to which allocated under the other order:

(i) If the operators of both plants so request in their reports of receipts and utilization filed with their respective market administrators, transfers in bulk form shall be classified as other than Class I to the extent that such utilization is available for such classification pursuant to the allocation provisions of the other order;

(ii) If diverted, the diverting handler must request a classification other than Class I. If the plant receiving the diverted milk does not have sufficient utilization available for the requested classification and some of the diverted milk is consequently assigned to Class I use, the diverting handler shall be given the option of designating the entire load of diverted milk as producer milk at the plant physically receiving the milk. Alternatively, if the diverting handler so chooses, it may designate which dairy farmers whose milk was diverted during the month will be designated as producers under the order physically receiving the milk. If the diverting handler declines to accept either of these options, the market administrator will prorate the portion of diverted milk in excess of Class II, III, and IV use among all the dairy farmers whose milk was received from the diverting handler on the last day of the month, then the second-to-last day, and continuing in that fashion until

the excess diverted milk has been assigned as producer milk under the receiving order; and

(iii) If information concerning the classes to which such transfers or diversions were allocated under the other order is not available to the market administrator for the purpose of establishing classification under this paragraph, classification shall be Class I, subject to adjustment when such information is available.

(c) *Transfers and diversions to producer-handlers and to exempt plants.* Skim milk or butterfat that is transferred or diverted from a pool plant to a producer-handler under any Federal order or to an exempt plant shall be classified:

(1) As Class I milk if transferred or diverted to a producer-handler;

(2) As Class I milk if transferred to an exempt plant in the form of a packaged fluid milk product; and

(3) In accordance with the utilization assigned to it by the market administrator if transferred or diverted in the form of a bulk fluid milk product or transferred in the form of a bulk fluid cream product to an exempt plant. For this purpose, the receiving handler's utilization of skim milk and butterfat in each class, in series beginning with Class IV, shall be assigned to the extent possible to its receipts of skim milk and butterfat, in bulk fluid cream products, and bulk fluid milk products, respectively, pro rata to each source.

(d) *Transfers and diversions to other nonpool plants.* Skim milk or butterfat transferred or diverted in the following forms from a pool plant to a nonpool plant that is not a plant regulated under another order, an exempt plant, or a producer-handler plant shall be classified:

(1) As Class I milk, if transferred in the form of a packaged fluid milk product; and

(2) As Class I milk, if transferred or diverted in the form of a bulk fluid milk product or transferred in the form of a bulk fluid cream product, unless the following conditions apply:

(i) If the conditions described in paragraphs (d)(2)(i)(A) and (B) of this section are met, transfers or diversions in bulk form shall be classified on the basis of the assignment of the nonpool

plant's utilization, excluding the milk equivalent of both nonfat milk solids and concentrated milk used in the plant during the month, to its receipts as set forth in paragraphs (d)(2)(ii) through (viii) of this section:

(A) The transferring handler or diverting handler claims such classification in such handler's report of receipts and utilization filed pursuant to § \_\_\_\_ .30 of each Federal milk order for the month within which such transaction occurred; and

(B) The nonpool plant operator maintains books and records showing the utilization of all skim milk and butterfat received at such plant which are made available for verification purposes if requested by the market administrator;

(ii) Route disposition in the marketing area of each Federal milk order from the nonpool plant and transfers of packaged fluid milk products from such nonpool plant to plants fully regulated thereunder shall be assigned to the extent possible in the following sequence:

(A) Pro rata to receipts of packaged fluid milk products at such nonpool plant from pool plants;

(B) Pro rata to any remaining unassigned receipts of packaged fluid milk products at such nonpool plant from plants regulated under other Federal orders;

(C) Pro rata to receipts of bulk fluid milk products at such nonpool plant from pool plants; and

(D) Pro rata to any remaining unassigned receipts of bulk fluid milk products at such nonpool plant from plants regulated under other Federal orders;

(iii) Any remaining Class I disposition of packaged fluid milk products from the nonpool plant shall be assigned to the extent possible pro rata to any remaining unassigned receipts of packaged fluid milk products at such nonpool plant from pool plants and plants regulated under other Federal orders;

(iv) Transfers of bulk fluid milk products from the nonpool plant to a plant regulated under any Federal order, to the extent that such transfers to the regulated plant exceed receipts of fluid milk products from such plant and are allocated to Class I at the receiving

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plant, shall be assigned to the extent possible in the following sequence:

(A) Pro rata to receipts of fluid milk products at such nonpool plant from pool plants; and

(B) Pro rata to any remaining unassigned receipts of fluid milk products at such nonpool plant from plants regulated under other Federal orders;

(v) Any remaining unassigned Class I disposition from the nonpool plant shall be assigned to the extent possible in the following sequence:

(A) To such nonpool plant's receipts from dairy farmers who the market administrator determines constitute regular sources of Grade A milk for such nonpool plant; and

(B) To such nonpool plant's receipts of Grade A milk from plants not fully regulated under any Federal order which the market administrator determines constitute regular sources of Grade A milk for such nonpool plant;

(vi) Any remaining unassigned receipts of bulk fluid milk products at the nonpool plant from pool plants and plants regulated under other Federal orders shall be assigned, pro rata among such plants, to the extent possible first to any remaining Class I utilization and then to all other utilization, in sequence beginning with Class IV at such nonpool plant;

(vii) Receipts of bulk fluid cream products at the nonpool plant from pool plants and plants regulated under other Federal orders shall be assigned, pro rata among such plants, to the extent possible to any remaining utilization, in sequence beginning with Class IV at such nonpool plant; and

(viii) In determining the nonpool plant's utilization for purposes of this paragraph, any fluid milk products and bulk fluid cream products transferred from such nonpool plant to a plant not fully regulated under any Federal order shall be classified on the basis of the second plant's utilization using the same assignment priorities at the second plant that are set forth in this paragraph.

**§ 1000.43 General classification rules.**

In determining the classification of producer milk pursuant to §1000.44, the following rules shall apply:

(a) Each month the market administrator shall correct for mathematical and other obvious errors all reports filed pursuant to § \_\_\_\_.30 of each Federal milk order and shall compute separately for each pool plant, for each handler described in §1000.9(c) and §1135.11 of this chapter, the pounds of skim milk and butterfat, respectively, in each class in accordance with §§1000.40 and 1000.42, and paragraph (b) of this section.

(b) *Shrinkage and Overage.* For purposes of classifying all milk reported by a handler pursuant to § \_\_\_\_.30 of each Federal milk order the market administrator shall determine the shrinkage or overage of skim milk and butterfat for each pool plant and each handler described in §1000.9(c) and §1135.11 of this chapter by subtracting total utilization from total receipts. Any positive difference shall be shrinkage, and any negative difference shall be overage.

(1) Shrinkage incurred by pool plants qualified pursuant to § \_\_\_\_.7 of any Federal milk order shall be assigned to the lowest-priced class to the extent that such shrinkage does not exceed:

(i) Two percent of the total quantity of milk physically received at the plant directly from producers' farms on the basis of farm weights and tests;

(ii) Plus 1.5 percent of the quantity of bulk milk physically received on a basis other than farm weights and tests, excluding concentrated milk received by agreement for other than Class I use;

(iii) Plus .5 percent of the quantity of milk diverted by the plant operator to another plant on a basis other than farm weights and tests; and

(iv) Minus 1.5 percent of the quantity of bulk milk transferred to other plants, excluding concentrated milk transferred by agreement for other than Class I use.

(2) A handler described in §1000.9(c) or §1135.11 of this chapter that delivers milk to plants on a basis other than farm weights and tests shall receive a lowest-priced-class shrinkage allowance of .5 percent of the total quantity of such milk picked up at producers' farms.

(3) Shrinkage in excess of the amounts provided in paragraphs (b)(1)

and (2) of this section shall be assigned to existing utilization in series starting with Class I. The shrinkage assigned pursuant to this paragraph shall be added to the handler's reported utilization and the result shall be known as the *gross utilization in each class*.

(c) If any of the water contained in the milk from which a product is made is removed before the product is utilized or disposed of by the handler, the pounds of skim milk in such product that are to be considered under this part as used or disposed of by the handler shall be an amount equivalent to the nonfat milk solids contained in such product plus all of the water originally associated with such solids.

(d) Skim milk and butterfat contained in receipts of bulk concentrated fluid milk and nonfluid milk products that are reconstituted for fluid use shall be assigned to Class I use, up to the reconstituted portion of labeled reconstituted fluid milk products, on a pro rata basis (except for any Class I use of specific concentrated receipts that is established by the handler) prior to any assignments under §1000.44. Any remaining skim milk and butterfat in concentrated receipts shall be assigned to uses under §1000.44 on a pro rata basis, unless a specific use of such receipts is established by the handler.

**§1000.44 Classification of producer milk.**

For each month the market administrator shall determine for each handler described in §1000.9(a) for each pool plant of the handler separately and for each handler described in §1000.9(c) and §1135.11 of this chapter the classification of producer milk by allocating the handler's receipts of skim milk and butterfat to the handler's gross utilization of such receipts pursuant to §1000.43(b)(3) as follows:

(a) Skim milk shall be allocated in the following manner:

(1) Subtract from the pounds of skim milk in Class I the pounds of skim milk in:

(i) Receipts of packaged fluid milk products from an unregulated supply plant to the extent that an equivalent amount of skim milk disposed of to such plant by handlers fully regulated

under any Federal order is classified and priced as Class I milk and is not used as an offset for any other payment obligation under any order;

(ii) Packaged fluid milk products in inventory at the beginning of the month. This paragraph shall apply only if the pool plant was subject to the provisions of this paragraph or comparable provisions of another Federal order in the immediately preceding month;

(iii) Fluid milk products received in packaged form from plants regulated under other Federal orders; and

(iv) To the extent that the receipts described in paragraphs (a)(1)(i) through (iii) of this section exceed the gross Class I utilization of skim milk, the excess receipts shall be subtracted pursuant to paragraph (a)(3)(vi) of this section.

(2) Subtract from the pounds of skim milk in Class II the pounds of skim milk in the receipts of skim milk in bulk concentrated fluid milk products and in other source milk (except other source milk received in the form of an unconcentrated fluid milk product or a fluid cream product) that is used to produce, or added to, any product in Class II (excluding the quantity of such skim milk that was classified as Class IV milk pursuant to §1000.40(d)(3)). To the extent that the receipts described in this paragraph exceed the gross Class II utilization of skim milk, the excess receipts shall be subtracted pursuant to paragraph (a)(3)(vi) of this section.

(3) Subtract from the pounds of skim milk remaining in each class, in series beginning with Class IV, the pounds of skim milk in:

(i) Receipts of bulk concentrated fluid milk products and other source milk (except other source milk received in the form of an unconcentrated fluid milk product);

(ii) Receipts of fluid milk products and bulk fluid cream products for which appropriate health approval is not established and from unidentified sources;

(iii) Receipts of fluid milk products and bulk fluid cream products from an exempt plant;

(iv) Fluid milk products and bulk fluid cream products received from a producer-handler as defined under the

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order in this part, or any other Federal order;

(v) Receipts of fluid milk products from dairy farmers for other markets; and

(vi) The excess receipts specified in paragraphs (a)(1)(iv) and (a)(2) of this section.

(4) Subtract from the pounds of skim milk remaining in all classes other than Class I, in sequence beginning with Class IV, the receipts of fluid milk products from an unregulated supply plant that were not previously subtracted in this section for which the handler requests classification other than Class I, but not in excess of the pounds of skim milk remaining in these other classes combined.

(5) Subtract from the pounds of skim milk remaining in all classes other than Class I, in sequence beginning with Class IV, receipts of fluid milk products from an unregulated supply plant that were not previously subtracted in this section, and which are in excess of the pounds of skim milk determined pursuant to paragraphs (a)(5)(i) and (ii) of this section;

(i) Multiply by 1.25 the pounds of skim milk remaining in Class I at this allocation step; and

(ii) Subtract from the result in paragraph (a)(5)(i) the pounds of skim milk in receipts of producer milk and fluid milk products from other pool plants.

(6) Subtract from the pounds of skim milk remaining in all classes other than Class I, in sequence beginning with Class IV, the pounds of skim milk in receipts of bulk fluid milk products from a handler regulated under another Federal order that are in excess of bulk fluid milk products transferred or diverted to such handler, if other than Class I classification is requested, but not in excess of the pounds of skim milk remaining in these classes combined.

(7) Subtract from the pounds of skim milk remaining in each class, in series beginning with Class IV, the pounds of skim milk in fluid milk products and bulk fluid cream products in inventory at the beginning of the month that were not previously subtracted in this section.

(8) Subtract from the pounds of skim milk remaining in each class at the

plant receipts of skim milk in fluid milk products from an unregulated supply plant that were not previously subtracted in this section and that were not offset by transfers or diversions of fluid milk products to the unregulated supply plant from which fluid milk products to be allocated at this step were received. Such subtraction shall be pro rata to the pounds of skim milk in Class I and in Classes II, III, and IV combined, with the quantity prorated to Classes II, III, and IV combined being subtracted in sequence beginning with Class IV.

(9) Subtract from the pounds of skim milk remaining in each class the pounds of skim milk in receipts of bulk fluid milk products from a handler regulated under another Federal order that are in excess of bulk fluid milk products transferred or diverted to such handler that were not subtracted in paragraph (a)(6) of this section. Such subtraction shall be pro rata to the pounds of skim milk in Class I and in Classes II, III, and IV combined, with the quantity prorated to Classes II, III, and IV combined being subtracted in sequence beginning with Class IV, with respect to whichever of the following quantities represents the lower proportion of Class I milk:

(i) The estimated utilization of skim milk of all handlers in each class as announced for the month pursuant to §1000.45(a); or

(ii) The total pounds of skim milk remaining in each class at this allocation step.

(10) Subtract from the pounds of skim milk remaining in each class the pounds of skim milk in receipts of fluid milk products and bulk fluid cream products from another pool plant and from a handler described in §1135.11 of this chapter according to the classification of such products pursuant to §1000.42(a).

(11) If the total pounds of skim milk remaining in all classes exceed the pounds of skim milk in producer milk, subtract such excess from the pounds of skim milk remaining in each class in series beginning with Class IV.

(b) Butterfat shall be allocated in accordance with the procedure outlined for skim milk in paragraph (a) of this section.

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(c) The quantity of producer milk in each class shall be the combined pounds of skim milk and butterfat remaining in each class after the computations pursuant to paragraphs (a) and (b) of this section.

### § 1000.45 Market administrator's reports and announcements concerning classification.

(a) Whenever required for the purpose of allocating receipts from plants regulated under other Federal orders pursuant to § 1000.44(a)(9) and the corresponding step of § 1000.44(b), the market administrator shall estimate and publicly announce the utilization (to the nearest whole percentage) in Class I during the month of skim milk and butterfat, respectively, in producer milk of all handlers. The estimate shall be based upon the most current available data and shall be final for such purpose.

(b) The market administrator shall report to the market administrators of other Federal orders as soon as possible after the handlers' reports of receipts and utilization are received, the class to which receipts from plants regulated under other Federal orders are allocated pursuant to §§ 1000.43(d) and 1000.44 (including any reclassification of inventories of bulk concentrated fluid milk products), and thereafter any change in allocation required to correct errors disclosed on the verification of such report.

(c) The market administrator shall furnish each handler operating a pool plant and each handler described in § 1135.11 of this chapter who has shipped fluid milk products or bulk fluid cream products to a plant fully regulated under another Federal order the class to which the shipments were allocated by the market administrator of the other Federal order on the basis of the report by the receiving handler and, as necessary, any changes in the allocation arising from the verification of such report.

(d) The market administrator shall report to each cooperative association which so requests, the percentage of producer milk delivered by members of the association that was used in each class by each handler receiving the milk. For the purpose of this report,

the milk so received shall be prorated to each class in accordance with the total utilization of producer milk by the handler.

### Subpart G—Class Prices

### § 1000.50 Class prices, component prices, and advanced pricing factors.

Class prices per hundredweight of milk containing 3.5 percent butterfat, component prices, and advanced pricing factors shall be as follows. The prices and pricing factors described in paragraphs (a), (b), (c), (e), (f), and (q) of this section shall be based on a weighted average of the most recent 2 weekly prices announced by the National Agricultural Statistical Service (NASS) before the 24th day of the month. These prices shall be announced on or before the 23rd day of the month and shall apply to milk received during the following month. The prices described in paragraphs (g) through (p) of this section shall be based on a weighted average for the preceding month of weekly prices announced by NASS on or before the 5th day of the month and shall apply to milk received during the preceding month. The price described in paragraph (d) of this section shall be derived from the Class II skim milk price announced on or before the 23rd day of the month preceding the month to which it applies and the Class IV butterfat price announced on or before the 5th day of the month following the month to which it applies.

(a) *Class I price.* The Class I price per hundredweight shall be the adjusted Class I differential specified in § 1000.52 plus the higher of the advanced Class III or advanced Class IV prices calculated in paragraph (q)(4) of this section.

(b) *Class I skim milk price.* The Class I skim milk price per hundredweight shall be the adjusted Class I differential specified in § 1000.52 plus the advanced Class III or advanced Class IV skim milk price used in the calculation of the higher of the advanced Class III or advanced Class IV prices calculated in paragraph (q)(4) of this section.

(c) *Class I butterfat price.* The Class I butterfat price per pound shall be the

adjusted Class I differential specified in §1000.52 divided by 100, plus the advanced Class III or advanced Class IV butterfat price used in the calculation of the higher of the advanced Class III or advanced Class IV prices calculated in paragraph (q)(4) of this section.

(d) *The Class II price* per hundredweight, rounded to the nearest cent, shall be .965 times the Class II skim milk price plus 3.5 times the Class II butterfat price.

(e) *Class II skim milk price.* The Class II skim milk price per hundredweight shall be the advanced Class IV skim milk price computed in paragraph (q)(2) of this section plus 70 cents.

(f) *Class II nonfat solids price.* The Class II nonfat solids price per pound, rounded to the nearest one-hundredth cent, shall be the Class II skim milk price divided by 9.

(g) *Class II butterfat price.* The Class II butterfat price per pound shall be the Class IV butterfat price plus \$.007.

(h) *Class III price.* The Class III price per hundredweight, rounded to the nearest cent, shall be .965 times the Class III skim milk price plus 3.5 times the Class III butterfat price.

(i) *Class III skim milk price.* The Class III skim milk price per hundredweight, rounded to the nearest cent, shall be the protein price per pound times 3.1 plus the other solids price per pound times 5.9.

(j) *Class IV price.* The Class IV price per hundredweight, rounded to the nearest cent, shall be .965 times the Class IV skim milk price plus 3.5 times the Class IV butterfat price.

(k) *Class IV skim milk price.* The Class IV skim milk price per hundredweight, rounded to the nearest cent, shall be the nonfat solids price per pound times 9.

(l) *Class III and Class IV butterfat prices.* (1) *The Class III butterfat price* per pound, rounded to the nearest one-hundredth cent, shall be computed as follows:

(i) Compute a weighted average of the following prices:

(A) The U.S. average NASS survey price for 40-lb. block cheese reported by the Department for the month; and

(B) The U.S. average NASS survey price for 500-pound barrel cheddar cheese (38 percent moisture) reported

by the Department for the month plus 3 cents;

(ii) Subtract 16.5 cents from the price computed pursuant to paragraph (1)(1)(i) of this section and multiply the result by 1.582;

(2) *The Class IV butterfat price* per pound, rounded to the nearest one-hundredth cent, shall be the U.S. average NASS AA butter survey price reported by the Department for the month less 11.5 cents, with the result divided by 0.82.

(m) *Nonfat solids price.* The nonfat solids price per pound, rounded to the nearest one-hundredth cent, shall be the U.S. average NASS nonfat dry milk survey price reported by the Department for the month less 14 cents.

(n) *Protein price.* The protein price per pound, rounded to the nearest one-hundredth cent, shall be computed by subtracting 16.5 cents from the price computed pursuant to paragraph (1)(1)(i) of this section and multiplying the result by 1.405;

(o) *Other solids price.* The other solids price per pound, rounded to the nearest one-hundredth cent, shall be the U.S. average NASS dry whey survey price reported by the Department for the month minus 14 cents, with the result divided by 0.968. The other solids price shall not be less than zero.

(p) *Somatic cell adjustment.* The somatic cell adjustment per hundredweight of milk shall be determined as follows:

(1) Multiply .0005 by the weighted average price computed pursuant to paragraph (1)(1)(i) of this section and round to the 5th decimal place;

(2) Subtract the somatic cell count of the milk (reported in thousands) from 350; and

(3) Multiply the amount computed in paragraph (p)(1) of this section by the amount computed in paragraph (p)(2) of this section and round to the nearest full cent.

(q) *Advanced pricing factors.* For the purpose of computing the Class I skim milk price, the Class II skim milk price, the Class II nonfat solids price, and the Class I butterfat price for the following month, the following pricing factors shall be computed using the weighted average of the 2 most recent NASS U.S. average weekly survey

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prices announced before the 24th day of the month:

(1) An advanced Class III skim milk price per hundredweight, rounded to the nearest cent, shall be computed as follows:

(i) Following the procedure set forth in paragraphs (n) and (o) of this section, but using the weighted average of the 2 most recent NASS U.S. average weekly survey prices announced before the 24th day of the month, compute a protein price and an other solids price;

(ii) Multiply the protein price computed in paragraph (q)(1)(i) of this section by 3.1;

(iii) Multiply the other solids price per pound computed in paragraph (q)(1)(i) of this section by 5.9; and

(iv) Add the amounts computed in paragraphs (q)(1)(ii) and (iii) of this section.

(2) An advanced Class IV skim milk price per hundredweight, rounded to the nearest cent, shall be computed as follows:

(i) Following the procedure set forth in paragraph (m) of this section, but using the weighted average of the 2 most recent NASS U.S. average weekly survey prices announced before the 24th day of the month, compute a non-fat solids price; and

(ii) Multiply the nonfat solids price computed in paragraph (q)(2)(i) of this section by 9.

(3) Calculate the advanced Class III and advanced Class IV butterfat prices as follows:

(i) The advanced Class III butterfat price shall be calculated by subtracting

16.5 cents per pound from a weighted average of the 2 most recent U.S. average NASS survey prices for 40-lb. block cheese and for 500-pound barrel cheddar cheese (at 38 percent moisture) plus 3 cents announced before the 24th day of the month, with the result multiplied by 1.582;

(ii) The advanced Class IV butterfat price shall be calculated by subtracting 11.5 cents from a weighted average of the 2 most recent U.S. average NASS AA butter survey prices announced before the 24th day of the month, with the result divided by 0.82.

(4) Calculate the advanced Class III and advanced Class IV prices as follows:

(i) The advanced Class III price shall be the sum of the value calculated pursuant to paragraph (q)(1) of this section multiplied by .965 plus the value calculated pursuant to paragraph (q)(3)(i) of this section multiplied by 3.5, rounded to the nearest cent.

(ii) The advanced Class IV price shall be the sum of the value calculated pursuant to paragraph (q)(2) of this section multiplied by .965 plus the value calculated pursuant to paragraph (q)(3)(ii) of this section multiplied by 3.5, rounded to the nearest cent.

[64 FR 47899, Sept. 1, 1999, as amended at 65 FR 82833, Dec. 28, 2000]

**§ 1000.51 [Reserved]**

**§ 1000.52 Adjusted Class I differentials.**

The Class I differential adjusted for location to be used in § 1000.50(b) and (c) shall be as follows:

County/parish/city	State	FIPS code	Class I differential adjusted for location
AUTAUGA	AL .....	01001	3.30
BALDWIN	AL .....	01003	3.50
BARBOUR	AL .....	01005	3.45
BIBB	AL .....	01007	3.10
BLOUNT	AL .....	01009	3.10
BULLOCK	AL .....	01011	3.30
BUTLER	AL .....	01013	3.45
CALHOUN	AL .....	01015	3.10
CHAMBERS	AL .....	01017	3.10
CHEROKEE	AL .....	01019	3.10
CHILTON	AL .....	01021	3.10
CHOCTAW	AL .....	01023	3.30
CLARKE	AL .....	01025	3.45
CLAY	AL .....	01027	3.10
CLEBURNE	AL .....	01029	3.10
COFFEE	AL .....	01031	3.45
COLBERT	AL .....	01033	2.90
CONECUH	AL .....	01035	3.45

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County/parish/city	State	FIPS code	Class I differential adjusted for location
COOSA	AL	01037	3.10
COVINGTON	AL	01039	3.45
CRENSHAW	AL	01041	3.45
CULLMAN	AL	01043	3.10
DALE	AL	01045	3.45
DALLAS	AL	01047	3.30
DE KALB	AL	01049	2.90
ELMORE	AL	01051	3.30
ESCAMBIA	AL	01053	3.45
ETOWAH	AL	01055	3.10
FAYETTE	AL	01057	3.10
FRANKLIN	AL	01059	2.90
GENEVA	AL	01061	3.45
GREENE	AL	01063	3.10
HALE	AL	01065	3.10
HENRY	AL	01067	3.45
HOUSTON	AL	01069	3.45
JACKSON	AL	01071	2.90
JEFFERSON	AL	01073	3.10
LAMAR	AL	01075	3.10
LAUDERDALE	AL	01077	2.90
LAWRENCE	AL	01079	2.90
LEE	AL	01081	3.30
LIMESTONE	AL	01083	2.90
LOWNDES	AL	01085	3.30
MACON	AL	01087	3.30
MADISON	AL	01089	2.90
MARENGO	AL	01091	3.30
MARION	AL	01093	3.10
MARSHALL	AL	01095	2.90
MOBILE	AL	01097	3.50
MONROE	AL	01099	3.45
MONTGOMERY	AL	01101	3.30
MORGAN	AL	01103	2.90
PERRY	AL	01105	3.10
PICKENS	AL	01107	3.10
PIKE	AL	01109	3.45
RANDOLPH	AL	01111	3.10
RUSSELL	AL	01113	3.30
SHELBY	AL	01117	3.10
ST. CLAIR	AL	01115	3.10
SUMTER	AL	01119	3.10
TALLADEGA	AL	01121	3.10
TALLAPOOSA	AL	01123	3.10
TUSCALOOSA	AL	01125	3.10
WALKER	AL	01127	3.10
WASHINGTON	AL	01129	3.45
WILCOX	AL	01131	3.30
WINSTON	AL	01133	3.10
ARKANSAS	AR	05001	2.90
ASHLEY	AR	05003	3.10
BAXTER	AR	05005	2.60
BENTON	AR	05007	2.60
BOONE	AR	05009	2.60
BRADLEY	AR	05011	2.90
CALHOUN	AR	05013	2.90
CARROLL	AR	05015	2.60
CHICOT	AR	05017	3.10
CLARK	AR	05019	2.90
CLAY	AR	05021	2.60
CLEBURNE	AR	05023	2.80
CLEVELAND	AR	05025	2.90
COLUMBIA	AR	05027	3.10
CONWAY	AR	05029	2.80
CRAIGHEAD	AR	05031	2.60
CRAWFORD	AR	05033	2.80
CRITTENDEN	AR	05035	2.80
CROSS	AR	05037	2.80
DALLAS	AR	05039	2.90
DESHA	AR	05041	2.90
DREW	AR	05043	2.90
FAULKNER	AR	05045	2.80

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County/parish/city	State	FIPS code	Class I differential adjusted for location
FRANKLIN	AR	05047	2.80
FULTON	AR	05049	2.60
GARLAND	AR	05051	2.80
GRANT	AR	05053	2.90
GREENE	AR	05055	2.60
HEMPSTEAD	AR	05057	2.90
HOT SPRING	AR	05059	2.90
HOWARD	AR	05061	2.90
INDEPENDENCE	AR	05063	2.60
IZARD	AR	05065	2.60
JACKSON	AR	05067	2.60
JEFFERSON	AR	05069	2.90
JOHNSON	AR	05071	2.80
LAFAYETTE	AR	05073	3.10
LAWRENCE	AR	05075	2.60
LEE	AR	05077	2.80
LINCOLN	AR	05079	2.90
LITTLE RIVER	AR	05081	2.90
LOGAN	AR	05083	2.80
LONOKE	AR	05085	2.80
MADISON	AR	05087	2.60
MARION	AR	05089	2.60
MILLER	AR	05091	3.10
MISSISSIPPI	AR	05093	2.60
MONROE	AR	05095	2.80
MONTGOMERY	AR	05097	2.80
NEVADA	AR	05099	2.90
NEWTON	AR	05101	2.60
OUACHITA	AR	05103	2.90
PERRY	AR	05105	2.80
PHILLIPS	AR	05107	2.90
PIKE	AR	05109	2.90
POINSETT	AR	05111	2.60
POLK	AR	05113	2.80
POPE	AR	05115	2.80
PRAIRIE	AR	05117	2.80
PULASKI	AR	05119	2.80
RANDOLPH	AR	05121	2.60
SALINE	AR	05125	2.80
SCOTT	AR	05127	2.80
SEARCY	AR	05129	2.60
SEBASTIAN	AR	05131	2.80
SEVIER	AR	05133	2.90
SHARP	AR	05135	2.60
ST. FRANCIS	AR	05123	2.80
STONE	AR	05137	2.60
UNION	AR	05139	3.10
VAN BUREN	AR	05141	2.80
WASHINGTON	AR	05143	2.60
WHITE	AR	05145	2.80
WOODRUFF	AR	05147	2.80
YELL	AR	05149	2.80
APACHE	AZ	04001	1.90
COCHISE	AZ	04003	2.10
COCONINO	AZ	04005	1.90
GILA	AZ	04007	2.10
GRAHAM	AZ	04009	2.10
GREENLEE	AZ	04011	2.10
LA PAZ	AZ	04012	2.10
MARICOPA	AZ	04013	2.35
MOHAVE	AZ	04015	1.90
NAVAJO	AZ	04017	1.90
PIMA	AZ	04019	2.35
PINAL	AZ	04021	2.35
SANTA CRUZ	AZ	04023	2.10
YAVAPAI	AZ	04025	1.90
YUMA	AZ	04027	2.10
ALAMEDA	CA	06001	1.80
ALPINE	CA	06003	1.70
AMADOR	CA	06005	1.70
BUTTE	CA	06007	1.70
CALAVERAS	CA	06009	1.70

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County/parish/city	State	FIPS code	Class I differential adjusted for location
COLUSA	CA	06011	1.70
CONTRA COSTA	CA	06013	1.80
DEL NORTE	CA	06015	1.80
EL DORADO	CA	06017	1.70
FRESNO	CA	06019	1.60
GLENN	CA	06021	1.70
HUMBOLDT	CA	06023	1.80
IMPERIAL	CA	06025	2.00
INYO	CA	06027	1.60
KERN	CA	06029	1.80
KINGS	CA	06031	1.60
LAKE	CA	06033	1.80
LASSEN	CA	06035	1.70
LOS ANGELES	CA	06037	2.10
MADERA	CA	06039	1.60
MARIN	CA	06041	1.80
MARIPOSA	CA	06043	1.70
MENDOCINO	CA	06045	1.80
MERCED	CA	06047	1.70
MODOC	CA	06049	1.70
MONO	CA	06051	1.60
MONTEREY	CA	06053	1.80
NAPA	CA	06055	1.80
NEVADA	CA	06057	1.70
ORANGE	CA	06059	2.10
PLACER	CA	06061	1.70
PLUMAS	CA	06063	1.70
RIVERSIDE	CA	06065	2.00
SACRAMENTO	CA	06067	1.70
SAN BENITO	CA	06069	1.80
SAN BERNARDINO	CA	06071	1.80
SAN DIEGO	CA	06073	2.10
SAN FRANCISCO	CA	06075	1.80
SAN JOAQUIN	CA	06077	1.70
SAN LUIS OBISPO	CA	06079	1.80
SAN MATEO	CA	06081	1.80
SANTA BARBARA	CA	06083	1.80
SANTA CLARA	CA	06085	1.80
SANTA CRUZ	CA	06087	1.80
SHASTA	CA	06089	1.70
SIERRA	CA	06091	1.70
SISKIYOU	CA	06093	1.80
SOLANO	CA	06095	1.80
SONOMA	CA	06097	1.80
STANISLAUS	CA	06099	1.70
SUTTER	CA	06101	1.70
TEHAMA	CA	06103	1.70
TRINITY	CA	06105	1.80
TULARE	CA	06107	1.60
TUOLUMNE	CA	06109	1.70
VENTURA	CA	06111	1.80
YOLO	CA	06113	1.70
YUBA	CA	06115	1.70
ADAMS	CO	08001	2.55
ALAMOSA	CO	08003	1.90
ARAPAHOE	CO	08005	2.55
ARCHULETA	CO	08007	1.90
BACA	CO	08009	2.35
BENT	CO	08011	2.35
BOULDER	CO	08013	2.45
CHAFFEE	CO	08015	1.90
CHEYENNE	CO	08017	2.35
CLEAR CREEK	CO	08019	2.45
CONEJOS	CO	08021	1.90
COSTILLA	CO	08023	1.90
CROWLEY	CO	08025	2.45
CUSTER	CO	08027	2.45
DELTA	CO	08029	2.00
DENVER	CO	08031	2.55
DOLORES	CO	08033	1.90
DOUGLAS	CO	08035	2.55
EAGLE	CO	08037	1.90

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County/parish/city	State	FIPS code	Class I differential adjusted for location
EL PASO	CO	08041	2.55
ELBERT	CO	08039	2.45
FREMONT	CO	08043	2.45
GARFIELD	CO	08045	2.00
GILPIN	CO	08047	2.45
GRAND	CO	08049	1.90
GUNNISON	CO	08051	1.90
HINSDALE	CO	08053	1.90
HUERFANO	CO	08055	2.45
JACKSON	CO	08057	1.90
JEFFERSON	CO	08059	2.55
KIOWA	CO	08061	2.35
KIT CARSON	CO	08063	2.35
LA PLATA	CO	08067	1.90
LAKE	CO	08065	1.90
LARIMER	CO	08069	2.45
LAS ANIMAS	CO	08071	2.35
LINCOLN	CO	08073	2.45
LOGAN	CO	08075	2.35
MESA	CO	08077	2.00
MINERAL	CO	08079	1.90
MOFFAT	CO	08081	1.90
MONTEZUMA	CO	08083	1.90
MONTROSE	CO	08085	2.00
MORGAN	CO	08087	2.35
OTERO	CO	08089	2.45
OURAY	CO	08091	1.90
PARK	CO	08093	2.45
PHILLIPS	CO	08095	2.35
PITKIN	CO	08097	1.90
PROWERS	CO	08099	2.35
PUEBLO	CO	08101	2.45
RIO BLANCO	CO	08103	1.90
RIO GRANDE	CO	08105	1.90
ROUTT	CO	08107	1.90
SAGUACHE	CO	08109	1.90
SAN JUAN	CO	08111	1.90
SAN MIGUEL	CO	08113	1.90
SEDGWICK	CO	08115	2.35
SUMMIT	CO	08117	1.90
TELLER	CO	08119	2.45
WASHINGTON	CO	08121	2.35
WELD	CO	08123	2.45
YUMA	CO	08125	2.35
FAIRFIELD	CT	09001	3.15
HARTFORD	CT	09003	3.15
LITCHFIELD	CT	09005	3.00
MIDDLESEX	CT	09007	3.15
NEW HAVEN	CT	09009	3.15
NEW LONDON	CT	09011	3.15
TOLLAND	CT	09013	3.15
WINDHAM	CT	09015	3.15
DISTRICT OF COLUMBIA	DC	11001	3.00
KENT	DE	10001	3.05
NEW CASTLE	DE	10003	3.05
SUSSEX	DE	10005	3.05
ALACHUA	FL	12001	3.70
BAKER	FL	12003	3.70
BAY	FL	12005	3.70
BRADFORD	FL	12007	3.70
BREVARD	FL	12009	4.00
BROWARD	FL	12011	4.30
CALHOUN	FL	12013	3.70
CHARLOTTE	FL	12015	4.30
CITRUS	FL	12017	4.00
CLAY	FL	12019	3.70
COLLIER	FL	12021	4.30
COLUMBIA	FL	12023	3.70
DADE	FL	12025	4.30
DE SOTO	FL	12027	4.00
DIXIE	FL	12029	3.70
DUVAL	FL	12031	3.70

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County/parish/city	State	FIPS code	Class I differential adjusted for location
ESCAMBIA	FL	12033	3.45
FLAGLER	FL	12035	4.00
FRANKLIN	FL	12037	3.70
GADSDEN	FL	12039	3.70
GILCHRIST	FL	12041	3.70
GLADES	FL	12043	4.30
GULF	FL	12045	3.70
HAMILTON	FL	12047	3.70
HARDEE	FL	12049	4.00
HENDRY	FL	12051	4.30
HERNANDO	FL	12053	4.00
HIGHLANDS	FL	12055	4.00
HILLSBOROUGH	FL	12057	4.00
HOLMES	FL	12059	3.70
INDIAN RIVER	FL	12061	4.00
JACKSON	FL	12063	3.70
JEFFERSON	FL	12065	3.70
LAFAYETTE	FL	12067	3.70
LAKE	FL	12069	4.00
LEE	FL	12071	4.30
LEON	FL	12073	3.70
LEVY	FL	12075	4.00
LIBERTY	FL	12077	3.70
MADISON	FL	12079	3.70
MANATEE	FL	12081	4.00
MARION	FL	12083	4.00
MARTIN	FL	12085	4.30
MONROE	FL	12087	4.30
NASSAU	FL	12089	3.70
OKALOOSA	FL	12091	3.45
OKEECHOBEE	FL	12093	4.00
ORANGE	FL	12095	4.00
OSCEOLA	FL	12097	4.00
PALM BEACH	FL	12099	4.30
PASCO	FL	12101	4.00
PINELLAS	FL	12103	4.00
POLK	FL	12105	4.00
PUTNAM	FL	12107	3.70
SANTA ROSA	FL	12113	3.45
SARASOTA	FL	12115	4.00
SEMINOLE	FL	12117	4.00
ST. JOHNS	FL	12109	3.70
ST. LUCIE	FL	12111	4.00
SUMTER	FL	12119	4.00
SUWANNEE	FL	12121	3.70
TAYLOR	FL	12123	3.70
UNION	FL	12125	3.70
VOLUSIA	FL	12127	4.00
WAKULLA	FL	12129	3.70
WALTON	FL	12131	3.45
WASHINGTON	FL	12133	3.70
APPLING	GA	13001	3.45
ATKINSON	GA	13003	3.45
BACON	GA	13005	3.45
BAKER	GA	13007	3.45
BALDWIN	GA	13009	3.10
BANKS	GA	13011	3.10
BARROW	GA	13013	3.10
BARTOW	GA	13015	3.10
BEN HILL	GA	13017	3.45
BERRIEN	GA	13019	3.45
BIBB	GA	13021	3.30
BLECKLEY	GA	13023	3.30
BRANTLEY	GA	13025	3.45
BROOKS	GA	13027	3.45
BRYAN	GA	13029	3.45
BULLOCH	GA	13031	3.30
BURKE	GA	13033	3.30
BUTTS	GA	13035	3.10
CALHOUN	GA	13037	3.45
CAMDEN	GA	13039	3.45
CANDLER	GA	13043	3.30

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County/parish/city	State	FIPS code	Class I differential adjusted for location
CARROLL	GA	13045	3.10
CATOOSA	GA	13047	2.80
CHARLTON	GA	13049	3.45
CHATHAM	GA	13051	3.45
CHATTAHOOCHEE	GA	13053	3.30
CHATTOOGA	GA	13055	2.80
CHEROKEE	GA	13057	3.10
CLARKE	GA	13059	3.10
CLAY	GA	13061	3.45
CLAYTON	GA	13063	3.10
CLINCH	GA	13065	3.45
COBB	GA	13067	3.10
COFFEE	GA	13069	3.45
COLQUITT	GA	13071	3.45
COLUMBIA	GA	13073	3.10
COOK	GA	13075	3.45
COWETA	GA	13077	3.10
CRAWFORD	GA	13079	3.30
CRISP	GA	13081	3.45
DADE	GA	13083	2.80
DAWSON	GA	13085	3.10
DE KALB	GA	13089	3.10
DECATUR	GA	13087	3.45
DODGE	GA	13091	3.45
DOOLY	GA	13093	3.45
DOUGHERTY	GA	13095	3.45
DOUGLAS	GA	13097	3.10
EARLY	GA	13099	3.45
ECHOLS	GA	13101	3.45
EFFINGHAM	GA	13103	3.30
ELBERT	GA	13105	3.10
EMANUEL	GA	13107	3.30
EVANS	GA	13109	3.45
FANNIN	GA	13111	2.80
FAYETTE	GA	13113	3.10
FLOYD	GA	13115	3.10
FORSYTH	GA	13117	3.10
FRANKLIN	GA	13119	3.10
FULTON	GA	13121	3.10
GILMER	GA	13123	3.10
GLASCOCK	GA	13125	3.10
GLYNN	GA	13127	3.45
GORDON	GA	13129	3.10
GRADY	GA	13131	3.45
GREENE	GA	13133	3.10
GWINNETT	GA	13135	3.10
HABERSHAM	GA	13137	3.10
HALL	GA	13139	3.10
HANCOCK	GA	13141	3.10
HARALSON	GA	13143	3.10
HARRIS	GA	13145	3.30
HART	GA	13147	3.10
HEARD	GA	13149	3.10
HENRY	GA	13151	3.10
HOUSTON	GA	13153	3.30
IRWIN	GA	13155	3.45
JACKSON	GA	13157	3.10
JASPER	GA	13159	3.10
JEFF DAVIS	GA	13161	3.45
JEFFERSON	GA	13163	3.30
JENKINS	GA	13165	3.30
JOHNSON	GA	13167	3.30
JONES	GA	13169	3.10
LAMAR	GA	13171	3.10
LANIER	GA	13173	3.45
LAURENS	GA	13175	3.30
LEE	GA	13177	3.45
LIBERTY	GA	13179	3.45
LINCOLN	GA	13181	3.10
LONG	GA	13183	3.45
LOWNDES	GA	13185	3.45
LUMPKIN	GA	13187	3.10

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County/parish/city	State	FIPS code	Class I differential adjusted for location
MACON	GA .....	13193	3.30
MADISON	GA .....	13195	3.10
MARION	GA .....	13197	3.30
MCDUFFIE	GA .....	13189	3.10
MCINTOSH	GA .....	13191	3.45
MERIWETHER	GA .....	13199	3.10
MILLER	GA .....	13201	3.45
MITCHELL	GA .....	13205	3.45
MONROE	GA .....	13207	3.10
MONTGOMERY	GA .....	13209	3.45
MORGAN	GA .....	13211	3.10
MURRAY	GA .....	13213	2.80
MUSCOGEE	GA .....	13215	3.30
NEWTON	GA .....	13217	3.10
OCONEE	GA .....	13219	3.10
OGLETHORPE	GA .....	13221	3.10
PAULDING	GA .....	13223	3.10
PEACH	GA .....	13225	3.30
PICKENS	GA .....	13227	3.10
PIERCE	GA .....	13229	3.45
PIKE	GA .....	13231	3.10
POLK	GA .....	13233	3.10
PULASKI	GA .....	13235	3.45
PUTNAM	GA .....	13237	3.10
QUITMAN	GA .....	13239	3.45
RABUN	GA .....	13241	3.10
RANDOLPH	GA .....	13243	3.45
RICHMOND	GA .....	13245	3.30
ROCKDALE	GA .....	13247	3.10
SCHLEY	GA .....	13249	3.30
SCREVEN	GA .....	13251	3.30
SEMINOLE	GA .....	13253	3.45
SPALDING	GA .....	13255	3.10
STEPHENS	GA .....	13257	3.10
STEWART	GA .....	13259	3.45
SUMTER	GA .....	13261	3.45
TALBOT	GA .....	13263	3.30
TALIAFERRO	GA .....	13265	3.10
TATTNALL	GA .....	13267	3.45
TAYLOR	GA .....	13269	3.30
TELFAIR	GA .....	13271	3.45
TERRELL	GA .....	13273	3.45
THOMAS	GA .....	13275	3.45
TIFT	GA .....	13277	3.45
TOOMBS	GA .....	13279	3.45
TOWNS	GA .....	13281	3.10
TREUTLEN	GA .....	13283	3.30
TROUP	GA .....	13285	3.10
TURNER	GA .....	13287	3.45
TWIGGS	GA .....	13289	3.30
UNION	GA .....	13291	3.10
UPSON	GA .....	13293	3.10
WALKER	GA .....	13295	2.80
WALTON	GA .....	13297	3.10
WARE	GA .....	13299	3.45
WARREN	GA .....	13301	3.10
WASHINGTON	GA .....	13303	3.30
WAYNE	GA .....	13305	3.45
WEBSTER	GA .....	13307	3.45
WHEELER	GA .....	13309	3.45
WHITE	GA .....	13311	3.10
WHITFIELD	GA .....	13313	2.80
WILCOX	GA .....	13315	3.45
WILKES	GA .....	13317	3.10
WILKINSON	GA .....	13319	3.30
WORTH	GA .....	13321	3.45
ADAIR	IA .....	19001	1.80
ADAMS	IA .....	19003	1.80
ALLAMAKEE	IA .....	19005	1.75
APPANOOSE	IA .....	19007	1.80
AUDUBON	IA .....	19009	1.80
BENTON	IA .....	19011	1.80

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County/parish/city	State	FIPS code	Class I differential adjusted for location
BLACK HAWK	IA .....	19013	1.75
BOONE	IA .....	19015	1.80
BREMER	IA .....	19017	1.75
BUCHANAN	IA .....	19019	1.75
BUENA VISTA	IA .....	19021	1.75
BUTLER	IA .....	19023	1.75
CALHOUN	IA .....	19025	1.75
CARROLL	IA .....	19027	1.80
CASS	IA .....	19029	1.80
CEDAR	IA .....	19031	1.80
CERRO GORDO	IA .....	19033	1.75
CHEROKEE	IA .....	19035	1.75
CHICKASAW	IA .....	19037	1.75
CLARKE	IA .....	19039	1.80
CLAY	IA .....	19041	1.75
CLAYTON	IA .....	19043	1.75
CLINTON	IA .....	19045	1.80
CRAWFORD	IA .....	19047	1.80
DALLAS	IA .....	19049	1.80
DAVIS	IA .....	19051	1.80
DECATUR	IA .....	19053	1.80
DELAWARE	IA .....	19055	1.75
DES MOINES	IA .....	19057	1.80
DICKINSON	IA .....	19059	1.75
DUBUQUE	IA .....	19061	1.75
EMMET	IA .....	19063	1.75
FAYETTE	IA .....	19065	1.75
FLOYD	IA .....	19067	1.75
FRANKLIN	IA .....	19069	1.75
FREMONT	IA .....	19071	1.85
GREENE	IA .....	19073	1.80
GRUNDY	IA .....	19075	1.75
GUTHRIE	IA .....	19077	1.80
HAMILTON	IA .....	19079	1.75
HANCOCK	IA .....	19081	1.75
HARDIN	IA .....	19083	1.75
HARRISON	IA .....	19085	1.80
HENRY	IA .....	19087	1.80
HOWARD	IA .....	19089	1.75
HUMBOLDT	IA .....	19091	1.75
IDA	IA .....	19093	1.75
IOWA	IA .....	19095	1.80
JACKSON	IA .....	19097	1.80
JASPER	IA .....	19099	1.80
JEFFERSON	IA .....	19101	1.80
JOHNSON	IA .....	19103	1.80
JONES	IA .....	19105	1.80
KEOKUK	IA .....	19107	1.80
KOSSUTH	IA .....	19109	1.75
LEE	IA .....	19111	1.80
LINN	IA .....	19113	1.80
LOUISA	IA .....	19115	1.80
LUCAS	IA .....	19117	1.80
LYON	IA .....	19119	1.75
MADISON	IA .....	19121	1.80
MAHASKA	IA .....	19123	1.80
MARION	IA .....	19125	1.80
MARSHALL	IA .....	19127	1.80
MILLS	IA .....	19129	1.85
MITCHELL	IA .....	19131	1.75
MONONA	IA .....	19133	1.80
MONROE	IA .....	19135	1.80
MONTGOMERY	IA .....	19137	1.80
MUSCATINE	IA .....	19139	1.80
O'BRIEN	IA .....	19141	1.75
OSCEOLA	IA .....	19143	1.75
PAGE	IA .....	19145	1.80
PALO ALTO	IA .....	19147	1.75
PLYMOUTH	IA .....	19149	1.75
POCAHONTAS	IA .....	19151	1.75
POLK	IA .....	19153	1.80
POTTAWATTAMIE	IA .....	19155	1.85

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County/parish/city	State	FIPS code	Class I differential adjusted for location
POWESHIEK	IA .....	19157	1.80
RINGGOLD	IA .....	19159	1.80
SAC	IA .....	19161	1.75
SCOTT	IA .....	19163	1.80
SHELBY	IA .....	19165	1.80
SIOUX	IA .....	19167	1.75
STORY	IA .....	19169	1.80
TAMA	IA .....	19171	1.80
TAYLOR	IA .....	19173	1.80
UNION	IA .....	19175	1.80
VAN BUREN	IA .....	19177	1.80
WAPELLO	IA .....	19179	1.80
WARREN	IA .....	19181	1.80
WASHINGTON	IA .....	19183	1.80
WAYNE	IA .....	19185	1.80
WEBSTER	IA .....	19187	1.75
WINNEBAGO	IA .....	19189	1.75
WINNESHIEK	IA .....	19191	1.75
WOODBURY	IA .....	19193	1.75
WORTH	IA .....	19195	1.75
WRIGHT	IA .....	19197	1.75
ADA	ID .....	16001	1.60
ADAMS	ID .....	16003	1.60
BANNOCK	ID .....	16005	1.60
BEAR LAKE	ID .....	16007	1.60
BENEWAH	ID .....	16009	1.90
BINGHAM	ID .....	16011	1.60
BLAINE	ID .....	16013	1.60
BOISE	ID .....	16015	1.60
BONNER	ID .....	16017	1.90
BONNEVILLE	ID .....	16019	1.60
BOUNDARY	ID .....	16021	1.90
BUTTE	ID .....	16023	1.60
CAMAS	ID .....	16025	1.60
CANYON	ID .....	16027	1.60
CARIBOU	ID .....	16029	1.60
CASSIA	ID .....	16031	1.60
CLARK	ID .....	16033	1.60
CLEARWATER	ID .....	16035	1.60
CUSTER	ID .....	16037	1.60
ELMORE	ID .....	16039	1.60
FRANKLIN	ID .....	16041	1.60
FREMONT	ID .....	16043	1.60
GEM	ID .....	16045	1.60
GOODING	ID .....	16047	1.60
IDAHO	ID .....	16049	1.60
JEFFERSON	ID .....	16051	1.60
JEROME	ID .....	16053	1.60
KOOTENAI	ID .....	16055	1.90
LATAH	ID .....	16057	1.90
LEMHI	ID .....	16059	1.60
LEWIS	ID .....	16061	1.60
LINCOLN	ID .....	16063	1.60
MADISON	ID .....	16065	1.60
MINIDOKA	ID .....	16067	1.60
NEZ PERCE	ID .....	16069	1.60
ONEIDA	ID .....	16071	1.60
OWYHEE	ID .....	16073	1.60
PAYETTE	ID .....	16075	1.60
POWER	ID .....	16077	1.60
SHOSHONE	ID .....	16079	1.90
TETON	ID .....	16081	1.60
TWIN FALLS	ID .....	16083	1.60
VALLEY	ID .....	16085	1.60
WASHINGTON	ID .....	16087	1.60
ADAMS	IL .....	17001	1.80
ALEXANDER	IL .....	17003	2.20
BOND	IL .....	17005	2.00
BOONE	IL .....	17007	1.75
BROWN	IL .....	17009	1.80
BUREAU	IL .....	17011	1.80
CALHOUN	IL .....	17013	2.00

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County/parish/city	State	FIPS code	Class I differential adjusted for location
CARROLL	IL	17015	1.80
CASS	IL	17017	1.80
CHAMPAIGN	IL	17019	1.80
CHRISTIAN	IL	17021	2.00
CLARK	IL	17023	2.00
CLAY	IL	17025	2.00
CLINTON	IL	17027	2.00
COLES	IL	17029	2.00
COOK	IL	17031	1.80
CRAWFORD	IL	17033	2.00
CUMBERLAND	IL	17035	2.00
DE KALB	IL	17037	1.80
DE WITT	IL	17039	1.80
DOUGLAS	IL	17041	2.00
DU PAGE	IL	17043	1.80
EDGAR	IL	17045	2.00
EDWARDS	IL	17047	2.20
EFFINGHAM	IL	17049	2.00
FAYETTE	IL	17051	2.00
FORD	IL	17053	1.80
FRANKLIN	IL	17055	2.20
FULTON	IL	17057	1.80
GALLATIN	IL	17059	2.20
GREENE	IL	17061	2.00
GRUNDY	IL	17063	1.80
HAMILTON	IL	17065	2.20
HANCOCK	IL	17067	1.80
HARDIN	IL	17069	2.20
HENDERSON	IL	17071	1.80
HENRY	IL	17073	1.80
IROQUOIS	IL	17075	1.80
JACKSON	IL	17077	2.20
JASPER	IL	17079	2.00
JEFFERSON	IL	17081	2.00
JERSEY	IL	17083	2.00
JO DAVIESS	IL	17085	1.75
JOHNSON	IL	17087	2.20
KANE	IL	17089	1.80
KANKAKEE	IL	17091	1.80
KENDALL	IL	17093	1.80
KNOX	IL	17095	1.80
LA SALLE	IL	17099	1.80
LAKE	IL	17097	1.80
LAWRENCE	IL	17101	2.00
LEE	IL	17103	1.80
LIVINGSTON	IL	17105	1.80
LOGAN	IL	17107	1.80
MACON	IL	17115	1.80
MACOUPIN	IL	17117	2.00
MADISON	IL	17119	2.00
MARION	IL	17121	2.00
MARSHALL	IL	17123	1.80
MASSON	IL	17125	1.80
MASSAC	IL	17127	2.20
MCDONOUGH	IL	17109	1.80
MCHENRY	IL	17111	1.80
MCLEAN	IL	17113	1.80
MENARD	IL	17129	1.80
MERCER	IL	17131	1.80
MONROE	IL	17133	2.00
MONTGOMERY	IL	17135	2.00
MORGAN	IL	17137	1.80
MOULTRIE	IL	17139	2.00
OGLE	IL	17141	1.80
PEORIA	IL	17143	1.80
PERRY	IL	17145	2.00
PIATT	IL	17147	1.80
PIKE	IL	17149	1.80
POPE	IL	17151	2.20
PULASKI	IL	17153	2.20
PUTNAM	IL	17155	1.80
RANDOLPH	IL	17157	2.00

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County/parish/city	State	FIPS code	Class I differential adjusted for location
RICHLAND	IL	17159	2.00
ROCK ISLAND	IL	17161	1.80
SALINE	IL	17165	2.20
SANGAMON	IL	17167	1.80
SCHUYLER	IL	17169	1.80
SCOTT	IL	17171	1.80
SHELBY	IL	17173	2.00
ST. CLAIR	IL	17163	2.00
STARK	IL	17175	1.80
STEPHENSON	IL	17177	1.75
TAZEWELL	IL	17179	1.80
UNION	IL	17181	2.20
VERMILION	IL	17183	1.80
WABASH	IL	17185	2.20
WARREN	IL	17187	1.80
WASHINGTON	IL	17189	2.00
WAYNE	IL	17191	2.20
WHITE	IL	17193	2.20
WHITESIDE	IL	17195	1.80
WILL	IL	17197	1.80
WILLIAMSON	IL	17199	2.20
WINNEBAGO	IL	17201	1.75
WOODFORD	IL	17203	1.80
ADAMS	IN	18001	1.80
ALLEN	IN	18003	1.80
BARTHOLOMEW	IN	18005	2.20
BENTON	IN	18007	1.80
BLACKFORD	IN	18009	1.80
BOONE	IN	18011	2.00
BROWN	IN	18013	2.20
CARROLL	IN	18015	1.80
CASS	IN	18017	1.80
CLARK	IN	18019	2.20
CLAY	IN	18021	2.00
CLINTON	IN	18023	1.80
CRAWFORD	IN	18025	2.20
DAVISS	IN	18027	2.20
DEKALB	IN	18033	1.80
DEARBORN	IN	18029	2.20
DECATUR	IN	18031	2.20
DELAWARE	IN	18035	2.00
DUBOIS	IN	18037	2.20
ELKHART	IN	18039	1.80
FAYETTE	IN	18041	2.00
FLOYD	IN	18043	2.20
FOUNTAIN	IN	18045	1.80
FRANKLIN	IN	18047	2.00
FULTON	IN	18049	1.80
GIBSON	IN	18051	2.20
GRANT	IN	18053	1.80
GREENE	IN	18055	2.20
HAMILTON	IN	18057	2.00
HANCOCK	IN	18059	2.00
HARRISON	IN	18061	2.20
HENDRICKS	IN	18063	2.00
HENRY	IN	18065	2.00
HOWARD	IN	18067	1.80
HUNTINGTON	IN	18069	1.80
JACKSON	IN	18071	2.20
JASPER	IN	18073	1.80
JAY	IN	18075	1.80
JEFFERSON	IN	18077	2.20
JENNINGS	IN	18079	2.20
JOHNSON	IN	18081	2.00
KNOX	IN	18083	2.20
KOSCIUSKO	IN	18085	1.80
LA PORTE	IN	18091	1.80
LAGRANGE	IN	18087	1.80
LAKE	IN	18089	1.80
LAWRENCE	IN	18093	2.20
MADISON	IN	18095	2.00
MARION	IN	18097	2.00

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County/parish/city	State	FIPS code	Class I differential adjusted for location
MARSHALL	IN	18099	1.80
MARTIN	IN	18101	2.20
MIAMI	IN	18103	1.80
MONROE	IN	18105	2.20
MONTGOMERY	IN	18107	2.00
MORGAN	IN	18109	2.00
NEWTON	IN	18111	1.80
NOBLE	IN	18113	1.80
OHIO	IN	18115	2.20
ORANGE	IN	18117	2.20
OWEN	IN	18119	2.00
PARKE	IN	18121	2.00
PERRY	IN	18123	2.20
PIKE	IN	18125	2.20
PORTER	IN	18127	1.80
POSEY	IN	18129	2.20
PULASKI	IN	18131	1.80
PUTNAM	IN	18133	2.00
RANDOLPH	IN	18135	2.00
RIPLEY	IN	18137	2.20
RUSH	IN	18139	2.00
SCOTT	IN	18143	2.20
SHELBY	IN	18145	2.00
SPENCER	IN	18147	2.20
ST. JOSEPH	IN	18141	1.80
STARKE	IN	18149	1.80
STEBEN	IN	18151	1.80
SULLIVAN	IN	18153	2.20
SWITZERLAND	IN	18155	2.20
TIPPECANOE	IN	18157	1.80
TIPTON	IN	18159	1.80
UNION	IN	18161	2.00
VANDEBURGH	IN	18163	2.20
VERMILLION	IN	18165	2.00
VIGO	IN	18167	2.00
WABASH	IN	18169	1.80
WARREN	IN	18171	1.80
WARRICK	IN	18173	2.20
WASHINGTON	IN	18175	2.20
WAYNE	IN	18177	2.00
WELLS	IN	18179	1.80
WHITE	IN	18181	1.80
WHITLEY	IN	18183	1.80
ALLEN	KS	20001	2.20
ANDERSON	KS	20003	2.00
ATCHISON	KS	20005	2.00
BARBER	KS	20007	2.20
BARTON	KS	20009	2.20
BOURBON	KS	20011	2.20
BROWN	KS	20013	2.00
BUTLER	KS	20015	2.20
CHASE	KS	20017	2.20
CHAUTAUQUA	KS	20019	2.20
CHEROKEE	KS	20021	2.20
CHEYENNE	KS	20023	2.20
CLARK	KS	20025	2.20
CLAY	KS	20027	2.00
CLOUD	KS	20029	2.00
COFFEY	KS	20031	2.00
COMANCHE	KS	20033	2.20
COWLEY	KS	20035	2.20
CRAWFORD	KS	20037	2.20
DECATUR	KS	20039	2.00
DICKINSON	KS	20041	2.00
DONIPHAN	KS	20043	2.00
DOUGLAS	KS	20045	2.00
EDWARDS	KS	20047	2.20
ELK	KS	20049	2.20
ELLIS	KS	20051	2.00
ELLSWORTH	KS	20053	2.00
FINNEY	KS	20055	2.20
FORD	KS	20057	2.20

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FRANKLIN	KS .....	20059	2.00
GEARY	KS .....	20061	2.00
GOVE	KS .....	20063	2.20
GRAHAM	KS .....	20065	2.00
GRANT	KS .....	20067	2.20
GRAY	KS .....	20069	2.20
GREELEY	KS .....	20071	2.20
GREENWOOD	KS .....	20073	2.20
HAMILTON	KS .....	20075	2.20
HARPER	KS .....	20077	2.20
HARVEY	KS .....	20079	2.20
HASKELL	KS .....	20081	2.20
HODGEMAN	KS .....	20083	2.20
JACKSON	KS .....	20085	2.00
JEFFERSON	KS .....	20087	2.00
JEWELL	KS .....	20089	2.00
JOHNSON	KS .....	20091	2.00
KEARNY	KS .....	20093	2.20
KINGMAN	KS .....	20095	2.20
KIOWA	KS .....	20097	2.20
LABETTE	KS .....	20099	2.20
LANE	KS .....	20101	2.20
LEAVENWORTH	KS .....	20103	2.00
LINCOLN	KS .....	20105	2.00
LINN	KS .....	20107	2.00
LOGAN	KS .....	20109	2.20
LYON	KS .....	20111	2.00
MARION	KS .....	20115	2.20
MARSHALL	KS .....	20117	2.00
MCPHERSON	KS .....	20113	2.20
MEADE	KS .....	20119	2.20
MIAMI	KS .....	20121	2.00
MITCHELL	KS .....	20123	2.00
MONTGOMERY	KS .....	20125	2.20
MORRIS	KS .....	20127	2.00
MORTON	KS .....	20129	2.20
NEMAHA	KS .....	20131	2.00
NEOSHO	KS .....	20133	2.20
NESS	KS .....	20135	2.20
NORTON	KS .....	20137	2.00
OSAGE	KS .....	20139	2.00
OSBORNE	KS .....	20141	2.00
OTTAWA	KS .....	20143	2.00
PAWNEE	KS .....	20145	2.20
PHILLIPS	KS .....	20147	2.00
POTTAWATOMIE	KS .....	20149	2.00
PRATT	KS .....	20151	2.20
RAWLINS	KS .....	20153	2.00
RENO	KS .....	20155	2.20
REPUBLIC	KS .....	20157	2.00
RICE	KS .....	20159	2.20
RILEY	KS .....	20161	2.00
ROOKS	KS .....	20163	2.00
RUSH	KS .....	20165	2.20
RUSSELL	KS .....	20167	2.00
SALINE	KS .....	20169	2.00
SCOTT	KS .....	20171	2.20
SEDGWICK	KS .....	20173	2.20
SEWARD	KS .....	20175	2.20
SHAWNEE	KS .....	20177	2.00
SHERIDAN	KS .....	20179	2.00
SHERMAN	KS .....	20181	2.20
SMITH	KS .....	20183	2.00
STAFFORD	KS .....	20185	2.20
STANTON	KS .....	20187	2.20
STEVENS	KS .....	20189	2.20
SUMNER	KS .....	20191	2.20
THOMAS	KS .....	20193	2.00
TREGO	KS .....	20195	2.20
WABAUNSEE	KS .....	20197	2.00
WALLACE	KS .....	20199	2.20
WASHINGTON	KS .....	20201	2.00

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WICHITA	KS .....	20203	2.20
WILSON	KS .....	20205	2.20
WOODSON	KS .....	20207	2.20
WYANDOTTE	KS .....	20209	2.00
ADAIR	KY .....	21001	2.40
ALLEN	KY .....	21003	2.40
ANDERSON	KY .....	21005	2.20
BALLARD	KY .....	21007	2.40
BARREN	KY .....	21009	2.40
BATH	KY .....	21011	2.20
BELL	KY .....	21013	2.40
BOONE	KY .....	21015	2.20
BOURBON	KY .....	21017	2.20
BOYD	KY .....	21019	2.20
BOYLE	KY .....	21021	2.20
BRACKEN	KY .....	21023	2.20
BREATHITT	KY .....	21025	2.20
BRECKINRIDGE	KY .....	21027	2.20
BULLITT	KY .....	21029	2.20
BUTLER	KY .....	21031	2.40
CALDWELL	KY .....	21033	2.40
CALLOWAY	KY .....	21035	2.40
CAMPBELL	KY .....	21037	2.20
CARLISLE	KY .....	21039	2.40
CARROLL	KY .....	21041	2.20
CARTER	KY .....	21043	2.20
CASEY	KY .....	21045	2.40
CHRISTIAN	KY .....	21047	2.40
CLARK	KY .....	21049	2.20
CLAY	KY .....	21051	2.40
CLINTON	KY .....	21053	2.40
CRITTENDEN	KY .....	21055	2.40
CUMBERLAND	KY .....	21057	2.40
DAVISS	KY .....	21059	2.20
EDMONSON	KY .....	21061	2.40
ELLIOTT	KY .....	21063	2.20
ESTILL	KY .....	21065	2.20
FAYETTE	KY .....	21067	2.20
FLEMING	KY .....	21069	2.20
FLOYD	KY .....	21071	2.20
FRANKLIN	KY .....	21073	2.20
FULTON	KY .....	21075	2.40
GALLATIN	KY .....	21077	2.20
GARRARD	KY .....	21079	2.20
GRANT	KY .....	21081	2.20
GRAVES	KY .....	21083	2.40
GRAYSON	KY .....	21085	2.40
GREEN	KY .....	21087	2.40
GREENUP	KY .....	21089	2.20
HANCOCK	KY .....	21091	2.20
HARDIN	KY .....	21093	2.20
HARLAN	KY .....	21095	2.40
HARRISON	KY .....	21097	2.20
HART	KY .....	21099	2.40
HENDERSON	KY .....	21101	2.20
HENRY	KY .....	21103	2.20
HICKMAN	KY .....	21105	2.40
HOPKINS	KY .....	21107	2.40
JACKSON	KY .....	21109	2.20
JEFFERSON	KY .....	21111	2.20
JESSAMINE	KY .....	21113	2.20
JOHNSON	KY .....	21115	2.20
KENTON	KY .....	21117	2.20
KNOTT	KY .....	21119	2.40
KNOX	KY .....	21121	2.40
LARUE	KY .....	21123	2.20
LAUREL	KY .....	21125	2.40
LAWRENCE	KY .....	21127	2.20
LEE	KY .....	21129	2.20
LESLIE	KY .....	21131	2.40
LETCHER	KY .....	21133	2.40
LEWIS	KY .....	21135	2.20

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County/parish/city	State	FIPS code	Class I differential adjusted for location
LINCOLN	KY	21137	2.20
LIVINGSTON	KY	21139	2.40
LOGAN	KY	21141	2.40
LYON	KY	21143	2.40
MADISON	KY	21151	2.20
MAGOFFIN	KY	21153	2.20
MARION	KY	21155	2.20
MARSHALL	KY	21157	2.40
MARTIN	KY	21159	2.20
MASON	KY	21161	2.20
MCCRACKEN	KY	21145	2.40
MCCREARY	KY	21147	2.40
MCLEAN	KY	21149	2.20
MEADE	KY	21163	2.20
MENIFEE	KY	21165	2.20
MERCER	KY	21167	2.20
METCALFE	KY	21169	2.40
MONROE	KY	21171	2.40
MONTGOMERY	KY	21173	2.20
MORGAN	KY	21175	2.20
MUHLENBERG	KY	21177	2.40
NELSON	KY	21179	2.20
NICHOLAS	KY	21181	2.20
OHIO	KY	21183	2.40
OLDHAM	KY	21185	2.20
OWEN	KY	21187	2.20
OWSLEY	KY	21189	2.20
PENDLETON	KY	21191	2.20
PERRY	KY	21193	2.40
PIKE	KY	21195	2.40
POWELL	KY	21197	2.20
PULASKI	KY	21199	2.40
ROBERTSON	KY	21201	2.20
ROCKCASTLE	KY	21203	2.20
ROWAN	KY	21205	2.20
RUSSELL	KY	21207	2.40
SCOTT	KY	21209	2.20
SHELBY	KY	21211	2.20
SIMPSON	KY	21213	2.40
SPENCER	KY	21215	2.20
TAYLOR	KY	21217	2.40
TODD	KY	21219	2.40
TRIGG	KY	21221	2.40
TRIMBLE	KY	21223	2.20
UNION	KY	21225	2.20
WARREN	KY	21227	2.40
WASHINGTON	KY	21229	2.20
WAYNE	KY	21231	2.40
WEBSTER	KY	21233	2.40
WHITLEY	KY	21235	2.40
WOLFE	KY	21237	2.20
WOODFORD	KY	21239	2.20
ACADIA	LA	22001	3.50
ALLEN	LA	22003	3.50
ASCENSION	LA	22005	3.60
ASSUMPTION	LA	22007	3.60
AVOUELLES	LA	22009	3.40
BEAUREGARD	LA	22011	3.50
BIENVILLE	LA	22013	3.30
BOSSIER	LA	22015	3.10
CADDO	LA	22017	3.10
CALCASIEU	LA	22019	3.50
CALDWELL	LA	22021	3.30
CAMERON	LA	22023	3.60
CATAHOULA	LA	22025	3.40
CLAIBORNE	LA	22027	3.10
CONCORDIA	LA	22029	3.40
DE SOTO	LA	22031	3.30
EAST BATON ROUGE	LA	22033	3.60
EAST CARROLL	LA	22035	3.10
EAST FELICIANA	LA	22037	3.50
EVANGELINE	LA	22039	3.50

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FRANKLIN	LA .....	22041	3.30
GRANT	LA .....	22043	3.40
IBERIA	LA .....	22045	3.60
IBERVILLE	LA .....	22047	3.60
JACKSON	LA .....	22049	3.30
JEFFERSON	LA .....	22051	3.60
JEFFERSON DAVIS	LA .....	22053	3.50
LA SALLE	LA .....	22059	3.40
LAFAYETTE	LA .....	22055	3.60
LAFOURCHE	LA .....	22057	3.60
LINCOLN	LA .....	22061	3.10
LIVINGSTON	LA .....	22063	3.60
MADISON	LA .....	22065	3.30
MOREHOUSE	LA .....	22067	3.10
NATCHITOCHEs	LA .....	22069	3.30
ORLEANS	LA .....	22071	3.60
OUACHITA	LA .....	22073	3.10
PLAQUEMINES	LA .....	22075	3.60
POINTE COUPEE	LA .....	22077	3.50
RAPIDES	LA .....	22079	3.40
RED RIVER	LA .....	22081	3.30
RICHLAND	LA .....	22083	3.10
SABINE	LA .....	22085	3.30
ST. BERNARD	LA .....	22087	3.60
ST. CHARLES	LA .....	22089	3.60
ST. HELENA	LA .....	22091	3.50
ST. JAMES	LA .....	22093	3.60
ST. JOHN THE BAPTIST	LA .....	22095	3.60
ST. LANDRY	LA .....	22097	3.50
ST. MARTIN	LA .....	22099	3.60
ST. MARY	LA .....	22101	3.60
ST. TAMMANY	LA .....	22103	3.50
TANGIPAHOA	LA .....	22105	3.60
TENSAS	LA .....	22107	3.30
TERREBONNE	LA .....	22109	3.60
UNION	LA .....	22111	3.10
VERMILION	LA .....	22113	3.60
VERNON	LA .....	22115	3.40
WASHINGTON	LA .....	22117	3.50
WEBSTER	LA .....	22119	3.10
WEST BATON ROUGE	LA .....	22121	3.60
WEST CARROLL	LA .....	22123	3.10
WEST FELICIANA	LA .....	22125	3.50
WINN	LA .....	22127	3.30
BARNSTABLE	MA .....	25001	3.25
BERKSHIRE	MA .....	25003	2.80
BRISTOL	MA .....	25005	3.25
DUKES	MA .....	25007	3.25
ESSEX	MA .....	25009	3.25
FRANKLIN	MA .....	25011	3.00
HAMPDEN	MA .....	25013	3.00
HAMPSHIRE	MA .....	25015	3.00
MIDDLESEX	MA .....	25017	3.25
NANTUCKET	MA .....	25019	3.25
NORFOLK	MA .....	25021	3.25
PLYMOUTH	MA .....	25023	3.25
SUFFOLK	MA .....	25025	3.25
WORCESTER	MA .....	25027	3.10
ALLEGANY	MD .....	24001	2.60
ANNE ARUNDEL	MD .....	24003	3.00
BALTIMORE	MD .....	24005	3.00
BALTIMORE CITY	MD .....	24510	3.00
CALVERT	MD .....	24009	3.00
CAROLINE	MD .....	24011	3.00
CARROLL	MD .....	24013	2.90
CECIL	MD .....	24015	3.05
CHARLES	MD .....	24017	3.00
DORCHESTER	MD .....	24019	3.00
FREDERICK	MD .....	24021	2.90
GARRETT	MD .....	24023	2.60
HARFORD	MD .....	24025	3.00
HOWARD	MD .....	24027	3.00

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KENT	MD .....	24029	3.00
MONTGOMERY	MD .....	24031	3.00
PRINCE GEORGE'S	MD .....	24033	3.00
QUEEN ANNE'S	MD .....	24035	3.00
SOMERSET	MD .....	24039	3.00
ST. MARY'S	MD .....	24037	3.00
TALBOT	MD .....	24041	3.00
WASHINGTON	MD .....	24043	2.80
WICOMICO	MD .....	24045	3.00
WORCESTER	MD .....	24047	3.00
ANDROSCOGGIN	ME .....	23001	2.80
AROOSTOOK	ME .....	23003	2.60
CUMBERLAND	ME .....	23005	3.00
FRANKLIN	ME .....	23007	2.60
HANCOCK	ME .....	23009	2.80
KENNEBEC	ME .....	23011	2.80
KNOX	ME .....	23013	2.80
LINCOLN	ME .....	23015	2.80
OXFORD	ME .....	23017	2.80
PENOBSCOT	ME .....	23019	2.80
PISCATAQUIS	ME .....	23021	2.60
SAGadahoc	ME .....	23023	2.80
SOMERSET	ME .....	23025	2.60
WALDO	ME .....	23027	2.80
WASHINGTON	ME .....	23029	2.80
YORK	ME .....	23031	3.00
ALCONA	MI .....	26001	1.80
ALGER	MI .....	26003	1.80
ALLEGAN	MI .....	26005	1.80
ALPENA	MI .....	26007	1.80
ANTRIM	MI .....	26009	1.80
ARENAC	MI .....	26011	1.80
BARAGA	MI .....	26013	1.70
BARRY	MI .....	26015	1.80
BAY	MI .....	26017	1.80
BENZIE	MI .....	26019	1.80
BERRIEN	MI .....	26021	1.80
BRANCH	MI .....	26023	1.80
CALHOUN	MI .....	26025	1.80
CASS	MI .....	26027	1.80
CHARLEVOIX	MI .....	26029	1.80
CHEBOYGAN	MI .....	26031	1.80
CHIPPEWA	MI .....	26033	1.80
CLARE	MI .....	26035	1.80
CLINTON	MI .....	26037	1.80
CRAWFORD	MI .....	26039	1.80
DELTA	MI .....	26041	1.70
DICKINSON	MI .....	26043	1.70
EATON	MI .....	26045	1.80
EMMET	MI .....	26047	1.80
GENESEE	MI .....	26049	1.80
GLADWIN	MI .....	26051	1.80
GOGEBIC	MI .....	26053	1.70
GRAND TRAVERSE	MI .....	26055	1.80
GRATIOT	MI .....	26057	1.80
HILLSDALE	MI .....	26059	1.80
Houghton	MI .....	26061	1.70
HURON	MI .....	26063	1.80
INGHAM	MI .....	26065	1.80
IONIA	MI .....	26067	1.80
IOSCO	MI .....	26069	1.80
IRON	MI .....	26071	1.70
ISABELLA	MI .....	26073	1.80
JACKSON	MI .....	26075	1.80
KALAMAZOO	MI .....	26077	1.80
KALKASKA	MI .....	26079	1.80
KENT	MI .....	26081	1.80
KEWEENAW	MI .....	26083	1.70
LAKE	MI .....	26085	1.80
LAPEER	MI .....	26087	1.80
LEELANAU	MI .....	26089	1.80
LENAWEE	MI .....	26091	1.80

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County/parish/city	State	FIPS code	Class I differential adjusted for location
LIVINGSTON	MI	26093	1.80
LUCE	MI	26095	1.80
MACKINAC	MI	26097	1.80
MACOMB	MI	26099	1.80
MANISTEE	MI	26101	1.80
MARQUETTE	MI	26103	1.80
MASON	MI	26105	1.80
MECOSTA	MI	26107	1.80
MENOMINEE	MI	26109	1.70
MIDLAND	MI	26111	1.80
MISSAUKEE	MI	26113	1.80
MONROE	MI	26115	1.80
MONTCALM	MI	26117	1.80
MONTMORENCY	MI	26119	1.80
MUSKEGON	MI	26121	1.80
NEWAYGO	MI	26123	1.80
OAKLAND	MI	26125	1.80
OCEANA	MI	26127	1.80
OGEMAW	MI	26129	1.80
ONTONAGON	MI	26131	1.70
OSCEOLA	MI	26133	1.80
OSCODA	MI	26135	1.80
OTSEGO	MI	26137	1.80
OTTAWA	MI	26139	1.80
PRESQUE ISLE	MI	26141	1.80
ROSCOMMON	MI	26143	1.80
SAGINAW	MI	26145	1.80
SANILAC	MI	26151	1.80
SCHOOLCRAFT	MI	26153	1.80
SHIAWASSEE	MI	26155	1.80
ST. CLAIR	MI	26147	1.80
ST. JOSEPH	MI	26149	1.80
TUSCOLA	MI	26157	1.80
VAN BUREN	MI	26159	1.80
WASHTENAW	MI	26161	1.80
WAYNE	MI	26163	1.80
WEXFORD	MI	26165	1.80
AITKIN	MN	27001	1.65
ANOKA	MN	27003	1.70
BECKER	MN	27005	1.65
BELTRAMI	MN	27007	1.65
BENTON	MN	27009	1.70
BIG STONE	MN	27011	1.70
BLUE EARTH	MN	27013	1.70
BROWN	MN	27015	1.70
CARLTON	MN	27017	1.65
CARVER	MN	27019	1.70
CASS	MN	27021	1.65
CHIPPEWA	MN	27023	1.70
CHISAGO	MN	27025	1.70
CLAY	MN	27027	1.65
CLEARWATER	MN	27029	1.65
COOK	MN	27031	1.65
COTTONWOOD	MN	27033	1.70
CROW WING	MN	27035	1.65
DAKOTA	MN	27037	1.70
DODGE	MN	27039	1.70
DOUGLAS	MN	27041	1.70
FARIBAULT	MN	27043	1.70
FILLMORE	MN	27045	1.70
FREEBORN	MN	27047	1.70
GOODHUE	MN	27049	1.70
GRANT	MN	27051	1.70
HENNEPIN	MN	27053	1.70
HOUSTON	MN	27055	1.70
HUBBARD	MN	27057	1.65
ISANTI	MN	27059	1.70
ITASCA	MN	27061	1.65
JACKSON	MN	27063	1.70
KANABEC	MN	27065	1.70
KANDIYOHI	MN	27067	1.70
KITTSOON	MN	27069	1.60

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KOOCHICHING	MN .....	27071	1.65
LAC QUI PARLE	MN .....	27073	1.70
LAKE	MN .....	27075	1.65
LAKE OF THE WOODS	MN .....	27077	1.60
LE SUEUR	MN .....	27079	1.70
LINCOLN	MN .....	27081	1.70
LYON	MN .....	27083	1.70
MAHNOMEN	MN .....	27087	1.65
MARSHALL	MN .....	27089	1.65
MARTIN	MN .....	27091	1.70
MCLEOD	MN .....	27085	1.70
MEEKER	MN .....	27093	1.70
MILLE LACS	MN .....	27095	1.70
MORRISON	MN .....	27097	1.70
MOWER	MN .....	27099	1.70
MURRAY	MN .....	27101	1.70
NICOLLET	MN .....	27103	1.70
NOBLES	MN .....	27105	1.70
NORMAN	MN .....	27107	1.65
OLMSTED	MN .....	27109	1.70
OTTER TAIL	MN .....	27111	1.65
PENNINGTON	MN .....	27113	1.65
PINE	MN .....	27115	1.70
PIPESTONE	MN .....	27117	1.70
POLK	MN .....	27119	1.65
POPE	MN .....	27121	1.70
RAMSEY	MN .....	27123	1.70
RED LAKE	MN .....	27125	1.65
REDWOOD	MN .....	27127	1.70
RENVILLE	MN .....	27129	1.70
RICE	MN .....	27131	1.70
ROCK	MN .....	27133	1.70
ROSEAU	MN .....	27135	1.60
SCOTT	MN .....	27139	1.70
SHERBURNE	MN .....	27141	1.70
SIBLEY	MN .....	27143	1.70
ST. LOUIS	MN .....	27137	1.65
STEARNS	MN .....	27145	1.70
STEELE	MN .....	27147	1.70
STEVENS	MN .....	27149	1.70
SWIFT	MN .....	27151	1.70
TODD	MN .....	27153	1.70
TRAVERSE	MN .....	27155	1.70
WABASHA	MN .....	27157	1.70
WADENA	MN .....	27159	1.65
WASECA	MN .....	27161	1.70
WASHINGTON	MN .....	27163	1.70
WATONWAN	MN .....	27165	1.70
WILKIN	MN .....	27167	1.65
WINONA	MN .....	27169	1.70
WRIGHT	MN .....	27171	1.70
YELLOW MEDICINE	MN .....	27173	1.70
ADAIR	MO .....	29001	1.80
ANDREW	MO .....	29003	1.80
ATCHISON	MO .....	29005	1.80
AUDRAIN	MO .....	29007	2.00
BARRY	MO .....	29009	2.20
BARTON	MO .....	29011	2.20
BATES	MO .....	29013	2.00
BENTON	MO .....	29015	2.00
BOLLINGER	MO .....	29017	2.20
BOONE	MO .....	29019	2.00
BUCHANAN	MO .....	29021	1.80
BUTLER	MO .....	29023	2.20
CALDWELL	MO .....	29025	1.80
CALLAWAY	MO .....	29027	2.00
CAMDEN	MO .....	29029	2.00
CAPE GIRARDEAU	MO .....	29031	2.20
CARROLL	MO .....	29033	1.80
CARTER	MO .....	29035	2.20
CASS	MO .....	29037	2.00
CEDAR	MO .....	29039	2.20

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County/parish/city	State	FIPS code	Class I differential adjusted for location
CHARITON	MO .....	29041	1.80
CHRISTIAN	MO .....	29043	2.20
CLARK	MO .....	29045	1.80
CLAY	MO .....	29047	1.80
CLINTON	MO .....	29049	1.80
COLE	MO .....	29051	2.00
COOPER	MO .....	29053	2.00
CRAWFORD	MO .....	29055	2.00
DADE	MO .....	29057	2.20
DALLAS	MO .....	29059	2.20
DAVISS	MO .....	29061	1.80
DE KALB	MO .....	29063	1.80
DENT	MO .....	29065	2.00
DOUGLAS	MO .....	29067	2.20
DUNKLIN	MO .....	29069	2.20
FRANKLIN	MO .....	29071	2.00
GASCONADE	MO .....	29073	2.00
GENTRY	MO .....	29075	1.80
GREENE	MO .....	29077	2.20
GRUNDY	MO .....	29079	1.80
HARRISON	MO .....	29081	1.80
HENRY	MO .....	29083	2.00
HICKORY	MO .....	29085	2.00
HOLT	MO .....	29087	1.80
HOWARD	MO .....	29089	2.00
HOWELL	MO .....	29091	2.20
IRON	MO .....	29093	2.00
JACKSON	MO .....	29095	2.00
JASPER	MO .....	29097	2.20
JEFFERSON	MO .....	29099	2.00
JOHNSON	MO .....	29101	2.00
KNOX	MO .....	29103	1.80
LACLEDE	MO .....	29105	2.20
LAFAYETTE	MO .....	29107	2.00
LAWRENCE	MO .....	29109	2.20
LEWIS	MO .....	29111	1.80
LINCOLN	MO .....	29113	2.00
LINN	MO .....	29115	1.80
LIVINGSTON	MO .....	29117	1.80
MACON	MO .....	29121	1.80
MADISON	MO .....	29123	2.20
MARIES	MO .....	29125	2.00
MARION	MO .....	29127	1.80
MCDONALD	MO .....	29119	2.20
MERCER	MO .....	29129	1.80
MILLER	MO .....	29131	2.00
MISSISSIPPI	MO .....	29133	2.20
MONITEAU	MO .....	29135	2.00
MONROE	MO .....	29137	1.80
MONTGOMERY	MO .....	29139	2.00
MORGAN	MO .....	29141	2.00
NEW MADRID	MO .....	29143	2.20
NEWTON	MO .....	29145	2.20
NODAWAY	MO .....	29147	1.80
OREGON	MO .....	29149	2.20
OSAGE	MO .....	29151	2.00
OZARK	MO .....	29153	2.20
PEMISCOT	MO .....	29155	2.20
PERRY	MO .....	29157	2.20
PETTIS	MO .....	29159	2.00
PHELPS	MO .....	29161	2.00
PIKE	MO .....	29163	2.00
PLATTE	MO .....	29165	1.80
POLK	MO .....	29167	2.20
PULASKI	MO .....	29169	2.20
PUTNAM	MO .....	29171	1.80
RALLS	MO .....	29173	2.00
RANDOLPH	MO .....	29175	1.80
RAY	MO .....	29177	1.80
REYNOLDS	MO .....	29179	2.20
RIPLEY	MO .....	29181	2.20
SALINE	MO .....	29195	2.00

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SCHUYLER	MO	29197	1.80
SCOTLAND	MO	29199	1.80
SCOTT	MO	29201	2.20
SHANNON	MO	29203	2.20
SHELBY	MO	29205	1.80
ST. CHARLES	MO	29183	2.00
ST. CLAIR	MO	29185	2.00
ST. FRANCOIS	MO	29187	2.00
ST. LOUIS	MO	29189	2.00
ST. LOUIS CITY	MO	29510	2.00
STE. GENEVIEVE	MO	29186	2.00
STODDARD	MO	29207	2.20
STONE	MO	29209	2.20
SULLIVAN	MO	29211	1.80
TANEY	MO	29213	2.20
TEXAS	MO	29215	2.20
VERNON	MO	29217	2.20
WARREN	MO	29219	2.00
WASHINGTON	MO	29221	2.00
WAYNE	MO	29223	2.20
WEBSTER	MO	29225	2.20
WORTH	MO	29227	1.80
WRIGHT	MO	29229	2.20
ADAMS	MS	28001	3.40
ALCORN	MS	28003	2.90
AMITE	MS	28005	3.40
ATTALA	MS	28007	3.10
BENTON	MS	28009	2.90
BOLIVAR	MS	28011	3.10
CALHOUN	MS	28013	3.10
CARROLL	MS	28015	3.10
CHICKASAW	MS	28017	3.10
CHOCTAW	MS	28019	3.10
CLAIBORNE	MS	28021	3.30
CLARKE	MS	28023	3.30
CLAY	MS	28025	3.10
COAHOMA	MS	28027	2.90
COPIAH	MS	28029	3.30
COVINGTON	MS	28031	3.40
DE SOTO	MS	28033	2.90
FORREST	MS	28035	3.40
FRANKLIN	MS	28037	3.40
GEORGE	MS	28039	3.40
GREENE	MS	28041	3.40
GRENADA	MS	28043	3.10
HANCOCK	MS	28045	3.50
HARRISON	MS	28047	3.50
HINDS	MS	28049	3.30
HOLMES	MS	28051	3.10
HUMPHREYS	MS	28053	3.10
ISSAQUENA	MS	28055	3.10
ITAWAMBA	MS	28057	2.90
JACKSON	MS	28059	3.50
JASPER	MS	28061	3.30
JEFFERSON	MS	28063	3.40
JEFFERSON DAVIS	MS	28065	3.40
JONES	MS	28067	3.40
KEMPER	MS	28069	3.10
LAFAYETTE	MS	28071	2.90
LAMAR	MS	28073	3.40
LAUDERDALE	MS	28075	3.30
LAWRENCE	MS	28077	3.40
LEAKE	MS	28079	3.10
LEE	MS	28081	2.90
LEFLORE	MS	28083	3.10
LINCOLN	MS	28085	3.40
LOWNDES	MS	28087	3.10
MADISON	MS	28089	3.10
MARION	MS	28091	3.40
MARSHALL	MS	28093	2.90
MONROE	MS	28095	3.10
MONTGOMERY	MS	28097	3.10

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County/parish/city	State	FIPS code	Class I differential adjusted for location
NESHOBA	MS	28099	3.10
NEWTON	MS	28101	3.30
NOXUBEE	MS	28103	3.10
OKTIBBEHA	MS	28105	3.10
PANOLA	MS	28107	2.90
PEARL RIVER	MS	28109	3.40
PERRY	MS	28111	3.40
PIKE	MS	28113	3.40
PONTOTOC	MS	28115	2.90
PRENTISS	MS	28117	2.90
QUITMAN	MS	28119	2.90
RANKIN	MS	28121	3.30
SCOTT	MS	28123	3.30
SHARKEY	MS	28125	3.10
SIMPSON	MS	28127	3.30
SMITH	MS	28129	3.30
STONE	MS	28131	3.40
SUNFLOWER	MS	28133	3.10
TALLAHATCHIE	MS	28135	3.10
TATE	MS	28137	2.90
TIPPAH	MS	28139	2.90
TISHOMINGO	MS	28141	2.90
TUNICA	MS	28143	2.90
UNION	MS	28145	2.90
WALTHALL	MS	28147	3.40
WARREN	MS	28149	3.30
WASHINGTON	MS	28151	3.10
WAYNE	MS	28153	3.40
WEBSTER	MS	28155	3.10
WILKINSON	MS	28157	3.40
WINSTON	MS	28159	3.10
YALOBUSHA	MS	28161	3.10
YAZOO	MS	28163	3.10
BEAVERHEAD	MT	30001	1.60
BIG HORN	MT	30003	1.60
BLAINE	MT	30005	1.60
BROADWATER	MT	30007	1.60
CARBON	MT	30009	1.60
CARTER	MT	30011	1.65
CASCADE	MT	30013	1.60
CHOUTEAU	MT	30015	1.60
CUSTER	MT	30017	1.60
DANIELS	MT	30019	1.60
DAWSON	MT	30021	1.60
DEER LODGE	MT	30023	1.60
FALLON	MT	30025	1.65
FERGUS	MT	30027	1.60
FLATHEAD	MT	30029	1.60
GALLATIN	MT	30031	1.60
GARFIELD	MT	30033	1.60
GLACIER	MT	30035	1.60
GOLDEN VALLEY	MT	30037	1.60
GRANITE	MT	30039	1.60
HILL	MT	30041	1.60
JEFFERSON	MT	30043	1.60
JUDITH BASIN	MT	30045	1.60
LAKE	MT	30047	1.60
LEWIS AND CLARK	MT	30049	1.60
LIBERTY	MT	30051	1.60
LINCOLN	MT	30053	1.80
MADISON	MT	30057	1.60
MCCONE	MT	30055	1.60
MEAGHER	MT	30059	1.60
MINERAL	MT	30061	1.80
MISSOULA	MT	30063	1.60
MUSSELSHELL	MT	30065	1.60
PARK	MT	30067	1.60
PETROLEUM	MT	30069	1.60
PHILLIPS	MT	30071	1.60
PONDERA	MT	30073	1.60
POWDER RIVER	MT	30075	1.60
POWELL	MT	30077	1.60

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PRAIRIE	MT	30079	1.60
RAVALLI	MT	30081	1.60
RICHLAND	MT	30083	1.60
ROOSEVELT	MT	30085	1.60
ROSEBUD	MT	30087	1.60
SANDERS	MT	30089	1.80
SHERIDAN	MT	30091	1.60
SILVER BOW	MT	30093	1.60
STILLWATER	MT	30095	1.60
SWEET GRASS	MT	30097	1.60
TETON	MT	30099	1.60
TOOLE	MT	30101	1.60
TREASURE	MT	30103	1.60
VALLEY	MT	30105	1.60
WHEATLAND	MT	30107	1.60
WIBAUX	MT	30109	1.60
YELLOWSTONE	MT	30111	1.60
YELLOWSTONE NAT. PARK	MT	30113	1.60
ALAMANCE	NC	37001	3.10
ALEXANDER	NC	37003	2.95
ALLEGHANY	NC	37005	2.95
ANSON	NC	37007	3.10
ASHE	NC	37009	2.95
AVERY	NC	37011	2.95
BEAUFORT	NC	37013	3.20
BERTIE	NC	37015	3.20
BLADEN	NC	37017	3.30
BRUNSWICK	NC	37019	3.30
BUNCOMBE	NC	37021	2.95
BURKE	NC	37023	2.95
CABARRUS	NC	37025	3.10
CALDWELL	NC	37027	2.95
CAMDEN	NC	37029	3.20
CARTERET	NC	37031	3.20
CASWELL	NC	37033	3.10
CATAWBA	NC	37035	3.10
CHATHAM	NC	37037	3.10
CHEROKEE	NC	37039	2.95
CHOWAN	NC	37041	3.20
CLAY	NC	37043	2.95
CLEVELAND	NC	37045	3.10
COLUMBUS	NC	37047	3.30
CRAVEN	NC	37049	3.20
CUMBERLAND	NC	37051	3.30
CURRITUCK	NC	37053	3.20
DARE	NC	37055	3.20
DAVIDSON	NC	37057	3.10
DAVIE	NC	37059	3.10
DUPLIN	NC	37061	3.30
DURHAM	NC	37063	3.10
EDGECOMBE	NC	37065	3.20
FORSYTH	NC	37067	3.10
FRANKLIN	NC	37069	3.10
GASTON	NC	37071	3.10
GATES	NC	37073	3.20
GRAHAM	NC	37075	2.95
GRANVILLE	NC	37077	3.10
GREENE	NC	37079	3.20
GUILFORD	NC	37081	3.10
HALIFAX	NC	37083	3.10
HARNETT	NC	37085	3.30
HAYWOOD	NC	37087	2.95
HENDERSON	NC	37089	2.95
HERTFORD	NC	37091	3.20
HOKE	NC	37093	3.30
HYDE	NC	37095	3.20
IREDELL	NC	37097	3.10
JACKSON	NC	37099	2.95
JOHNSTON	NC	37101	3.20
JONES	NC	37103	3.20
LEE	NC	37105	3.10
LENOIR	NC	37107	3.20

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County/parish/city	State	FIPS code	Class I differential adjusted for location
LINCOLN	NC .....	37109	3.10
MACON	NC .....	37113	2.95
MADISON	NC .....	37115	2.95
MARTIN	NC .....	37117	3.20
MCDOWELL	NC .....	37111	2.95
MECKLENBURG	NC .....	37119	3.10
MITCHELL	NC .....	37121	2.95
MONTGOMERY	NC .....	37123	3.10
MOORE	NC .....	37125	3.10
NASH	NC .....	37127	3.10
NEW HANOVER	NC .....	37129	3.30
NORTHAMPTON	NC .....	37131	3.10
ONSLow	NC .....	37133	3.30
ORANGE	NC .....	37135	3.10
PAMLICO	NC .....	37137	3.20
PASQUOTANK	NC .....	37139	3.20
PENDER	NC .....	37141	3.30
PERQUIMANS	NC .....	37143	3.20
PERSON	NC .....	37145	3.10
PITT	NC .....	37147	3.20
POLK	NC .....	37149	3.10
RANDOLPH	NC .....	37151	3.10
RICHMOND	NC .....	37153	3.10
ROBESON	NC .....	37155	3.30
ROCKINGHAM	NC .....	37157	2.95
ROWAN	NC .....	37159	3.10
RUTHERFORD	NC .....	37161	3.10
SAMPSON	NC .....	37163	3.30
SCOTLAND	NC .....	37165	3.30
STANLY	NC .....	37167	3.10
STOKES	NC .....	37169	2.95
SURRY	NC .....	37171	2.95
SWAIN	NC .....	37173	2.95
TRANSYLVANIA	NC .....	37175	2.95
TYRRELL	NC .....	37177	3.20
UNION	NC .....	37179	3.10
VANCE	NC .....	37181	3.10
WAKE	NC .....	37183	3.10
WARREN	NC .....	37185	3.10
WASHINGTON	NC .....	37187	3.20
WATAUGA	NC .....	37189	2.95
WAYNE	NC .....	37191	3.20
WILKES	NC .....	37193	2.95
WILSON	NC .....	37195	3.20
YADKIN	NC .....	37197	3.10
YANCEY	NC .....	37199	2.95
ADAMS	ND .....	38001	1.65
BARNES	ND .....	38003	1.65
BENSON	ND .....	38005	1.60
BILLINGS	ND .....	38007	1.60
BOTTINEAU	ND .....	38009	1.60
BOWMAN	ND .....	38011	1.65
BURKE	ND .....	38013	1.60
BURLEIGH	ND .....	38015	1.65
CASS	ND .....	38017	1.65
CAVALIER	ND .....	38019	1.60
DICKEY	ND .....	38021	1.65
DIVIDE	ND .....	38023	1.60
DUNN	ND .....	38025	1.60
EDDY	ND .....	38027	1.65
EMMONS	ND .....	38029	1.65
FOSTER	ND .....	38031	1.65
GOLDEN VALLEY	ND .....	38033	1.60
GRAND FORKS	ND .....	38035	1.65
GRANT	ND .....	38037	1.65
GRIGGS	ND .....	38039	1.65
HETTINGER	ND .....	38041	1.65
KIDDER	ND .....	38043	1.65
LA MOURE	ND .....	38045	1.65
LOGAN	ND .....	38047	1.65
MCHENRY	ND .....	38049	1.60
MCINTOSH	ND .....	38051	1.65

County/parish/city	State	FIPS code	Class I differential adjusted for location
MCKENZIE	ND .....	38053	1.60
MCLEAN	ND .....	38055	1.60
MERCER	ND .....	38057	1.60
MORTON	ND .....	38059	1.65
MOUNTRAIL	ND .....	38061	1.60
NELSON	ND .....	38063	1.65
OLIVER	ND .....	38065	1.60
PEMBINA	ND .....	38067	1.60
PIERCE	ND .....	38069	1.60
RAMSEY	ND .....	38071	1.60
RANSOM	ND .....	38073	1.65
RENVILLE	ND .....	38075	1.60
RICHLAND	ND .....	38077	1.65
ROLETTE	ND .....	38079	1.60
SARGENT	ND .....	38081	1.65
SHERIDAN	ND .....	38083	1.60
SIOUX	ND .....	38085	1.65
SLOPE	ND .....	38087	1.65
STARK	ND .....	38089	1.60
STEELE	ND .....	38091	1.65
STUTSMAN	ND .....	38093	1.65
TOWNER	ND .....	38095	1.60
TRAILL	ND .....	38097	1.65
WALSH	ND .....	38099	1.60
WARD	ND .....	38101	1.60
WELLS	ND .....	38103	1.65
WILLIAMS	ND .....	38105	1.60
ADAMS	NE .....	31001	1.80
ANTELOPE	NE .....	31003	1.75
ARTHUR	NE .....	31005	1.80
BANNER	NE .....	31007	1.80
BLAINE	NE .....	31009	1.75
BOONE	NE .....	31011	1.80
BOX BUTTE	NE .....	31013	1.80
BOYD	NE .....	31015	1.75
BROWN	NE .....	31017	1.75
BUFFALO	NE .....	31019	1.80
BURT	NE .....	31021	1.80
BUTLER	NE .....	31023	1.80
CASS	NE .....	31025	1.85
CEDAR	NE .....	31027	1.75
CHASE	NE .....	31029	1.80
CHERRY	NE .....	31031	1.75
CHEYENNE	NE .....	31033	1.80
CLAY	NE .....	31035	1.80
COLFAX	NE .....	31037	1.80
CUMING	NE .....	31039	1.80
CUSTER	NE .....	31041	1.80
DAKOTA	NE .....	31043	1.75
DAWES	NE .....	31045	1.80
DAWSON	NE .....	31047	1.80
DEUEL	NE .....	31049	1.80
DIXON	NE .....	31051	1.75
DODGE	NE .....	31053	1.80
DOUGLAS	NE .....	31055	1.85
DUNDY	NE .....	31057	1.80
FILLMORE	NE .....	31059	1.80
FRANKLIN	NE .....	31061	1.80
FRONTIER	NE .....	31063	1.80
FURNAS	NE .....	31065	1.80
GAGE	NE .....	31067	1.85
GARDEN	NE .....	31069	1.80
GARFIELD	NE .....	31071	1.75
GOSPER	NE .....	31073	1.80
GRANT	NE .....	31075	1.75
GREELEY	NE .....	31077	1.80
HALL	NE .....	31079	1.80
HAMILTON	NE .....	31081	1.80
HARLAN	NE .....	31083	1.80
HAYES	NE .....	31085	1.80
HITCHCOCK	NE .....	31087	1.80
HOLT	NE .....	31089	1.75

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HOOVER	NE .....	31091	1.75
HOWARD	NE .....	31093	1.80
JEFFERSON	NE .....	31095	1.80
JOHNSON	NE .....	31097	1.85
KEARNEY	NE .....	31099	1.80
KEITH	NE .....	31101	1.80
KEYA PAHA	NE .....	31103	1.75
KIMBALL	NE .....	31105	1.80
KNOX	NE .....	31107	1.75
LANCASTER	NE .....	31109	1.85
LINCOLN	NE .....	31111	1.80
LOGAN	NE .....	31113	1.80
LOUP	NE .....	31115	1.75
MADISON	NE .....	31119	1.80
MCPHERSON	NE .....	31117	1.80
MERRICK	NE .....	31121	1.80
MORRILL	NE .....	31123	1.80
NANCE	NE .....	31125	1.80
NEMAHA	NE .....	31127	1.85
NUCKOLLS	NE .....	31129	1.80
OTOE	NE .....	31131	1.85
PAWNEE	NE .....	31133	1.85
PERKINS	NE .....	31135	1.80
PHELPS	NE .....	31137	1.80
PIERCE	NE .....	31139	1.75
PLATTE	NE .....	31141	1.80
POLK	NE .....	31143	1.80
RED WILLOW	NE .....	31145	1.80
RICHARDSON	NE .....	31147	1.85
ROCK	NE .....	31149	1.75
SALINE	NE .....	31151	1.80
SARPY	NE .....	31153	1.85
SAUNDERS	NE .....	31155	1.85
SCOTTS BLUFF	NE .....	31157	1.80
SEWARD	NE .....	31159	1.80
SHERIDAN	NE .....	31161	1.80
SHERMAN	NE .....	31163	1.80
SIOUX	NE .....	31165	1.80
STANTON	NE .....	31167	1.80
THAYER	NE .....	31169	1.80
THOMAS	NE .....	31171	1.75
THURSTON	NE .....	31173	1.75
VALLEY	NE .....	31175	1.80
WASHINGTON	NE .....	31177	1.85
WAYNE	NE .....	31179	1.75
WEBSTER	NE .....	31181	1.80
WHEELER	NE .....	31183	1.75
YORK	NE .....	31185	1.80
BELKNAP	NH .....	33001	2.80
CARROLL	NH .....	33003	2.80
CHESHIRE	NH .....	33005	2.80
COOS	NH .....	33007	2.60
GRAFTON	NH .....	33009	2.60
HILLSBOROUGH	NH .....	33011	3.00
MERRIMACK	NH .....	33013	3.00
ROCKINGHAM	NH .....	33015	3.00
STRAFFORD	NH .....	33017	3.00
SULLIVAN	NH .....	33019	2.80
ATLANTIC	NJ .....	34001	3.05
BERGEN	NJ .....	34003	3.15
BURLINGTON	NJ .....	34005	3.05
CAMDEN	NJ .....	34007	3.05
CAPE MAY	NJ .....	34009	3.05
CUMBERLAND	NJ .....	34011	3.05
ESSEX	NJ .....	34013	3.15
GLOUCESTER	NJ .....	34015	3.05
HUDSON	NJ .....	34017	3.15
HUNTERDON	NJ .....	34019	3.10
MERCER	NJ .....	34021	3.10
MIDDLESEX	NJ .....	34023	3.10
MONMOUTH	NJ .....	34025	3.10
MORRIS	NJ .....	34027	3.10

County/parish/city	State	FIPS code	Class I differential adjusted for location
OCEAN	NJ	34029	3.10
PASSAIC	NJ	34031	3.15
SALEM	NJ	34033	3.05
SOMERSET	NJ	34035	3.10
SUSSEX	NJ	34037	3.10
UNION	NJ	34039	3.15
WARREN	NJ	34041	3.10
BERNALILLO	NM	35001	2.35
CATRON	NM	35003	2.10
CHAVES	NM	35005	2.10
CIBOLA	NM	35006	1.90
COLFAX	NM	35007	2.35
CURRY	NM	35009	2.10
DE BACA	NM	35011	2.10
DONA ANA	NM	35013	2.10
EDDY	NM	35015	2.10
GRANT	NM	35017	2.10
GUADALUPE	NM	35019	2.35
HARDING	NM	35021	2.35
HIDALGO	NM	35023	2.10
LEA	NM	35025	2.10
LINCOLN	NM	35027	2.10
LOS ALAMOS	NM	35028	2.35
LUNA	NM	35029	2.10
MCKINLEY	NM	35031	1.90
MORA	NM	35033	2.35
OTERO	NM	35035	2.10
QUAY	NM	35037	2.35
RIO ARRIBA	NM	35039	1.90
ROOSEVELT	NM	35041	2.10
SAN JUAN	NM	35045	1.90
SAN MIGUEL	NM	35047	2.35
SANDOVAL	NM	35043	2.35
SANTA FE	NM	35049	2.35
SIERRA	NM	35051	2.10
SOCORRO	NM	35053	2.10
TAOS	NM	35055	1.90
TORRANCE	NM	35057	2.35
UNION	NM	35059	2.35
VALENCIA	NM	35061	2.35
CARSON CITY	NV	32510	1.70
CHURCHILL	NV	32001	1.70
CLARK	NV	32003	2.00
DOUGLAS	NV	32005	1.70
ELKO	NV	32007	1.90
ESMERALDA	NV	32009	1.60
EUREKA	NV	32011	1.70
HUMBOLDT	NV	32013	1.70
LANDER	NV	32015	1.70
LINCOLN	NV	32017	1.60
LYON	NV	32019	1.70
MINERAL	NV	32021	1.60
NYE	NV	32023	1.60
PERSHING	NV	32027	1.70
STOREY	NV	32029	1.70
WASHOE	NV	32031	1.70
WHITE PINE	NV	32033	1.90
ALBANY	NY	36001	2.70
ALLEGANY	NY	36003	2.30
BRONX	NY	36005	3.15
BROOME	NY	36007	2.70
CATTARAUGUS	NY	36009	2.10
CAYUGA	NY	36011	2.30
CHAUTAUQUA	NY	36013	2.10
CHEMUNG	NY	36015	2.50
CHENANGO	NY	36017	2.50
CLINTON	NY	36019	2.30
COLUMBIA	NY	36021	2.70
CORTLAND	NY	36023	2.50
DELAWARE	NY	36025	2.70
DUTCHESS	NY	36027	2.80
ERIE	NY	36029	2.20

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ESSEX	NY	36031	2.30
FRANKLIN	NY	36033	2.30
FULTON	NY	36035	2.50
GENESEE	NY	36037	2.20
GREENE	NY	36039	2.70
HAMILTON	NY	36041	2.50
HERKIMER	NY	36043	2.50
JEFFERSON	NY	36045	2.30
KINGS	NY	36047	3.15
LEWIS	NY	36049	2.30
LIVINGSTON	NY	36051	2.30
MADISON	NY	36053	2.50
MONROE	NY	36055	2.30
MONTGOMERY	NY	36057	2.70
NASSAU	NY	36059	3.15
NEW YORK	NY	36061	3.15
NIAGARA	NY	36063	2.20
ONEIDA	NY	36065	2.50
ONONDAGA	NY	36067	2.50
ONTARIO	NY	36069	2.30
ORANGE	NY	36071	3.00
ORLEANS	NY	36073	2.20
OSWEGO	NY	36075	2.30
OTSEGO	NY	36077	2.50
PUTNAM	NY	36079	3.00
QUEENS	NY	36081	3.15
RENSSELAER	NY	36083	2.70
RICHMOND	NY	36085	3.15
ROCKLAND	NY	36087	3.15
SARATOGA	NY	36091	2.70
SCHENECTADY	NY	36093	2.70
SCHOHARIE	NY	36095	2.70
SCHUYLER	NY	36097	2.30
SENECA	NY	36099	2.30
ST. LAWRENCE	NY	36089	2.30
STEBEN	NY	36101	2.30
SUFFOLK	NY	36103	3.15
SULLIVAN	NY	36105	2.80
TIOGA	NY	36107	2.50
TOMPKINS	NY	36109	2.50
ULSTER	NY	36111	2.80
WARREN	NY	36113	2.50
WASHINGTON	NY	36115	2.60
WAYNE	NY	36117	2.30
WESTCHESTER	NY	36119	3.15
WYOMING	NY	36121	2.20
YATES	NY	36123	2.30
ADAMS	OH	39001	2.20
ALLEN	OH	39003	2.00
ASHLAND	OH	39005	2.00
ASHTABULA	OH	39007	2.00
ATHENS	OH	39009	2.00
AUGLAIZE	OH	39011	2.00
BELMONT	OH	39013	2.00
BROWN	OH	39015	2.20
BUTLER	OH	39017	2.00
CARROLL	OH	39019	2.00
CHAMPAIGN	OH	39021	2.00
CLARK	OH	39023	2.00
CLERMONT	OH	39025	2.20
CLINTON	OH	39027	2.00
COLUMBIANA	OH	39029	2.00
COSHOCTON	OH	39031	2.00
CRAWFORD	OH	39033	2.00
CUYAHOGA	OH	39035	2.00
DARKE	OH	39037	2.00
DEFIANCE	OH	39039	1.80
DELAWARE	OH	39041	2.00
ERIE	OH	39043	2.00
FAIRFIELD	OH	39045	2.00
FAYETTE	OH	39047	2.00
FRANKLIN	OH	39049	2.00

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FULTON	OH	39051	1.80
GALLIA	OH	39053	2.20
GEAUGA	OH	39055	2.00
GREENE	OH	39057	2.00
GUERNSEY	OH	39059	2.00
HAMILTON	OH	39061	2.20
HANCOCK	OH	39063	2.00
HARDIN	OH	39065	2.00
HARRISON	OH	39067	2.00
HENRY	OH	39069	1.80
HIGHLAND	OH	39071	2.20
HOCKING	OH	39073	2.00
HOLMES	OH	39075	2.00
HURON	OH	39077	2.00
JACKSON	OH	39079	2.20
JEFFERSON	OH	39081	2.00
KNOX	OH	39083	2.00
LAKE	OH	39085	2.00
LAWRENCE	OH	39087	2.20
LICKING	OH	39089	2.00
LOGAN	OH	39091	2.00
LORAIN	OH	39093	2.00
LUCAS	OH	39095	1.80
MADISON	OH	39097	2.00
MAHONING	OH	39099	2.00
MARION	OH	39101	2.00
MEDINA	OH	39103	2.00
MEIGS	OH	39105	2.00
MERCER	OH	39107	2.00
MIAMI	OH	39109	2.00
MONROE	OH	39111	2.00
MONTGOMERY	OH	39113	2.00
MORGAN	OH	39115	2.00
MORROW	OH	39117	2.00
MUSKINGUM	OH	39119	2.00
NOBLE	OH	39121	2.00
OTTAWA	OH	39123	2.00
PAULDING	OH	39125	1.80
PERRY	OH	39127	2.00
PICKAWAY	OH	39129	2.00
PIKE	OH	39131	2.20
PORTAGE	OH	39133	2.00
PREBLE	OH	39135	2.00
PUTNAM	OH	39137	1.80
RICHLAND	OH	39139	2.00
ROSS	OH	39141	2.00
SANDUSKY	OH	39143	2.00
SCIOTO	OH	39145	2.20
SENECA	OH	39147	2.00
SHELBY	OH	39149	2.00
STARK	OH	39151	2.00
SUMMIT	OH	39153	2.00
TRUMBULL	OH	39155	2.00
TUSCARAWAS	OH	39157	2.00
UNION	OH	39159	2.00
VAN WERT	OH	39161	1.80
VINTON	OH	39163	2.00
WARREN	OH	39165	2.00
WASHINGTON	OH	39167	2.00
WAYNE	OH	39169	2.00
WILLIAMS	OH	39171	1.80
WOOD	OH	39173	2.00
WYANDOT	OH	39175	2.00
ADAIR	OK	40001	2.60
ALFALFA	OK	40003	2.40
ATOKA	OK	40005	2.80
BEAVER	OK	40007	2.40
BECKHAM	OK	40009	2.40
BLAINE	OK	40011	2.40
BRYAN	OK	40013	2.80
CADDO	OK	40015	2.60
CANADIAN	OK	40017	2.60

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County/parish/city	State	FIPS code	Class I differential adjusted for location
CARTER	OK .....	40019	2.80
CHEROKEE	OK .....	40021	2.60
CHOCTAW	OK .....	40023	2.80
CIMARRON	OK .....	40025	2.40
CLEVELAND	OK .....	40027	2.60
COAL	OK .....	40029	2.80
COMANCHE	OK .....	40031	2.60
COTTON	OK .....	40033	2.80
CRAIG	OK .....	40035	2.40
CREEK	OK .....	40037	2.60
CUSTER	OK .....	40039	2.40
DELAWARE	OK .....	40041	2.40
DEWEY	OK .....	40043	2.40
ELLIS	OK .....	40045	2.40
GARFIELD	OK .....	40047	2.40
GARVIN	OK .....	40049	2.60
GRADY	OK .....	40051	2.60
GRANT	OK .....	40053	2.40
GREER	OK .....	40055	2.60
HARMON	OK .....	40057	2.60
HARPER	OK .....	40059	2.40
HASKELL	OK .....	40061	2.80
HUGHES	OK .....	40063	2.60
JACKSON	OK .....	40065	2.60
JEFFERSON	OK .....	40067	2.80
JOHNSTON	OK .....	40069	2.80
KAY	OK .....	40071	2.40
KINGFISHER	OK .....	40073	2.40
KIOWA	OK .....	40075	2.60
LATIMER	OK .....	40077	2.80
LE FLORE	OK .....	40079	2.80
LINCOLN	OK .....	40081	2.60
LOGAN	OK .....	40083	2.40
LOVE	OK .....	40085	2.80
MAJOR	OK .....	40093	2.40
MARSHALL	OK .....	40095	2.80
MAYES	OK .....	40097	2.40
MCCLAIN	OK .....	40087	2.60
MCCURTAIN	OK .....	40089	2.80
MCINTOSH	OK .....	40091	2.60
MURRAY	OK .....	40099	2.80
MUSKOGEE	OK .....	40101	2.60
NOBLE	OK .....	40103	2.40
NOWATA	OK .....	40105	2.40
OKFUSKEE	OK .....	40107	2.60
OKLAHOMA	OK .....	40109	2.60
OKMULGEE	OK .....	40111	2.60
OSAGE	OK .....	40113	2.40
OTTAWA	OK .....	40115	2.40
PAWNEE	OK .....	40117	2.40
PAYNE	OK .....	40119	2.40
PITTSBURG	OK .....	40121	2.80
PONTOTOC	OK .....	40123	2.80
POTTAWATOMIE	OK .....	40125	2.60
PUSHMATAHA	OK .....	40127	2.80
ROGER MILLS	OK .....	40129	2.40
ROGERS	OK .....	40131	2.40
SEMINOLE	OK .....	40133	2.60
SEQUOYAH	OK .....	40135	2.80
STEPHENS	OK .....	40137	2.80
TEXAS	OK .....	40139	2.40
TILLMAN	OK .....	40141	2.60
TULSA	OK .....	40143	2.60
WAGONER	OK .....	40145	2.60
WASHINGTON	OK .....	40147	2.40
WASHITA	OK .....	40149	2.40
WOODS	OK .....	40151	2.40
WOODWARD	OK .....	40153	2.40
BAKER	OR .....	41001	1.60
BENTON	OR .....	41003	1.90
CLACKAMAS	OR .....	41005	1.90
CLATSOP	OR .....	41007	1.90

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County/parish/city	State	FIPS code	Class I differential adjusted for location
COLUMBIA	OR .....	41009	1.90
COOS	OR .....	41011	1.90
CROOK	OR .....	41013	1.75
CURRY	OR .....	41015	1.90
DESCHUTES	OR .....	41017	1.75
DOUGLAS	OR .....	41019	1.90
GILLIAM	OR .....	41021	1.75
GRANT	OR .....	41023	1.60
HARNEY	OR .....	41025	1.60
HOOD RIVER	OR .....	41027	1.90
JACKSON	OR .....	41029	1.90
JEFFERSON	OR .....	41031	1.75
JOSEPHINE	OR .....	41033	1.90
KLAMATH	OR .....	41035	1.75
LAKE	OR .....	41037	1.75
LANE	OR .....	41039	1.90
LINCOLN	OR .....	41041	1.90
LINN	OR .....	41043	1.90
MALHEUR	OR .....	41045	1.60
MARION	OR .....	41047	1.90
MORROW	OR .....	41049	1.75
MULTNOMAH	OR .....	41051	1.90
POLK	OR .....	41053	1.90
SHERMAN	OR .....	41055	1.75
TILLAMOOK	OR .....	41057	1.90
UMATILLA	OR .....	41059	1.75
UNION	OR .....	41061	1.60
WALLOWA	OR .....	41063	1.60
WASCO	OR .....	41065	1.75
WASHINGTON	OR .....	41067	1.90
WHEELER	OR .....	41069	1.75
YAMHILL	OR .....	41071	1.90
ADAMS	PA .....	42001	2.80
ALLEGHENY	PA .....	42003	2.10
ARMSTRONG	PA .....	42005	2.30
BEAVER	PA .....	42007	2.10
BEDFORD	PA .....	42009	2.30
BERKS	PA .....	42011	2.80
BLAIR	PA .....	42013	2.30
BRADFORD	PA .....	42015	2.50
BUCKS	PA .....	42017	3.05
BUTLER	PA .....	42019	2.10
CAMBRIA	PA .....	42021	2.30
CAMERON	PA .....	42023	2.30
CARBON	PA .....	42025	2.80
CENTRE	PA .....	42027	2.50
CHESTER	PA .....	42029	3.05
CLARION	PA .....	42031	2.30
CLEARFIELD	PA .....	42033	2.30
CLINTON	PA .....	42035	2.50
COLUMBIA	PA .....	42037	2.70
CRAWFORD	PA .....	42039	2.10
CUMBERLAND	PA .....	42041	2.80
DAUPHIN	PA .....	42043	2.80
DELAWARE	PA .....	42045	3.05
ELK	PA .....	42047	2.30
ERIE	PA .....	42049	2.10
FAYETTE	PA .....	42051	2.30
FOREST	PA .....	42053	2.30
FRANKLIN	PA .....	42055	2.80
FULTON	PA .....	42057	2.70
GREENE	PA .....	42059	2.10
HUNTINGDON	PA .....	42061	2.30
INDIANA	PA .....	42063	2.30
JEFFERSON	PA .....	42065	2.30
JUNIATA	PA .....	42067	2.70
LACKAWANNA	PA .....	42069	2.70
LANCASTER	PA .....	42071	2.90
LAWRENCE	PA .....	42073	2.10
LEBANON	PA .....	42075	2.80
LEHIGH	PA .....	42077	2.80
LUZERNE	PA .....	42079	2.70

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County/parish/city	State	FIPS code	Class I differential adjusted for location
LYCOMING	PA .....	42081	2.50
MCKEAN	PA .....	42083	2.30
MERCER	PA .....	42085	2.10
MIFFLIN	PA .....	42087	2.70
MONROE	PA .....	42089	2.80
MONTGOMERY	PA .....	42091	3.05
MONTOUR	PA .....	42093	2.70
NORTHAMPTON	PA .....	42095	2.80
NORTHUMBERLAND	PA .....	42097	2.70
PERRY	PA .....	42099	2.70
PHILADELPHIA	PA .....	42101	3.05
PIKE	PA .....	42103	2.80
POTTER	PA .....	42105	2.50
SCHUYLKILL	PA .....	42107	2.80
SNYDER	PA .....	42109	2.70
SOMERSET	PA .....	42111	2.30
SULLIVAN	PA .....	42113	2.50
SUSQUEHANNA	PA .....	42115	2.50
TIOGA	PA .....	42117	2.50
UNION	PA .....	42119	2.70
VENANGO	PA .....	42121	2.10
WARREN	PA .....	42123	2.10
WASHINGTON	PA .....	42125	2.10
WAYNE	PA .....	42127	2.70
WESTMORELAND	PA .....	42129	2.30
WYOMING	PA .....	42131	2.50
YORK	PA .....	42133	2.90
BRISTOL	RI .....	44001	3.25
KENT	RI .....	44003	3.25
NEWPORT	RI .....	44005	3.25
PROVIDENCE	RI .....	44007	3.25
WASHINGTON	RI .....	44009	3.25
ABBEVILLE	SC .....	45001	3.10
AIKEN	SC .....	45003	3.30
ALLENDALE	SC .....	45005	3.30
ANDERSON	SC .....	45007	3.10
BAMBERG	SC .....	45009	3.30
BARNWELL	SC .....	45011	3.30
BEAUFORT	SC .....	45013	3.30
BERKELEY	SC .....	45015	3.30
CALHOUN	SC .....	45017	3.30
CHARLESTON	SC .....	45019	3.30
CHEROKEE	SC .....	45021	3.10
CHESTER	SC .....	45023	3.10
CHESTERFIELD	SC .....	45025	3.30
CLARENDON	SC .....	45027	3.30
COLLETON	SC .....	45029	3.30
DARLINGTON	SC .....	45031	3.30
DILLON	SC .....	45033	3.30
DORCHESTER	SC .....	45035	3.30
EDGEFIELD	SC .....	45037	3.30
FAIRFIELD	SC .....	45039	3.30
FLORENCE	SC .....	45041	3.30
GEORGETOWN	SC .....	45043	3.30
GREENVILLE	SC .....	45045	3.10
GREENWOOD	SC .....	45047	3.10
HAMPTON	SC .....	45049	3.30
HORRY	SC .....	45051	3.30
JASPER	SC .....	45053	3.30
KERSHAW	SC .....	45055	3.30
LANCASTER	SC .....	45057	3.10
LAURENS	SC .....	45059	3.10
LEE	SC .....	45061	3.30
LEXINGTON	SC .....	45063	3.30
MARION	SC .....	45067	3.30
MARLBORO	SC .....	45069	3.30
MCCORMICK	SC .....	45065	3.10
NEWBERRY	SC .....	45071	3.30
OCONEE	SC .....	45073	3.10
ORANGEBURG	SC .....	45075	3.30
PICKENS	SC .....	45077	3.10
RICHLAND	SC .....	45079	3.30

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County/parish/city	State	FIPS code	Class I differential adjusted for location
SALUDA	SC .....	45081	3.30
SPARTANBURG	SC .....	45083	3.10
SUMTER	SC .....	45085	3.30
UNION	SC .....	45087	3.10
WILLIAMSBURG	SC .....	45089	3.30
YORK	SC .....	45091	3.10
AURORA	SD .....	46003	1.70
BEADLE	SD .....	46005	1.70
BENNETT	SD .....	46007	1.70
BON HOMME	SD .....	46009	1.75
BROOKINGS	SD .....	46011	1.70
BROWN	SD .....	46013	1.70
BRULE	SD .....	46015	1.70
BUFFALO	SD .....	46017	1.70
BUTTE	SD .....	46019	1.65
CAMPBELL	SD .....	46021	1.65
CHARLES MIX	SD .....	46023	1.75
CLARK	SD .....	46025	1.70
CLAY	SD .....	46027	1.75
CODINGTON	SD .....	46029	1.70
CORSON	SD .....	46031	1.65
CUSTER	SD .....	46033	1.80
DAVISON	SD .....	46035	1.70
DAY	SD .....	46037	1.70
DEUEL	SD .....	46039	1.70
DEWEY	SD .....	46041	1.65
DOUGLAS	SD .....	46043	1.75
EDMUNDS	SD .....	46045	1.70
FALL RIVER	SD .....	46047	1.80
FAULK	SD .....	46049	1.70
GRANT	SD .....	46051	1.70
GREGORY	SD .....	46053	1.75
HAAKON	SD .....	46055	1.70
HAMLIN	SD .....	46057	1.70
HAND	SD .....	46059	1.70
HANSON	SD .....	46061	1.70
HARDING	SD .....	46063	1.65
HUGHES	SD .....	46065	1.70
HUTCHINSON	SD .....	46067	1.75
HYDE	SD .....	46069	1.70
JACKSON	SD .....	46071	1.70
JERAULD	SD .....	46073	1.70
JONES	SD .....	46075	1.70
KINGSBURY	SD .....	46077	1.70
LAKE	SD .....	46079	1.70
LAWRENCE	SD .....	46081	1.80
LINCOLN	SD .....	46083	1.75
LYMAN	SD .....	46085	1.70
MARSHALL	SD .....	46091	1.70
MCCOOK	SD .....	46087	1.70
MCPHERSON	SD .....	46089	1.70
MEADE	SD .....	46093	1.65
MELLETTTE	SD .....	46095	1.70
MINER	SD .....	46097	1.70
MINNEHAHA	SD .....	46099	1.70
MOODY	SD .....	46101	1.70
PENNINGTON	SD .....	46103	1.80
PERKINS	SD .....	46105	1.65
POTTER	SD .....	46107	1.70
ROBERTS	SD .....	46109	1.70
SANBORN	SD .....	46111	1.70
SHANNON	SD .....	46113	1.80
SPINK	SD .....	46115	1.70
STANLEY	SD .....	46117	1.70
SULLY	SD .....	46119	1.70
TODD	SD .....	46121	1.70
TRIPP	SD .....	46123	1.70
TURNER	SD .....	46125	1.75
UNION	SD .....	46127	1.75
WALWORTH	SD .....	46129	1.70
YANKTON	SD .....	46135	1.75
ZIEBACH	SD .....	46137	1.65

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County/parish/city	State	FIPS code	Class I differential adjusted for location
ANDERSON	TN .....	47001	2.80
BEDFORD	TN .....	47003	2.60
BENTON	TN .....	47005	2.60
BLEDSON	TN .....	47007	2.60
BLOUNT	TN .....	47009	2.80
BRADLEY	TN .....	47011	2.80
CAMPBELL	TN .....	47013	2.80
CANNON	TN .....	47015	2.60
CARROLL	TN .....	47017	2.60
CARTER	TN .....	47019	2.80
CHEATHAM	TN .....	47021	2.60
CHESTER	TN .....	47023	2.80
CLAIBORNE	TN .....	47025	2.80
CLAY	TN .....	47027	2.60
COCKE	TN .....	47029	2.80
COFFEE	TN .....	47031	2.60
CROCKETT	TN .....	47033	2.60
CUMBERLAND	TN .....	47035	2.80
DAVIDSON	TN .....	47037	2.60
DE KALB	TN .....	47041	2.60
DECATUR	TN .....	47039	2.60
DICKSON	TN .....	47043	2.60
DYER	TN .....	47045	2.60
FAYETTE	TN .....	47047	2.80
FENTRESS	TN .....	47049	2.60
FRANKLIN	TN .....	47051	2.80
GIBSON	TN .....	47053	2.60
GILES	TN .....	47055	2.80
GRAINGER	TN .....	47057	2.80
GREENE	TN .....	47059	2.80
GRUNDY	TN .....	47061	2.60
HAMBLÉN	TN .....	47063	2.80
HAMILTON	TN .....	47065	2.80
HANCOCK	TN .....	47067	2.80
HARDEMAN	TN .....	47069	2.80
HARDIN	TN .....	47071	2.80
HAWKINS	TN .....	47073	2.80
HAYWOOD	TN .....	47075	2.60
HENDERSON	TN .....	47077	2.60
HENRY	TN .....	47079	2.60
HICKMAN	TN .....	47081	2.60
HOUSTON	TN .....	47083	2.60
HUMPHREYS	TN .....	47085	2.60
JACKSON	TN .....	47087	2.60
JEFFERSON	TN .....	47089	2.80
JOHNSON	TN .....	47091	2.80
KNOX	TN .....	47093	2.80
LAKE	TN .....	47095	2.60
LAUDERDALE	TN .....	47097	2.60
LAWRENCE	TN .....	47099	2.80
LEWIS	TN .....	47101	2.60
LINCOLN	TN .....	47103	2.80
LOUDON	TN .....	47105	2.80
MACON	TN .....	47111	2.60
MADISON	TN .....	47113	2.60
MARION	TN .....	47115	2.80
MARSHALL	TN .....	47117	2.60
MAURY	TN .....	47119	2.60
MCMINN	TN .....	47107	2.80
MCNAIRY	TN .....	47109	2.80
MEIGS	TN .....	47121	2.80
MONROE	TN .....	47123	2.80
MONTGOMERY	TN .....	47125	2.60
MOORE	TN .....	47127	2.80
MORGAN	TN .....	47129	2.80
OBION	TN .....	47131	2.60
OVERTON	TN .....	47133	2.60
PERRY	TN .....	47135	2.60
PICKETT	TN .....	47137	2.60
POLK	TN .....	47139	2.80
PUTNAM	TN .....	47141	2.60
RHEA	TN .....	47143	2.80

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County/parish/city	State	FIPS code	Class I differential adjusted for location
ROANE	TN .....	47145	2.80
ROBERTSON	TN .....	47147	2.60
RUTHERFORD	TN .....	47149	2.60
SCOTT	TN .....	47151	2.80
SEQUATCHIE	TN .....	47153	2.80
SEVIER	TN .....	47155	2.80
SHELBY	TN .....	47157	2.80
SMITH	TN .....	47159	2.60
STEWART	TN .....	47161	2.60
SULLIVAN	TN .....	47163	2.80
SUMNER	TN .....	47165	2.60
TIPTON	TN .....	47167	2.80
TROUSDALE	TN .....	47169	2.60
UNICOI	TN .....	47171	2.80
UNION	TN .....	47173	2.80
VAN BUREN	TN .....	47175	2.60
WARREN	TN .....	47177	2.60
WASHINGTON	TN .....	47179	2.80
WAYNE	TN .....	47181	2.80
WEAKLEY	TN .....	47183	2.60
WHITE	TN .....	47185	2.60
WILLIAMSON	TN .....	47187	2.60
WILSON	TN .....	47189	2.60
ANDERSON	TX .....	48001	3.15
ANDREWS	TX .....	48003	2.40
ANGELINA	TX .....	48005	3.15
ARANSAS	TX .....	48007	3.65
ARCHER	TX .....	48009	2.80
ARMSTRONG	TX .....	48011	2.40
ATASCOSA	TX .....	48013	3.45
AUSTIN	TX .....	48015	3.60
BAILEY	TX .....	48017	2.40
BANDERA	TX .....	48019	3.30
BASTROP	TX .....	48021	3.30
BAYLOR	TX .....	48023	2.60
BEE	TX .....	48025	3.65
BELL	TX .....	48027	3.15
BEXAR	TX .....	48029	3.45
BLANCO	TX .....	48031	3.30
BORDEN	TX .....	48033	2.40
BOSQUE	TX .....	48035	3.15
BOWIE	TX .....	48037	3.00
BRAZORIA	TX .....	48039	3.60
BRAZOS	TX .....	48041	3.30
BREWSTER	TX .....	48043	2.40
BRISCOE	TX .....	48045	2.40
BROOKS	TX .....	48047	3.65
BROWN	TX .....	48049	2.80
BURLESON	TX .....	48051	3.30
BURNET	TX .....	48053	3.30
CALDWELL	TX .....	48055	3.45
CALHOUN	TX .....	48057	3.65
CALLAHAN	TX .....	48059	2.80
CAMERON	TX .....	48061	3.65
CAMP	TX .....	48063	3.00
CARSON	TX .....	48065	2.40
CASS	TX .....	48067	3.00
CASTRO	TX .....	48069	2.40
CHAMBERS	TX .....	48071	3.60
CHEROKEE	TX .....	48073	3.15
CHILDRESS	TX .....	48075	2.40
CLAY	TX .....	48077	2.80
COCHRAN	TX .....	48079	2.40
COKE	TX .....	48081	2.60
COLEMAN	TX .....	48083	2.80
COLLIN	TX .....	48085	3.00
COLLINGSWORTH	TX .....	48087	2.40
COLORADO	TX .....	48089	3.60
COMAL	TX .....	48091	3.45
COMANCHE	TX .....	48093	2.80
CONCHO	TX .....	48095	2.80
COOKE	TX .....	48097	3.00

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County/parish/city	State	FIPS code	Class I differential adjusted for location
CORYELL	TX .....	48099	3.15
COTTLE	TX .....	48101	2.40
CRANE	TX .....	48103	2.40
CROCKETT	TX .....	48105	2.60
CROSBY	TX .....	48107	2.40
CULBERSON	TX .....	48109	2.40
DALLAM	TX .....	48111	2.40
DALLAS	TX .....	48113	3.00
DAWSON	TX .....	48115	2.40
DE WITT	TX .....	48123	3.60
DEAF SMITH	TX .....	48117	2.40
DELTA	TX .....	48119	3.00
DENTON	TX .....	48121	3.00
DICKENS	TX .....	48125	2.40
DIMMIT	TX .....	48127	3.45
DONLEY	TX .....	48129	2.40
DUVAL	TX .....	48131	3.65
EASTLAND	TX .....	48133	2.80
ECTOR	TX .....	48135	2.40
EDWARDS	TX .....	48137	2.80
EL PASO	TX .....	48141	2.25
ELLIS	TX .....	48139	3.00
ERATH	TX .....	48143	3.00
FALLS	TX .....	48145	3.15
FANNIN	TX .....	48147	3.00
FAYETTE	TX .....	48149	3.60
FISHER	TX .....	48151	2.60
FLOYD	TX .....	48153	2.40
FOARD	TX .....	48155	2.60
FORT BEND	TX .....	48157	3.60
FRANKLIN	TX .....	48159	3.00
FREESTONE	TX .....	48161	3.15
FRIO	TX .....	48163	3.45
GAINES	TX .....	48165	2.40
GALVESTON	TX .....	48167	3.60
GARZA	TX .....	48169	2.40
GILLESPIE	TX .....	48171	3.30
GLASSCOCK	TX .....	48173	2.60
GOLIAD	TX .....	48175	3.65
GONZALES	TX .....	48177	3.45
GRAY	TX .....	48179	2.40
GRAYSON	TX .....	48181	3.00
GREGG	TX .....	48183	3.00
GRIMES	TX .....	48185	3.30
GUADALUPE	TX .....	48187	3.45
HALE	TX .....	48189	2.40
HALL	TX .....	48191	2.40
HAMILTON	TX .....	48193	3.15
HANSFORD	TX .....	48195	2.40
HARDEMAN	TX .....	48197	2.60
HARDIN	TX .....	48199	3.60
HARRIS	TX .....	48201	3.60
HARRISON	TX .....	48203	3.00
HARTLEY	TX .....	48205	2.40
HASKELL	TX .....	48207	2.60
HAYS	TX .....	48209	3.45
HEMPHILL	TX .....	48211	2.40
HENDERSON	TX .....	48213	3.00
HIDALGO	TX .....	48215	3.65
HILL	TX .....	48217	3.15
HOCKLEY	TX .....	48219	2.40
HOOD	TX .....	48221	3.00
HOPKINS	TX .....	48223	3.00
HOUSTON	TX .....	48225	3.15
HOWARD	TX .....	48227	2.40
HUDSPETH	TX .....	48229	2.25
HUNT	TX .....	48231	3.00
HUTCHINSON	TX .....	48233	2.40
IRION	TX .....	48235	2.60
JACK	TX .....	48237	2.80
JACKSON	TX .....	48239	3.60
JASPER	TX .....	48241	3.30

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County/parish/city	State	FIPS code	Class I differential adjusted for location
JEFF DAVIS	TX .....	48243	2.40
JEFFERSON	TX .....	48245	3.60
JIM HOGG	TX .....	48247	3.65
JIM WELLS	TX .....	48249	3.65
JOHNSON	TX .....	48251	3.00
JONES	TX .....	48253	2.60
KARNES	TX .....	48255	3.65
KAUFMAN	TX .....	48257	3.00
KENDALL	TX .....	48259	3.30
KENEDY	TX .....	48261	3.65
KENT	TX .....	48263	2.60
KERR	TX .....	48265	3.30
KIMBLE	TX .....	48267	2.80
KING	TX .....	48269	2.60
KINNEY	TX .....	48271	3.30
KLEBERG	TX .....	48273	3.65
KNOX	TX .....	48275	2.60
LA SALLE	TX .....	48283	3.45
LAMAR	TX .....	48277	3.00
LAMB	TX .....	48279	2.40
LAMPASAS	TX .....	48281	3.15
LAVACA	TX .....	48285	3.60
LEE	TX .....	48287	3.30
LEON	TX .....	48289	3.15
LIBERTY	TX .....	48291	3.60
LIMESTONE	TX .....	48293	3.15
LIPSCOMB	TX .....	48295	2.40
LIVE OAK	TX .....	48297	3.65
LLANO	TX .....	48299	3.30
LOVING	TX .....	48301	2.40
LUBBOCK	TX .....	48303	2.40
LYNN	TX .....	48305	2.40
MADISON	TX .....	48313	3.30
MARION	TX .....	48315	3.00
MARTIN	TX .....	48317	2.40
MASON	TX .....	48319	2.80
MATAGORDA	TX .....	48321	3.60
MAVERICK	TX .....	48323	3.30
MCCULLOCH	TX .....	48307	2.80
MCLENNAN	TX .....	48309	3.15
MCMULLEN	TX .....	48311	3.45
MEDINA	TX .....	48325	3.30
MENARD	TX .....	48327	2.80
MIDLAND	TX .....	48329	2.40
MILAM	TX .....	48331	3.30
MILLS	TX .....	48333	2.80
MITCHELL	TX .....	48335	2.60
MONTAGUE	TX .....	48337	2.80
MONTGOMERY	TX .....	48339	3.60
MOORE	TX .....	48341	2.40
MORRIS	TX .....	48343	3.00
MOTLEY	TX .....	48345	2.40
NACOGDOCHES	TX .....	48347	3.15
NAVARRO	TX .....	48349	3.15
NEWTON	TX .....	48351	3.30
NOLAN	TX .....	48353	2.60
NUECES	TX .....	48355	3.65
OCHILTREE	TX .....	48357	2.40
OLDHAM	TX .....	48359	2.40
ORANGE	TX .....	48361	3.60
PALO PINTO	TX .....	48363	2.80
PANOLA	TX .....	48365	3.00
PARKER	TX .....	48367	3.00
PARMER	TX .....	48369	2.40
PECOS	TX .....	48371	2.40
POLK	TX .....	48373	3.30
POTTER	TX .....	48375	2.40
PRESIDIO	TX .....	48377	2.40
RAINS	TX .....	48379	3.00
RANDALL	TX .....	48381	2.40
REAGAN	TX .....	48383	2.60
REAL	TX .....	48385	3.30

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RED RIVER	TX .....	48387	3.00
REEVES	TX .....	48389	2.40
REFUGIO	TX .....	48391	3.65
ROBERTS	TX .....	48393	2.40
ROBERTSON	TX .....	48395	3.30
ROCKWALL	TX .....	48397	3.00
RUNNELS	TX .....	48399	2.80
RUSK	TX .....	48401	3.00
SABINE	TX .....	48403	3.15
SAN AUGUSTINE	TX .....	48405	3.15
SAN JACINTO	TX .....	48407	3.30
SAN PATRICIO	TX .....	48409	3.65
SAN SABA	TX .....	48411	2.80
SCHLEICHER	TX .....	48413	2.80
SCURRY	TX .....	48415	2.60
SHACKELFORD	TX .....	48417	2.80
SHELBY	TX .....	48419	3.15
SHERMAN	TX .....	48421	2.40
SMITH	TX .....	48423	3.00
SOMERVELL	TX .....	48425	3.00
STARR	TX .....	48427	3.65
STEPHENS	TX .....	48429	2.80
STERLING	TX .....	48431	2.60
STONEWALL	TX .....	48433	2.60
SUTTON	TX .....	48435	2.80
SWISHER	TX .....	48437	2.40
TARRANT	TX .....	48439	3.00
TAYLOR	TX .....	48441	2.60
TERRELL	TX .....	48443	2.60
TERRY	TX .....	48445	2.40
THROCKMORTON	TX .....	48447	2.80
TITUS	TX .....	48449	3.00
TOM GREEN	TX .....	48451	2.80
TRAVIS	TX .....	48453	3.30
TRINITY	TX .....	48455	3.30
TYLER	TX .....	48457	3.30
UPSHUR	TX .....	48459	3.00
UPTON	TX .....	48461	2.40
UVALDE	TX .....	48463	3.30
VAL VERDE	TX .....	48465	2.80
VAN ZANDT	TX .....	48467	3.00
VICTORIA	TX .....	48469	3.65
WALKER	TX .....	48471	3.30
WALLER	TX .....	48473	3.60
WARD	TX .....	48475	2.40
WASHINGTON	TX .....	48477	3.30
WEBB	TX .....	48479	3.45
WHARTON	TX .....	48481	3.60
WHEELER	TX .....	48483	2.40
WICHITA	TX .....	48485	2.80
WILBARGER	TX .....	48487	2.60
WILLACY	TX .....	48489	3.65
WILLIAMSON	TX .....	48491	3.30
WILSON	TX .....	48493	3.45
WINKLER	TX .....	48495	2.40
WISE	TX .....	48497	3.00
WOOD	TX .....	48499	3.00
YOAKUM	TX .....	48501	2.40
YOUNG	TX .....	48503	2.80
ZAPATA	TX .....	48505	3.65
ZAVALA	TX .....	48507	3.30
BEAVER	UT .....	49001	1.60
BOX ELDER	UT .....	49003	1.90
CACHE	UT .....	49005	1.90
CARBON	UT .....	49007	1.90
DAGGETT	UT .....	49009	1.90
DAVIS	UT .....	49011	1.90
DUCHESNE	UT .....	49013	1.90
EMERY	UT .....	49015	1.90
GARFIELD	UT .....	49017	1.60
GRAND	UT .....	49019	1.90
IRON	UT .....	49021	1.60

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JUAB	UT	49023	1.90
KANE	UT	49025	1.60
MILLARD	UT	49027	1.90
MORGAN	UT	49029	1.90
PIUTE	UT	49031	1.60
RICH	UT	49033	1.90
SALT LAKE	UT	49035	1.90
SAN JUAN	UT	49037	1.60
SANPETE	UT	49039	1.90
SEVIER	UT	49041	1.90
SUMMIT	UT	49043	1.90
TOOELE	UT	49045	1.90
UINTAH	UT	49047	1.90
UTAH	UT	49049	1.90
WASATCH	UT	49051	1.90
WASHINGTON	UT	49053	1.60
WAYNE	UT	49055	1.60
WEBER	UT	49057	1.90
ACCOMACK	VA	51001	3.00
ALBEMARLE	VA	51003	2.80
ALEXANDRIA CITY	VA	51510	3.00
ALLEGHANY	VA	51005	2.80
AMELIA	VA	51007	3.10
AMHERST	VA	51009	2.80
APPOMATTOX	VA	51011	2.80
ARLINGTON	VA	51013	3.00
AUGUSTA	VA	51015	2.80
BATH	VA	51017	2.80
BEDFORD	VA	51019	2.80
BEDFORD CITY	VA	51515	2.80
BLAND	VA	51021	2.80
BOTETOURT	VA	51023	2.80
BRISTOL CITY	VA	51520	2.80
BRUNSWICK	VA	51025	3.10
BUCHANAN	VA	51027	2.80
BUCKINGHAM	VA	51029	2.80
BUENA VISTA CITY	VA	51530	2.80
CAMPBELL	VA	51031	2.80
CAROLINE	VA	51033	3.10
CARROLL	VA	51035	2.80
CHARLES CITY	VA	51036	3.10
CHARLOTTE	VA	51037	3.10
CHARLOTTESVILLE CITY	VA	51540	2.80
CHESAPEAKE CITY	VA	51550	3.20
CHESTERFIELD	VA	51041	3.10
CLARKE	VA	51043	2.80
CLIFTON FORGE CITY	VA	51560	2.80
COLONIAL HEIGHTS CITY	VA	51570	3.10
COVINGTON CITY	VA	51580	2.80
CRAIG	VA	51045	2.80
CULPEPER	VA	51047	2.80
CUMBERLAND	VA	51049	2.80
DANVILLE CITY	VA	51590	2.80
DICKENSON	VA	51051	2.80
DINWIDDIE	VA	51053	3.10
EMPORIA CITY	VA	51595	3.10
ESSEX	VA	51057	3.10
FAIRFAX	VA	51059	3.00
FAIRFAX CITY	VA	51600	3.00
FALLS CHURCH CITY	VA	51610	3.00
FAUQUIER	VA	51061	3.00
FLOYD	VA	51063	2.80
FLUVANNA	VA	51065	2.80
FRANKLIN	VA	51067	2.80
FRANKLIN CITY	VA	51620	3.10
FREDERICK	VA	51069	2.80
FREDERICKSBURG CITY	VA	51630	2.80
GALAX CITY	VA	51640	2.80
GILES	VA	51071	2.80
GLOUCESTER	VA	51073	3.20
GOCHLAND	VA	51075	3.10
GRAYSON	VA	51077	2.80

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County/parish/city	State	FIPS code	Class I differential adjusted for location
GREENE	VA .....	51079	2.80
GREENSVILLE	VA .....	51081	3.10
HALIFAX	VA .....	51083	3.10
HAMPTON CITY	VA .....	51650	3.20
HANOVER	VA .....	51085	3.10
HARRISONBURG CITY	VA .....	51660	2.80
HENRICO	VA .....	51087	3.10
HENRY	VA .....	51089	2.80
HIGHLAND	VA .....	51091	2.80
HOPEWELL CITY	VA .....	51670	3.10
ISLE OF WIGHT	VA .....	51093	3.20
JAMES CITY	VA .....	51095	3.10
KING AND QUEEN	VA .....	51097	3.10
KING GEORGE	VA .....	51099	3.10
KING WILLIAM	VA .....	51101	3.10
LANCASTER	VA .....	51103	3.10
LEE	VA .....	51105	2.80
LEXINGTON CITY	VA .....	51678	2.80
LOUDOUN	VA .....	51107	3.00
LOUISA	VA .....	51109	2.80
LUNENBURG	VA .....	51111	3.10
LYNCHBURG CITY	VA .....	51680	2.80
MADISON	VA .....	51113	2.80
MANASSAS CITY	VA .....	51683	3.00
MANASSAS PARK CITY	VA .....	51685	3.00
MARTINSVILLE CITY	VA .....	51690	2.80
MATHEWS	VA .....	51115	3.20
MECKLENBURG	VA .....	51117	3.10
MIDDLESEX	VA .....	51119	3.10
MONTGOMERY	VA .....	51121	2.80
NELSON	VA .....	51125	2.80
NEW KENT	VA .....	51127	3.10
NEWPORT NEWS CITY	VA .....	51700	3.20
NORFOLK CITY	VA .....	51710	3.20
NORTHAMPTON	VA .....	51131	3.00
NORTHUMBERLAND	VA .....	51133	3.10
NORTON CITY	VA .....	51720	2.80
NOTTOWAY	VA .....	51135	3.10
ORANGE	VA .....	51137	2.80
PAGE	VA .....	51139	2.80
PATRICK	VA .....	51141	2.80
PETERSBURG CITY	VA .....	51730	3.10
PITTSYLVANIA	VA .....	51143	2.80
POQUOSON CITY	VA .....	51735	3.20
PORTSMOUTH CITY	VA .....	51740	3.20
POWHATAN	VA .....	51145	3.10
PRINCE EDWARD	VA .....	51147	3.10
PRINCE GEORGE	VA .....	51149	3.10
PRINCE WILLIAM	VA .....	51153	3.00
PULASKI	VA .....	51155	2.80
RADFORD CITY	VA .....	51750	2.80
RAPPAHANNOCK	VA .....	51157	2.80
RICHMOND	VA .....	51159	3.10
RICHMOND CITY	VA .....	51760	3.10
ROANOKE	VA .....	51161	2.80
ROANOKE CITY	VA .....	51770	2.80
ROCKBRIDGE	VA .....	51163	2.80
ROCKINGHAM	VA .....	51165	2.80
RUSSELL	VA .....	51167	2.80
SALEM CITY	VA .....	51775	2.80
SCOTT	VA .....	51169	2.80
SHENANDOAH	VA .....	51171	2.80
SMYTH	VA .....	51173	2.80
SOUTHAMPTON	VA .....	51175	3.10
SPOTSYLVANIA	VA .....	51177	2.80
STAFFORD	VA .....	51179	3.00
STAUNTON CITY	VA .....	51790	2.80
SUFFOLK CITY	VA .....	51800	3.20
SURRY	VA .....	51181	3.10
SUSSEX	VA .....	51183	3.10
TAZEWELL	VA .....	51185	2.80
VIRGINIA BEACH CITY	VA .....	51810	3.20

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WARREN	VA .....	51187	2.80
WASHINGTON	VA .....	51191	2.80
WAYNESBORO CITY	VA .....	51820	2.80
WESTMORELAND	VA .....	51193	3.10
WILLIAMSBURG CITY	VA .....	51830	3.10
WINCHESTER CITY	VA .....	51840	2.80
WISE	VA .....	51195	2.80
WYTHE	VA .....	51197	2.80
YORK	VA .....	51199	3.20
ADDISON	VT .....	50001	2.60
BENNINGTON	VT .....	50003	2.80
CALEDONIA	VT .....	50005	2.60
CHITTENDEN	VT .....	50007	2.50
ESSEX	VT .....	50009	2.40
FRANKLIN	VT .....	50011	2.40
GRAND ISLE	VT .....	50013	2.40
LAMOILLE	VT .....	50015	2.50
ORANGE	VT .....	50017	2.60
ORLEANS	VT .....	50019	2.40
RUTLAND	VT .....	50021	2.60
WASHINGTON	VT .....	50023	2.60
WINDHAM	VT .....	50025	2.80
WINDSOR	VT .....	50027	2.80
ADAMS	WA .....	53001	1.75
ASOTIN	WA .....	53003	1.75
BENTON	WA .....	53005	1.75
CHELAN	WA .....	53007	1.75
CLALLAM	WA .....	53009	1.90
CLARK	WA .....	53011	1.90
COLUMBIA	WA .....	53013	1.75
COWLITZ	WA .....	53015	1.90
DOUGLAS	WA .....	53017	1.75
FERRY	WA .....	53019	1.90
FRANKLIN	WA .....	53021	1.75
GARFIELD	WA .....	53023	1.75
GRANT	WA .....	53025	1.75
GRAYS HARBOR	WA .....	53027	1.90
ISLAND	WA .....	53029	1.90
JEFFERSON	WA .....	53031	1.90
KING	WA .....	53033	1.90
KITSAP	WA .....	53035	1.90
KITTITAS	WA .....	53037	1.75
KLICKITAT	WA .....	53039	1.75
LEWIS	WA .....	53041	1.90
LINCOLN	WA .....	53043	1.90
MASON	WA .....	53045	1.90
OKANOGAN	WA .....	53047	1.75
PACIFIC	WA .....	53049	1.90
PEND OREILLE	WA .....	53051	1.90
PIERCE	WA .....	5303	1.90
SAN JUAN	WA .....	53055	1.90
SKAGIT	WA .....	53057	1.90
SKAMANIA	WA .....	53059	1.90
SNOHOMISH	WA .....	53061	1.90
SPOKANE	WA .....	53063	1.90
STEVENS	WA .....	53065	1.90
THURSTON	WA .....	53067	1.90
WAHIAKUM	WA .....	53069	1.90
WALLA WALLA	WA .....	53071	1.75
WHATCOM	WA .....	53073	1.90
WHITMAN	WA .....	53075	1.90
YAKIMA	WA .....	53077	1.75
ADAMS	WI .....	55001	1.70
ASHLAND	WI .....	55003	1.70
BARRON	WI .....	55005	1.70
BAYFIELD	WI .....	55007	1.70
BROWN	WI .....	55009	1.75
BUFFALO	WI .....	55011	1.70
BURNETT	WI .....	55013	1.70
CALUMET	WI .....	55015	1.75
CHIPPEWA	WI .....	55017	1.70
CLARK	WI .....	55019	1.70

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COLUMBIA	WI .....	55021	1.75
CRAWFORD	WI .....	55023	1.75
DANE	WI .....	55025	1.75
DODGE	WI .....	55027	1.75
DOOR	WI .....	55029	1.75
DOUGLAS	WI .....	55031	1.70
DUNN	WI .....	55033	1.70
EAU CLAIRE	WI .....	55035	1.70
FLORENCE	WI .....	55037	1.70
FOND DU LAC	WI .....	55039	1.75
FOREST	WI .....	55041	1.70
GRANT	WI .....	55043	1.75
GREEN	WI .....	55045	1.75
GREEN LAKE	WI .....	55047	1.70
IOWA	WI .....	55049	1.75
IRON	WI .....	55051	1.70
JACKSON	WI .....	55053	1.70
JEFFERSON	WI .....	55055	1.75
JUNEAU	WI .....	55057	1.70
KENOSHA	WI .....	55059	1.75
KEWAUNEE	WI .....	55061	1.75
LA CROSSE	WI .....	55063	1.70
LAFAYETTE	WI .....	55065	1.75
LANGLADE	WI .....	55067	1.70
LINCOLN	WI .....	55069	1.70
MANITOWOC	WI .....	55071	1.75
MARATHON	WI .....	55073	1.70
MARINETTE	WI .....	55075	1.70
MARQUETTE	WI .....	55077	1.70
MENOMINEE	WI .....	55078	1.70
MILWAUKEE	WI .....	55079	1.75
MONROE	WI .....	55081	1.70
OCONTO	WI .....	55083	1.70
ONEIDA	WI .....	55085	1.70
OUTAGAMIE	WI .....	55087	1.75
OZAUKEE	WI .....	55089	1.75
PEPIN	WI .....	55091	1.70
PIERCE	WI .....	55093	1.70
POLK	WI .....	55095	1.70
PORTAGE	WI .....	55097	1.70
PRICE	WI .....	55099	1.70
RACINE	WI .....	55101	1.75
RICHLAND	WI .....	55103	1.75
ROCK	WI .....	55105	1.75
RUSK	WI .....	55107	1.70
SAUK	WI .....	55111	1.75
SAWYER	WI .....	55113	1.70
SHAWANO	WI .....	55115	1.70
SHEBOYGAN	WI .....	55117	1.75
ST. CROIX	WI .....	55109	1.70
TAYLOR	WI .....	55119	1.70
TREMPEALEAU	WI .....	55121	1.70
VERNON	WI .....	55123	1.75
VILAS	WI .....	55125	1.70
WALWORTH	WI .....	55127	1.75
WASHBURN	WI .....	55129	1.70
WASHINGTON	WI .....	55131	1.75
WALKESHA	WI .....	55133	1.75
WAUPACA	WI .....	55135	1.75
WAUSHARA	WI .....	55137	1.70
WINNEBAGO	WI .....	55139	1.75
WOOD	WI .....	55141	1.70
BARBOUR	WV .....	54001	2.30
BERKELEY	WV .....	54003	2.60
BOONE	WV .....	54005	2.20
BRAXTON	WV .....	54007	2.20
BROOKE	WV .....	54009	2.10
CABELL	WV .....	54011	2.20
CALHOUN	WV .....	54013	2.20
CLAY	WV .....	54015	2.20
DODDRIDGE	WV .....	54017	2.10
FAYETTE	WV .....	54019	2.20

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County/parish/city	State	FIPS code	Class I differential adjusted for location
GILMER	WV .....	54021	2.20
GRANT	WV .....	54023	2.60
GREENBRIER	WV .....	54025	2.20
HAMPSHIRE	WV .....	54027	2.60
HANCOCK	WV .....	54029	2.10
HARDY	WV .....	54031	2.60
HARRISON	WV .....	54033	2.10
JACKSON	WV .....	54035	2.20
JEFFERSON	WV .....	54037	2.60
KANAWHA	WV .....	54039	2.20
LEWIS	WV .....	54041	2.10
LINCOLN	WV .....	54043	2.20
LOGAN	WV .....	54045	2.20
MARION	WV .....	54049	2.10
MARSHALL	WV .....	54051	2.10
MASON	WV .....	54053	2.20
MCDOWELL	WV .....	54047	2.80
MERCER	WV .....	54055	2.80
MINERAL	WV .....	54057	2.60
MINGO	WV .....	54059	2.20
MONONGALIA	WV .....	54061	2.10
MONROE	WV .....	54063	2.20
MORGAN	WV .....	54065	2.60
NICHOLAS	WV .....	54067	2.20
OHIO	WV .....	54069	2.10
PENDLETON	WV .....	54071	2.60
PLEASANTS	WV .....	54073	2.20
POCAHONTAS	WV .....	54075	2.20
PRESTON	WV .....	54077	2.30
PUTNAM	WV .....	54079	2.20
RALEIGH	WV .....	54081	2.20
RANDOLPH	WV .....	54083	2.30
RITCHIE	WV .....	54085	2.20
ROANE	WV .....	54087	2.20
SUMMERS	WV .....	54089	2.20
TAYLOR	WV .....	54091	2.30
TUCKER	WV .....	54093	2.30
TYLER	WV .....	54095	2.10
UPSHUR	WV .....	54097	2.30
WAYNE	WV .....	54099	2.20
WEBSTER	WV .....	54101	2.20
WETZEL	WV .....	54103	2.10
WIRT	WV .....	54105	2.20
WOOD	WV .....	54107	2.20
WYOMING	WV .....	54109	2.20
ALBANY	WY .....	56001	1.90
BIG HORN	WY .....	56003	1.60
CAMPBELL	WY .....	56005	1.65
CARBON	WY .....	56007	1.90
CONVERSE	WY .....	56009	1.70
CROOK	WY .....	56011	1.65
FREMONT	WY .....	56013	1.60
GOSHEN	WY .....	56015	1.90
HOT SPRINGS	WY .....	56017	1.60
JOHNSON	WY .....	56019	1.65
LARAMIE	WY .....	56021	2.45
LINCOLN	WY .....	56023	1.60
NATRONA	WY .....	56025	1.70
NIOBRARA	WY .....	56027	1.70
PARK	WY .....	56029	1.60
PLATTE	WY .....	56031	1.90
SHERIDAN	WY .....	56033	1.60
SUBLETTE	WY .....	56035	1.60
SWEETWATER	WY .....	56037	1.90
TETON	WY .....	56039	1.60
UINTA	WY .....	56041	1.90
WASHAKIE	WY .....	56043	1.60
WESTON	WY .....	56045	1.70

[64 FR 70869, Dec. 17, 1999; 64 FR 73386, Dec. 30, 1999]

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### § 1000.53 Announcement of class prices, component prices, and advanced pricing factors.

(a) On or before the 5th day of the month, the market administrator for each Federal milk marketing order shall announce the following prices (as applicable to that order) for the preceding month:

- (1) The Class II price;
- (2) The Class II butterfat price;
- (3) The Class III price;
- (4) The Class III skim milk price;
- (5) The Class IV price;
- (6) The Class IV skim milk price;
- (7) The butterfat price;
- (8) The nonfat solids price;
- (9) The protein price;
- (10) The other solids price; and
- (11) The somatic cell adjustment rate.

(b) On or before the 23rd day of the month, the market administrator for each Federal milk marketing order shall announce the following prices and pricing factors for the following month:

- (1) The Class I price;
  - (2) The Class I skim milk price;
  - (3) The Class I butterfat price;
  - (4) The Class II skim milk price;
  - (5) The Class II nonfat solids price;
- and
- (6) The advanced pricing factors described in § 1000.50(q).

### § 1000.54 Equivalent price.

If for any reason a price or pricing constituent required for computing the prices described in § 1000.50 is not available, the market administrator shall use a price or pricing constituent determined by the Deputy Administrator, Dairy Programs, Agricultural Marketing Service, to be equivalent to the price or pricing constituent that is required.

## Subpart H—Payments for Milk

### § 1000.70 Producer-settlement fund.

The market administrator shall establish and maintain a separate fund known as the producer-settlement fund into which the market administrator shall deposit all payments made by handlers pursuant to §§ \_\_\_\_\_ .71, \_\_\_\_\_ .76, and \_\_\_\_\_ .77 of each Federal milk order and out of which the

market administrator shall make all payments pursuant to §§ \_\_\_\_\_ .72 and \_\_\_\_\_ .77 of each Federal milk order. Payments due any handler shall be offset by any payments due from that handler.

### § 1000.76 Payments by a handler operating a partially regulated distributing plant.

On or before the 25th day after the end of the month (except as provided in § 1000.90), the operator of a partially regulated distributing plant, other than a plant that is subject to marketwide pooling of producer returns under a State government's milk classification and pricing program, shall pay to the market administrator for the producer-settlement fund the amount computed pursuant to paragraph (a) of this section or, if the handler submits the information specified in §§ \_\_\_\_\_ .30(b) and \_\_\_\_\_ .31(b) of the order, the handler may elect to pay the amount computed pursuant to paragraph (b) of this section. A partially regulated distributing plant that is subject to marketwide pooling of producer returns under a State government's milk classification and pricing program shall pay the amount computed pursuant to paragraph (c) of this section.

(a) The payment under this paragraph shall be an amount resulting from the following computations:

(1) From the plant's route disposition in the marketing area:

(i) Subtract receipts of fluid milk products classified as Class I milk from pool plants, plants fully regulated under other Federal orders, and handlers described in § 1000.9(c) and § 1135.11 of this chapter, except those receipts subtracted under a similar provision of another Federal milk order;

(ii) Subtract receipts of fluid milk products from another nonpool plant that is not a plant fully regulated under another Federal order to the extent that an equivalent amount of fluid milk products disposed of to the nonpool plant by handlers fully regulated under any Federal order is classified and priced as Class I milk and is not used as an offset for any payment obligation under any order; and

(iii) Subtract the pounds of reconstituted milk made from nonfluid milk products which are disposed of as route disposition in the marketing area;

(2) For orders with multiple component pricing, compute a Class I differential price by subtracting Class III price from the current month's Class I price. Multiply the pounds remaining after the computation in paragraph (a)(1)(iii) of this section by the amount by which the Class I differential price exceeds the producer price differential, both prices to be applicable at the location of the partially regulated distributing plant except that neither the adjusted Class I differential price nor the adjusted producer price differential shall be less than zero;

(3) For orders with skim milk and butterfat pricing, multiply the remaining pounds by the amount by which the Class I price exceeds the uniform price, both prices to be applicable at the location of the partially regulated distributing plant except that neither the adjusted Class I price nor the adjusted uniform price differential shall be less than the lowest announced class price; and

(4) Unless the payment option described in paragraph (d) is selected, add the amount obtained from multiplying the pounds of labeled reconstituted milk included in paragraph (a)(1)(iii) of this section by any positive difference between the Class I price applicable at the location of the partially regulated distributing plant (less \$1.00 if the reconstituted milk is labeled as such) and the Class IV price.

(b) The payment under this paragraph shall be the amount resulting from the following computations:

(1) Determine the value that would have been computed pursuant to § \_\_\_\_\_.60 of the order for the partially regulated distributing plant if the plant had been a pool plant, subject to the following modifications:

(i) Fluid milk products and bulk fluid cream products received at the plant from a pool plant, a plant fully regulated under another Federal order, and handlers described in §1000.9(c) and §1135.11 of this chapter shall be allocated at the partially regulated distributing plant to the same class in which

such products were classified at the fully regulated plant;

(ii) Fluid milk products and bulk fluid cream products transferred from the partially regulated distributing plant to a pool plant or a plant fully regulated under another Federal order shall be classified at the partially regulated distributing plant in the class to which allocated at the fully regulated plant. Such transfers shall be allocated to the extent possible to those receipts at the partially regulated distributing plant from the pool plant and plants fully regulated under other Federal orders that are classified in the corresponding class pursuant to paragraph (b)(1)(i) of this section. Any such transfers remaining after the above allocation which are in Class I and for which a value is computed pursuant to § \_\_\_\_\_.60 of the order for the partially regulated distributing plant shall be priced at the statistical uniform price or uniform price, whichever is applicable, of the respective order regulating the handling of milk at the receiving plant, with such statistical uniform price or uniform price adjusted to the location of the nonpool plant (but not to be less than the lowest announced class price of the respective order); and

(iii) If the operator of the partially regulated distributing plant so requests, the handler's value of milk determined pursuant to § \_\_\_\_\_.60 of the order shall include a value of milk determined for each nonpool plant that is not a plant fully regulated under another Federal order which serves as a supply plant for the partially regulated distributing plant by making shipments to the partially regulated distributing plant during the month equivalent to the requirements of § \_\_\_\_\_.7(c) of the order subject to the following conditions:

(A) The operator of the partially regulated distributing plant submits with its reports filed pursuant to §§ \_\_\_\_\_.30(b) and \_\_\_\_\_.31(b) of the order similar reports for each such nonpool supply plant;

(B) The operator of the nonpool plant maintains books and records showing the utilization of all skim milk and butterfat received at the plant which are made available if requested by the

market administrator for verification purposes; and

(C) The value of milk determined pursuant to § \_\_\_\_\_60 for the unregulated supply plant shall be determined in the same manner prescribed for computing the obligation of the partially regulated distributing plant; and

(2) From the partially regulated distributing plant's value of milk computed pursuant to paragraph (b)(1) of this section, subtract:

(i) The gross payments that were made for milk that would have been producer milk had the plant been fully regulated;

(ii) If paragraph (b)(1)(iii) of this section applies, the gross payments by the operator of the nonpool supply plant for milk received at the plant during the month that would have been producer milk if the plant had been fully regulated; and

(iii) The payments by the operator of the partially regulated distributing plant to the producer-settlement fund of another Federal order under which the plant is also a partially regulated distributing plant and, if paragraph (b)(1)(iii) of this section applies, payments made by the operator of the nonpool supply plant to the producer-settlement fund of any order.

(c) The operator of a partially regulated distributing plant that is subject to marketwide pooling of returns under a milk classification and pricing program that is imposed under the authority of a State government shall pay on or before the 25th day after the end of the month (except as provided in §1000.90) to the market administrator for the producer-settlement fund an amount computed as follows:

After completing the computations described in paragraphs (a)(1)(i) and (ii) of this section, determine the value of the remaining pounds of fluid milk products disposed of as route disposition in the marketing area by multiplying the hundredweight of such pounds by the amount, if greater than zero, that remains after subtracting the State program's class prices applicable to such products at the plant's location from the Federal order Class I price applicable at the location of the plant.

(d) Any handler may elect partially regulated distributing plant status for any plant with respect to receipts of nonfluid milk ingredients that are reconstituted for fluid use. Payments may be made to the producer-settlement fund of the order regulating the producer milk used to produce the nonfluid milk ingredients at the positive difference between the Class I price applicable under the other order at the location of the plant where the nonfluid milk ingredients were processed and the Class IV price. This payment option shall apply only if a majority of the total milk received at the plant that processed the nonfluid milk ingredients is regulated under one or more Federal orders and payment may only be made to the producer-settlement fund of the order pricing a plurality of the milk used to produce the nonfluid milk ingredients. This payment option shall not apply if the source of the nonfluid ingredients used in reconstituted fluid milk products cannot be determined by the market administrator.

**§ 1000.77 Adjustment of accounts.**

Whenever audit by the market administrator of any handler's reports, books, records, or accounts, or other verification discloses errors resulting in money due the market administrator from a handler, or due a handler from the market administrator, or due a producer or cooperative association from a handler, the market administrator shall promptly notify such handler of any amount so due and payment thereof shall be made on or before the next date for making payments as set forth in the provisions under which the error(s) occurred.

**§ 1000.78 Charges on overdue accounts.**

Any unpaid obligation due the market administrator, producers, or cooperative associations from a handler pursuant to the provisions of the order shall be increased 1.0 percent each month beginning with the day following the date such obligation was due under the order. Any remaining amount due shall be increased at the same rate on the corresponding day of each succeeding month until paid. The

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amounts payable pursuant to this section shall be computed monthly on each unpaid obligation and shall include any unpaid charges previously computed pursuant to this section. The late charges shall accrue to the administrative assessment fund. For the purpose of this section, any obligation that was determined at a date later than prescribed by the order because of a handler's failure to submit a report to the market administrator when due shall be considered to have been payable by the date it would have been due if the report had been filed when due.

### Subpart I—Administrative Assessment and Marketing Service Deduction

#### § 1000.85 Assessment for order administration.

On or before the payment receipt date specified under § \_\_\_\_\_.71 of each Federal milk order each handler shall pay to the market administrator its pro rata share of the expense of administration of the order at a rate specified by the market administrator that is no more than 5 cents per hundredweight with respect to:

(a) Receipts of producer milk (including the handler's own production) other than such receipts by a handler described in §1000.9(c) that were delivered to pool plants of other handlers;

(b) Receipts from a handler described in §1000.9(c);

(c) Receipts of concentrated fluid milk products from unregulated supply plants and receipts of nonfluid milk products assigned to Class I use pursuant to §1000.43(d) and other source milk allocated to Class I pursuant to §1000.44(a) (3) and (8) and the corresponding steps of §1000.44(b), except other source milk that is excluded from the computations pursuant to § \_\_\_\_\_.60 (d) and (e) of parts 1005, 1006, and 1007 of this chapter or § \_\_\_\_\_.60 (h) and (i) of parts 1001, 1030, 1032, 1033, 1124, 1126, 1131, and 1135 of this chapter; and

(d) Route disposition in the marketing area from a partially regulated distributing plant that exceeds the skim milk and butterfat subtracted pursuant to §1000.76(a)(1) (i) and (ii).

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#### § 1000.86 Deduction for marketing services.

(a) Except as provided in paragraph (b) of this section, each handler in making payments to producers for milk (other than milk of such handler's own production) pursuant to § \_\_\_\_\_.73 of each Federal milk order shall deduct an amount specified by the market administrator that is no more than 7 cents per hundredweight and shall pay the amount deducted to the market administrator not later than the payment receipt date specified under § \_\_\_\_\_.71 of each Federal milk order. The money shall be used by the market administrator to verify or establish weights, samples and tests of producer milk and provide market information for producers who are not receiving such services from a cooperative association. The services shall be performed in whole or in part by the market administrator or an agent engaged by and responsible to the market administrator.

(b) In the case of producers for whom the market administrator has determined that a cooperative association is actually performing the services set forth in paragraph (a) of this section, each handler shall make deductions from the payments to be made to producers as may be authorized by the membership agreement or marketing contract between the cooperative association and the producers. On or before the 15th day after the end of the month (except as provided in §1000.90), such deductions shall be paid to the cooperative association rendering the services accompanied by a statement showing the amount of any deductions and the amount of milk for which the deduction was computed for each producer. These deductions shall be made in lieu of the deduction specified in paragraph (a) of this section.

### Subpart J—Miscellaneous Provisions

#### § 1000.90 Dates.

If a date required for a payment contained in a Federal milk order falls on a Saturday, Sunday, or national holiday, such payment will be due on the

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next day that the market administrator's office is open for public business.

### §§ 1000.91–1000.92 [Reserved]

### § 1000.93 OMB control number assigned pursuant to the Paperwork Reduction Act.

The information collection requirements contained in this part have been approved by the Office of Management and Budget (OMB) under the provisions of Title 44 U.S.C. chapter 35 and have been assigned OMB control number 0581–0032.

## PART 1001—MILK IN THE NORTHEAST MARKETING AREA

### Subpart—Order Regulating Handling

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##### Sec.

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#### ADMINISTRATIVE ASSESSMENT AND MARKETING SERVICE DEDUCTION

1001.85 Assessment for order administration.  
1001.86 Deduction for marketing services.

AUTHORITY: 7 U.S.C. 601–674, and 7253.

SOURCE: 64 FR 47954, Sept. 1, 1999, unless otherwise noted.

### Subpart—Order Regulating Handling

#### GENERAL PROVISIONS

### § 1001.1 General provisions.

The terms, definitions, and provisions in part 1000 of this chapter apply to this part 1001. In this part 1001, all references to sections in part 1000 refer to part 1000 of this chapter.

#### DEFINITIONS

### § 1001.2 Northeast marketing area.

The marketing area means all the territory within the bounds of the following states and political subdivisions, including all piers, docks and wharves connected therewith and all craft moored thereat, and all territory

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occupied by government (municipal, State or Federal) reservations, installations, institutions, or other similar establishments if any part thereof is within any of the listed states or political subdivisions:

CONNECTICUT, DELAWARE, MASSACHUSETTS, NEW HAMPSHIRE, NEW JERSEY, RHODE ISLAND, VERMONT AND DISTRICT OF COLUMBIA

All of the States of Connecticut, Delaware, Massachusetts, New Hampshire, New Jersey, Rhode Island, Vermont and the District of Columbia.

**MARYLAND COUNTIES**

All of the State of Maryland except the counties of Allegany and Garrett.

**NEW YORK COUNTIES, CITIES, AND TOWNSHIPS**

All counties within the State of New York except Allegany, Cattaraugus, Chatauqua, Erie, Genessee, Livingston, Monroe, Niagara, Ontario, Orleans, Seneca, Wayne, and Wyoming; the townships of Conquest, Montezuma, Sterling and Victory in Cayuga County; the city of Hornell, and the townships of Avoca, Bath, Bradford, Canisteo, Cohocton, Dansville, Fremont, Pulteney, Hartsville, Hornellsville, Howard, Prattsburg, Urbana, Wayland, Wayne and Wheeler in Steuben County; and the townships of Italy, Middlesex, and Potter in Yates County.

**PENNSYLVANIA COUNTIES**

Adams, Bucks, Chester, Cumberland, Dauphin, Delaware, Franklin, Fulton, Juniata, Lancaster, Lebanon, Montgomery, Perry, Philadelphia, and York.

**VIRGINIA COUNTIES AND CITIES**

Arlington, Fairfax, Loudoun, and Prince William, and the cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park.

**§ 1001.3 Route disposition.**

See §1000.3.

**§ 1001.4 Plant.**

(a) Except as provided in paragraph (b) of this section, plant means the land, buildings, facilities, and equipment constituting a single operating unit or establishment at which milk or milk products are received, processed, or packaged, including a facility described in paragraph (b)(2) of this section if the facility receives the milk of more than one dairy farmer.

(b) Plant shall not include:

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(1) A separate building without stationary storage tanks that is used only as a reload point for transferring bulk milk from one tank truck to another or a separate building used only as a distribution point for storing packaged fluid milk products in transit for route disposition;

(2) An on-farm facility operated as part of a single dairy farm entity for the separation of cream and skim milk or the removal of water from milk; or

(3) Bulk reload points where milk is transferred from one tank truck to another while en route from dairy farmers' farms to a plant. If stationary storage tanks are used for transferring milk at the premises, the operator of the facility shall make an advance written request to the market administrator that the facility shall be treated as a reload point. The cooling of milk, collection of samples, and washing and sanitizing of tank trucks at the premises shall not disqualify it as a bulk reload point.

**§ 1001.5 Distributing plant.**

See §1000.5.

**§ 1001.6 Supply plant.**

See §1000.6.

**§ 1001.7 Pool plant.**

*Pool plant* means a plant, unit of plants, or system of plants as specified in paragraphs (a) through (f) of this section, but excluding a plant described in paragraph (h) of this section. The pooling standards described in paragraphs (c) and (f) of this section are subject to modification pursuant to paragraph (g) of this section.

(a) A distributing plant, other than a plant qualified as a pool plant pursuant to paragraph (b) of this section or § \_\_\_\_\_ .7(b) of any other Federal milk order, from which during the month 25 percent or more of the total quantity of fluid milk products physically received at the plant (excluding concentrated milk received from another plant by agreement for other than Class I use) are disposed of as route disposition or are transferred in the form of packaged fluid milk products to other distributing plants. At least 25 percent of such route disposition and

transfers must be to outlets in the marketing area.

(b) Any distributing plant located in the marketing area which during the month processed at least 25 percent of the total quantity of fluid milk products physically received at the plant (excluding concentrated milk received from another plant by agreement for other than Class I use) into ultra-pasteurized or aseptically-processed fluid milk products.

(c) A supply plant from which fluid milk products are transferred or diverted to plants described in paragraph (a) or (b) of this section subject to the additional conditions described in this paragraph. In the case of a supply plant operated by a cooperative association handler described in §1000.9(c), fluid milk products that the cooperative delivers to pool plants directly from producers' farms shall be treated as if transferred from the cooperative association's plant for the purpose of meeting the shipping requirements of this paragraph.

(1) During the months of August and December, such shipments must equal not less than 10 percent of the total quantity of milk that is received at the plant or diverted from it pursuant to §1001.13 during the month;

(2) During the months of September through November, such shipments must equal not less than 20 percent of the total quantity of milk that is received at the plant or diverted from it pursuant to §1001.13 during the month;

(3) A plant which meets the shipping requirements of this paragraph during each of the months of August through December shall be a pool plant during the following months of January through July unless the milk received at the plant fails to meet the requirements of a duly constituted regulatory agency, the plant fails to meet a shipping requirement instituted pursuant to paragraph (f) of this section, or the plant operator requests nonpool status for the plant. The shipping requirement for any plant which has not met the requirements of paragraphs (c)(1) and (c)(2) of this section must equal not less than 10 percent of the total quantity of milk that is received at the plant or diverted from it pursuant to §1001.13 during each of the months of

January through July in order for the plant to be a pool plant in each of those months;

(4) If milk is delivered directly from producers' farms that are located outside of the states included in the marketing area or outside Maine or West Virginia, such producers must be grouped by state into reporting units and each reporting unit must independently meet the shipping requirements of this paragraph; and

(5) Concentrated milk transferred from the supply plant to a distributing plant for an agreed-upon use other than Class I shall be excluded from the supply plant's shipments in computing the percentages in paragraphs (c)(1) and (2) of this section.

(d) [Reserved]

(e) Two or more plants that are located in the marketing area and operated by the same handler may qualify as a unit by meeting the total and in-area route distribution requirements specified in paragraph (a) of this section subject to the following additional requirements:

(1) At least one of the plants in the unit qualifies as a pool plant pursuant to paragraph (a) of this section;

(2) Other plants in the unit must process only Class I or Class II products and must be located in a pricing zone providing the same or a lower Class I price than the price applicable at the distributing plant included in the unit; and

(3) A written request to form a unit, or to add or remove plants from a unit, or to cancel a unit, must be filed with the market administrator prior to the first day of the month for which unit formation is to be effective.

(f) Two or more supply plants operated by the same handler, or by one or more cooperative associations, may qualify for pooling as a system of plants by meeting the applicable percentage requirements of paragraph (c) of this section in the same manner as a single plant subject to the following additional requirements:

(1) A supply plant system will be effective for the period of August 1 through July 31 of the following year. Written notification must be given to the market administrator listing the plants to be included in the system

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prior to the first day of July preceding the effective date of the system. The plants included in the system shall be listed in the sequence in which they shall qualify for pool plant status based on the minimum deliveries required. If the deliveries made are insufficient to qualify the entire system for pooling, the last listed plant shall be excluded from the system, followed by the plant next-to-last on the list, and continuing in this sequence until remaining listed plants have met the minimum shipping requirements; and

(2) Each plant that qualifies as a pool plant within a system shall continue each month as a plant in the system through the following July unless the plant subsequently fails to qualify for pooling, the handler submits a written notification to the market administrator prior to the first day of the month that the plant be deleted from the system, or that the system be discontinued. Any plant that has been so deleted from the system, or that has failed to qualify as a pool plant in any month, will not be part of the system for the remaining months through July. For any system that qualifies in August, no plant may be added in any subsequent month through the following July unless the plant replaces another plant in the system that has ceased operations and the market administrator is notified of such replacement prior to the first day of the month for which it is to be effective.

(g) The applicable shipping percentages of paragraphs (c) and (f) of this section may be increased or decreased by the market administrator if the market administrator finds that such adjustment is necessary to encourage needed shipments or to prevent uneconomic shipments. Before making such a finding, the market administrator shall investigate the need for adjustment either on the market administrator's own initiative or at the request of interested parties if the request is made in writing at least 15 days prior to the month for which the requested revision is desired effective. If the investigation shows that an adjustment of the shipping percentages might be appropriate, the market administrator shall issue a notice stating that an adjustment is being considered and invite

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data, views and arguments. Any decision to revise an applicable shipping percentage must be issued in writing at least one day before the effective date.

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

- (1) A producer-handler plant;
- (2) An exempt plant as defined in §1000.8(e);
- (3) A plant qualified pursuant to paragraph (a) of this section that is located within the marketing area if the plant also meets the pooling requirements of another Federal order and more than 50 percent of its route distribution has been in such other Federal order marketing area for 3 consecutive months;

(4) A plant qualified pursuant to paragraph (a) of this section which is not located within any Federal order marketing area that meets the pooling requirements of another Federal order and has had greater route disposition in such other Federal order's marketing area for 3 consecutive months;

(5) A plant qualified pursuant to paragraph (a) of this section that is located in another Federal order marketing area if the plant meets the pooling requirements of such other Federal order and does not have a majority of its route distribution in this marketing area for 3 consecutive months or if the plant is required to be regulated under such other Federal order without regard to its route disposition in any other Federal order marketing area;

(6) A plant qualified pursuant to paragraph (c) of this section which also meets the pooling requirements of another Federal order and from which greater qualifying shipments are made to plants regulated under the other Federal order than are made to plants regulated under the order in this part, or the plant has automatic pooling status under the other Federal order; and

(7) That portion of a pool plant designated as a "nonpool plant" that is physically separate and operated separately from the pool portion of such plant. The designation of a portion of a regulated plant as a nonpool plant must be requested in writing by the handler and must be approved by the market administrator.

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### § 1001.8 Nonpool plant.

See § 1000.8.

### § 1001.9 Handler.

See § 1000.9.

### § 1001.10 Producer-handler.

*Producer-handler* means a person who:

(a) Operates a dairy farm and a distributing plant from which there is monthly route disposition in the marketing area during the month;

(b) Receives milk solely from own farm production or receives milk that is fully subject to the pricing and pooling provisions of this or any other Federal order;

(c) Receives at its plant or acquires for route disposition no more than 150,000 pounds of fluid milk products from handlers fully regulated under any Federal order. This limitation shall not apply if the producer-handler's own farm production is less than 150,000 pounds during the month;

(d) Disposes of no other source milk as Class I milk except by increasing the nonfat milk solids content of the fluid milk products; and

(e) Provides proof satisfactory to the market administrator that the care and management of the dairy animals and other resources necessary to produce all Class I milk handled (excluding receipts from handlers fully regulated under any Federal order) and the processing and packaging operations are the producer-handler's own enterprise and at its own risk.

### § 1001.11 [Reserved]

### § 1001.12 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 fluid consumption as Grade A milk and whose milk (or components of milk) is:

(1) Received at a pool plant directly from the producer or diverted by the plant operator in accordance with § 1001.13; or

(2) Received by a handler described in § 1000.9(c).

(b) Producer shall not include a dairy farmer described in paragraphs (b)(1) through (6) of this section. A dairy

farmer described in paragraphs (b)(5) or (6) of this section shall be known as a *dairy farmer for other markets*.

(1) A producer-handler as defined in any Federal order;

(2) A dairy farmer whose milk is received at an exempt plant, excluding producer milk diverted to the exempt plant pursuant to § 1001.13(d);

(3) A dairy farmer whose milk is received by diversion at a pool plant from a handler regulated under another Federal order if the other Federal order designates the dairy farmer as a producer under that order and that milk is allocated by request to a utilization other than Class I;

(4) A dairy farmer whose milk is reported as diverted to a plant fully regulated under another Federal order with respect to that portion of the milk so diverted that is assigned to Class I under the provisions of such other order;

(5) For any month of December through June, any dairy farmer whose milk is received at a pool plant or by a cooperative association handler described in § 1000.9(c) if the pool plant operator or the cooperative association caused milk from the same farm to be delivered to any plant as other than producer milk, as defined under the order in this part or any other Federal milk order, during the same month, either of the 2 preceding months, or during any of the preceding months of July through November; and

(6) For any month of July through November, any dairy farmer whose milk is received at a pool plant or by a cooperative association handler described in § 1000.9(c) if the pool plant operator or the cooperative association caused milk from the same farm to be delivered to any plant as other than producer milk, as defined under the order in this part or any other Federal milk order, during the same month.

### § 1001.13 Producer milk.

*Producer milk* means the skim milk (or the skim equivalent of components of skim milk) and butterfat contained in milk of a producer that is:

(a) Received by the operator of a pool plant directly from a producer or from a handler described in § 1000.9(c). Any

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milk which is picked up from the producer's farm in a tank truck under the control of the operator of a pool plant or a handler described in §1000.9(c) but which is not received at a plant until the following month shall be considered as having been received by the handler during the month in which it is picked up at the farm. All milk received pursuant to this paragraph shall be priced at the location of the plant where it is first physically received;

(b) Received by the operator of a pool plant or a handler described in §1000.9(c) in excess of the quantity delivered to pool plants subject to the following conditions:

(1) The producers whose farms are outside of the states included in the marketing area and outside the states of Maine or West Virginia shall be organized into state units and each such unit shall be reported separately; and

(2) For pooling purposes, each reporting unit must satisfy the shipping standards specified for a supply plant pursuant to §1001.7(c);

(c) Diverted by a proprietary pool plant operator to another pool plant. Milk so diverted shall be priced at the location of the plant to which diverted; or

(d) Diverted by the operator of a pool plant or by a handler described in §1000.9(c) to a nonpool plant, subject to the following conditions:

(1) Milk of a dairy farmer shall not be eligible for diversion unless milk of such dairy farmer was physically received as producer milk at a pool plant and the dairy farmer has continuously retained producer status since that time. If a dairy farmer loses producer status under the order in this part (except as a result of a temporary loss of Grade A approval), the dairy farmer's milk shall not be eligible for diversion until milk of the dairy farmer has been physically received as producer milk at a pool plant; and

(2) Diverted milk shall be priced at the location of the plant to which diverted.

**§ 1001.14 Other source milk.**

See §1000.14.

**§ 1001.15 Fluid milk product.**

See §1000.15.

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**§ 1001.16 Fluid cream product.**

See §1000.16.

**§ 1001.17 [Reserved]**

**§ 1001.18 Cooperative association.**

See §1000.18.

**§ 1001.19 Commercial food processing establishment.**

See §1000.19.

**HANDLER REPORTS**

**§ 1001.30 Reports of receipts and utilization.**

Each handler shall report monthly so that the market administrator's office receives the report on or before the 9th day after the end of the month, in the detail and on prescribed forms, as follows:

(a) Each pool plant operator shall report for each of its operations the following information:

(1) Product pounds, pounds of butterfat, pounds of protein, and pounds of nonfat solids other than protein (other solids) contained in or represented by:

(i) Receipts of producer milk, including producer milk diverted by the reporting handler, from sources other than handlers described in §1000.9(c); and

(ii) Receipts of milk from handlers described in §1000.9(c);

(2) Product pounds and pounds of butterfat contained in:

(i) Receipts of fluid milk products and bulk fluid cream products from other pool plants;

(ii) Receipts of other source milk; and

(iii) Inventories at the beginning and end of the month of fluid milk products and bulk fluid cream products;

(3) The utilization or disposition of all milk and milk products required to be reported pursuant to this paragraph; and

(4) Such other information with respect to the receipts and utilization of skim milk, butterfat, milk protein, and other nonfat solids as the market administrator may prescribe.

(b) Each handler operating a partially regulated distributing plant shall report with respect to such plant in the same manner as prescribed for

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reports required by paragraph (a) of this section. Receipts of milk that would have been producer milk if the plant had been fully regulated shall be reported in lieu of producer milk. The report shall show also the quantity of any reconstituted skim milk in route disposition in the marketing area.

(c) Each handler described in §1000.9(c) shall report:

(1) The product pounds, pounds of butterfat, pounds of protein, and the pounds of solids-not-fat other than protein (other solids) contained in receipts of milk from producers; and

(2) The utilization or disposition of such receipts.

(d) Each handler not specified in paragraph (a) or (b) of this section shall report with respect to its receipts and utilization of milk and milk products in such manner as the market administrator may prescribe.

**§ 1001.31 Payroll reports.**

(a) On or before the 22nd day after the end of each month, each handler that operates a pool plant pursuant to §1001.7 and each handler described in §1000.9(c) shall report to the market administrator its producer payroll for the month, in detail prescribed by the market administrator, showing for each producer the information specified in §1001.73(e).

(b) Each handler operating a partially regulated distributing plant who elects to make payment pursuant to §1000.76(b) shall report for each dairy farmer who would have been a producer if the plant had been fully regulated in the same manner as prescribed for reports required by paragraph (a) of this section.

**§ 1001.32 Other reports.**

In addition to the reports required pursuant to §§1001.30 and 1001.31, each handler shall report any information the market administrator deems necessary to verify or establish each handler's obligation under the order.

**CLASSIFICATION OF MILK**

**§ 1001.40 Classes of utilization.**

See § 1000.40.

**§ 1001.41 [Reserved]**

**§ 1001.42 Classification of transfers and diversions.**

See § 1000.42.

**§ 1001.43 General classification rules.**

See § 1000.43.

**§ 1001.44 Classification of producer milk.**

See § 1000.44.

**§ 1001.45 Market administrator's reports and announcements concerning classification.**

See § 1000.45.

**CLASS PRICES**

**§ 1001.50 Class prices, component prices, and advanced pricing factors.**

See § 1000.50.

**§ 1001.51 Class I differential and price.**

The Class I differential shall be the differential established for Suffolk County, Massachusetts, which is reported in §1000.52. The Class I price shall be the price computed pursuant to §1000.50(a) for Suffolk County, Massachusetts.

**§ 1001.52 Adjusted Class I differentials.**

See § 1000.52.

**§ 1001.53 Announcement of class prices, component prices, and advanced pricing factors.**

See § 1000.53.

**§ 1001.54 Equivalent price.**

See § 1000.54.

**PRODUCER PRICE DIFFERENTIAL**

**§ 1001.60 Handler's value of milk.**

For the purpose of computing a handler's obligation for producer milk, the market administrator shall determine for each month the value of milk of each handler with respect to each of the handler's pool plants and of each handler described in §1000.9(c) with respect to milk that was not received at a pool plant by adding the amounts computed in paragraphs (a) through (h) of this section and subtracting from

that total amount the value computed in paragraph (i) of this section. Unless otherwise specified, the skim milk, butterfat, and the combined pounds of skim milk and butterfat referred to in this section shall result from the steps set forth in §1000.44(a), (b), and (c), respectively, and the nonfat components of producer milk in each class shall be based upon the proportion of such components in producer skim milk. Receipts of nonfluid milk products that are distributed as labeled reconstituted milk for which payments are made to the producer-settlement fund of another Federal order under §1000.76(a)(4) or (d) shall be excluded from pricing under this section.

(a) Class I value. (1) Multiply the pounds of skim milk in Class I by the Class I skim milk price; and

(2) Add an amount obtained by multiplying the pounds of butterfat in Class I by the Class I butterfat price.

(b) Class II value. (1) Multiply the pounds of nonfat solids in Class II skim milk by the Class II nonfat solids price; and

(2) Add an amount obtained by multiplying the pounds of butterfat in Class II times the Class II butterfat price.

(c) Class III value. (1) Multiply the pounds of protein in Class III skim milk by the protein price;

(2) Add an amount obtained by multiplying the pounds of other solids in Class III skim milk by the other solids price; and

(3) Add an amount obtained by multiplying the pounds of butterfat in Class III by the Class III butterfat price.

(d) Class IV value. (1) Multiply the pounds of nonfat solids in Class IV skim milk by the nonfat solids price; and

(2) Add an amount obtained by multiplying the pounds of butterfat in Class IV by the Class IV butterfat price.

(e) Multiply the pounds of skim milk and butterfat overage assigned to each class pursuant to §1000.44(a)(11) and the corresponding step of §1000.44(b) by the skim milk prices and butterfat prices applicable to each class.

(f) Multiply the difference between the current month's Class I, II, or III price, as the case may be, and the Class IV price for the preceding month by the hundredweight of skim milk and

butterfat subtracted from Class I, II, or III, respectively, pursuant to §1000.44(a)(7) and the corresponding step of §1000.44(b);

(g) Multiply the difference between the Class I price applicable at the location of the pool plant and the Class IV price by the hundredweight of skim milk and butterfat assigned to Class I pursuant to §1000.43(d) and the hundredweight of skim milk and butterfat subtracted from Class I pursuant to §1000.44(a)(3)(i) through (vi) and the corresponding step of §1000.44(b), excluding receipts of bulk fluid cream products from a plant regulated under other Federal orders and bulk concentrated fluid milk products from pool plants, plants regulated under other Federal orders, and unregulated supply plants.

(h) Multiply the Class I skim milk and Class I butterfat prices applicable at the location of the nearest unregulated supply plants from which an equivalent volume was received by the pounds of skim milk and butterfat in receipts of concentrated fluid milk products assigned to Class I pursuant to §1000.43(d) and §1000.44(a)(3)(i) and the corresponding step of §1000.44(b) and the pounds of skim milk and butterfat subtracted from Class I pursuant to §1000.44(a)(8) and the corresponding step of §1000.44(b), excluding such skim milk and butterfat in receipts of fluid milk products from an unregulated supply plant to the extent that an equivalent amount of skim milk or butterfat disposed of to such plant by handlers fully regulated under any Federal milk order is classified and priced as Class I milk and is not used as an offset for any other payment obligation under any order.

(i) For reconstituted milk made from receipts of nonfluid milk products, multiply \$1.00 (but not more than the difference between the Class I price applicable at the location of the pool plant and the Class IV price) by the hundredweight of skim milk and butterfat contained in receipts of nonfluid milk products that are allocated to Class I use pursuant to §1000.43(d).

[64 FR 47954, Sept. 1, 1999, as amended at 65 FR 82834, Dec. 28, 2000]

**§ 1001.61 Computation of producer butterfat price and producer price differential.**

For each month, the market administrator shall compute a producer butterfat price per pound of butterfat and a producer price differential per hundredweight for producer milk receipts. The report of any handler who has not made payments required pursuant to § 1001.71 for the preceding month shall not be included in the computation of these prices, and such handler's report shall not be included in the computation for succeeding months until the handler has made full payment of outstanding monthly obligations. Subject to the aforementioned conditions, the market administrator shall compute the producer butterfat price and the producer price differential in the following manner:

(a) *Producer butterfat price.* The producer butterfat price per pound, rounded to the nearest one-hundredth cent, shall be computed by:

(1) Multiplying the pounds of butterfat in producer milk allocated to each class pursuant to § 1000.44(b) by the respective class butterfat prices;

(2) Adding the butterfat value calculated in § 1001.60(h) for other source milk allocated to Class I pursuant to § 1000.43(d) and the steps of § 1000.44(b) that correspond to § 1000.44(a)(3)(i) and § 1000.44(a)(8) by the Class I price; and

(3) Dividing the sum of paragraphs (a)(1) and (a)(2) of this section by the sum of the pounds of butterfat in producer milk and other source milk used to calculate the values in paragraphs (a)(1) and (a)(2) of this section.

(b) *Producer price differential.* (1) Combine into one total the values computed pursuant to § 1001.60 for all handlers required to file reports prescribed in § 1001.30;

(2) Subtract the total of the values obtained:

(i) By multiplying the total pounds of protein, other solids, and butterfat contained in each handler's producer milk for which an obligation was computed pursuant to § 1001.60(a) through (g) and § 1001.60(i) by the protein price, other solids price, and producer butterfat price, respectively;

(ii) By multiplying each handler's pounds of skim milk and butterfat for

which a value is computed pursuant to § 1001.60(h) by the Class III skim milk price and the producer butterfat price, respectively;

(3) Add an amount equal to the minus location adjustments and subtract an amount equal to the plus location adjustments computed pursuant to § 1001.75;

(4) Add an amount equal to not less than one-half of the unobligated balance in the producer-settlement fund;

(5) Divide the resulting amount by the sum of the following for all handlers included in these computations:

(i) The total hundredweight of producer milk; and

(ii) The total hundredweight for which a value is computed pursuant to § 1001.60(h); and

(6) Subtract not less than 4 cents nor more than 5 cents from the price computed pursuant to paragraph (b)(5) of this section. The result shall be known as the *producer price differential* for the month.

[65 FR 82834, Dec. 28, 2000]

**§ 1001.62 Announcement of producer prices.**

On or before the 13th day after the end of the month, the market administrator shall announce the following prices and information:

(a) The producer price differential;

(b) The protein price;

(c) The nonfat solids price;

(d) The other solids price;

(e) The producer butterfat price;

(f) The average butterfat, protein, nonfat solids, and other solids content of producer milk; and

(g) The statistical uniform price computed by adding the following values:

(1) The Class III skim milk price computed in § 1000.50(i) multiplied by .965;

(2) The producer butterfat price computed in § 1001.61(a) multiplied by 3.5; and

(3) The producer price differential computed in § 1001.61(b).

[64 FR 47954, Sept. 1, 1999, as amended at 65 FR 82834, Dec. 28, 2000]

**§ 1001.70**

PAYMENTS FOR MILK

**§ 1001.70 Producer-settlement fund.**

See § 1000.70.

**§ 1001.71 Payments to the producer-settlement fund.**

Each handler shall make payment to the producer-settlement fund in a manner that provides receipt of the funds by the market administrator no later than the 15th day after the end of the month (except as provided in § 1000.90). Payment shall be the amount, if any, by which the amount specified in paragraph (a) of this section exceeds the amount specified in paragraph (b) of this section:

(a) The total value of milk to the handler for the month as determined pursuant to § 1001.60.

(b) The sum of:

(1) An amount obtained by multiplying the total hundredweight of producer milk as determined pursuant to § 1000.44(c) by the producer price differential as adjusted pursuant to § 1001.75;

(2) An amount obtained by multiplying the total pounds of protein, other solids, and butterfat contained in producer milk by the protein, other solids, and producer butterfat prices respectively; and

(3) An amount obtained by multiplying the hundredweight, the pounds of skim milk, and the pounds of butterfat for which a value was computed pursuant to § 1001.60(h) by the producer price differential, the Class III skim milk price, and the producer butterfat price, respectively, as adjusted pursuant to § 1001.75 applicable at the location of the plant from which received.

[64 FR 47954, Sept. 1, 1999, as amended at 65 FR 82834, Dec. 28, 2000]

**§ 1001.72 Payments from the producer-settlement fund.**

No later than the 16th day after the end of each month (except as provided in § 1000.90), the market administrator shall pay to each handler the amount, if any, by which the amount computed pursuant to § 1001.71(b) exceeds the amount computed pursuant to § 1001.71(a). If, at such time, the balance in the producer-settlement fund is insufficient to make all payments pursu-

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ant to this section, the market administrator shall reduce uniformly such payments and shall complete the payments as soon as the funds are available.

**§ 1001.73 Payments to producers and to cooperative associations.**

(a) Each handler that is not paying a cooperative association for producer milk shall pay each producer as follows:

(1) *Partial payment.* For each producer who has not discontinued shipments as of the 23rd day of the month, payment shall be made so that it is received by the producer on or before the 26th day of the month (except as provided in § 1000.90) for milk received during the first 15 days of the month at not less than the lowest announced class price for the preceding month, less proper deductions authorized in writing by the producer.

(2) *Final payment.* For milk received during the month, payment shall be made so that it is received by each producer no later than the day after the payment date required in § 1001.72 in an amount computed as follows:

(i) Multiply the hundredweight of producer milk received by the producer price differential for the month as adjusted pursuant to § 1001.75;

(ii) Multiply the pounds of butterfat received by the producer butterfat price for the month;

(iii) Multiply the pounds of protein received by the protein price for the month;

(iv) Multiply the pounds of other solids received by the other solids price for the month; and

(v) Add the amounts computed in paragraphs (a)(2)(i) through (iv) of this section, and from that sum:

(A) Subtract the partial payment made pursuant to paragraph (a)(1) of this section;

(B) Subtract the deduction for marketing services pursuant to § 1000.86;

(C) Add or subtract for errors made in previous payments to the producer; and

(D) Subtract proper deductions authorized in writing by the producer.

(b) One day before partial and final payments are due pursuant to paragraph (a) of this section, each handler

shall pay a cooperative association for milk received as follows:

(1) *Partial payment to a cooperative association for bulk milk received directly from producers' farms.* For bulk milk (including the milk of producers who are not members of such association and who the market administrator determines have authorized the cooperative association to collect payment for their milk) received during the first 15 days of the month from a cooperative association in any capacity, except as the operator of a pool plant, the payment shall be equal to the hundredweight of milk received multiplied by the lowest announced class price for the preceding month.

(2) *Partial payment to a cooperative association for milk transferred from its pool plant.* For bulk milk/skimmed milk products received during the first 15 days of the month from a cooperative association in its capacity as the operator of a pool plant, the partial payment shall be at the pool plant operator's estimated use value of the milk using the most recent class prices available at the receiving plant's location.

(3) *Final payment to a cooperative association for milk transferred from its pool plant.* Following the classification of bulk fluid milk products and bulk fluid cream products received during the month from a cooperative association in its capacity as the operator of a pool plant, the final payment for such receipts shall be determined as follows:

(i) Multiply the hundredweight of Class I skim milk by the Class I skim milk price for the month at the receiving plant;

(ii) Multiply the pounds of Class I butterfat by the Class I butterfat price for the month at the receiving plant;

(iii) Multiply the pounds of nonfat solids in Class II skim milk by the Class II nonfat solids price;

(iv) Multiply the pounds of butterfat in Class II times the Class II butterfat price;

(v) Multiply the pounds of nonfat solids in Class IV milk by the nonfat solids price for the month;

(vi) Multiply the pounds of butterfat in Class III and IV milk by the respective butterfat prices for the month;

(vii) Multiply the pounds of protein in Class III milk by the protein price for the month;

(viii) Multiply the pounds of other solids in Class III milk by the other solids price for the month; and

(ix) Add together the amounts computed in paragraphs (b)(3)(i) through (viii) of this section and from that sum deduct any payment made pursuant to paragraph (b)(2) of this section.

(4) *Final payment to a cooperative association for bulk milk received directly from producers' farms.* For bulk milk received from a cooperative association during the month, including the milk of producers who are not members of such association and who the market administrator determines have authorized the cooperative association to collect payment for their milk, the final payment for such milk shall be an amount equal to the sum of the individual payments otherwise payable for such milk pursuant to paragraph (a)(2) of this section.

(c) If a handler has not received full payment from the market administrator pursuant to §1001.72 by the payment date specified in paragraph (a) or (b) of this section, the handler may reduce payments pursuant to paragraphs (a) and (b) of this section, but by not more than the amount of the underpayment. The payments shall be completed on the next scheduled payment date after receipt of the balance due from the market administrator.

(d) If a handler claims that a required payment to a producer cannot be made because the producer is deceased or cannot be located, or because the cooperative association or its lawful successor or assignee is no longer in existence, the payment shall be made to the producer-settlement fund, and in the event that the handler subsequently locates and pays the producer or a lawful claimant, or in the event that the handler no longer exists and a lawful claim is later established, the market administrator shall make the required payment from the producer-settlement fund to the handler or to the lawful claimant as the case may be.

(e) In making payments to producers pursuant to this section, each pool plant operator shall furnish each producer, except a producer whose milk

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was received from a cooperative association handler described in §1000.9(a) or (c), a supporting statement in such form that it may be retained by the recipient which shall show:

(1) The name, address, Grade A identifier assigned by a duly constituted regulatory agency, and the payroll number of the producer;

(2) The month and dates that milk was received from the producer, including the daily and total pounds of milk received;

(3) The total pounds of butterfat, protein, and other solids contained in the producer's milk;

(4) The minimum rate or rates at which payment to the producer is required pursuant to the order in this part;

(5) The rate used in making payment if the rate is other than the applicable minimum rate;

(6) The amount, or rate per hundred-weight, or rate per pound of component, and the nature of each deduction claimed by the handler; and

(7) The net amount of payment to the producer or cooperative association.

[64 FR 47954, Sept. 1, 1999, as amended at 65 FR 32010, May 22, 2000; 65 FR 82835, Dec. 28, 2000]

**§ 1001.74 [Reserved]**

**§ 1001.75 Plant location adjustments for producer milk and nonpool milk.**

For purposes of making payments for producer milk and nonpool milk, a plant location adjustment shall be determined by subtracting the Class I price specified in §1001.51 from the Class I price at the plant's location. The difference, plus or minus as the case may be, shall be used to adjust the payments required pursuant to §§ 1001.73 and 1000.76.

**§ 1001.76 Payments by a handler operating a partially regulated distributing plant.**

See § 1000.76.

**§ 1001.77 Adjustment of accounts.**

See § 1000.77.

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**§ 1001.78 Charges on overdue accounts.**

See § 1000.78.

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**§ 1001.85 Assessment for order administration.**

See § 1000.85.

**§ 1001.86 Deduction for marketing services.**

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**PARTS 1002-1004 [RESERVED]**

**PART 1005—MILK IN THE APPALACHIAN MARKETING AREA**

**Subpart—Order Regulating Handling**

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- 1005.85 Assessment for order administration.
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SOURCE: 64 FR 47960, Sept. 1, 1999, unless otherwise noted.

## Subpart—Order Regulating Handling

### GENERAL PROVISIONS

#### § 1005.1 General provisions.

The terms, definitions, and provisions in part 1000 of this chapter apply to this part 1005. In this part 1005, all references to sections in part 1000 refer to part 1000 of this chapter.

### DEFINITIONS

#### § 1005.2 Appalachian marketing area.

The marketing area means all the territory within the bounds of the following states and political subdivisions, including all piers, docks and wharves connected therewith and all craft moored thereat, and all territory occupied by government (municipal, State or Federal) reservations, installations, institutions, or other similar establishments if any part thereof is within any of the listed states or political subdivisions:

#### GEORGIA COUNTIES

Catoosa, Chattooga, Dade, Fannin, Murray, Walker, and Whitfield.

#### INDIANA COUNTIES

Clark, Crawford, Daviess, Dubois, Floyd, Gibson, Greene, Harrison, Knox, Martin, Orange, Perry, Pike, Posey, Scott, Spencer, Sullivan, Vanderburgh, Warrick, and Washington.

#### KENTUCKY COUNTIES

Adair, Anderson, Bath, Bell, Bourbon, Boyle, Breathitt, Breckinridge, Bullitt, Butler, Carroll, Carter, Casey, Clark, Clay, Clinton, Cumberland, Daviess, Edmonson, Elliott, Estill, Fayette, Fleming, Franklin, Gallatin, Garrard, Grayson, Green, Hancock, Hardin, Harlan, Hart, Henderson, Henry, Hopkins, Jackson, Jefferson, Jessamine, Knott, Knox, Larue, Laurel, Lee, Leslie, Letcher, Lincoln, Madison, Marion, McCreary, McLean, Meade, Menifee, Mercer, Montgomery, Morgan, Muhlenberg, Nelson, Nicholas, Ohio, Oldham, Owen, Owsley, Perry, Powell, Pulaski, Rockcastle, Rowan, Russell, Scott, Shelby, Spencer, Taylor, Trimble, Union, Washington, Wayne, Webster, Whitley, Wolfe, and Woodford.

#### NORTH CAROLINA AND SOUTH CAROLINA

All of the States of North Carolina and South Carolina.

#### TENNESSEE COUNTIES

Anderson, Blount, Bradley, Campbell, Carter, Claiborne, Coker, Cumberland, Grainger, Greene, Hamblen, Hamilton, Hancock, Hawkins, Jefferson, Johnson, Knox, Loudon, Marion, McMinn, Meigs, Monroe, Morgan, Polk, Rhea, Roane, Scott, Sequatchie, Sevier, Sullivan, Unicoi, Union, and Washington.

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#### VIRGINIA COUNTIES AND CITIES

Buchanan, Dickenson, Lee, Russell, Scott, Tazewell, Washington, and Wise; and the cities of Bristol and Norton.

#### WEST VIRGINIA COUNTIES

McDowell and Mercer.

### § 1005.3 Route disposition.

See § 1000.3.

### § 1005.4 Plant.

See § 1000.4.

### § 1005.5 Distributing plant.

See § 1000.5.

### § 1005.6 Supply plant.

See § 1000.6.

### § 1005.7 Pool plant.

*Pool plant* means a plant specified in paragraphs (a) through (d) of this section, or a unit of plants as specified in paragraph (e) of this section, but excluding a plant specified in paragraph (g) of this section. The pooling standards described in paragraphs (c) and (d) of this section are subject to modification pursuant to paragraph (f) of this section:

(a) A distributing plant, other than a plant qualified as a pool plant pursuant to paragraph (b) of this section or § \_\_\_\_\_7(b) of any other Federal milk order, from which during the month 50 percent or more of the fluid milk products physically received at such plant (excluding concentrated milk received from another plant by agreement for other than Class I use) are disposed of as route disposition or are transferred in the form of packaged fluid milk products to other distributing plants. At least 25 percent of such route disposition and transfers must be to outlets in the marketing area.

(b) Any distributing plant located in the marketing area which during the month processed at least 50 percent of the total quantity of fluid milk products physically received at the plant (excluding concentrated milk received from another plant by agreement for other than Class I use) into ultra-pasteurized or aseptically-processed fluid milk products.

(c) A supply plant from which 50 percent or more of the total quantity of

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milk that is physically received during the month from dairy farmers and handlers described in § 1000.9(c), including milk that is diverted from the plant, is transferred to pool distributing plants. Concentrated milk transferred from the supply plant to a distributing plant for an agreed-upon use other than Class I shall be excluded from the supply plant's shipments in computing the plant's shipping percentage.

(d) A plant located within the marketing area or in the State of Virginia that is operated by a cooperative association if pool plant status under this paragraph is requested for such plant by the cooperative association and during the month at least 60 percent of the producer milk of members of such cooperative association is delivered directly from farms to pool distributing plants or is transferred to such plants as a fluid milk product (excluding concentrated milk transferred to a distributing plant for an agreed-upon use other than Class I) from the cooperative's plant.

(e) Two or more plants operated by the same handler and that are located within the marketing area may qualify for pool status as a unit by meeting the total and in-area route disposition requirements specified in paragraph (a) of this section and the following additional requirements:

(1) At least one of the plants in the unit must qualify as a pool plant pursuant to paragraph (a) of this section;

(2) Other plants in the unit must process only Class I or Class II products and must be located in a pricing zone providing the same or a lower Class I price than the price applicable at the distributing plant included in the unit pursuant to paragraph (e)(1) of this section; and

(3) A written request to form a unit, or to add or remove plants from a unit, must be filed with the market administrator prior to the first day of the month for which it is to be effective.

(f) The applicable shipping percentages of paragraphs (c) and (d) of this section may be increased or decreased by the market administrator if the market administrator finds that such adjustment is necessary to encourage needed shipments or to prevent uneconomic shipments. Before making such

a finding, the market administrator shall investigate the need for adjustment either on the market administrator's own initiative or at the request of interested parties if the request is made in writing at least 15 days prior to the date for which the requested revision is desired effective. If the investigation shows that an adjustment of the shipping percentages might be appropriate, the market administrator shall issue a notice stating that an adjustment is being considered and invite data, views and arguments. Any decision to revise an applicable shipping percentage must be issued in writing at least one day before the effective date.

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

- (1) A producer-handler plant;
- (2) An exempt plant as defined in §1000.8(e);
- (3) A plant qualified pursuant to paragraph (a) of this section which is not located within any Federal order marketing area, meets the pooling requirements of another Federal order, and has had greater route disposition in such other Federal order marketing area for 3 consecutive months;
- (4) A plant qualified pursuant to paragraph (a) of this section which is located in another Federal order marketing area, meets the pooling standards of the other Federal order, and has not had a majority of its route disposition in this marketing area for 3 consecutive months or is locked into pool status under such other Federal order without regard to its route disposition in any other Federal order marketing area;
- (5) A plant qualified pursuant to paragraph (c) of this section which also meets the pooling requirements of another Federal order and from which greater qualifying shipments are made to plants regulated under such other order than are made to plants regulated under the order in this part, or such plant has automatic pooling status under such other order; and
- (6) That portion of a pool plant designated as a "nonpool plant" that is physically separate and operated separately from the pool portion of such plant. The designation of a portion of a regulated plant as a nonpool plant must be requested in writing by the

handler and must be approved by the market administrator.

**§ 1005.8 Nonpool plant.**

See §1000.8.

**§ 1005.9 Handler.**

See §1000.9.

**§ 1005.10 Producer-handler.**

*Producer-handler* means a person who:

- (a) Operates a dairy farm and a distributing plant from which there is monthly route disposition in the marketing area;
- (b) Receives no fluid milk products, and acquires no fluid milk products for route disposition, from sources other than own farm production;
- (c) Disposes of no other source milk as Class I milk except by increasing the nonfat milk solids content of the fluid milk products received from own farm production; and
- (d) Provides proof satisfactory to the market administrator that the care and management of the dairy animals and other resources necessary to produce all Class I milk handled, and the processing and packaging operations are the producer-handler's own enterprise and are operated at the producer-handler's own risk.

**§ 1005.11 [Reserved]**

**§ 1005.12 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 fluid consumption as Grade A milk and whose milk (or components of milk) is:

- (1) Received at a pool plant directly from the producer or diverted by the plant operator in accordance with §1005.13; or
  - (2) Received by a handler described in §1000.9(c).
- (b) Producer shall not include:
- (1) A producer-handler as defined in any Federal order;
  - (2) A dairy farmer whose milk is received at an exempt plant, excluding producer milk diverted to the exempt plant pursuant to §1005.13(d);
  - (3) A dairy farmer whose milk is received by diversion at a pool plant

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from a handler regulated under another Federal order if the other Federal order designates the dairy farmer as a producer under that order and that milk is allocated by request to a utilization other than Class I; and

(4) A dairy farmer whose milk is reported as diverted to a plant fully regulated under another order with respect to that portion of the milk so diverted that is assigned to Class I under the provisions of such other order.

**§ 1005.13 Producer milk.**

*Producer milk* means the skim milk (or the skim equivalent of components of skim milk) and butterfat contained in milk of a producer that is:

(a) Received by the operator of a pool plant directly from a producer or a handler described in § 1000.9(c). All milk received pursuant to this paragraph shall be priced at the location of the plant where it is first physically received;

(b) Received by a handler described in § 1000.9(c) in excess of the quantity delivered to pool plants;

(c) Diverted by a pool plant operator to another pool plant. Milk so diverted shall be priced at the location of the plant to which diverted; or

(d) Diverted by the operator of a pool plant or a handler described in § 1000.9(c) to a nonpool plant, subject to the following conditions:

(1) In any month of July through December, not less than 6 days' production of the producer whose milk is diverted is physically received at a pool plant during the month;

(2) In any month of January through June, not less than 2 days' production of the producer whose milk is diverted is physically received at a pool plant during the month;

(3) The total quantity of milk so diverted during the month by a cooperative association shall not exceed 25 percent during the months of July through November, January, and February, and 40 percent during the months of December and March through June, of the producer milk that the cooperative association caused to be delivered to, and physically received at, pool plants during the month;

(4) The operator of a pool plant that is not a cooperative association may divert any milk that is not under the control of a cooperative association that diverts milk during the month pursuant to paragraph (d) of this section. The total quantity of milk so diverted during the month shall not exceed 25 percent during the months of July through November, January, and February, and 40 percent during the months of December and March through June, of the producer milk physically received at such plant (or such unit of plants in the case of plants that pool as a unit pursuant to § 1005.7(d)) during the month, excluding the quantity of producer milk received from a handler described in § 1000.9(c);

(5) Any milk diverted in excess of the limits prescribed in paragraphs (d)(3) and (4) of this section shall not be producer milk. If the diverting handler or cooperative association fails to designate the dairy farmers' deliveries that will not be producer milk, no milk diverted by the handler or cooperative association shall be producer milk;

(6) Diverted milk shall be priced at the location of the plant to which diverted; and

(7) The delivery day requirements and the diversion percentages in paragraphs (d)(1) through (4) of this section may be increased or decreased by the market administrator if the market administrator finds that such revision is necessary to assure orderly marketing and efficient handling of milk in the marketing area. Before making such a finding, the market administrator shall investigate the need for the revision either on the market administrator's own initiative or at the request of interested persons. If the investigation shows that a revision might be appropriate, the market administrator shall issue a notice stating that the revision is being considered and inviting written data, views, and arguments. Any decision to revise an applicable percentage must be issued in writing at least one day before the effective date.

**§ 1005.14 Other source milk.**

See § 1000.14.

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**§ 1005.15 Fluid milk product.**

See § 1000.15.

**§ 1005.16 Fluid cream product.**

See § 1000.16.

**§ 1005.17 [Reserved]**

**§ 1005.18 Cooperative association.**

See § 1000.18.

**§ 1005.19 Commercial food processing establishment.**

See § 1000.19.

**HANDLER REPORTS**

**§ 1005.30 Reports of receipts and utilization.**

Each handler shall report monthly so that the market administrator's office receives the report on or before the 7th day after the end of the month, in the detail and on prescribed forms, as follows:

(a) With respect to each of its pool plants, the quantities of skim milk and butterfat contained in or represented by:

(1) Receipts of producer milk, including producer milk diverted by the reporting handler, from sources other than handlers described in § 1000.9(c);

(2) Receipts of milk from handlers described in § 1000.9(c);

(3) Receipts of fluid milk products and bulk fluid cream products from other pool plants;

(4) Receipts of other source milk;

(5) Receipts of bulk milk from a plant regulated under another Federal order, except Federal Order 1007, for which a transportation credit is requested pursuant to § 1005.82;

(6) Receipts of producer milk described in § 1005.82(c)(2), including the identity of the individual producers whose milk is eligible for the transportation credit pursuant to that paragraph and the date that such milk was received;

(7) For handlers submitting transportation credit requests, transfers of bulk milk to nonpool plants, including the dates that such milk was transferred;

(8) Inventories at the beginning and end of the month of fluid milk products and bulk fluid cream products; and

(9) The utilization or disposition of all milk and milk products required to be reported pursuant to this paragraph.

(b) Each handler operating a partially regulated distributing plant shall report with respect to such plant in the same manner as prescribed for reports required by paragraph (a) of this section. Receipts of milk that would have been producer milk if the plant had been fully regulated shall be reported in lieu of producer milk. The report shall show also the quantity of any reconstituted skim milk in route disposition in the marketing area.

(c) Each handler described in § 1000.9(c) shall report:

(1) The quantities of all skim milk and butterfat contained in receipts of milk from producers;

(2) The utilization or disposition of all such receipts; and

(3) With respect to milk for which a cooperative association is requesting a transportation credit pursuant to § 1005.82, all of the information required in paragraphs (a)(5), (a)(6), and (a)(7) of this section.

(d) Each handler not specified in paragraphs (a) through (c) of this section shall report with respect to its receipts and utilization of milk and milk products in such manner as the market administrator may prescribe.

**§ 1005.31 Payroll reports.**

(a) On or before the 20th day after the end of each month, each handler that operates a pool plant pursuant to § 1005.7 and each handler described in § 1000.9(c) shall report to the market administrator its producer payroll for the month, in detail prescribed by the market administrator, showing for each producer the information specified in § 1005.73(e).

(b) Each handler operating a partially regulated distributing plant who elects to make payment pursuant to § 1000.76(b) shall report for each dairy farmer who would have been a producer if the plant had been fully regulated in the same manner as prescribed for reports required by paragraph (a) of this section.

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**§ 1005.32 Other reports.**

(a) On or before the 20th day after the end of each month, each handler described in §1000.9(a) and (c) shall report to the market administrator any adjustments to transportation credit requests as reported pursuant to §1005.30(a)(5), (6), and (7).

(b) In addition to the reports required pursuant to §§1005.30, 1005.31, and 1005.32(a), each handler shall report any information the market administrator deems necessary to verify or establish each handler's obligation under the order.

CLASSIFICATION OF MILK

**§ 1005.40 Classes of utilization.**

See § 1000.40.

**§ 1005.41 [Reserved]**

**§ 1005.42 Classification of transfers and diversions.**

See § 1000.42.

**§ 1005.43 General classification rules.**

See § 1000.43.

**§ 1005.44 Classification of producer milk.**

See § 1000.44.

**§ 1005.45 Market administrator's reports and announcements concerning classification.**

See § 1000.45.

CLASS PRICES

**§ 1005.50 Class prices, component prices, and advanced pricing factors.**

See § 1000.50.

**§ 1005.51 Class I differential and price.**

The Class I differential shall be the differential established for Mecklenburg County, North Carolina, which is reported in §1000.52. The Class I price shall be the price computed pursuant to §1000.50(a) for Mecklenburg County, North Carolina.

**§ 1005.52 Adjusted Class I differentials.**

See § 1000.52.

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**§ 1005.53 Announcement of class prices, component prices, and advanced pricing factors.**

See § 1000.53.

**§ 1005.54 Equivalent price.**

See § 1000.54.

UNIFORM PRICES

**§ 1005.60 Handler's value of milk.**

For the purpose of computing a handler's obligation for producer milk, the market administrator shall determine for each month the value of milk of each handler with respect to each of the handler's pool plants and of each handler described in §1000.9(c) with respect to milk that was not received at a pool plant by adding the amounts computed in paragraphs (a) through (e) of this section and subtracting from that total amount the value computed in paragraph (f) of this section. Receipts of nonfluid milk products that are distributed as labeled reconstituted milk for which payments are made to the producer-settlement fund of another Federal order under §1000.76(a)(4) or (d) shall be excluded from pricing under this section.

(a) Multiply the pounds of skim milk and butterfat in producer milk that were classified in each class pursuant to §1000.44(c) by the applicable skim milk and butterfat prices, and add the resulting amounts;

(b) Multiply the pounds of skim milk and butterfat overage assigned to each class pursuant to §1000.44(a)(11) by the respective skim milk and butterfat prices applicable at the location of the pool plant;

(c) Multiply the difference between the Class IV price for the preceding month and the current month's Class I, II, or III price, as the case may be, by the hundredweight of skim milk and butterfat subtracted from Class I, II, or III, respectively, pursuant to §1000.44(a)(7) and the corresponding step of §1000.44(b);

(d) Multiply the difference between the Class I price applicable at the location of the pool plant and the Class IV price by the hundredweight of skim milk and butterfat assigned to Class I pursuant to §1000.43(d) and the hundredweight of skim milk and butterfat

subtracted from Class I pursuant to §1000.44(a)(3)(i) through (vi) and the corresponding step of §1000.44(b), excluding receipts of bulk fluid cream products from a plant regulated under other Federal orders and bulk concentrated fluid milk products from pool plants, plants regulated under other Federal orders, and unregulated supply plants;

(e) Multiply the Class I skim milk and Class I butterfat prices applicable at the location of the nearest unregulated supply plants from which an equivalent volume was received by the pounds of skim milk and butterfat in receipts of concentrated fluid milk products assigned to Class I pursuant to §1000.43(d) and §1000.44(a)(3)(i) and the corresponding step of §1000.44(b) and the pounds of skim milk and butterfat subtracted from Class I pursuant to §1000.44(a)(8) and the corresponding step of §1000.44(b), excluding such skim milk and butterfat in receipts of fluid milk products from an unregulated supply plant to the extent that an equivalent amount of skim milk or butterfat disposed of to such plant by handlers fully regulated under any Federal milk order is classified and priced as Class I milk and is not used as an offset for any other payment obligation under any order.

(f) For reconstituted milk made from receipts of nonfluid milk products, multiply \$1.00 (but not more than the difference between the Class I price applicable at the location of the pool plant and the Class IV price) by the hundredweight of skim milk and butterfat contained in receipts of nonfluid milk products that are allocated to Class I use pursuant to §1000.43(d).

[64 FR 47960, Sept. 1, 1999, as amended at 65 FR 82835, Dec. 28, 2000]

**§ 1005.61 Computation of uniform prices.**

On or before the 11th day of each month, the market administrator shall compute a uniform butterfat price, a uniform skim milk price, and a uniform price for producer milk receipts reported for the prior month. The report of any handler who has not made payments required pursuant to §1005.71 for the preceding month shall not be included in the computation of these

prices, and such handler's report shall not be included in the computation for succeeding months until the handler has made full payment of outstanding monthly obligations.

(a) *Uniform butterfat price.* The uniform butterfat price per pound, rounded to the nearest one-hundredth cent, shall be computed by:

(1) Multiplying the pounds of butterfat in producer milk allocated to each class pursuant to §1000.44(b) by the respective class butterfat prices;

(2) Adding the butterfat value calculated in §1005.60(e) for other source milk allocated to Class I pursuant to §1000.43(d) and the steps of §1000.44(b) that correspond to §1000.44(a)(3)(i) and §1000.44(a)(8) by the Class I price; and

(3) Dividing the sum of paragraphs (a)(1) and (a)(2) of this section by the sum of the pounds of butterfat in producer milk and other source milk used to calculate the values in paragraphs (a)(1) and (a)(2) of this section.

(b) *Uniform skim milk price.* The uniform skim milk price per hundredweight, rounded to the nearest cent, shall be computed as follows:

(1) Combine into one total the values computed pursuant to §1005.60 for all handlers;

(2) Add an amount equal to the minus location adjustments and subtract an amount equal to the plus location adjustments computed pursuant to §1005.75;

(3) Add an amount equal to not less than one-half of the unobligated balance in the producer-settlement fund;

(4) Subtract the value of the total pounds of butterfat for all handlers. The butterfat value shall be computed by multiplying the sum of the pounds of butterfat in producer milk and other source milk used to calculate the values in paragraphs (a)(1) and (a)(2) of this section by the butterfat price computed in paragraph (a) of this section;

(5) Divide the resulting amount by the sum of the following for all handlers included in these computations:

(i) The total skim pounds of producer milk; and

(ii) The total skim pounds for which a value is computed pursuant to §1005.60(e); and

(6) Subtract not less than 4 cents and not more than 5 cents.

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(c) *Uniform price.* The uniform price per hundredweight, rounded to the nearest cent, shall be the sum of the following:

(1) Multiply the uniform butterfat price for the month pursuant to paragraph (a) of this section times 3.5 pounds of butterfat; and

(2) Multiply the uniform skim milk price for the month pursuant to paragraph (b) of this section times 96.5 pounds of skim milk.

[64 FR 47960, Sept. 1, 1999, as amended at 65 FR 82835, Dec. 28, 2000]

**§ 1005.62 Announcement of uniform prices.**

On or before the 11th day after the end of the month, the market administrator shall announce the uniform prices for the month computed pursuant to § 1005.61.

**PAYMENTS FOR MILK**

**§ 1005.70 Producer-settlement fund.**

See § 1000.70.

**§ 1005.71 Payments to the producer-settlement fund.**

Each handler shall make a payment to the producer-settlement fund in a manner that provides receipt of the funds by the market administrator no later than the 12th day after the end of the month (except as provided in § 1000.90). Payment shall be the amount, if any, by which the amount specified in paragraph (a) of this section exceeds the amount specified in paragraph (b) of this section:

(a) The total value of milk of the handler for the month as determined pursuant to § 1005.60; and

(b) The sum of the value at the uniform prices for skim milk and butterfat, adjusted for plant location, of the handler's receipts of producer milk; and the value at the uniform price, as adjusted pursuant to § 1005.75, applicable at the location of the plant from which received of other source milk for which a value is computed pursuant to § 1005.60(e).

**§ 1005.72 Payments from the producer-settlement fund.**

No later than one day after the date of payment receipt required under

§ 1005.71, the market administrator shall pay to each handler the amount, if any, by which the amount computed pursuant to § 1005.71(b) exceeds the amount computed pursuant to § 1005.71(a). If, at such time, the balance in the producer-settlement fund is insufficient to make all payments pursuant to this section, the market administrator shall reduce uniformly such payments and shall complete the payments as soon as the funds are available.

**§ 1005.73 Payments to producers and to cooperative associations.**

(a) Each handler that is not paying a cooperative association for producer milk shall pay each producer as follows:

(1) *Partial payment.* For each producer who has not discontinued shipments as of the 23rd day of the month, payment shall be made so that it is received by the producer on or before the 26th day of the month (except as provided in § 1000.90) for milk received during the first 15 days of the month at not less than 90 percent of the preceding month's uniform price, adjusted for plant location pursuant to § 1005.75 and proper deductions authorized in writing by the producer.

(2) *Final payment.* For milk received during the month, a payment computed as follows shall be made so that it is received by each producer one day after the payment date required in § 1005.72:

(i) Multiply the hundredweight of producer skim milk received times the uniform skim milk price for the month;

(ii) Multiply the pounds of butterfat received times the uniform butterfat price for the month;

(iii) Multiply the hundredweight of producer milk received times the plant location adjustment pursuant to § 1005.75; and

(iv) Add the amounts computed in paragraph (a)(2)(i), (ii), and (iii) of this section, and from that sum:

(A) Subtract the partial payment made pursuant to paragraph (a)(1) of this section;

(B) Subtract the deduction for marketing services pursuant to § 1000.86;

(C) Add or subtract for errors made in previous payments to the producer; and

(D) Subtract proper deductions authorized in writing by the producer.

(b) One day before partial and final payments are due pursuant to paragraph (a) of this section, each handler shall pay a cooperative association for milk received as follows:

(1) *Partial payment to a cooperative association for bulk milk received directly from producers' farms.* For bulk milk (including the milk of producers who are not members of such association and who the market administrator determines have authorized the cooperative association to collect payment for their milk) received during the first 15 days of the month from a cooperative association in any capacity, except as the operator of a pool plant, the payment shall be equal to the hundred-weight of milk received multiplied by 90 percent of the preceding month's uniform price, adjusted for plant location pursuant to § 1005.75.

(2) *Partial payment to a cooperative association for milk transferred from its pool plant.* For bulk fluid milk products and bulk fluid cream products received during the first 15 days of the month from a cooperative association in its capacity as the operator of a pool plant, the partial payment shall be at the pool plant operator's estimated use value of the milk using the most recent class prices available for skim milk and butterfat at the receiving plant's location.

(3) *Final payment to a cooperative association for milk transferred from its pool plant.* For bulk fluid milk products and bulk fluid cream products received during the month from a cooperative association in its capacity as the operator of a pool plant, the final payment shall be the classified value of such milk as determined by multiplying the pounds of skim milk and butterfat assigned to each class pursuant to § 1000.44 by the class prices for the month at the receiving plant's location, and subtracting from this sum the partial payment made pursuant to paragraph (b)(2) of this section.

(4) *Final payment to a cooperative association for bulk milk received directly from producers' farms.* For bulk milk received from a cooperative association

during the month, including the milk of producers who are not members of such association and who the market administrator determines have authorized the cooperative association to collect payment for their milk, the final payment for such milk shall be an amount equal to the sum of the individual payments otherwise payable for such milk pursuant to paragraph (a)(2) of this section.

(c) If a handler has not received full payment from the market administrator pursuant to § 1005.72 by the payment date specified in paragraph (a) or (b) of this section, the handler may reduce payments pursuant to paragraphs (a) and (b) of this section, but by not more than the amount of the underpayment. The payments shall be completed on the next scheduled payment date after receipt of the balance due from the market administrator.

(d) If a handler claims that a required payment to a producer cannot be made because the producer is deceased or cannot be located, or because the cooperative association or its lawful successor or assignee is no longer in existence, the payment shall be made to the producer-settlement fund, and in the event that the handler subsequently locates and pays the producer or a lawful claimant, or in the event that the handler no longer exists and a lawful claim is later established, the market administrator shall make the required payment from the producer-settlement fund to the handler or to the lawful claimant as the case may be.

(e) In making payments to producers pursuant to this section, each pool plant operator shall furnish each producer, except a producer whose milk was received from a cooperative association described in § 1000.9(a) or (c), a supporting statement in such form that it may be retained by the recipient which shall show:

(1) The name, address, Grade A identifier assigned by a duly constituted regulatory agency, and the payroll number of the producer;

(2) The month and dates that milk was received from the producer, including the daily and total pounds of milk received;

(3) The total pounds of butterfat in the producer's milk;

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(4) The minimum rate or rates at which payment to the producer is required pursuant to the order in this part;

(5) The rate used in making payment if the rate is other than the applicable minimum rate;

(6) The amount, or rate per hundredweight, and nature of each deduction claimed by the handler; and

(7) The net amount of payment to the producer or cooperative association.

[64 FR 47960, Sept. 1, 1999, as amended at 65 FR 32010, May 22, 2000]

**§ 1005.74 [Reserved]**

**§ 1005.75 Plant location adjustments for producer milk and nonpool milk.**

For purposes of making payments for producer milk and nonpool milk, a plant location adjustment shall be determined by subtracting the Class I price specified in §1005.51 from the Class I price at the plant's location. The difference, plus or minus as the case may be, shall be used to adjust the payments required pursuant to §§1005.73 and 1000.76.

**§ 1005.76 Payments by a handler operating a partially regulated distributing plant.**

See § 1000.76.

**§ 1005.77 Adjustment of accounts.**

See § 1000.77.

**§ 1005.78 Charges on overdue accounts.**

See § 1000.78.

**MARKETWIDE SERVICE PAYMENTS**

**§ 1005.80 Transportation credit balancing fund.**

The market administrator shall maintain a separate fund known as the *Transportation Credit Balancing Fund* into which shall be deposited the payments made by handlers pursuant to §1005.81 and out of which shall be made the payments due handlers pursuant to §1005.82. Payments due a handler shall be offset against payments due from the handler.

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**§ 1005.81 Payments to the transportation credit balancing fund.**

(a) On or before the 12th day after the end of the month (except as provided in §1000.90), each handler operating a pool plant and each handler specified in §1000.9(c) shall pay to the market administrator a transportation credit balancing fund assessment determined by multiplying the pounds of Class I producer milk assigned pursuant to §1005.44 by \$0.065 per hundredweight or such lesser amount as the market administrator deems necessary to maintain a balance in the fund equal to the total transportation credits disbursed during the prior June-January period. In the event that during any month of the June-January period the fund balance is insufficient to cover the amount of credits that are due, the assessment should be based upon the amount of credits that would have been disbursed had the fund balance been sufficient.

(b) The market administrator shall announce publicly on or before the 5th day of the month (except as provided in §1000.90) the assessment pursuant to paragraph (a) of this section for the following month.

**§ 1005.82 Payments from the transportation credit balancing fund.**

(a) Payments from the transportation credit balancing fund to handlers and cooperative associations requesting transportation credits shall be made as follows:

(1) On or before the 13th day (except as provided in §1000.90) after the end of each of the months of July through December and any other month in which transportation credits are in effect pursuant to paragraph (b) of this section, the market administrator shall pay to each handler that received, and reported pursuant to §1005.30(a)(5), bulk milk transferred from a plant fully regulated under another Federal order as described in paragraph (c)(1) of this section or that received, and reported pursuant to §1005.30(a)(6), milk directly from producers' farms as specified in paragraph (c)(2) of this section, a preliminary amount determined pursuant to paragraph (d) of this section to the extent that funds are available in the transportation credit balancing fund. If

an insufficient balance exists to pay all of the credits computed pursuant to this section, the market administrator shall distribute the balance available in the transportation credit balancing fund by reducing payments prorata using the percentage derived by dividing the balance in the fund by the total credits that are due for the month. The amount of credits resulting from this initial proration shall be subject to audit adjustment pursuant to paragraph (a)(2) of this section.

(2) The market administrator shall accept adjusted requests for transportation credits on or before the 20th day of the month following the month for which such credits were requested pursuant to §1005.32(a). After such date, a preliminary audit will be conducted by the market administrator, who will recalculate any necessary proration of transportation credit payments for the preceding month pursuant to paragraph (a) of this section. Handlers will be promptly notified of an overpayment of credits based upon this final computation and remedial payments to or from the transportation credit balancing fund will be made on or before the next payment date for the following month.

(3) Transportation credits paid pursuant to paragraphs (a)(1) and (2) of this section shall be subject to final verification by the market administrator pursuant to §1000.77. Adjusted payments to or from the transportation credit balancing fund will remain subject to the final proration established pursuant to paragraph (a)(2) of this section.

(4) In the event that a qualified cooperative association is the responsible party for whose account such milk is received and written documentation of this fact is provided to the market administrator pursuant to §1005.30(c)(3) prior to the date payment is due, the transportation credits for such milk computed pursuant to this section shall be made to such cooperative association rather than to the operator of the pool plant at which the milk was received.

(b) The market administrator may extend the period during which transportation credits are in effect (i.e., the transportation credit period) to the

months of January and June if a written request to do so is received 15 days prior to the beginning of the month for which the request is made and, after conducting an independent investigation, finds that such extension is necessary to assure the market of an adequate supply of milk for fluid use. Before making such a finding, the market administrator shall notify the Director of the Dairy Division and all handlers in the market that an extension is being considered and invite written data, views, and arguments. Any decision to extend the transportation credit period must be issued in writing prior to the first day of the month for which the extension is to be effective.

(c) Transportation credits shall apply to the following milk:

(1) Bulk milk received from a plant regulated under another Federal order, except Federal Order 1007, and allocated to Class I milk pursuant to §1000.44(a)(9); and

(2) Bulk milk received directly from the farms of dairy farmers at pool distributing plants subject to the following conditions:

(i) The quantity of such milk that shall be eligible for the transportation credit shall be determined by multiplying the total pounds of milk received from producers meeting the conditions of this paragraph by the lower of:

(A) The marketwide estimated Class I utilization of all handlers for the month pursuant to §1000.45(a); or

(B) The Class I utilization of all producer milk of the pool plant operator receiving the milk after the computations described in §1000.44;

(ii) The dairy farmer was not a "producer" under this order during more than 2 of the immediately preceding months of February through May and not more than 50 percent of the production of the dairy farmer during those 2 months, in aggregate, was received as producer milk under this order during those 2 months; and

(iii) The farm on which the milk was produced is not located within the specified marketing area of the order in this part or the marketing area of Federal Order 1007 (7 CFR part 1007).

(d) Transportation credits shall be computed as follows:

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(1) The market administrator shall subtract from the pounds of milk described in paragraphs (c)(1) and (2) of this section the pounds of bulk milk transferred from the pool plant receiving the supplemental milk if milk was transferred to a nonpool plant on the same calendar day that the supplemental milk was received. For this purpose, the transferred milk shall be subtracted from the most distant load of supplemental milk received, and then in sequence with the next most distant load until all of the transfers have been offset.

(2) With respect to the pounds of milk described in paragraph (c)(1) of this section that remain after the computations described in paragraph (d)(1) of this section, the market administrator shall:

(i) Determine the shortest hard-surface highway distance between the shipping plant and the receiving plant;

(ii) Multiply the number of miles so determined by 0.35 cent;

(iii) Subtract the applicable Class I differential in §1000.52 for the county in which the shipping plant is located from the Class I differential applicable for the county in which the receiving plant is located;

(iv) Subtract any positive difference computed in paragraph (d)(2)(iii) of this section from the amount computed in paragraph (d)(2)(ii) of this section; and

(v) Multiply the remainder computed in paragraph (d)(2)(iv) of this section by the hundredweight of milk described in paragraph (d)(2) of this section.

(3) For the remaining milk described in paragraph (c)(2) of this section after computations described in paragraph (d)(1) of this section, the market administrator shall:

(i) Determine an origination point for each load of milk by locating the nearest city to the last producer's farm from which milk was picked up for delivery to the receiving pool plant;

(ii) Determine the shortest hard-surface highway distance between the receiving pool plant and the origination point;

(iii) Subtract 85 miles from the mileage so determined;

(iv) Multiply the remaining miles so computed by 0.35 cent;

(v) Subtract the Class I differential specified in §1000.52 applicable for the county in which the origination point is located from the Class I differential applicable at the receiving pool plant's location;

(vi) Subtract any positive difference computed in paragraph (d)(3)(v) of this section from the amount computed in paragraph (d)(3)(iv) of this section; and

(vii) Multiply the remainder computed in paragraph (d)(3)(vi) of this section by the hundredweight of milk described in paragraph (d)(3) of this section.

**ADMINISTRATIVE ASSESSMENT AND  
MARKETING SERVICE DEDUCTION**

**§ 1005.85 Assessment for order administration.**

See §1000.85.

**§ 1005.86 Deduction for marketing services.**

See §1000.86.

**PART 1006—MILK IN THE FLORIDA  
MARKETING AREA**

**Subpart—Order Regulating Handling**

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### ADMINISTRATIVE ASSESSMENT AND MARKETING SERVICE DEDUCTION

- 1006.85 Assessment for order administration.
- 1006.86 Deduction for marketing services.

AUTHORITY: 7 U.S.C. 601-674, and 7253.

SOURCE: 64 FR 47966, Sept. 1, 1999, unless otherwise noted.

## Subpart—Order Regulating Handling

### GENERAL PROVISIONS

#### § 1006.1 General provisions.

The terms, definitions, and provisions in part 1000 of this chapter apply to this part 1006. In this part 1006, all references to sections in part 1000 refer to part 1000 of this chapter.

### DEFINITIONS

#### § 1006.2 Florida marketing area.

The marketing area means all the territory within the State of Florida, except the counties of Escambia, Okaloosa, Santa Rosa, and Walton, including all piers, docks and wharves connected therewith and all craft moored thereat, and all territory occupied by government (municipal, State or Federal) reservations, installations, institutions, or other similar establishments if any part thereof is within any of the listed states or political subdivisions.

#### § 1006.3 Route disposition.

See § 1000.3.

#### § 1006.4 Plant.

See § 1000.4.

#### § 1006.5 Distributing plant.

See § 1000.5.

#### § 1006.6 Supply plant.

See § 1000.6.

#### § 1006.7 Pool plant.

*Pool plant* means a plant specified in paragraphs (a) through (d) of this section, or a unit of plants as specified in paragraph (e) of this section, but excluding a plant specified in paragraph (g) of this section. The pooling standards described in paragraphs (c) and (d) of this section are subject to modification pursuant to paragraph (f) of this section:

(a) A distributing plant, other than a plant qualified as a pool plant pursuant to paragraph (b) of this section or § \_\_\_\_\_.7(b) of any other Federal milk order, from which during the month 50 percent or more of the fluid milk products physically received at such plant (excluding concentrated milk received from another plant by agreement for other than Class I use) are disposed of as route disposition or are transferred in the form of packaged fluid milk products to other distributing plants. At least 25 percent of such route disposition and transfers must be to outlets in the marketing area.

(b) Any distributing plant located in the marketing area which during the month processed at least 50 percent of

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the total quantity of fluid milk products physically received at the plant (excluding concentrated milk received from another plant by agreement for other than Class I use) into ultra-pasteurized or aseptically-processed fluid milk products.

(c) A supply plant from which 60 percent or more of the total quantity of milk that is physically received during the month from dairy farmers and handlers described in §1000.9(c), including milk that is diverted from the plant, is transferred to pool distributing plants. Concentrated milk transferred from the supply plant to a distributing plant for an agreed-upon use other than Class I shall be excluded from the supply plant's shipments in computing the plant's shipping percentage.

(d) A plant located within the marketing area that is operated by a cooperative association if pool plant status under this paragraph is requested for such plant by the cooperative association and during the month 60 percent of the producer milk of members of such cooperative association is delivered directly from farms to pool distributing plants or is transferred to such plants as a fluid milk product (excluding concentrated milk transferred to a distributing plant for an agreed-upon use other than Class I) from the cooperative's plant.

(e) Two or more plants operated by the same handler and that are located within the marketing area may qualify for pool status as a unit by meeting the total and in-area route disposition requirements specified in paragraph (a) of this section and the following additional requirements:

(1) At least one of the plants in the unit must qualify as a pool plant pursuant to paragraph (a) of this section;

(2) Other plants in the unit must process only Class I or Class II products and must be located in a pricing zone providing the same or a lower Class I price than the price applicable at the distributing plant included in the unit pursuant to paragraph (e)(1) of this section; and

(3) A written request to form a unit, or to add or remove plants from a unit, must be filed with the market administrator prior to the first day of the month for which it is to be effective.

(f) The applicable shipping percentages of paragraphs (c) and (d) of this section may be increased or decreased by the market administrator if the market administrator finds that such adjustment is necessary to encourage needed shipments or to prevent uneconomic shipments. Before making such a finding, the market administrator shall investigate the need for adjustment either on the market administrator's own initiative or at the request of interested parties if the request is made in writing at least 15 days prior to the date for which the requested revision is desired effective. If the investigation shows that an adjustment of the shipping percentages might be appropriate, the market administrator shall issue a notice stating that an adjustment is being considered and invite data, views and arguments. Any decision to revise an applicable shipping percentage must be issued in writing at least one day before the effective date.

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

(1) A producer-handler plant;

(2) An exempt plant as defined in §1000.8(e);

(3) A plant qualified pursuant to paragraph (a) of this section which is not located within any Federal order marketing area, meets the pooling requirements of another Federal order, and has had greater route disposition in such other Federal order marketing area for 3 consecutive months;

(4) A plant qualified pursuant to paragraph (a) of this section which is located in another Federal order marketing area, meets the pooling standards of the other Federal order, and has not had a majority of its route disposition in this marketing area for 3 consecutive months or is locked into pool status under such other Federal order without regard to its route disposition in any other Federal order marketing area; and

(5) A plant qualified pursuant to paragraph (c) of this section which also meets the pooling requirements of another Federal order and from which greater qualifying shipments are made to plants regulated under such other order than are made to plants regulated under the order in this part, or

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such plant has automatic pooling status under such other order.

### § 1006.8 Nonpool plant.

See § 1000.8.

### § 1006.9 Handler.

See § 1000.9.

### § 1006.10 Producer-handler.

*Producer-handler* means a person who:

(a) Operates a dairy farm and a distributing plant from which there is monthly route disposition in the marketing area;

(b) Receives no fluid milk products, and acquires no fluid milk products for route disposition, from sources other than own farm production;

(c) Disposes of no other source milk as Class I milk except by increasing the nonfat milk solids content of the fluid milk products received from own farm production; and

(d) Provides proof satisfactory to the market administrator that the care and management of the dairy animals and other resources necessary to produce all Class I milk handled, and the processing and packaging operations, are the producer-handler's own enterprise and are operated at the producer-handler's own risk.

### § 1006.11 [Reserved]

### § 1006.12 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 fluid consumption as Grade A milk and whose milk (or components of milk) is:

(1) Received at a pool plant directly from the producer or diverted by the plant operator in accordance with § 1006.13; or

(2) Received by a handler described in § 1000.9(c).

(b) Producer shall not include:

(1) A producer-handler as defined in any Federal order;

(2) A dairy farmer whose milk is received at an exempt plant, excluding producer milk diverted to the exempt plant pursuant to § 1006.13(d);

(3) A dairy farmer whose milk is received by diversion at a pool plant

from a handler regulated under another Federal order if the other Federal order designates the dairy farmer as a producer under that order and that milk is allocated by request to a utilization other than Class I; and

(4) A dairy farmer whose milk is reported as diverted to a plant fully regulated under another Federal order with respect to that portion of the milk so diverted that is assigned to Class I under the provisions of such other order.

### § 1006.13 Producer milk.

*Producer milk* means the skim milk (or the skim equivalent of components of skim milk) and butterfat contained in milk of a producer that is:

(a) Received by the operator of a pool plant directly from a producer or a handler described in § 1000.9(c). All milk received pursuant to this paragraph shall be priced at the location of the plant where it is first physically received;

(b) Received by a handler described in § 1000.9(c) in excess of the quantity delivered to pool plants;

(c) Diverted by a pool plant operator to another pool plant. Milk so diverted shall be priced at the location of the plant to which diverted; or

(d) Diverted by the operator of a pool plant or a handler described in § 1000.9(c) to a nonpool plant, subject to the following conditions:

(1) In any month, not less than 10 days' production of the producer whose milk is diverted is physically received at a pool plant during the month;

(2) The total quantity of milk so diverted during the month by a cooperative association shall not exceed 20 percent during the months of July through November, 25 percent during the months of December through February, and 40 percent during all other months, of the producer milk that the cooperative association caused to be delivered to, and physically received at, pool plants during the month;

(3) The operator of a pool plant that is not a cooperative association may divert any milk that is not under the control of a cooperative association that diverts milk during the month

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pursuant to paragraph (d) of this section. The total quantity of milk so diverted during the month shall not exceed 20 percent during the months of July through November, 25 percent during the months of December through February, and 40 percent during all other months, of the producer milk physically received at such plant (or such unit of plants in the case of plants that pool as a unit pursuant to §1006.7(d)) during the month, excluding the quantity of producer milk received from a handler described in §1000.9(c);

(4) Any milk diverted in excess of the limits prescribed in paragraphs (d) (3) and (4) of this section shall not be producer milk. If the diverting handler or cooperative association fails to designate the dairy farmers' deliveries that will not be producer milk, no milk diverted by the handler or cooperative association shall be producer milk;

(5) Diverted milk shall be priced at the location of the plant to which diverted; and

(6) The delivery day requirements and the diversion percentages in paragraphs (d) (1) through (3) of this section may be increased or decreased by the market administrator if the market administrator finds that such revision is necessary to assure orderly marketing and efficient handling of milk in the marketing area. Before making such a finding, the market administrator shall investigate the need for the revision either on the market administrator's own initiative or at the request of interested persons. If the investigation shows that a revision might be appropriate, the market administrator shall issue a notice stating that the revision is being considered and inviting written data, views, and arguments. Any decision to revise an applicable percentage must be issued in writing at least one day before the effective date.

**§ 1006.14 Other source milk.**

See §1000.14.

**§ 1006.15 Fluid milk product.**

See §1000.15.

**§ 1006.16 Fluid cream product.**

See §1000.16.

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**§ 1006.17 [Reserved]**

**§ 1006.18 Cooperative association.**

See §1000.18.

**§ 1006.19 Commercial food processing establishment.**

See §1000.19.

**HANDLER REPORTS**

**§ 1006.30 Reports of receipts and utilization.**

Each handler shall report monthly so that the market administrator's office receives the report on or before the 7th day after the end of the month, in the detail and on prescribed forms, as follows:

(a) With respect to each of its pool plants, the quantities of skim milk and butterfat contained in or represented by:

(1) Receipts of producer milk, including producer milk diverted by the reporting handler, from sources other than handlers described in §1000.9(c);

(2) Receipts of milk from handlers described in §1000.9(c);

(3) Receipts of fluid milk products and bulk fluid cream products from other pool plants;

(4) Receipts of other source milk;

(5) Inventories at the beginning and end of the month of fluid milk products and bulk fluid cream products; and

(6) The utilization or disposition of all milk and milk products required to be reported pursuant to this paragraph.

(b) Each handler operating a partially regulated distributing plant shall report with respect to such plant in the same manner as prescribed for reports required by paragraph (a) of this section. Receipts of milk that would have been producer milk if the plant had been fully regulated shall be reported in lieu of producer milk. The report shall show also the quantity of any reconstituted skim milk in route disposition in the marketing area.

(c) Each handler described in §1000.9(c) shall report:

(1) The quantities of all skim milk and butterfat contained in receipts of milk from producers; and

(2) The utilization or disposition of all such receipts.

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(d) Each handler not specified in paragraphs (a) through (c) of this section shall report with respect to its receipts and utilization of milk and milk products in such manner as the market administrator may prescribe.

### § 1006.31 Payroll reports.

(a) On or before the 20th day after the end of each month, each handler that operates a pool plant pursuant to §1006.7 and each handler described in §1000.9(c) shall report to the market administrator its producer payroll for the month, in detail prescribed by the market administrator, showing for each producer the information specified in §1006.73(e).

(b) Each handler operating a partially regulated distributing plant who elects to make payment pursuant to §1000.76(b) shall report for each dairy farmer who would have been a producer if the plant had been fully regulated in the same manner as prescribed for reports required by paragraph (a) of this section.

### § 1006.32 Other reports.

In addition to the reports required pursuant to §§1006.30 and 1006.31, each handler shall report any information the market administrator deems necessary to verify or establish each handler's obligation under the order.

#### CLASSIFICATION OF MILK

### § 1006.40 Classes of utilization.

See §1000.40.

### § 1006.41 [Reserved]

### § 1006.42 Classification of transfers and diversions.

See §1000.42.

### § 1006.43 General classification rules.

See §1000.43.

### § 1006.44 Classification of producer milk.

See §1000.44.

### § 1006.45 Market administrator's reports and announcements concerning classification.

See §1000.45.

#### CLASS PRICES

### § 1006.50 Class prices, component prices, and advanced pricing factors.

See §1000.50.

### § 1006.51 Class I differential and price.

The Class I differential shall be the differential established for Hillsborough County, Florida, which is reported in §1000.52. The Class I price shall be the price computed pursuant to §1000.50(a) for Hillsborough County, Florida.

### § 1006.52 Adjusted Class I differentials.

See §1000.52.

### § 1006.53 Announcement of class prices, component prices, and advanced pricing factors.

See §1000.53.

### § 1006.54 Equivalent price.

See §1000.54.

#### UNIFORM PRICES

### § 1006.60 Handler's value of milk.

For the purpose of computing a handler's obligation for producer milk, the market administrator shall determine for each month the value of milk of each handler with respect to each of the handler's pool plants and of each handler described in §1000.9(c) with respect to milk that was not received at a pool plant by adding the amounts computed in paragraphs (a) through (e) of this section and subtracting from that total amount the value computed in paragraph (f) of this section. Receipts of nonfluid milk products that are distributed as labeled reconstituted milk for which payments are made to the producer-settlement fund of another Federal order under §1000.76(a)(4) or (d) shall be excluded from pricing under this section.

(a) Multiply the pounds of skim milk and butterfat in producer milk that were classified in each class pursuant to §1000.44(c) by the applicable skim milk and butterfat prices, and add the resulting amounts;

(b) Multiply the pounds of skim milk and butterfat overage assigned to each class pursuant to §1000.44(a)(11) by the

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respective skim milk and butterfat prices applicable at the location of the pool plant;

(c) Multiply the difference between the Class IV price for the preceding month and the current month's Class I, II, or III price, as the case may be, by the hundredweight of skim milk and butterfat subtracted from Class I, II, or III, respectively, pursuant to §1000.44(a)(7) and the corresponding step of §1000.44(b);

(d) Multiply the difference between the Class I price applicable at the location of the pool plant and the Class IV price by the hundredweight of skim milk and butterfat assigned to Class I pursuant to §1000.43(d) and the hundredweight of skim milk and butterfat subtracted from Class I pursuant to §1000.44(a)(3)(i) through (vi) and the corresponding step of §1000.44(b), excluding receipts of bulk fluid cream products from a plant regulated under other Federal orders and bulk concentrated fluid milk products from pool plants, plants regulated under other Federal orders, and unregulated supply plants;

(e) Multiply the Class I skim milk and Class I butterfat prices applicable at the location of the nearest unregulated supply plants from which an equivalent volume was received by the pounds of skim milk and butterfat in receipts of concentrated fluid milk products assigned to Class I pursuant to §1000.43(d) and §1000.44(a)(3)(i) and the corresponding step of §1000.44(b) and the pounds of skim milk and butterfat subtracted from Class I pursuant to §1000.44(a)(8) and the corresponding step of §1000.44(b), excluding such skim milk and butterfat in receipts of fluid milk products from an unregulated supply plant to the extent that an equivalent amount of skim milk or butterfat disposed of to such plant by handlers fully regulated under any Federal milk order is classified and priced as Class I milk and is not used as an offset for any other payment obligation under any order; and

(f) For reconstituted milk made from receipts of nonfluid milk products, multiply \$1.00 (but not more than the difference between the Class I price applicable at the location of the pool plant and the Class IV price) by the

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hundredweight of skim milk and butterfat contained in receipts of nonfluid milk products that are allocated to Class I use pursuant to §1000.43(d).

[64 FR 47966, Sept. 1, 1999, as amended at 65 FR 82835, Dec. 28, 2000]

### § 1006.61 Computation of uniform prices.

On or before the 11th day of each month, the market administrator shall compute a uniform butterfat price, a uniform skim milk price, and a uniform price for producer milk receipts reported for the prior month. The report of any handler who has not made payments required pursuant to §1006.71 for the preceding month shall not be included in the computation of these prices, and such handler's report shall not be included in the computation for succeeding months until the handler has made full payment of outstanding monthly obligations.

(a) *Uniform butterfat price.* The uniform butterfat price per pound, rounded to the nearest one-hundredth cent, shall be computed by:

(1) Multiplying the pounds of butterfat in producer milk allocated to each class pursuant to §1000.44(b) by the respective class butterfat prices;

(2) Adding the butterfat value calculated in §1006.60(e) for other source milk allocated to Class I pursuant to §1000.43(d) and the steps of §1000.44(b) that correspond to §1000.44(a)(3)(i) and §1000.44(a)(8) by the Class I price; and

(3) Dividing the sum of paragraphs (a)(1) and (a)(2) of this section by the sum of the pounds of butterfat in producer milk and other source milk used to calculate the values in paragraphs (a)(1) and (a)(2) of this section.

(b) *Uniform skim milk price.* The uniform skim milk price per hundredweight, rounded to the nearest cent, shall be computed as follows:

(1) Combine into one total the values computed pursuant to §1006.60 for all handlers;

(2) Add an amount equal to the minus location adjustments and subtract an amount equal to the plus location adjustments computed pursuant to §1006.75;

(3) Add an amount equal to not less than one-half of the unobligated balance in the producer-settlement fund;

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(4) Subtract the value of the total pounds of butterfat for all handlers. The butterfat value shall be computed by multiplying the sum of the pounds of butterfat in producer milk and other source milk used to calculate the values in paragraphs (a)(1) and (a)(2) of this section by the butterfat price computed in paragraph (a) of this section;

(5) Divide the resulting amount by the sum of the following for all handlers included in these computations:

(i) The total skim pounds of producer milk; and

(ii) The total skim pounds for which a value is computed pursuant to §1006.60(e); and

(6) Subtract not less than 4 cents and not more than 5 cents.

(c) *Uniform price.* The uniform price per hundredweight, rounded to the nearest cent, shall be the sum of the following:

(1) Multiply the uniform butterfat price for the month pursuant to paragraph (a) of this section times 3.5 pounds of butterfat; and

(2) Multiply the uniform skim milk price for the month pursuant to paragraph (b) of this section times 96.5 pounds of skim milk.

[64 FR 47966, Sept. 1, 1999, as amended at 65 FR 82835, Dec. 28, 2000]

**§ 1006.62 Announcement of uniform prices.**

On or before the 11th day after the end of the month, the market administrator shall announce the uniform prices for the month computed pursuant to §1006.61.

PAYMENTS FOR MILK

**§ 1006.70 Producer-settlement fund.**

See § 1000.70.

**§ 1006.71 Payments to the producer-settlement fund.**

Each handler shall make a payment to the producer-settlement fund in a manner that provides receipt of the funds by the market administrator no later than the 12th day after the end of the month (except as provided in §1000.90). Payment shall be the amount, if any, by which the amount specified in paragraph (a) of this sec-

tion exceeds the amount specified in paragraph (b) of this section:

(a) The total value of milk of the handler for the month as determined pursuant to §1006.60; and

(b) The sum of the value at the uniform prices for skim milk and butterfat, adjusted for plant location, of the handler's receipts of producer milk; and the value at the uniform price, as adjusted pursuant to §1006.75, applicable at the location of the plant from which received of other source milk for which a value is computed pursuant to §1006.60(e).

**§ 1006.72 Payments from the producer-settlement fund.**

No later than one day after the date of payment receipt required under §1006.71, the market administrator shall pay to each handler the amount, if any, by which the amount computed pursuant to §1006.71(b) exceeds the amount computed pursuant to §1006.71(a). If, at such time, the balance in the producer-settlement fund is insufficient to make all payments pursuant to this section, the market administrator shall reduce uniformly such payments and shall complete the payments as soon as the funds are available.

**§ 1006.73 Payments to producers and to cooperative associations.**

(a) Each handler that is not paying a cooperative association for producer milk shall pay each producer as follows:

(1) *Partial payments.* (i) For each producer who has not discontinued shipments as of the 15th day of the month, payment shall be made so that it is received by the producer on or before the 20th day of the month (except as provided in §1000.90) for milk received during the first 15 days of the month at not less than 85 percent of the preceding month's uniform price, adjusted for plant location pursuant to §1006.75 and proper deductions authorized in writing by the producer; and

(ii) For each producer who has not discontinued shipments as of the last day of the month, payment shall be made so that it is received by the producer on or before the 5th day of the following month (except as provided in

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§1000.90) for milk received from the 16th to the last day of the month at not less than 85 percent of the preceding month's uniform price, adjusted for plant location pursuant to §1006.75 and proper deductions authorized in writing by the producer.

(2) *Final payment.* For milk received during the month, a payment computed as follows shall be made so that it is received by each producer one day after the payment date required in §1006.72:

(i) Multiply the hundredweight of producer skim milk received times the uniform skim milk price for the month;

(ii) Multiply the pounds of butterfat received times the uniform butterfat price for the month;

(iii) Multiply the hundredweight of producer milk received times the plant location adjustment pursuant to §1006.75; and

(iv) Add the amounts computed in paragraphs (a)(2)(i), (ii), and (iii) of this section, and from that sum:

(A) Subtract the partial payments made pursuant to paragraph (a)(1) of this section;

(B) Subtract the deduction for marketing services pursuant to §1000.86;

(C) Add or subtract for errors made in previous payments to the producer; and

(D) Subtract proper deductions authorized in writing by the producer.

(b) One day before partial and final payments are due pursuant to paragraph (a) of this section, each handler shall pay a cooperative association for milk received as follows:

(1) *Partial payment to a cooperative association for bulk milk received directly from producers' farms.* For bulk milk (including the milk of producers who are not members of such association and who the market administrator determines have authorized the cooperative association to collect payment for their milk) received from a cooperative association in any capacity, except as the operator of a pool plant, the payment shall be equal to the hundredweight of milk received multiplied by 90 percent of the preceding month's uniform price, adjusted for plant location pursuant to §1006.75.

(2) *Partial payment to a cooperative association for milk transferred from its pool plant.* For bulk fluid milk products and bulk fluid cream products received during the first 15 days of the month from a cooperative association in its capacity as the operator of a pool plant, the partial payment shall be at the pool plant operator's estimated use value of the milk using the most recent class prices available for skim milk and butterfat at the receiving plant's location.

(3) *Final payment to a cooperative association for milk transferred from its pool plant.* For bulk fluid milk products and bulk fluid cream products received during the month from a cooperative association in its capacity as the operator of a pool plant, the final payment shall be the classified value of such milk as determined by multiplying the pounds of skim milk and butterfat assigned to each class pursuant to §1000.44 by the class prices for the month at the receiving plant's location, and subtracting from this sum the partial payment made pursuant to paragraph (b)(2) of this section.

(4) *Final payment to a cooperative association for bulk milk received directly from producers' farms.* For bulk milk received from a cooperative association during the month, including the milk of producers who are not members of such association and who the market administrator determines have authorized the cooperative association to collect payment for their milk, the final payment for such milk shall be an amount equal to the sum of the individual payments otherwise payable for such milk pursuant to paragraph (a)(2) of this section.

(c) If a handler has not received full payment from the market administrator pursuant to §1006.72 by the payment date specified in paragraph (a) or (b) of this section, the handler may reduce payments pursuant to paragraphs (a) and (b) of this section, but by not more than the amount of the underpayment. The payments shall be completed on the next scheduled payment date after receipt of the balance due from the market administrator.

(d) If a handler claims that a required payment to a producer cannot be made because the producer is deceased or

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cannot be located, or because the cooperative association or its lawful successor or assignee is no longer in existence, the payment shall be made to the producer-settlement fund, and in the event that the handler subsequently locates and pays the producer or a lawful claimant, or in the event that the handler no longer exists and a lawful claim is later established, the market administrator shall make the required payment from the producer-settlement fund to the handler or to the lawful claimant as the case may be.

(e) In making payments to producers pursuant to this section, each pool plant operator shall furnish each producer, except a producer whose milk was received from a cooperative association described in §1000.9(a) or (c), a supporting statement in such form that it may be retained by the recipient which shall show:

(1) The name, address, Grade A identifier assigned by a duly constituted regulatory agency, and the payroll number of the producer;

(2) The month and dates that milk was received from the producer, including the daily and total pounds of milk received;

(3) The total pounds of butterfat in the producer's milk;

(4) The minimum rate or rates at which payment to the producer is required pursuant to the order in this part;

(5) The rate used in making payment if the rate is other than the applicable minimum rate;

(6) The amount, or rate per hundred-weight, and nature of each deduction claimed by the handler; and

(7) The net amount of payment to the producer or cooperative association.

[64 FR 47966, Sept. 1, 1999, as amended at 65 FR 32010, May 22, 2000]

**§ 1006.74 [Reserved]**

**§ 1006.75 Plant location adjustments for producer milk and nonpool milk.**

For purposes of making payments for producer milk and nonpool milk, a plant location adjustment shall be determined by subtracting the Class I price specified in §1006.51 from the Class I price at the plant's location.

The difference, plus or minus as the case may be, shall be used to adjust the payments required pursuant to §§1006.73 and 1000.76.

**§ 1006.76 Payments by a handler operating a partially regulated distributing plant.**

See § 1000.76.

**§ 1006.77 Adjustment of accounts.**

See § 1000.77.

**§ 1006.78 Charges on overdue accounts.**

See § 1000.78.

**ADMINISTRATIVE ASSESSMENT AND MARKETING SERVICE DEDUCTION**

**§ 1006.85 Assessment for order administration.**

See § 1000.85.

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See § 1000.86.

**PART 1007—MILK IN THE SOUTHEAST MARKETING AREA**

**Subpart—Order Regulating Handling**

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AUTHORITY: 7 U.S.C. 601-674, and 7253.

SOURCE: 64 FR 47971, Sept. 1, 1999, unless  
otherwise noted.

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**Subpart—Order Regulating  
Handling**

GENERAL PROVISIONS

**§ 1007.1 General provisions.**

The terms, definitions, and provi-  
sions in part 1000 of this chapter apply  
to this part 1007. In this part 1007, all  
references to sections in part 1000 refer  
to part 1000 of this chapter.

DEFINITIONS

**§ 1007.2 Southeast marketing area.**

The marketing area means all terri-  
tory within the bounds of the following  
states and political subdivisions, in-  
cluding all piers, docks and wharves  
connected therewith and all craft  
moored thereat, and all territory occu-  
pied by government (municipal, State  
or Federal) reservations, installations,  
institutions, or other similar establish-  
ments if any part thereof is within any  
of the listed states or political subdivi-  
sions:

ALABAMA, ARKANSAS, LOUISIANA, AND  
MISSISSIPPI

All of the States of Alabama, Arkansas,  
Louisiana, and Mississippi.

*Florida Counties*

Escambia, Okaloosa, Santa Rosa, and Wal-  
ton.

*Georgia Counties*

All of the State of Georgia except for the  
counties of Catoosa, Chattooga, Dade,  
Fannin, Murray, Walker, and Whitfield.

*Kentucky Counties*

Allen, Ballard, Barren, Caldwell, Calloway,  
Carlisle, Christian, Crittenden, Fulton,  
Graves, Hickman, Livingston, Logan, Lyon,  
Marshall, McCracken, Metcalfe, Monroe,  
Simpson, Todd, Trigg, and Warren.

*Missouri Counties*

Barry, Barton, Bollinger, Butler, Cape  
Girardeau, Carter, Cedar, Christian,  
Crawford, Dade, Dallas, Dent, Douglas,  
Dunklin, Greene, Howell, Iron, Jasper,  
Laclede, Lawrence, Madison, McDonald, Mis-  
sissippi, New Madrid, Newton, Oregon,  
Ozark, Pemiscot, Perry, Polk, Reynolds, Rip-  
ley, Scott, Shannon, St. Francois, Stoddard,  
Stone, Taney, Texas, Vernon, Washington,  
Wayne, Webster, and Wright.

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### *Tennessee Counties*

All of the State of Tennessee except for the counties of Anderson, Blount, Bradley, Campbell, Carter, Claiborne, Cocke, Cumberland, Grainger, Greene, Hamblen, Hamilton, Hancock, Hawkins, Jefferson, Johnson, Knox, Loudon, Marion, McMinn, Meigs, Monroe, Morgan, Polk, Rhea, Roane, Scott, Sequatchie, Sevier, Sullivan, Unicoi, Union, and Washington.

### **§ 1007.3 Route disposition.**

See § 1000.3.

### **§ 1007.4 Plant.**

See § 1000.4.

### **§ 1007.5 Distributing plant.**

See § 1000.5.

### **§ 1007.6 Supply plant.**

See § 1000.6.

### **§ 1007.7 Pool plant.**

*Pool plant* means a plant specified in paragraphs (a) through (d) of this section, or a unit of plants as specified in paragraph (e) of this section, but excluding a plant specified in paragraph (g) of this section. The pooling standards described in paragraphs (c) and (d) of this section are subject to modification pursuant to paragraph (f) of this section:

(a) A distributing plant, other than a plant qualified as a pool plant pursuant to paragraph (b) of this section or § \_\_\_\_\_7(b) of any other Federal milk order, from which during the month 50 percent or more of the fluid milk products physically received at such plant (excluding concentrated milk received from another plant by agreement for other than Class I use) are disposed of as route disposition or are transferred in the form of packaged fluid milk products to other distributing plants. At least 25 percent of such route disposition and transfers must be to outlets in the marketing area.

(b) Any distributing plant located in the marketing area which during the month processed at least 50 percent of the total quantity of fluid milk products physically received at the plant (excluding concentrated milk received from another plant by agreement for other than Class I use) into ultra-pas-

teurized or aseptically-processed fluid milk products.

(c) A supply plant from which 50 percent or more of the total quantity of milk that is physically received during the month from dairy farmers and handlers described in § 1000.9(c), including milk that is diverted from the plant, is transferred to pool distributing plants. Concentrated milk transferred from the supply plant to a distributing plant for an agreed-upon use other than Class I shall be excluded from the supply plant's shipments in computing the plant's shipping percentage.

(d) A plant located within the marketing area that is operated by a cooperative association if pool plant status under this paragraph is requested for such plant by the cooperative association and during the month at least 60 percent of the producer milk of members of such cooperative association is delivered directly from farms to pool distributing plants or is transferred to such plants as a fluid milk product (excluding concentrated milk transferred to a distributing plant for an agreed-upon use other than Class I) from the cooperative's plant.

(e) Two or more plants operated by the same handler and located within the marketing area may qualify for pool status as a unit by meeting the total and in-area route disposition requirements specified in paragraph (a) of this section and the following additional requirements:

(1) At least one of the plants in the unit must qualify as a pool plant pursuant to paragraph (a) of this section;

(2) Other plants in the unit must process only Class I or Class II products and must be located in a pricing zone providing the same or a lower Class I price than the price applicable at the distributing plant included in the unit pursuant to paragraph (e)(1) of this section; and

(3) A written request to form a unit, or to add or remove plants from a unit, must be filed with the market administrator prior to the first day of the month for which it is to be effective.

(f) The applicable shipping percentages of paragraphs (c) and (d) of this section may be increased or decreased by the market administrator if the market administrator finds that such

## § 1007.8

adjustment is necessary to encourage needed shipments or to prevent uneconomic shipments. Before making such a finding, the market administrator shall investigate the need for adjustment either on the market administrator's own initiative or at the request of interested parties if the request is made in writing at least 15 days prior to the date for which the requested revision is desired effective. If the investigation shows that an adjustment of the shipping percentages might be appropriate, the market administrator shall issue a notice stating that an adjustment is being considered and invite data, views and arguments. Any decision to revise an applicable shipping percentage must be issued in writing at least one day before the effective date.

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

(1) A producer-handler plant;

(2) An exempt plant as defined in §1000.8(e);

(3) A plant qualified pursuant to paragraph (a) of this section which is not located within any Federal order marketing area, meets the pooling requirements of another Federal order, and has had greater route disposition in such other Federal order marketing area for 3 consecutive months;

(4) A plant qualified pursuant to paragraph (a) of this section which is located in another Federal order marketing area, meets the pooling standards of the other Federal order, and has not had a majority of its route disposition in this marketing area for 3 consecutive months or is locked into pool status under such other Federal order without regard to its route disposition in any other Federal order marketing area; and

(5) A plant qualified pursuant to paragraph (c) of this section which also meets the pooling requirements of another Federal order and from which greater qualifying shipments are made to plants regulated under such other order than are made to plants regulated under the order in this part, or such plant has automatic pooling status under such other order.

## § 1007.8 Nonpool plant.

See § 1000.8.

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## § 1007.9 Handler.

See § 1000.9.

## § 1007.10 Producer-handler.

*Producer-handler* means a person who:

(a) Operates a dairy farm and a distributing plant from which there is monthly route disposition in the marketing area;

(b) Receives no fluid milk products, and acquires no fluid milk products for route disposition, from sources other than own farm production;

(c) Disposes of no other source milk as Class I milk except by increasing the nonfat milk solids content of the fluid milk products received from own farm production; and

(d) Provides proof satisfactory to the market administrator that the care and management of the dairy animals and other resources necessary to produce all Class I milk handled, and the processing and packaging operations, are the producer-handler's own enterprise and are operated at the producer-handler's own risk.

## § 1007.11 [Reserved]

## § 1007.12 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 fluid consumption as Grade A milk and whose milk (or components of milk) is:

(1) Received at a pool plant directly from the producer or diverted by the plant operator in accordance with § 1007.13; or

(2) Received by a handler described in § 1000.9(c).

(b) Producer shall not include:

(1) A producer-handler as defined in any Federal order;

(2) A dairy farmer whose milk is received at an exempt plant, excluding producer milk diverted to the exempt plant pursuant to § 1007.13(d);

(3) A dairy farmer whose milk is received by diversion at a pool plant from a handler regulated under another Federal order if the other Federal order designates the dairy farmer as a producer under that order and that milk is allocated by request to a utilization other than Class I; and

(4) A dairy farmer whose milk is reported as diverted to a plant fully regulated under another Federal order with respect to that portion of the milk so diverted that is assigned to Class I under the provisions of such other order.

**§ 1007.13 Producer milk.**

*Producer milk* means the skim milk (or the skim equivalent of components of skim milk) and butterfat contained in milk of a producer that is:

(a) Received by the operator of a pool plant directly from a producer or a handler described in § 1000.9(c). All milk received pursuant to this paragraph shall be priced at the location of the plant where it is first physically received;

(b) Received by a handler described in § 1000.9(c) in excess of the quantity delivered to pool plants;

(c) Diverted by a pool plant operator to another pool plant. Milk so diverted shall be priced at the location of the plant to which diverted; or

(d) Diverted by the operator of a pool plant or a handler described in § 1000.9(c) to a nonpool plant, subject to the following conditions:

(1) In any month of January through June, not less than 4 days' production of the producer whose milk is diverted is physically received at a pool plant during the month;

(2) In any month of July through December, not less than 10 days' production of the producer whose milk is diverted is physically received at a pool plant during the month;

(3) The total quantity of milk so diverted during the month by a cooperative association shall not exceed 33 percent during the months of July through December, and 50 percent during the months of January through June, of the producer milk that the cooperative association caused to be delivered to, and physically received at, pool plants during the month;

(4) The operator of a pool plant that is not a cooperative association may divert any milk that is not under the control of a cooperative association that diverts milk during the month pursuant to paragraph (d) of this section. The total quantity of milk so diverted during the month shall not ex-

ceed 33 percent during the months of July through December, or 50 percent during the months of January through June, of the producer milk physically received at such plant (or such unit of plants in the case of plants that pool as a unit pursuant to § 1007.7(e)) during the month, excluding the quantity of producer milk received from a handler described in § 1000.9(c);

(5) Any milk diverted in excess of the limits prescribed in paragraphs (d)(3) and (4) of this section shall not be producer milk. If the diverting handler or cooperative association fails to designate the dairy farmers' deliveries that will not be producer milk, no milk diverted by the handler or cooperative association shall be producer milk;

(6) Diverted milk shall be priced at the location of the plant to which diverted; and

(7) The delivery day requirements and the diversion percentages in paragraphs (d)(1) through (4) of this section may be increased or decreased by the market administrator if the market administrator finds that such revision is necessary to assure orderly marketing and efficient handling of milk in the marketing area. Before making such a finding, the market administrator shall investigate the need for the revision either on the market administrator's own initiative or at the request of interested persons. If the investigation shows that a revision might be appropriate, the market administrator shall issue a notice stating that the revision is being considered and inviting written data, views, and arguments. Any decision to revise an applicable percentage must be issued in writing at least one day before the effective date.

**§ 1007.14 Other source milk.**

See § 1000.14.

**§ 1007.15 Fluid milk product.**

See § 1000.15.

**§ 1007.16 Fluid cream product.**

See § 1000.16.

**§ 1007.17 [Reserved]**

**§ 1007.18 Cooperative association.**

See § 1000.18.

## § 1007.19

### § 1007.19 Commercial food processing establishment.

See § 1000.19.

#### HANDLER REPORTS

### § 1007.30 Reports of receipts and utilization.

Each handler shall report monthly so that the market administrator's office receives the report on or before the 7th day after the end of the month, in the detail and on prescribed forms, as follows:

(a) With respect to each of its pool plants, the quantities of skim milk and butterfat contained in or represented by:

(1) Receipts of producer milk, including producer milk diverted by the reporting handler, from sources other than handlers described in § 1000.9(c);

(2) Receipts of milk from handlers described in § 1000.9(c);

(3) Receipts of fluid milk products and bulk fluid cream products from other pool plants;

(4) Receipts of other source milk;

(5) Receipts of bulk milk from a plant regulated under another Federal order, except Federal Order 1005, for which a transportation credit is requested pursuant to § 1007.82;

(6) Receipts of producer milk described in § 1007.82(c)(2), including the identity of the individual producers whose milk is eligible for the transportation credit pursuant to that paragraph and the date that such milk was received;

(7) For handlers submitting transportation credit requests, transfers of bulk milk to nonpool plants, including the dates that such milk was transferred;

(8) Inventories at the beginning and end of the month of fluid milk products and bulk fluid cream products; and

(9) The utilization or disposition of all milk and milk products required to be reported pursuant to this paragraph.

(b) Each handler operating a partially regulated distributing plant shall report with respect to such plant in the same manner as prescribed for reports required by paragraphs (a)(1), (a)(2), (a)(3), (a)(4), and (a)(8) of this section. Receipts of milk that would have been producer milk if the plant had been fully regulated shall be re-

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ported in lieu of producer milk. The report shall show also the quantity of any reconstituted skim milk in route disposition in the marketing area.

(c) Each handler described in § 1000.9(c) shall report:

(1) The quantities of all skim milk and butterfat contained in receipts of milk from producers;

(2) The utilization or disposition of all such receipts; and

(3) With respect to milk for which a cooperative association is requesting a transportation credit pursuant to § 1007.82, all of the information required in paragraphs (a)(5), (a)(6), and (a)(7) of this section.

(d) Each handler not specified in paragraphs (a) through (c) of this section shall report with respect to its receipts and utilization of milk and milk products in such manner as the market administrator may prescribe.

### § 1007.31 Payroll reports.

(a) On or before the 20th day after the end of each month, each handler that operates a pool plant pursuant to § 1007.7 and each handler described in § 1000.9(c) shall report to the market administrator its producer payroll for the month, in detail prescribed by the market administrator, showing for each producer the information specified in § 1007.73(e).

(b) Each handler operating a partially regulated distributing plant who elects to make payment pursuant to § 1000.76(b) shall report for each dairy farmer who would have been a producer if the plant had been fully regulated in the same manner as prescribed for reports required by paragraph (a) of this section.

### § 1007.32 Other reports.

(a) On or before the 20th day after the end of each month, each handler described in § 1000.9(a) and (c) shall report to the market administrator any adjustments to transportation credit requests as reported pursuant to § 1007.30(a)(5), (6), and (7).

(b) In addition to the reports required pursuant to §§ 1007.30, 31, and 32(a), each handler shall report any information the market administrator deems necessary to verify or establish

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each handler's obligation under the order.

CLASSIFICATION OF MILK

**§ 1007.40 Classes of utilization.**

See § 1000.40.

**§ 1007.41 [Reserved]**

**§ 1007.42 Classification of transfers and diversions.**

See § 1000.42.

**§ 1007.43 General classification rules.**

See § 1000.43.

**§ 1007.44 Classification of producer milk.**

See § 1000.44.

**§ 1007.45 Market administrator's reports and announcements concerning classification.**

See § 1000.45.

CLASS PRICES

**§ 1007.50 Class prices, component prices, and advanced pricing factors.**

See § 1000.50.

**§ 1007.51 Class I differential and price.**

The Class I differential shall be the differential established for Fulton County, Georgia, which is reported in § 1000.52. The Class I price shall be the price computed pursuant to § 1000.50(a) for Fulton County, Georgia.

**§ 1007.52 Adjusted Class I differentials.**

See § 1000.52.

**§ 1007.53 Announcement of class prices, component prices, and advanced pricing factors.**

See § 1000.53.

**§ 1007.54 Equivalent price.**

See § 1000.54.

UNIFORM PRICES

**§ 1007.60 Handler's value of milk.**

For the purpose of computing a handler's obligation for producer milk, the market administrator shall determine for each month the value of milk of each handler with respect to each of

the handler's pool plants and of each handler described in § 1000.9(c) with respect to milk that was not received at a pool plant by adding the amounts computed in paragraphs (a) through (e) of this section and subtracting from that total amount the value computed in paragraph (f) of this section. Receipts of nonfluid milk products that are distributed as labeled reconstituted milk for which payments are made to the producer-settlement fund of another Federal order under § 1000.76(a)(4) or (d) shall be excluded from pricing under this section.

(a) Multiply the pounds of skim milk and butterfat in producer milk that were classified in each class pursuant to § 1000.44(c) by the applicable skim milk and butterfat prices, and add the resulting amounts;

(b) Multiply the pounds of skim milk and butterfat overage assigned to each class pursuant to § 1000.44(a)(11) by the respective skim milk and butterfat prices applicable at the location of the pool plant;

(c) Multiply the difference between the Class IV price for the preceding month and the current month's Class I, II, or III price, as the case may be, by the hundredweight of skim milk and butterfat subtracted from Class I, II, or III, respectively, pursuant to § 1000.44(a)(7) and the corresponding step of § 1000.44(b);

(d) Multiply the difference between the Class I price applicable at the location of the pool plant and the Class IV price by the hundredweight of skim milk and butterfat assigned to Class I pursuant to § 1000.43(d) and the hundredweight of skim milk and butterfat subtracted from Class I pursuant to § 1000.44(a)(3)(i) through (vi) and the corresponding step of § 1000.44(b), excluding receipts of bulk fluid cream products from a plant regulated under other Federal orders and bulk concentrated fluid milk products from pool plants, plants regulated under other Federal orders, and unregulated supply plants;

(e) Multiply the Class I skim milk and Class I butterfat prices applicable at the location of the nearest unregulated supply plants from which an equivalent volume was received by the pounds of skim milk and butterfat in

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receipts of concentrated fluid milk products assigned to Class I pursuant to §1000.43(d) and §1000.44(a)(3)(i) and the corresponding step of §1000.44(b) and the pounds of skim milk and butterfat subtracted from Class I pursuant to §1000.44(a)(8) and the corresponding step of §1000.44(b), excluding such skim milk and butterfat in receipts of fluid milk products from an unregulated supply plant to the extent that an equivalent amount of skim milk or butterfat disposed of to such plant by handlers fully regulated under any Federal milk order is classified and priced as Class I milk and is not used as an offset for any other payment obligation under any order; and

(f) For reconstituted milk made from receipts of nonfluid milk products, multiply \$1.00 (but not more than the difference between the Class I price applicable at the location of the pool plant and the Class IV price) by the hundredweight of skim milk and butterfat contained in receipts of nonfluid milk products that are allocated to Class I use pursuant to §1000.43(d).

[64 FR 47966, Sept. 1, 1999, as amended at 65 FR 82835, Dec. 28, 2000]

### § 1007.61 Computation of uniform prices.

On or before the 11th day of each month, the market administrator shall compute a uniform butterfat price, a uniform skim milk price, and a uniform price for producer milk receipts reported for the prior month. The report of any handler who has not made payments required pursuant to §1007.71 for the preceding month shall not be included in the computation of these prices, and such handler's report shall not be included in the computation for succeeding months until the handler has made full payment of outstanding monthly obligations.

(a) *Uniform butterfat price.* The uniform butterfat price per pound, rounded to the nearest one-hundredth cent, shall be computed by:

(1) Multiplying the pounds of butterfat in producer milk allocated to each class pursuant to §1000.44(b) by the respective class butterfat prices;

(2) Adding the butterfat value calculated in §1007.60(e) for other source milk allocated to Class I pursuant to

§1000.43(d) and the steps of §1000.44(b) that correspond to §1000.44(a)(3)(i) and §1000.44(a)(8) by the Class I price; and

(3) Dividing the sum of paragraphs (a)(1) and (a)(2) of this section by the sum of the pounds of butterfat in producer milk and other source milk used to calculate the values in paragraphs (a)(1) and (a)(2) of this section.

(b) *Uniform skim milk price.* The uniform skim milk price per hundredweight, rounded to the nearest cent, shall be computed as follows:

(1) Combine into one total the values computed pursuant to §1007.60 for all handlers;

(2) Add an amount equal to the minus location adjustments and subtract an amount equal to the plus location adjustments computed pursuant to §1007.75;

(3) Add an amount equal to not less than one-half of the unobligated balance in the producer-settlement fund;

(4) Subtract the value of the total pounds of butterfat for all handlers. The butterfat value shall be computed by multiplying the sum of the pounds of butterfat in producer milk and other source milk used to calculate the values in paragraphs (a)(1) and (a)(2) of this section by the butterfat price computed in paragraph (a) of this section;

(5) Divide the resulting amount by the sum of the following for all handlers included in these computations:

(i) The total skim pounds of producer milk; and

(ii) The total skim pounds for which a value is computed pursuant to §1007.60(e); and

(6) Subtract not less than 4 cents and not more than 5 cents.

(c) *Uniform price.* The uniform price per hundredweight, rounded to the nearest cent, shall be the sum of the following:

(1) Multiply the uniform butterfat price for the month pursuant to paragraph (a) of this section times 3.5 pounds of butterfat; and

(2) Multiply the uniform skim milk price for the month pursuant to paragraph (b) of this section times 96.5 pounds of skim milk.

[64 FR 47966, Sept. 1, 1999, as amended at 65 FR 82835, Dec. 28, 2000]

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**§ 1007.62 Announcement of uniform prices.**

On or before the 11th day after the end of the month, the market administrator shall announce the uniform prices for the month computed pursuant to § 1007.61.

PAYMENTS FOR MILK

**§ 1007.70 Producer-settlement fund.**

See § 1000.70.

**§ 1007.71 Payments to the producer-settlement fund.**

Each handler shall make a payment to the producer-settlement fund in a manner that provides receipt of the funds by the market administrator no later than the 12th day after the end of the month (except as provided in § 1000.90). Payment shall be the amount, if any, by which the amount specified in paragraph (a) of this section exceeds the amount specified in paragraph (b) of this section:

(a) The total value of milk of the handler for the month as determined pursuant to § 1007.60; and

(b) The sum of the value at the uniform prices for skim milk and butterfat, adjusted for plant location, of the handler's receipts of producer milk; and the value at the uniform price, as adjusted pursuant to § 1007.75, applicable at the location of the plant from which received of other source milk for which a value is computed pursuant to § 1007.60(e).

**§ 1007.72 Payments from the producer-settlement fund.**

No later than one day after the date of payment receipt required under § 1007.71, the market administrator shall pay to each handler the amount, if any, by which the amount computed pursuant to § 1007.71(b) exceeds the amount computed pursuant to § 1007.71(a). If, at such time, the balance in the producer-settlement fund is insufficient to make all payments pursuant to this section, the market administrator shall reduce uniformly such payments and shall complete the payments as soon as the funds are available.

**§ 1007.73 Payments to producers and to cooperative associations.**

(a) Each handler that is not paying a cooperative association for producer milk shall pay each producer as follows:

(1) *Partial payment.* For each producer who has not discontinued shipments as of the 23rd day of the month, payment shall be made so that it is received by the producer on or before the 26th day of the month (except as provided in § 1000.90) for milk received during the first 15 days of the month at not less than 90 percent of the preceding month's uniform price, adjusted for plant location pursuant to § 1007.75 and proper deductions authorized in writing by the producer.

(2) *Final payment.* For milk received during the month, a payment computed as follows shall be made so that it is received by each producer one day after the payment date required in § 1007.72:

(i) Multiply the hundredweight of producer skim milk received times the uniform skim milk price for the month;

(ii) Multiply the pounds of butterfat received times the uniform butterfat price for the month;

(iii) Multiply the hundredweight of producer milk received times the plant location adjustment pursuant to § 1007.75; and

(iv) Add the amounts computed in paragraph (a)(2)(i), (ii), and (iii) of this section, and from that sum:

(A) Subtract the partial payment made pursuant to paragraph (a)(1) of this section;

(B) Subtract the deduction for marketing services pursuant to § 1000.86;

(C) Add or subtract for errors made in previous payments to the producer; and

(D) Subtract proper deductions authorized in writing by the producer.

(b) One day before partial and final payments are due pursuant to paragraph (a) of this section, each handler shall pay a cooperative association for milk received as follows:

(1) *Partial payment to a cooperative association for bulk milk received directly from producers' farms.* For bulk milk (including the milk of producers who are not members of such association

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and who the market administrator determines have authorized the cooperative association to collect payment for their milk) received during the first 15 days of the month from a cooperative association in any capacity, except as the operator of a pool plant, the payment shall be equal to the hundred-weight of milk received multiplied by 90 percent of the preceding month's uniform price, adjusted for plant location pursuant to § 1007.75.

(2) *Partial payment to a cooperative association for milk transferred from its pool plant.* For bulk fluid milk products and bulk fluid cream products received during the first 15 days of the month from a cooperative association in its capacity as the operator of a pool plant, the partial payment shall be at the pool plant operator's estimated use value of the milk using the most recent class prices available for skim milk and butterfat at the receiving plant's location.

(3) *Final payment to a cooperative association for milk transferred from its pool plant.* For bulk fluid milk products and bulk fluid cream products received during the month from a cooperative association in its capacity as the operator of a pool plant, the final payment shall be the classified value of such milk as determined by multiplying the pounds of skim milk and butterfat assigned to each class pursuant to § 1000.44 by the class prices for the month at the receiving plant's location, and subtracting from this sum the partial payment made pursuant to paragraph (b)(2) of this section.

(4) *Final payment to a cooperative association for bulk milk received directly from producers' farms.* For bulk milk received from a cooperative association during the month, including the milk of producers who are not members of such association and who the market administrator determines have authorized the cooperative association to collect payment for their milk, the final payment for such milk shall be an amount equal to the sum of the individual payments otherwise payable for such milk pursuant to paragraph (a)(2) of this section.

(c) If a handler has not received full payment from the market administrator pursuant to § 1007.72 by the payment date specified in paragraph (a) or

(b) of this section, the handler may reduce payments pursuant to paragraphs (a) and (b) of this section, but by not more than the amount of the underpayment. The payments shall be completed on the next scheduled payment date after receipt of the balance due from the market administrator.

(d) If a handler claims that a required payment to a producer cannot be made because the producer is deceased or cannot be located, or because the cooperative association or its lawful successor or assignee is no longer in existence, the payment shall be made to the producer-settlement fund, and in the event that the handler subsequently locates and pays the producer or a lawful claimant, or in the event that the handler no longer exists and a lawful claim is later established, the market administrator shall make the required payment from the producer-settlement fund to the handler or to the lawful claimant as the case may be.

(e) In making payments to producers pursuant to this section, each pool plant operator shall furnish each producer, except a producer whose milk was received from a cooperative association described in § 1000.9(a) or (c), a supporting statement in such form that it may be retained by the recipient which shall show:

(1) The name, address, Grade A identifier assigned by a duly constituted regulatory agency, and the payroll number of the producer;

(2) The month and dates that milk was received from the producer, including the daily and total pounds of milk received;

(3) The total pounds of butterfat in the producer's milk;

(4) The minimum rate or rates at which payment to the producer is required pursuant to this order;

(5) The rate used in making payment if the rate is other than the applicable minimum rate;

(6) The amount, or rate per hundred-weight, and nature of each deduction claimed by the handler; and

(7) The net amount of payment to the producer or cooperative association.

[64 FR 47971, Sept. 1, 1999, as amended at 65 FR 32010, May 22, 2000]

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**§ 1007.74 [Reserved]**

**§ 1007.75 Plant location adjustments for producer milk and nonpool milk.**

For purposes of making payments for producer milk and nonpool milk, a plant location adjustment shall be determined by subtracting the Class I price specified in §1007.51 from the Class I price at the plant's location. The difference, plus or minus as the case may be, shall be used to adjust the payments required pursuant to §§ 1007.73 and 1000.76.

**§ 1007.76 Payments by a handler operating a partially regulated distributing plant.**

See § 1000.76.

**§ 1007.77 Adjustment of accounts.**

See § 1000.77.

**§ 1007.78 Charges on overdue accounts.**

See § 1000.78.

**MARKETWIDE SERVICE PAYMENTS**

**§ 1007.80 Transportation credit balancing fund.**

The market administrator shall maintain a separate fund known as the *Transportation Credit Balancing Fund* into which shall be deposited the payments made by handlers pursuant to §1007.81 and out of which shall be made the payments due handlers pursuant to §1007.82. Payments due a handler shall be offset against payments due from the handler.

**§ 1007.81 Payments to the transportation credit balancing fund.**

(a) On or before the 12th day after the end of the month (except as provided in §1000.90), each handler operating a pool plant and each handler specified in §1000.9(c) shall pay to the market administrator a transportation credit balancing fund assessment determined by multiplying the pounds of Class I producer milk assigned pursuant to §1000.44 by \$0.07 per hundredweight or such lesser amount as the market administrator deems necessary to maintain a balance in the fund equal to the total transportation credits disbursed

during the prior June–January period. In the event that during any month of the June–January period the fund balance is insufficient to cover the amount of credits that are due, the assessment should be based upon the amount of credits that would have been disbursed had the fund balance been sufficient.

(b) The market administrator shall announce publicly on or before the 5th day of the month (except as provided in §1000.90) the assessment pursuant to paragraph (a) of this section for the following month.

**§ 1007.82 Payments from the transportation credit balancing fund.**

(a) Payments from the transportation credit balancing fund to handlers and cooperative associations requesting transportation credits shall be made as follows:

(1) On or before the 13th day (except as provided in §1000.90) after the end of each of the months of July through December and any other month in which transportation credits are in effect pursuant to paragraph (b) of this section, the market administrator shall pay to each handler that received, and reported pursuant to §1007.30(a)(5), bulk milk transferred from a plant fully regulated under another Federal order as described in paragraph (c)(1) of this section or that received, and reported pursuant to §1007.30(a)(6), milk directly from producers' farms as specified in paragraph (c)(2) of this section, a preliminary amount determined pursuant to paragraph (d) of this section to the extent that funds are available in the transportation credit balancing fund. If an insufficient balance exists to pay all of the credits computed pursuant to this section, the market administrator shall distribute the balance available in the transportation credit balancing fund by reducing payments pro rata using the percentage derived by dividing the balance in the fund by the total credits that are due for the month. The amount of credits resulting from this initial proration shall be subject to audit adjustment pursuant to paragraph (a)(2) of this section;

(2) The market administrator shall accept adjusted requests for transportation credits on or before the 20th day

of the month following the month for which such credits were requested pursuant to §1007.32(a). After such date, a preliminary audit will be conducted by the market administrator, who will recalculate any necessary proration of transportation credit payments for the preceding month pursuant to paragraph (a) of this section. Handlers will be promptly notified of an overpayment of credits based upon this final computation and remedial payments to or from the transportation credit balancing fund will be made on or before the next payment date for the following month;

(3) Transportation credits paid pursuant to paragraphs (a)(1) and (2) of this section shall be subject to final verification by the market administrator pursuant to §1000.77. Adjusted payments to or from the transportation credit balancing fund will remain subject to the final proration established pursuant to paragraph (a)(2) of this section; and

(4) In the event that a qualified cooperative association is the responsible party for whose account such milk is received and written documentation of this fact is provided to the market administrator pursuant to §1007.30(c)(3) prior to the date payment is due, the transportation credits for such milk computed pursuant to this section shall be made to such cooperative association rather than to the operator of the pool plant at which the milk was received.

(b) The market administrator may extend the period during which transportation credits are in effect (i.e., the transportation credit period) to the months of January and June if a written request to do so is received 15 days prior to the beginning of the month for which the request is made and, after conducting an independent investigation, finds that such extension is necessary to assure the market of an adequate supply of milk for fluid use. Before making such a finding, the market administrator shall notify the Director of the Dairy Division and all handlers in the market that an extension is being considered and invite written data, views, and arguments. Any decision to extend the transportation credit period must be issued in writing

prior to the first day of the month for which the extension is to be effective.

(c) Transportation credits shall apply to the following milk:

(1) Bulk milk received from a plant regulated under another Federal order, except Federal Order 1005, and allocated to Class I milk pursuant to §1000.44(a)(9); and

(2) Bulk milk received directly from the farms of dairy farmers at pool distributing plants subject to the following conditions:

(i) The quantity of such milk that shall be eligible for the transportation credit shall be determined by multiplying the total pounds of milk received from producers meeting the conditions of this paragraph by the lower of:

(A) The marketwide estimated Class I utilization of all handlers for the month pursuant to §1000.45(a); or

(B) The Class I utilization of all producer milk of the pool plant operator receiving the milk after the computations described in §1000.44;

(ii) The dairy farmer was not a “producer” under the order in this part during more than 2 of the immediately preceding months of February through May and not more than 50 percent of the production of the dairy farmer during those 2 months, in aggregate, was received as producer milk under the order in this part during those 2 months; and

(iii) The farm on which the milk was produced is not located within the specified marketing area of the order in this part or the marketing area of Federal Order 1005 (7 CFR part 1005).

(d) Transportation credits shall be computed as follows:

(1) The market administrator shall subtract from the pounds of milk described in paragraphs (c)(1) and (2) of this section the pounds of bulk milk transferred from the pool plant receiving the supplemental milk if milk was transferred to a nonpool plant on the same calendar day that the supplemental milk was received. For this purpose, the transferred milk shall be subtracted from the most distant load of supplemental milk received, and then in sequence with the next most distant load until all of the transfers have been offset;

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(2) With respect to the pounds of milk described in paragraph (c)(1) of this section that remain after the computations described in paragraph (d)(1) of this section, the market administrator shall:

(i) Determine the shortest hard-surface highway distance between the shipping plant and the receiving plant;

(ii) Multiply the number of miles so determined by 0.35 cent;

(iii) Subtract the applicable Class I differential in §1000.52 for the county in which the shipping plant is located from the Class I differential applicable for the county in which the receiving plant is located;

(iv) Subtract any positive difference computed in paragraph (d)(2)(iii) of this section from the amount computed in paragraph (d)(2)(ii) of this section; and

(v) Multiply the remainder computed in paragraph (d)(2)(iv) of this section by the hundredweight of milk described in paragraph (d)(2) of this section.

(3) For the remaining milk described in paragraph (c)(2) of this section after computations described in paragraph (d)(1) of this section, the market administrator shall:

(i) Determine an origination point for each load of milk by locating the nearest city to the last producer's farm from which milk was picked up for delivery to the receiving pool plant;

(ii) Determine the shortest hard-surface highway distance between the receiving pool plant and the origination point;

(iii) Subtract 85 miles from the mileage so determined;

(iv) Multiply the remaining miles so computed by 0.35 cent;

(v) Subtract the Class I differential specified in §1000.52 applicable for the county in which the origination point is located from the Class I differential applicable at the receiving pool plant's location;

(vi) Subtract any positive difference computed in paragraph (d)(3)(v) of this section from the amount computed in paragraph (d)(3)(iv) of this section; and

(vii) Multiply the remainder computed in paragraph (d)(3)(vi) of this section by the hundredweight of milk described in paragraph (d)(3) of this section.

**ADMINISTRATIVE ASSESSMENT AND  
MARKETING SERVICE DEDUCTION**

**§ 1007.85 Assessment for order administration.**

See § 1000.85.

**§ 1007.86 Deduction for marketing services.**

See § 1000.86.

**PARTS 1011-1013 [RESERVED]**

**PART 1030—MILK IN THE UPPER  
MIDWEST MARKETING AREA**

**Subpart—Order Regulating Handling**

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ADMINISTRATIVE ASSESSMENT AND MARKETING SERVICE DEDUCTION

- 1030.85 Assessment for order administration.
- 1030.86 Deduction for marketing services.

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SOURCE: 64 FR 47978, Sept. 1, 1999, unless otherwise noted.

Subpart—Order Regulating Handling

GENERAL PROVISIONS

§ 1030.1 General provisions.

The terms, definitions, and provisions in part 1000 of this chapter apply to this part 1030. In this part 1030, all references to sections in part 1000 refer to part 1000 of this chapter.

DEFINITIONS

§ 1030.2 Upper Midwest marketing area.

The marketing area means all territory within the bounds of the following states and political subdivisions, including all piers, docks, and wharves connected therewith and all craft moored thereat, and all territory occupied by government (municipal, State,

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or Federal) reservations, installations, institutions, or other similar establishments if any part thereof is within any of the listed states or political subdivisions:

ILLINOIS COUNTIES

Boone, Carroll, Cook, De Kalb, Du Page, Jo Daviess, Kane, Kendall, Lake, Lee, McHenry, Ogle, Stephenson, Will, and Winnebago.

IOWA COUNTIES

Howard, Kossuth, Mitchell, Winnebago, Winneshiek, and Worth.

MICHIGAN COUNTIES

Delta, Dickinson, Gogebic, Iron, Menominee, and Ontonagon.

MINNESOTA

All counties except Lincoln, Nobles, Pipestone, and Rock.

NORTH DAKOTA COUNTIES

Barnes, Cass, Cavalier, Dickey, Grand Forks, Griggs, La Moure, Nelson, Pembina, Ramsey, Ransom, Richland, Sargent, Steele, Traill, and Walsh.

SOUTH DAKOTA COUNTIES

Brown, Day, Edmunds, Grant, Marshall, McPherson, Roberts, and Walworth.

WISCONSIN COUNTIES

All counties except Crawford and Grant.

§ 1030.3 Route disposition.

See § 1000.3.

§ 1030.4 Plant.

See § 1000.4.

§ 1030.5 Distributing plant.

See § 1000.5.

§ 1030.6 Supply plant.

See § 1000.6.

§ 1030.7 Pool plant.

Pool plant means a plant, unit of plants, or system of plants as specified in paragraphs (a) through (f) of this section, but excluding a plant specified in paragraph (h) of this section. The pooling standards described in paragraphs (c) and (f) of this section are subject to modification pursuant to paragraph (g) of this section:

- (a) A distributing plant, other than a plant qualified as a pool plant pursuant to paragraph (b) of this section or

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(§ \_\_\_\_\_.7b) of any other Federal milk order, from which during the month 15 percent or more of the total quantity of fluid milk products physically received at the plant (excluding concentrated milk received from another plant by agreement for other than Class I use) are disposed of as route disposition or are transferred in the form of packaged fluid milk products to other distributing plants. At least 25 percent of such route disposition and transfers must be to outlets in the marketing area.

(b) Any distributing plant located in the marketing area which during the month processed at least 15 percent of the total quantity of fluid milk products physically received at the plant (excluding concentrated milk received from another plant by agreement for other than Class I use) into ultra-pasteurized or aseptically-processed fluid milk products.

(c) A supply plant from which the quantity of bulk fluid milk products shipped to (and physically unloaded into) plants described in paragraph (c)(1) of this section is not less than 10 percent of the Grade A milk received from dairy farmers (except dairy farmers described in §1030.12(b)) and handlers described in §1000.9(c), including milk diverted pursuant to §1030.13, subject to the following conditions:

(1) Qualifying shipments may be made to plants described in paragraphs (c)(1)(i) through (iv) of this section, except that whenever shipping requirements are increased pursuant to paragraph (g) of this section, only shipments to pool plants described in paragraphs (a), (b), and (e) of this section shall count as qualifying shipments for the purpose of meeting the increased shipments:

(i) Pool plants described in §1030.7(a), (b) and (e);

(ii) Plants of producer-handlers;

(iii) Partially regulated distributing plants, except that credit for such shipments shall be limited to the amount of such milk classified as Class I at the transferee plant; and

(iv) Distributing plants fully regulated under other Federal orders, except that credit for shipments to such plants shall be limited to the quantity shipped to pool distributing plants dur-

ing the month and credits for shipments to other order plants shall not include any such shipments made on the basis of agreed-upon Class II, Class III, or Class IV utilization.

(2) The operator of a supply plant may include as qualifying shipments under this paragraph milk delivered directly from producers' farms pursuant to §§1000.9(c) or 1030.13(c) to plants described in paragraphs (a), (b), and (e) of this section.

(3) Concentrated milk transferred from the supply plant to a distributing plant for an agreed-upon use other than Class I shall be excluded from the supply plant's shipments in computing the supply plant's shipping percentage.

(d) [Reserved]

(e) Two or more plants operated by the same handler and located in the marketing area may qualify for pool status as a unit by meeting the total and in-area route disposition requirements of a pool distributing plant specified in paragraph (a) of this section and subject to the following additional requirements:

(1) At least one of the plants in the unit must qualify as a pool plant pursuant to paragraph (a) of this section;

(2) Other plants in the unit must process Class I or Class II products, using 50 percent or more of the total Grade A fluid milk products received in bulk form at such plant or diverted therefrom by the plant operator in Class I or Class II products; and

(3) The operator of the unit has filed a written request with the market administrator prior to the first day of the month for which such status is desired to be effective. The unit shall continue from month-to-month thereafter without further notification. The handler shall notify the market administrator in writing prior to the first day of any month for which termination or any change of the unit is desired.

(f) A system of 2 or more supply plants operated by one or more handlers may qualify for pooling by meeting the shipping requirements of paragraph (c) of this section in the same manner as a single plant subject to the following additional requirements:

(1) Each plant in the system is located within the marketing area or was a pool supply plant pursuant to

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§1030.7(c) for each of the 3 months immediately preceding the applicability date of this paragraph so long as it continues to maintain pool status. Co-operative associations may not use shipments pursuant to §1000.9(c) to qualify plants located outside the marketing area;

(2) The handler(s) establishing the system submits a written request to the market administrator on or before July 15 requesting that such plants qualify as a system for the period of August through July of the following year. Such request will contain a list of the plants participating in the system in the order, beginning with the last plant, in which the plants will be dropped from the system if the system fails to qualify. Each plant that qualifies as a pool plant within a system shall continue each month as a plant in the system through the following July unless the handler(s) establishing the system submits a written request to the market administrator that the plant be deleted from the system or that the system be discontinued. Any plant that has been so deleted from a system, or that has failed to qualify in any month, will not be part of any system for the remaining months through July. The handler(s) that established a system may add a plant operated by such handler(s) to a system if such plant has been a pool plant each of the 6 prior months and would otherwise be eligible to be in a system, upon written request to the market administrator no later than the 15th day of the prior month. In the event of an ownership change or the business failure of a handler that is a participant in a system, the system may be reorganized to reflect such changes if a written request to file a new marketing agreement is submitted to the market administrator; and

(3) If a system fails to qualify under the requirements of this paragraph, the handler responsible for qualifying the system shall notify the market administrator which plant or plants will be deleted from the system so that the remaining plants may be pooled as a system. If the handler fails to do so, the market administrator shall exclude one or more plants, beginning at the bottom of the list of plants in the sys-

tem and continuing up the list as necessary until the deliveries are sufficient to qualify the remaining plants in the system.

(g) The applicable shipping percentages of paragraphs (c) and (f) of this section and §1030.13(d)(2), and (d)(3) may be increased or decreased, for all or part of the marketing area, by the market administrator if the market administrator finds that such adjustment is necessary to encourage needed shipments or to prevent uneconomic shipments. Before making such a finding, the market administrator shall investigate the need for adjustment either on the market administrator's own initiative or at the request of interested parties if the request is made in writing at least 15 days prior to the month for which the requested revision is desired effective. If the investigation shows that an adjustment of the shipping percentages might be appropriate, the market administrator shall issue a notice stating that an adjustment is being considered and invite data, views and arguments. Any decision to revise an applicable shipping or diversion percentage must be issued in writing at least one day before the effective date.

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

(1) A producer-handler as defined under any Federal order;

(2) An exempt plant as defined in §1000.8(e);

(3) A plant located within the marketing area and qualified pursuant to paragraph (a) of this section which meets the pooling requirements of another Federal order, and from which more than 50 percent of its route disposition has been in the other Federal order marketing area for 3 consecutive months;

(4) A plant located outside any Federal order marketing area and qualified pursuant to paragraph (a) of this section that meets the pooling requirements of another Federal order and has had greater route disposition in such other Federal order's marketing area for 3 consecutive months;

(5) A plant located in another Federal order marketing area and qualified pursuant to paragraph (a) of this section that meets the pooling requirements of such other Federal order and

does not have a majority of its route distribution in this marketing area for 3 consecutive months or if the plant is required to be regulated under such other Federal order without regard to its route disposition in any other Federal order marketing area;

(6) A plant qualified pursuant to paragraph (c) of this section which also meets the pooling requirements of another Federal order and from which greater qualifying shipments are made to plants regulated under the other Federal order than are made to plants regulated under the order in this part, or the plant has automatic pooling status under the other Federal order; and

(7) That portion of a regulated plant designated as a nonpool plant that is physically separate and operated separately from the pool portion of such plant. The designation of a portion of a regulated plant as a nonpool plant must be requested in advance and in writing by the handler and must be approved by the market administrator.

(i) Any plant that qualifies as a pool plant in each of the immediately preceding 3 months pursuant to paragraph (a) of this section or the shipping percentages in paragraph (c) of this section that is unable to meet such performance standards for the current month because of unavoidable circumstances determined by the market administrator to be beyond the control of the handler operating the plant, such as a natural disaster (ice storm, wind storm, flood), fire, breakdown of equipment, or work stoppage, shall be considered to have met the minimum performance standards during the period of such unavoidable circumstances, but such relief shall not be granted for more than 2 consecutive months.

[64 FR 47978, Sept. 1, 1999, as amended at 67 FR 19508, Apr. 22, 2002]

#### § 1030.8 Nonpool plant.

See § 1000.8.

#### § 1030.9 Handler.

See § 1000.9.

#### § 1030.10 Producer-handler.

*Producer-handler* means a person who:

(a) Operates a dairy farm and a distributing plant from which there is

route disposition in the marketing area during the month;

(b) Receives fluid milk from own farm production or milk that is fully subject to the pricing and pooling provisions of the order in this part or any other Federal order;

(c) Receives at its plant or acquires for route disposition no more than 150,000 pounds of fluid milk products from handlers fully regulated under any Federal order. This limitation shall not apply if the producer-handler's own farm production is less than 150,000 pounds during the month;

(d) Disposes of no other source milk as Class I milk except by increasing the nonfat milk solids content of the fluid milk products; and

(e) Provides proof satisfactory to the market administrator that the care and management of the dairy animals and other resources necessary to produce all Class I milk handled (excluding receipts from handlers fully regulated under any Federal order) and the processing and packaging operations are the producer-handler's own enterprise and at its own risk.

#### § 1030.11 [Reserved]

#### § 1030.12 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 fluid consumption as Grade A milk and whose milk is:

(1) Received at a pool plant directly from the producer or diverted by the plant operator in accordance with § 1030.13; or

(2) Received by a handler described in § 1000.9(c).

(b) Producer shall not include:

(1) A producer-handler as defined in any Federal order;

(2) A dairy farmer whose milk is received at an exempt plant, excluding producer milk diverted to the exempt plant pursuant to § 1030.13(d);

(3) A dairy farmer whose milk is received by diversion at a pool plant from a handler regulated under another Federal order if the other Federal order designates the dairy farmer as a producer under that order and that milk is

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allocated by request to a utilization other than Class I; and

(4) A dairy farmer whose milk is reported as diverted to a plant fully regulated under another Federal order with respect to that portion of the milk so diverted that is assigned to Class I under the provisions of such other order.

**§ 1030.13 Producer milk.**

Except as provided for in paragraph (e) of this section, *Producer milk* means the skim milk (or the skim equivalent of components of skim milk), including nonfat components, and butterfat in milk of a producer that is:

(a) Received by the operator of a pool plant directly from a producer or a handler described in §1000.9(c). All milk received pursuant to this paragraph shall be priced at the location of the plant where it is first physically received;

(b) Received by a handler described in §1000.9(c) in excess of the quantity delivered to pool plants;

(c) Diverted by a pool plant operator to another pool plant. Milk so diverted shall be priced at the location of the plant to which diverted; or

(d) Diverted by the operator of a pool plant or a cooperative association described in §1000.9(c) to a nonpool plant, subject to the following conditions:

(1) Milk of a dairy farmer shall not be eligible for diversion unless at least one day's production of such dairy farmer is physically received as producer milk at a pool plant during the first month the dairy farmer is a producer. If a dairy farmer loses producer status under the order in this part (except as a result of a temporary loss of Grade A approval or as a result of the handler of the dairy farmer's milk failing to pool the milk under any order), the dairy farmer's milk shall not be eligible for diversion unless at least one day's production of the dairy farmer has been physically received as producer milk at a pool plant during the first month the dairy farmer is re-associated with the market;

(2) The quantity of milk diverted by a handler described in §1000.9(c) may not exceed 90 percent of the producer milk receipts reported by the handler pursuant to §1030.30(c) provided that

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not less than 10 percent of such receipts are delivered to plants described in §1030.7(c)(1)(i) through (iii). These percentages are subject to any adjustments that may be made pursuant to §1030.7(g); and

(3) The quantity of milk diverted to nonpool plants by the operator of a pool plant described in §1030.7(a) or (b) may not exceed 90 percent of the Grade A milk received from dairy farmers (except dairy farmers described in §1030.12(b)) including milk diverted pursuant to §1030.13; and

(4) Diverted milk shall be priced at the location of the plant to which diverted.

(e) Producer milk shall not include milk of a producer that is subject to inclusion and participation in a marketwide equalization pool under a milk classification and pricing program imposed under the authority of a State government maintaining marketwide pooling of returns.

[64 FR 47978, Sept. 1, 1999, as amended at 67 FR 19508, Apr. 22, 2002]

**§ 1030.14 Other source milk.**

See §1000.14.

**§ 1030.15 Fluid milk product.**

See §1000.15.

**§ 1030.16 Fluid cream product.**

See §1000.16.

**§ 1030.17 [Reserved]**

**§ 1030.18 Cooperative association.**

See §1000.18.

**§ 1030.19 Commercial food processing establishment.**

See §1000.19.

**HANDLER REPORTS**

**§ 1030.30 Reports of receipts and utilization.**

Each handler shall report monthly so that the market administrator's office receives the report on or before the 9th day after the end of the month, in the detail and on the prescribed forms, as follows:

(a) Each handler that operates a pool plant shall report for each of its operations the following information:

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(1) Product pounds, pounds of butterfat, pounds of protein, pounds of solids-not-fat other than protein (other solids), and the value of the somatic cell adjustment pursuant to §1000.50(p), contained in or represented by:

(i) Receipts of producer milk, including producer milk diverted by the reporting handler, from sources other than handlers described in §1000.9(c); and

(ii) Receipts of milk from handlers described in §1000.9(c);

(2) Product pounds and pounds of butterfat contained in:

(i) Receipts of fluid milk products and bulk fluid cream products from other pool plants;

(ii) Receipts of other source milk; and

(iii) Inventories at the beginning and end of the month of fluid milk products and bulk fluid cream products;

(3) The utilization or disposition of all milk and milk products required to be reported pursuant to this paragraph; and

(4) Such other information with respect to the receipts and utilization of skim milk, butterfat, milk protein, other nonfat solids, and somatic cell information, as the market administrator may prescribe.

(b) Each handler operating a partially regulated distributing plant shall report with respect to such plant in the same manner as prescribed for reports required by paragraph (a) of this section. Receipts of milk that would have been producer milk if the plant had been fully regulated shall be reported in lieu of producer milk. The report shall show also the quantity of any reconstituted skim milk in route disposition in the marketing area.

(c) Each handler described in §1000.9(c) shall report:

(1) The product pounds, pounds of butterfat, pounds of protein, pounds of solids-not-fat other than protein (other solids), and the value of the somatic cell adjustment pursuant to §1000.50(p), contained in receipts of milk from producers; and

(2) The utilization or disposition of such receipts.

(d) Each handler not specified in paragraphs (a) through (c) of this section shall report with respect to its re-

ceipts and utilization of milk and milk products in such manner as the market administrator may prescribe.

### § 1030.31 Payroll reports.

(a) On or before the 22nd day after the end of each month, each handler that operates a pool plant pursuant to §1030.7 and each handler described in §1000.9(c) shall report to the market administrator its producer payroll for the month, in the detail prescribed by the market administrator, showing for each producer the information described in §1030.73(f).

(b) Each handler operating a partially regulated distributing plant who elects to make payment pursuant to §1000.76(b) shall report for each dairy farmer who would have been a producer if the plant had been fully regulated in the same manner as prescribed for reports required by paragraph (a) of this section.

### § 1030.32 Other reports.

In addition to the reports required pursuant to §§1030.30 and 1030.31, each handler shall report any information the market administrator deems necessary to verify or establish each handler's obligation under the order.

### CLASSIFICATION OF MILK

### § 1030.40 Classes of utilization.

See §1000.40.

### § 1030.41 [Reserved]

### § 1030.42 Classification of transfers and diversions.

See §1000.42.

### § 1030.43 General classification rules.

See §1000.43.

### § 1030.44 Classification of producer milk.

See §1000.44.

### § 1030.45 Market administrator's reports and announcements concerning classification.

See §1000.45.

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**CLASS PRICES**

**§ 1030.50 Class prices, component prices, and advanced pricing factors.**

See § 1000.50.

**§ 1030.51 Class I differential and price.**

The Class I differential shall be the differential established for Cook County, Illinois, which is reported in § 1000.52. The Class I price shall be the price computed pursuant to § 1000.50(a) for Cook County, Illinois.

**§ 1030.52 Adjusted Class I differentials.**

See § 1000.52.

**§ 1030.53 Announcement of class prices, component prices, and advanced pricing factors.**

See § 1000.53.

**§ 1030.54 Equivalent price.**

See § 1000.54.

**§ 1030.55 Transportation credits and assembly credits.**

(a) Each handler operating a pool distributing plant described in § 1030.7(a), (b), or (e) that receives bulk milk from another pool plant shall receive a transportation credit for such milk computed as follows:

(1) Determine the hundredweight of milk eligible for the credit by completing the steps in paragraph (c) of this section;

(2) Multiply the hundredweight of milk eligible for the credit by .28 cents times the number of miles between the transferor plant and the transferee plant;

(3) Subtract the effective Class I price at the transferor plant from the effective Class I price at the transferee plant;

(4) Multiply any positive amount resulting from the subtraction in paragraph (a)(3) of this section by the hundredweight of milk eligible for the credit; and

(5) Subtract the amount computed in paragraph (a)(4) of this section from the amount computed in paragraph (a)(2) of this section. If the amount computed in paragraph (a)(4) of this section exceeds the amount computed

in paragraph (a)(2) of this section, the transportation credit shall be zero.

(b) Each handler operating a pool distributing plant described in § 1030.7(a), (b), or (e) that receives milk from dairy farmers, each handler that transfers or diverts bulk milk from a pool plant to a pool distributing plant, and each handler described in § 1000.9(c) that delivers producer milk to a pool distributing plant shall receive an assembly credit on the portion of such milk eligible for the credit pursuant to paragraph (c) of this section. The credit shall be computed by multiplying the hundredweight of milk eligible for the credit by 8 cents.

(c) The following procedure shall be used to determine the amount of milk eligible for transportation and assembly credits pursuant to paragraphs (a) and (b) of this section:

(1) At each pool distributing plant, determine the aggregate quantity of Class I milk, excluding beginning inventory of packaged fluid milk products;

(2) Subtract the quantity of packaged fluid milk products received at the pool distributing plant from other pool plants and from nonpool plants if such receipts are assigned to Class I;

(3) Subtract the quantity of bulk milk shipped from the pool distributing plant to other plants to the extent that such milk is classified as Class I milk;

(4) Subtract the quantity of bulk milk received at the pool distributing plant from other order plants and unregulated supply plants that is assigned to Class I pursuant to §§ 1000.43(d) and 1000.44; and

(5) Assign the remaining quantity pro rata to physical receipts during the month from:

(i) Producers;

(ii) Handlers described in § 1000.9(c); and

(iii) Other pool plants.

(d) For purposes of this section, the distances to be computed shall be determined by the market administrator using the shortest available state and/or Federal highway mileage. Mileage determinations are subject to redetermination at all times. In the event a handler requests a redetermination of the mileage pertaining to any plant,

the market administrator shall notify the handler of such redetermination within 30 days after the receipt of such request. Any financial obligations resulting from a change in mileage shall not be retroactive for any periods prior to the redetermination by the market administrator.

PRODUCER PRICE DIFFERENTIAL

**§ 1030.60 Handler's value of milk.**

For the purpose of computing a handler's obligation for producer milk, the market administrator shall determine for each month the value of milk of each handler with respect to each of the handler's pool plants and of each handler described in §1000.9(c) with respect to milk that was not received at a pool plant by adding the amounts computed in paragraphs (a) through (i) of this section and subtracting from that total amount the values computed in paragraphs (j) and (k) of this section. Unless otherwise specified, the skim milk, butterfat, and the combined pounds of skim milk and butterfat referred to in this section shall result from the steps set forth in §1000.44(a), (b), and (c), respectively, and the nonfat components of producer milk in each class shall be based upon the proportion of such components in producer skim milk. Receipts of nonfluid milk products that are distributed as labeled reconstituted milk for which payments are made to the producer-settlement fund of another Federal order under §1000.76(a)(4) or (d) shall be excluded from pricing under this section.

(a) Class I value. (1) Multiply the pounds of skim milk in Class I by the Class I skim milk price; and

(2) Add an amount obtained by multiplying the pounds of butterfat in Class I by the Class I butterfat price.

(b) Class II value. (1) Multiply the pounds of nonfat solids in Class II skim milk by the Class II nonfat solids price; and

(2) Add an amount obtained by multiplying the pounds of butterfat in Class II times the Class II butterfat price.

(c) Class III value. (1) Multiply the pounds of protein in Class III skim milk by the protein price;

(2) Add an amount obtained by multiplying the pounds of other solids in Class III skim milk by the other solids price; and

(3) Add an amount obtained by multiplying the pounds of butterfat in Class III by the Class III butterfat price.

(d) Class IV value. (1) Multiply the pounds of nonfat solids in Class IV skim milk by the nonfat solids price; and

(2) Add an amount obtained by multiplying the pounds of butterfat in Class IV by the Class IV butterfat price.

(e) Compute an adjustment for the somatic cell content of producer milk by multiplying the values reported pursuant to §1030.30(a)(1) and (c)(1) by the percentage of total producer milk allocated to Class II, Class III, and Class IV pursuant to §1000.44(c);

(f) Multiply the pounds of skim milk and butterfat overage assigned to each class pursuant to §1000.44(a)(11) and the corresponding step of §1000.44(b) by the skim milk prices and butterfat prices applicable to each class.

(g) Multiply the difference between the current month's Class I, II, or III price, as the case may be, and the Class IV price for the preceding month and by the hundredweight of skim milk and butterfat subtracted from Class I, II, or III, respectively, pursuant to §1000.44(a)(7) and the corresponding step of §1000.44(b);

(h) Multiply the difference between the Class I price applicable at the location of the pool plant and the Class IV price by the hundredweight of skim milk and butterfat assigned to Class I pursuant to §1000.43(d) and the hundredweight of skim milk and butterfat subtracted from Class I pursuant to §1000.44(a)(3)(i) through (vi) and the corresponding step of §1000.44(b), excluding receipts of bulk fluid cream products from plants regulated under other Federal orders and bulk concentrated fluid milk products from pool plants, plants regulated under other Federal orders, and unregulated supply plants.

(i) Multiply the Class I skim milk and Class I butterfat prices applicable at the location of the nearest unregulated supply plants from which an equivalent volume was received by the pounds of skim milk and butterfat in

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receipts of concentrated fluid milk products assigned to Class I pursuant to §1000.43(d) and §1000.44(a)(3)(i) and the corresponding step of §1000.44(b) and the pounds of skim milk and butterfat subtracted from Class I pursuant to §1000.44(a)(8) and the corresponding step of §1000.44(b), excluding such skim milk and butterfat in receipts of fluid milk products from an unregulated supply plant to the extent that an equivalent amount of skim milk or butterfat disposed of to such plant by handlers fully regulated under any Federal milk order is classified and priced as Class I milk and is not used as an offset for any other payment obligation under any order.

(j) For reconstituted milk made from receipts of nonfluid milk products, multiply \$1.00 (but not more than the difference between the Class I price applicable at the location of the pool plant and the Class IV price) by the hundredweight of skim milk and butterfat contained in receipts of nonfluid milk products that are allocated to Class I use pursuant to §1000.43(d).

(k) Compute the amount of credits applicable pursuant to §1030.55.

[64 FR 47978, Sept. 1, 1999, as amended at 65 FR 82836, Dec. 28, 2000]

### **§ 1030.61 Computation of producer butterfat price and producer price differential.**

For each month the market administrator shall compute a producer butterfat price per pound of butterfat and a producer price differential per hundredweight for producer milk receipts. The report of any handler who has not made payments required pursuant to §1030.71 for the preceding month shall not be included in the computation of these prices, and such handler's report shall not be included in the computation for succeeding months until the handler has made full payment of outstanding monthly obligations. Subject to the conditions of this paragraph, the market administrator shall compute the producer butterfat price and the producer price differential in the following manner:

(a) *Producer butterfat price.* The producer butterfat price per pound, rounded to the nearest one-hundredth cent, shall be computed by:

(1) Multiplying the pounds of butterfat in producer milk allocated to each class pursuant to §1000.44(b) by the respective class butterfat prices;

(2) Adding the butterfat value calculated in §1030.60(i) for other source milk allocated to Class I pursuant to §1000.43(d) and the steps of §1000.44(b) that correspond to §1000.44(a)(3)(i) and §1000.44(a)(8) by the Class I price; and

(3) Dividing the sum of paragraphs (a)(1) and (a)(2) of this section by the sum of the pounds of butterfat in producer milk and other source milk used to calculate the values in paragraphs (a)(1) and (a)(2) of this section.

(b) *Producer price differential.* (1) Combine into one total the values computed pursuant to §1030.60 for all handlers required to file reports prescribed in §1030.30;

(2) Subtract the total of the values obtained:

(i) By multiplying the total pounds of protein, other solids, and butterfat contained in each handler's producer milk for which an obligation was computed pursuant to §1030.60(a) through (h) and §1030.60(j) by the protein price, other solids price, and producer butterfat price, respectively, and the total value of the somatic cell adjustment pursuant to §1030.30(a)(1) and (c)(1);

(ii) By multiplying each handler's pounds of skim milk and butterfat for which a value is computed pursuant to §1030.60(i) by the Class III skim milk price and the producer butterfat price, respectively;

(3) Add an amount equal to the minus location adjustments and subtract an amount equal to the plus location adjustments computed pursuant to §1030.75;

(4) Add an amount equal to not less than one-half of the unobligated balance in the producer-settlement fund;

(5) Divide the resulting amount by the sum of the following for all handlers included in these computations:

(i) The total hundredweight of producer milk; and

(ii) The total hundredweight for which a value is computed pursuant to §1030.60(i); and

(6) Subtract not less than 4 cents nor more than 5 cents from the price computed pursuant to paragraph (b)(5) of this section. The result shall be known

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as the *producer price differential* for the month.

[65 FR 82836, Dec. 28, 2000]

### § 1030.62 Announcement of producer prices.

On or before the 13th day after the end of each month, the market administrator shall announce publicly the following prices and information:

- (a) The producer price differential;
- (b) The protein price;
- (c) The nonfat solids price;
- (d) The other solids price;
- (e) The producer butterfat price;
- (f) The somatic cell adjustment rate;
- (g) The average butterfat, nonfat solids, protein and other solids content of producer milk; and
- (h) The statistical uniform price computed by adding the following values:

- (1) The Class III skim milk price computed in §1000.50(i) multiplied by .965;
- (2) The producer butterfat price computed in §1030.61(a) multiplied by 3.5; and
- (3) The producer price differential computed in §1030.61(b).

[64 FR 47978, Sept. 1, 1999, as amended at 65 FR 82837, Dec. 28, 2000]

### PAYMENTS FOR MILK

### § 1030.70 Producer-settlement fund.

See §1000.70.

### § 1030.71 Payments to the producer-settlement fund.

Each handler shall make payment to the producer-settlement fund in a manner that provides receipt of the funds by the market administrator no later than the 15th day after the end of the month (except as provided in §1000.90). Payment shall be the amount, if any, by which the amount specified in paragraph (a) of this section exceeds the amount specified in paragraph (b) of this section:

- (a) The total value of milk to the handler for the month as determined pursuant to §1030.60.
- (b) The sum of:

- (1) An amount obtained by multiplying the total hundredweight of producer milk as determined pursuant to §1000.44(c) by the producer price dif-

ferential as adjusted pursuant to §1030.75;

- (2) An amount obtained by multiplying the total pounds of protein, other solids, and butterfat contained in producer milk by the protein, other solids, and producer butterfat prices respectively;

- (3) The total value of the somatic cell adjustment to producer milk; and

- (4) An amount obtained by multiplying the hundredweight, the pounds of skim milk, and the pounds of butterfat for which a value was computed pursuant to §1030.60(i) by the producer price differential, the Class III skim milk price, and the producer butterfat price, respectively, as adjusted pursuant to §1030.75 applicable at the location of the plant from which received.

[64 FR 47978, Sept. 1, 1999, as amended at 65 FR 82836, Dec. 28, 2000]

### § 1030.72 Payments from the producer-settlement fund.

No later than the 16th day after the end of each month (except as provided in §1000.90), the market administrator shall pay to each handler the amount, if any, by which the amount computed pursuant to §1030.71(b) exceeds the amount computed pursuant to §1030.71(a). If, at such time, the balance in the producer-settlement fund is insufficient to make all payments pursuant to this section, the market administrator shall reduce uniformly such payments and shall complete the payments as soon as the funds are available.

### § 1030.73 Payments to producers and to cooperative associations.

- (a) Each handler shall pay each producer for producer milk for which payment is not made to a cooperative association pursuant to paragraph (b) of this section, as follows:

- (1) *Partial payment.* For each producer who has not discontinued shipments as of the date of this partial payment, payment shall be made so that it is received by each producer on or before the 26th day of the month (except as provided in §1000.90) for milk received during the first 15 days of the month from the producer at not less than the lowest announced class price for the

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preceding month, less proper deductions authorized in writing by the producer.

(2) *Final payment.* For milk received during the month, payment shall be made so that it is received by each producer no later than the 17th day after the end of the month (except as provided in §1000.90) in an amount equal to not less than the sum of:

(i) The hundredweight of producer milk received times the producer price differential for the month as adjusted pursuant to §1030.75;

(ii) The pounds of butterfat received times the producer butterfat price for the month;

(iii) The pounds of protein received times the protein price for the month;

(iv) The pounds of other solids received times the other solids price for the month;

(v) The hundredweight of milk received times the somatic cell adjustment for the month;

(vi) Less any payment made pursuant to paragraph (a)(1) of this section;

(vii) Less proper deductions authorized in writing by such producer, and plus or minus adjustments for errors in previous payments to such producer subject to approval by the market administrator; and

(viii) Less deductions for marketing services pursuant to §1000.86.

(b) *Payments for milk received from cooperative association members.* On or before the day prior to the dates specified in paragraphs (a)(1) and (a)(2) of this section (except as provided in §1000.90), each handler shall pay to a cooperative association for milk from producers who market their milk through the cooperative association and who have authorized the cooperative to collect such payments on their behalf an amount equal to the sum of the individual payments otherwise payable for such producer milk pursuant to paragraphs (a)(1) and (a)(2) of this section.

(c) *Payment for milk received from cooperative association pool plants or from cooperatives as handlers pursuant to §1000.9(c).* On or before the day prior to the dates specified in paragraphs (a)(1) and (a)(2) of this section (except as provided in §1000.90), each handler who receives fluid milk products at its plant from a cooperative association in its

capacity as the operator of a pool plant or who receives milk from a cooperative association in its capacity as a handler pursuant to §1000.9(c), including the milk of producers who are not members of such association and who the market administrator determines have authorized the cooperative association to collect payment for their milk, shall pay the cooperative for such milk as follows:

(1) For bulk fluid milk products and bulk fluid cream products received from a cooperative association in its capacity as the operator of a pool plant and for milk received from a cooperative association in its capacity as a handler pursuant to §1000.9(c) during the first 15 days of the month, at not less than the lowest announced class prices per hundredweight for the preceding month;

(2) For the total quantity of bulk fluid milk products and bulk fluid cream products received from a cooperative association in its capacity as the operator of a pool plant, at not less than the total value of such products received from the association's pool plants, as determined by multiplying the respective quantities assigned to each class under §1000.44, as follows:

(i) The hundredweight of Class I skim milk times the Class I skim milk price for the month plus the pounds of Class I butterfat times the Class I butterfat price for the month. The Class I price to be used shall be that price effective at the location of the receiving plant;

(ii) The pounds of nonfat solids in Class II skim milk by the Class II nonfat solids price;

(iii) The pounds of butterfat in Class II times the Class II butterfat price;

(iv) The pounds of nonfat solids in Class IV times the nonfat solids price;

(v) The pounds of butterfat in Class III and Class IV milk by the respective butterfat prices for the month;

(vi) The pounds of protein in Class III milk times the protein price;

(vii) The pounds of other solids in Class III milk times the other solids price;

(viii) The hundredweight of Class II, Class III, and Class IV milk times the somatic cell adjustment; and

(ix) Add together the amounts computed in paragraphs (c)(2)(i) through

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(viii) of this section and from that sum deduct any payment made pursuant to paragraph (c)(1) of this section; and

(3) For the total quantity of milk received during the month from a cooperative association in its capacity as a handler under §1000.9(c) as follows:

(i) The hundredweight of producer milk received times the producer price differential as adjusted pursuant to §1030.75;

(ii) The pounds of butterfat received times the producer butterfat price for the month;

(iii) The pounds of protein received times the protein price for the month;

(iv) The pounds of other solids received times the other solids price for the month;

(v) The hundredweight of milk received times the somatic cell adjustment for the month; and

(vi) Add together the amounts computed in paragraphs (c)(3)(i) through (v) of this section and from that sum deduct any payment made pursuant to paragraph (c)(1) of this section.

(d) If a handler has not received full payment from the market administrator pursuant to §1030.72 by the payment date specified in paragraph (a), (b) or (c) of this section, the handler may reduce pro rata its payments to producers or to the cooperative association (with respect to receipts described in paragraph (b) of this section, prorating the underpayment to the volume of milk received from the cooperative association in proportion to the total milk received from producers by the handler), but not by more than the amount of the underpayment. The payments shall be completed on the next scheduled payment date after receipt of the balance due from the market administrator.

(e) If a handler claims that a required payment to a producer cannot be made because the producer is deceased or cannot be located, or because the cooperative association or its lawful successor or assignee is no longer in existence, the payment shall be made to the producer-settlement fund, and in the event that the handler subsequently locates and pays the producer or a lawful claimant, or in the event that the handler no longer exists and a lawful claim is later established, the market admin-

istrator shall make the required payment from the producer-settlement fund to the handler or to the lawful claimant, as the case may be.

(f) In making payments to producers pursuant to this section, each handler shall furnish each producer, except a producer whose milk was received from a cooperative association handler described in §1000.9(a) or (c), a supporting statement in a form that may be retained by the recipient which shall show:

(1) The name, address, Grade A identifier assigned by a duly constituted regulatory agency, and payroll number of the producer;

(2) The daily and total pounds, and the month and dates such milk was received from that producer;

(3) The total pounds of butterfat, protein, and other solids contained in the producer's milk;

(4) The somatic cell count of the producer's milk;

(5) The minimum rate or rates at which payment to the producer is required pursuant to the order in this part;

(6) The rate used in making payment if the rate is other than the applicable minimum rate;

(7) The amount, or rate per hundredweight, or rate per pound of component, and the nature of each deduction claimed by the handler; and

(8) The net amount of payment to the producer or cooperative association.

[64 FR 47978, Sept. 1, 1999, as amended at 65 FR 82836, Dec. 28, 2000]

### § 1030.74 [Reserved]

### § 1030.75 Plant location adjustments for producer milk and nonpool milk.

For purposes of making payments for producer milk and nonpool milk, a plant location adjustment shall be determined by subtracting the Class I price specified in §1030.51 from the Class I price at the plant's location. The difference, plus or minus as the case may be, shall be used to adjust the payments required pursuant to §§ 1030.73 and 1000.76.

**§ 1030.76**

**§ 1030.76 Payments by a handler operating a partially regulated distributing plant.**

See § 1000.76.

**§ 1030.77 Adjustment of accounts.**

See § 1000.77.

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See § 1000.78.

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See § 1000.86.

**PART 1032—MILK IN THE CENTRAL  
MARKETING AREA**

**Subpart—Order Regulating Handling**

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1032.85 Assessment for order administra-  
tion.

1032.86 Deduction for marketing services.

AUTHORITY: 7 U.S.C. 601-674, and 7253.

SOURCE: 64 FR 47985, Sept. 1, 1999, unless  
otherwise noted.

**Subpart—Order Regulating  
Handling**

GENERAL PROVISIONS

**§ 1032.1 General provisions.**

The terms, definitions, and provi-  
sions in part 1000 of this chapter apply  
to this part 1032. In this part 1032, all  
references to sections in part 1000 refer  
to part 1000 of this chapter.

## Agricultural Marketing Service, USDA

## § 1032.7

### DEFINITIONS

#### § 1032.2 Central marketing area.

The marketing area means all territory within the bounds of the following states and political subdivisions, including all piers, docks, and wharves connected therewith and all craft moored thereat, and all territory occupied by government (municipal, State, or Federal) reservations, installations, institutions, or other similar establishments if any part thereof is within any of the listed states or political subdivisions:

#### COLORADO COUNTIES

Adams, Arapahoe, Baca, Bent, Boulder, Chaffee, Clear Creek, Cheyenne, Crowley, Custer, Delta, Denver, Douglas, Eagle, El Paso, Elbert, Fremont, Garfield, Gilpin, Gunnison, Huerfano, Jefferson, Kiowa, Kit Carson, Lake, Larimer, Las Animas, Lincoln, Logan, Mesa, Montrose, Morgan, Otero, Park, Phillips, Pitkin, Prowers, Pueblo, Sedgwick, Summit, Teller, Washington, Weld, and Yuma.

#### ILLINOIS COUNTIES

Adams, Alexander, Bond, Brown, Bureau, Calhoun, Cass, Champaign, Christian, Clark, Clay, Clinton, Coles, Crawford, Cumberland, De Witt, Douglas, Edgar, Edwards, Effingham, Fayette, Ford, Franklin, Fulton, Gallatin, Greene, Grundy, Hamilton, Hancock, Hardin, Henderson, Henry, Iroquois, Jackson, Jasper, Jefferson, Jersey, Johnson, Kankakee, Knox, La Salle, Lawrence, Livingston, Logan, McDonough, McLean, Macon, Macoupin, Madison, Marion, Marshall, Mason, Massac, Menard, Mercer, Monroe, Montgomery, Morgan, Moultrie, Peoria, Perry, Piatt, Pike, Pope, Pulaski, Putnam, Randolph, Richland, Rock Island, Saline, Sangamon, Schuyler, Scott, Shelby, St. Clair, Stark, Tazewell, Union, Vermilion, Wabash, Warren, Washington, Wayne, White, Whiteside, Williamson, and Woodford.

#### IOWA COUNTIES

All Iowa counties except Howard, Kossuth, Mitchell, Winnebago, Winneshiek, and Worth.

#### KANSAS

All of the State of Kansas.

#### MINNESOTA COUNTIES

Lincoln, Nobles, Pipestone, and Rock.

#### MISSOURI COUNTIES AND CITIES

The counties of Andrew, Atchison, Bates, Buchanan, Caldwell, Carroll, Cass, Clay,

Clinton, Daviess, De Kalb, Franklin, Gentry, Grundy, Harrison, Henry, Hickory, Holt, Jackson, Jefferson, Johnson, Lafayette, Lincoln, Livingston, Mercer, Nodaway, Pettis, Platte, Putnam, Ray, Saline, Schuyler, St. Charles, St. Clair, Ste. Genevieve, St. Louis, Sullivan, Warren, and Worth; and the city of St. Louis.

#### NEBRASKA COUNTIES

Adams, Antelope, Boone, Buffalo, Burt, Butler, Cass, Cedar, Chase, Clay, Colfax, Cuming, Custer, Dakota, Dawson, Dixon, Dodge, Douglas, Dundy, Fillmore, Franklin, Frontier, Furnas, Gage, Gosper, Greeley, Hall, Hamilton, Harlan, Hayes, Hitchcock, Howard, Jefferson, Johnson, Kearney, Keith, Knox, Lancaster, Lincoln, Madison, Merrick, Nance, Nemaha, Nuckolls, Otoe, Pawnee, Perkins, Phelps, Pierce, Platte, Polk, Red Willow, Richardson, Saline, Sarpy, Saunders, Seward, Sherman, Stanton, Thayer, Thurston, Valley, Washington, Wayne, Webster, and York.

#### OKLAHOMA

All of the State of Oklahoma.

#### SOUTH DAKOTA COUNTIES

Aurora, Beadle, Bon Homme, Brookings, Clark, Clay, Codrington, Davison, Deuel, Douglas, Hamlin, Hanson, Hutchinson, Jerauld, Kingsbury, Lake, Lincoln, McCook, Miner, Minnehaha, Moody, Sanborn, Spink, Turner, Union, and Yankton.

#### WISCONSIN COUNTIES

Crawford and Grant.

#### § 1032.3 Route disposition.

See § 1000.3.

#### § 1032.4 Plant.

See § 1000.4.

#### § 1032.5 Distributing plant.

See § 1000.5.

#### § 1032.6 Supply plant.

See § 1000.6.

#### § 1032.7 Pool plant.

*Pool plant* means a plant, unit of plants, or system of plants as specified in paragraphs (a) through (f) of this section, but excluding a plant specified in paragraph (h) of this section. The pooling standards described in paragraphs (c), (d), and (f) of this section are subject to modification pursuant to paragraph (g) of this section:

(a) A distributing plant, other than a plant qualified as a pool plant pursuant to paragraph (b) of this section or \_\_\_\_\_ .7(b) of any other Federal milk order, from which during the month 25 percent or more of the total quantity of fluid milk products physically received at the plant (excluding concentrated milk received from another plant by agreement for other than Class I use) are disposed of as route disposition or are transferred in the form of packaged fluid milk products to other distributing plants. At least 25 percent of such route disposition and transfers must be to outlets in the marketing area.

(b) Any distributing plant located in the marketing area which during the month processed at least 25 percent of the total quantity of fluid milk products physically received at the plant (excluding concentrated milk received from another plant by agreement for other than Class I use) into ultra-pasteurized or aseptically-processed fluid milk products.

(c) A supply plant from which the quantity of bulk fluid milk products transferred or diverted to plants described in paragraph (a) or (b) of this section during each of the months of September through November and January is 35 percent or more of the total Grade A milk received at the plant from dairy farmers (except dairy farmers described in §1032.12(b)) and handlers described in §1000.9(c), including milk diverted by the plant operator, and 25 percent for all other months, subject to the following conditions:

(1) A supply plant that has qualified as a pool plant during each of the immediately preceding months of August through April shall continue to so qualify in each of the following months of May through July, unless the plant operator files a written request with the market administrator that such plant not be a pool plant, such nonpool status to be effective the first month following such request and thereafter until the plant qualifies as a pool plant on the basis of milk shipments;

(2) A pool plant operator may include as qualifying shipments milk diverted to pool distributing plants pursuant to §1032.13(c);

(3) Concentrated milk transferred from the supply plant to a distributing plant for an agreed-upon use other than Class I shall be excluded from the supply plant's shipments in computing the supply plant's shipping percentage;

(4) The operator of a supply plant may include as qualifying shipments transfers of fluid milk products to distributing plants regulated under any other Federal order, except that credit for such transfers shall be limited to the amount of milk, including milk shipped directly from producers' farms, delivered to distributing plants qualified as pool plants pursuant to paragraph (a) or (b) of this section; and

(5) No plant may qualify as a pool plant due to a reduction in the shipping percentage pursuant to paragraph (g) of this section unless it has been a pool supply plant during each of the immediately preceding 3 months.

(d) A plant located in the marketing area and operated by a cooperative association if, during the month or the immediately preceding 12-month period, 35 percent or more of the producer milk of members of the association (and any producer milk of nonmembers and members of another cooperative association which may be marketed by the cooperative association) is physically received in the form of bulk fluid milk products (excluding concentrated milk transferred to a distributing plant for an agreed-upon use other than Class I) at plants specified in paragraph (a) or (b) of this section either directly from farms or by transfer from supply plants operated by the cooperative association and from plants of the cooperative association for which pool plant status has been requested under this paragraph subject to the following conditions:

(1) The plant does not qualify as a pool plant under paragraph (a), (b) or (c) of this section or under comparable provisions of another Federal order; and

(2) The plant is approved by a duly constituted regulatory agency for the handling of milk approved for fluid consumption in the marketing area.

(e) Two or more plants operated by the same handler and located in the marketing area may qualify for pool status as a unit by meeting the total

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and in-area route disposition requirements of a pool distributing plant specified in paragraph (a) of this section subject to the following additional requirements:

(1) At least one of the plants in the unit must qualify as a pool plant pursuant to paragraph (a) of this section;

(2) Other plants in the unit must process Class I or Class II products, using 50 percent or more of the total Grade A fluid milk products received in bulk form at such plant or diverted therefrom by the plant operator in Class I or Class II products, and must be located in a pricing zone providing the same or a lower Class I price than the price applicable at the distributing plant included in the unit pursuant to paragraph (e)(1) of this section; and

(3) The operator of the unit has filed a written request with the market administrator prior to the first day of the month for which such status is desired to be effective. The unit shall continue from month to month thereafter without further notification. The handler shall notify the market administrator in writing prior to the first day of any month for which termination or any change of the unit is desired.

(f) A system of supply plants may qualify for pooling if 2 or more plants operated by one or more handlers meet the applicable percentage requirements of paragraph (c) of this section in the same manner as a single plant, subject to the following additional requirements:

(1) Each plant in the system is located within the marketing area;

(2) The handler(s) establishing the system submits a written request to the market administrator on or before September 1 requesting that such plants qualify as a system for the period of September through August of the following year. Such request will contain a list of the plants participating in the system;

(3) Each plant included within a pool supply plant system shall continue each month as a plant in the system through the following August unless the handler(s) establishing the system submits a written request to the market administrator that the plant be deleted from the system or that the system be discontinued. Any plant that

has been so deleted from a system, or that has failed to qualify in any month, will not be part of any system for the remaining months through August. No plant may be added in any subsequent month through the following August to a system that qualifies in September; and

(4) If a system fails to qualify under the requirements of this paragraph, the handler responsible for qualifying the system shall notify the market administrator which plant or plants will be deleted from the system so that the remaining plants may be pooled as a system. If the handler fails to do so, the market administrator shall exclude one or more plants, beginning at the bottom of the list of plants in the system and continuing up the list as necessary until the deliveries are sufficient to qualify the remaining plants in the system.

(g) The applicable shipping percentages of paragraphs (c), (d), and (f) of this section may be increased or decreased, for all or part of the marketing area, by the market administrator if the market administrator finds that such adjustment is necessary to encourage needed shipments or to prevent uneconomic shipments. Before making such a finding, the market administrator shall investigate the need for adjustment either on the market administrator's own initiative or at the request of interested parties if the request is made in writing at least 15 days prior to the month for which the requested revision is desired effective. If the investigation shows that an adjustment of the shipping percentages might be appropriate, the market administrator shall issue a notice stating that an adjustment is being considered and invite data, views and arguments. Any decision to revise an applicable shipping percentage must be issued in writing at least one day before the effective date.

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

(1) A producer-handler as defined under any Federal order;

(2) An exempt plant as defined in §1000.8(e);

(3) A plant located within the marketing area and qualified pursuant to paragraph (a) of this section which

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meets the pooling requirements of another Federal order, and from which more than 50 percent of its route disposition has been in the other Federal order marketing area for 3 consecutive months. On the basis of a written application made by the plant operator at least 15 days prior to the date for which a determination of the market administrator is to be effective, the market administrator may determine that the route disposition in the respective marketing areas to be used for purposes of this paragraph shall exclude (for a specified period of time) route disposition made under limited term contracts to governmental bases and institutions;

(4) A plant located outside any Federal order marketing area and qualified pursuant to paragraph (a) of this section that meets the pooling requirements of another Federal order and has had greater route disposition in such other Federal order's marketing area for 3 consecutive months;

(5) A plant located in another Federal order marketing area and qualified pursuant to paragraph (a) of this section that meets the pooling requirements of such other Federal order and does not have a majority of its route distribution in this marketing area for 3 consecutive months or if the plant is required to be regulated under such other Federal order without regard to its route disposition in any other Federal order marketing area;

(6) A plant qualified pursuant to paragraph (c) of this section which also meets the pooling requirements of another Federal order and from which greater qualifying shipments are made to plants regulated under the other Federal order than are made to plants regulated under the order in this part, or the plant has automatic pooling status under the other Federal order; and

(7) That portion of a regulated plant designated as a nonpool plant that is physically separate and operated separately from the pool portion of such plant. The designation of a portion of a regulated plant as a nonpool plant must be requested in advance and in writing by the handler and must be approved by the market administrator.

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**§ 1032.8 Nonpool plant.**

See § 1000.8.

**§ 1032.9 Handler.**

See § 1000.9.

**§ 1032.10 Producer-handler.**

*Producer-handler* means a person who:

(a) Operates a dairy farm and a distributing plant from which there is route disposition in the marketing area during the month;

(b) Receives fluid milk from own farm production or milk that is fully subject to the pricing and pooling provisions of the order in this part or any other Federal order;

(c) Receives at its plant or acquires for route disposition no more than 150,000 pounds of fluid milk products from handlers fully regulated under any Federal order. This limitation shall not apply if the producer-handler's own farm production is less than 150,000 pounds during the month;

(d) Disposes of no other source milk as Class I milk except by increasing the nonfat milk solids content of the fluid milk products; and

(e) Provides proof satisfactory to the market administrator that the care and management of the dairy animals and other resources necessary to produce all Class I milk handled (excluding receipts from handlers fully regulated under any Federal order) and the processing and packaging operations are the producer-handler's own enterprise and at its own risk.

**§ 1032.11 [Reserved]**

**§ 1032.12 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 fluid consumption as Grade A milk and whose milk (or components of milk) is:

(1) Received at a pool plant directly from the producer or diverted by the plant operator in accordance with § 1032.13; or (2) Received by a handler described in § 1000.9(c).

(b) Producer shall not include:

(1) A producer-handler as defined in any Federal order;

(2) A dairy farmer whose milk is received at an exempt plant, excluding producer milk diverted to the exempt plant pursuant to §1032.13(d);

(3) A dairy farmer whose milk is received by diversion at a pool plant from a handler regulated under another Federal order if the other Federal order designates the dairy farmer as a producer under that order and that milk is allocated by request to a utilization other than Class I; and

(4) A dairy farmer whose milk is reported as diverted to a plant fully regulated under another Federal order with respect to that portion of the milk so diverted that is assigned to Class I under the provisions of such other order.

**§ 1032.13 Producer milk.**

*Producer milk* means the skim milk (or the skim equivalent of components of skim milk), including nonfat components, and butterfat in milk of a producer that is:

(a) Received by the operator of a pool plant directly from a producer or a handler described in §1000.9(c). All milk received pursuant to this paragraph shall be priced at the location of the plant where it is first physically received;

(b) Received by a handler described in §1000.9(c) in excess of the quantity delivered to pool plants;

(c) Diverted by a pool plant operator to another pool plant. Milk so diverted shall be priced at the location of the plant to which diverted; or

(d) Diverted by the operator of a pool plant or a cooperative association described in §1000.9(c) to a nonpool plant, subject to the following conditions:

(1) Milk of a dairy farmer shall not be eligible for diversion until at least one day's production of such dairy farmer has been physically received as producer milk at a pool plant and the dairy farmer has continuously retained producer status since that time. If a dairy farmer loses producer status under the order in this part (except as a result of a temporary loss of Grade A approval), the dairy farmer's milk shall not be eligible for diversion until milk of the dairy farmer has been physically received as producer milk at a pool plant;

(2) Of the quantity of producer milk received during the month (including diversions, but excluding the quantity of producer milk received from a handler described in §1000.9(c)) the handler diverts to nonpool plants not more than 65 percent during the months of September through November and January, and not more than 75 percent during the months of February through April and December;

(3) Diverted milk shall be priced at the location of the plant to which diverted;

(4) Any milk diverted in excess of the limits prescribed in paragraph (d)(2) of this section shall not be producer milk. If the diverting handler or cooperative association fails to designate the dairy farmers' deliveries that are not to be producer milk, no milk diverted by the handler or cooperative association during the month to a nonpool plant shall be producer milk; and

(5) The applicable diversion limits in paragraph (d)(2) of this section may be increased or decreased by the market administrator if the market administrator finds that such revision is necessary to assure orderly marketing and efficient handling of milk in the marketing area. Before making such a finding, the market administrator shall investigate the need for the revision either on the market administrator's own initiative or at the request of interested persons if the request is made in writing at least 15 days prior to the month for which the requested revision is desired effective. If the investigation shows that a revision might be appropriate, the market administrator shall issue a notice stating that the revision is being considered and inviting written data, views, and arguments. Any decision to revise an applicable percentage must be issued in writing at least one day before the effective date.

**§ 1032.14 Other source milk.**

See §1000.14.

**§ 1032.15 Fluid milk product.**

See §1000.15.

**§ 1032.16 Fluid cream product.**

See §1000.16.

**§ 1032.17**

**§ 1032.17 [Reserved]**

**§ 1032.18 Cooperative association.**

See § 1000.18.

**§ 1032.19 Commercial food processing establishment.**

See § 1000.19.

**HANDLER REPORTS**

**§ 1032.30 Reports of receipts and utilization.**

Each handler shall report monthly so that the market administrator's office receives the report on or before the 7th day after the end of the month, in the detail and on the prescribed forms, as follows:

(a) Each handler that operates a pool plant pursuant to §1032.7 shall report for each of its operations the following information:

(1) Product pounds, pounds of butterfat, pounds of protein, pounds of solids-not-fat other than protein (other solids), and the value of the somatic cell adjustment pursuant to §1000.50(p), contained in or represented by:

(i) Receipts of producer milk, including producer milk diverted by the reporting handler, from sources other than handlers described in §1000.9(c); and

(ii) Receipts of milk from handlers described in §1000.9(c);

(2) Product pounds and pounds of butterfat contained in:

(i) Receipts of fluid milk products and bulk fluid cream products from other pool plants;

(ii) Receipts of other source milk; and

(iii) Inventories at the beginning and end of the month of fluid milk products and bulk fluid cream products;

(3) The utilization or disposition of all milk and milk products required to be reported pursuant to this paragraph; and

(4) Such other information with respect to the receipts and utilization of skim milk, butterfat, milk protein, other nonfat solids, and somatic cell information, as the market administrator may prescribe.

(b) Each handler operating a partially regulated distributing plant shall report with respect to such plant

in the same manner as prescribed for reports required by paragraph (a) of this section. Receipts of milk that would have been producer milk if the plant had been fully regulated shall be reported in lieu of producer milk. The report shall show also the quantity of any reconstituted skim milk in route disposition in the marketing area.

(c) Each handler described in §1000.9(c) shall report:

(1) The product pounds, pounds of butterfat, pounds of protein, pounds of solids-not-fat other than protein (other solids), and the value of the somatic cell adjustment pursuant to §1000.50(p), contained in receipts of milk from producers; and

(2) The utilization or disposition of such receipts.

(d) Each handler not specified in paragraphs (a) through (c) of this section shall report with respect to its receipts and utilization of milk and milk products in such manner as the market administrator may prescribe.

**§ 1032.31 Payroll reports.**

(a) On or before the 20th day after the end of each month, each handler that operates a pool plant pursuant to §1032.7 and each handler described in §1000.9(c) shall report to the market administrator its producer payroll for the month, in the detail prescribed by the market administrator, showing for each producer the information described in §1032.73(f).

(b) Each handler operating a partially regulated distributing plant who elects to make payment pursuant to §1000.76(b) shall report for each dairy farmer who would have been a producer if the plant had been fully regulated in the same manner as prescribed for reports required by paragraph (a) of this section.

**§ 1032.32 Other reports.**

In addition to the reports required pursuant to §§1032.30 and 1032.31, each handler shall report any information the market administrator deems necessary to verify or establish each handler's obligation under the order.

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**§ 1032.60**

CLASSIFICATION OF MILK

**§ 1032.40 Classes of utilization.**

See § 1000.40.

**§ 1032.41 [Reserved]**

**§ 1032.42 Classification of transfers and diversions.**

See § 1000.42.

**§ 1032.43 General classification rules.**

See § 1000.43.

**§ 1032.44 Classification of producer milk.**

See § 1000.44.

**§ 1032.45 Market administrator's reports and announcements concerning classification.**

See § 1000.45.

CLASS PRICES

**§ 1032.50 Class prices, component prices, and advanced pricing factors.**

See § 1000.50.

**§ 1032.51 Class I differential and price.**

The Class I differential shall be the differential established for Jackson County, Missouri, which is reported in § 1000.52. The Class I price shall be the price computed pursuant to § 1000.50(a) for Jackson County, Missouri.

**§ 1032.52 Adjusted Class I differentials.**

See § 1000.52.

**§ 1032.53 Announcement of class prices, component prices, and advanced pricing factors.**

See § 1000.53.

**§ 1032.54 Equivalent price.**

See § 1000.54.

PRODUCER PRICE DIFFERENTIAL

**§ 1032.60 Handler's value of milk.**

For the purpose of computing a handler's obligation for producer milk, the market administrator shall determine for each month the value of milk of each handler with respect to each of the handler's pool plants and of each handler described in § 1000.9(c) with respect to milk that was not received at

a pool plant by adding the amounts computed in paragraphs (a) through (i) of this section and subtracting from that total amount the value computed in paragraph (j) of this section. Unless otherwise specified, the skim milk, butterfat, and the combined pounds of skim milk and butterfat referred to in this section shall result from the steps set forth in § 1000.44(a), (b), and (c), respectively, and the nonfat components of producer milk in each class shall be based upon the proportion of such components in producer skim milk. Receipts of nonfluid milk products that are distributed as labeled reconstituted milk for which payments are made to the producer-settlement fund of another Federal order under § 1000.76(a)(4) or (d) shall be excluded from pricing under this section.

(a) *Class I value.* (1) Multiply the pounds of skim milk in Class I by the Class I skim milk price; and

(2) Add an amount obtained by multiplying the pounds of butterfat in Class I by the Class I butterfat price.

(b) *Class II value.* (1) Multiply the pounds of nonfat solids in Class II skim milk by the Class II nonfat solids price; and

(2) Add an amount obtained by multiplying the pounds of butterfat in Class II times the Class II butterfat price.

(c) *Class III value.* (1) Multiply the pounds of protein in Class III skim milk by the protein price;

(2) Add an amount obtained by multiplying the pounds of other solids in Class III skim milk by the other solids price; and

(3) Add an amount obtained by multiplying the pounds of butterfat in Class III by the Class III butterfat price.

(d) *Class IV value.* (1) Multiply the pounds of nonfat solids in Class IV skim milk by the nonfat solids price; and

(2) Add an amount obtained by multiplying the pounds of butterfat in Class IV by the Class IV butterfat price.

(e) Compute an adjustment for the somatic cell content of producer milk by multiplying the values reported pursuant to § 1032.30(a)(1) and (c)(1) by the percentage of total producer milk allocated to Class II, Class III, and Class IV pursuant to § 1000.44(c);

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(f) Multiply the pounds of skim milk and butterfat overage assigned to each class pursuant to §1000.44(a)(11) and the corresponding step of §1000.44(b) by the skim milk prices and butterfat prices applicable to each class.

(g) Multiply the difference between the current month's Class I, II, or III price, as the case may be, and the Class IV price for the preceding month by the hundredweight of skim milk and butterfat subtracted from Class I, II, or III, respectively, pursuant to §1000.44(a)(7) and the corresponding step of §1000.44(b);

(h) Multiply the difference between the Class I price applicable at the location of the pool plant and the Class IV price by the hundredweight of skim milk and butterfat assigned to Class I pursuant to §1000.43(d) and the hundredweight of skim milk and butterfat subtracted from Class I pursuant to §1000.44(a)(3)(i) through (vi) and the corresponding step of §1000.44(b), excluding receipts of bulk fluid cream products from a plant regulated under other Federal orders and bulk concentrated fluid milk products from pool plants, plants regulated under other Federal orders, and unregulated supply plants.

(i) Multiply the Class I skim milk and Class I butterfat prices applicable at the location of the nearest unregulated supply plants from which an equivalent volume was received by the pounds of skim milk and butterfat in receipts of concentrated fluid milk products assigned to Class I pursuant to §1000.43(d) and §1000.44(a)(3)(i) and the corresponding step of §1000.44(b) and the pounds of skim milk and butterfat subtracted from Class I pursuant to §1000.44(a)(8) and the corresponding step of §1000.44(b), excluding such skim milk and butterfat in receipts of fluid milk products from an unregulated supply plant to the extent that an equivalent amount of skim milk or butterfat disposed of to such plant by handlers fully regulated under any Federal milk order is classified and priced as Class I milk and is not used as an offset for any other payment obligation under any order.

(j) For reconstituted milk made from receipts of nonfluid milk products, multiply \$1.00 (but not more than the

difference between the Class I price applicable at the location of the pool plant and the Class IV price) by the hundredweight of skim milk and butterfat contained in receipts of nonfluid milk products that are allocated to Class I use pursuant to §1000.43(d).

[64 FR 47985, Sept. 1, 1999, as amended at 65 FR 82837, Dec. 28, 2000]

**§ 1032.61 Computation of producer butterfat price and producer price differential.**

For each month the market administrator shall compute a producer butterfat price per pound of butterfat and a producer price differential per hundredweight for producer milk receipts. The report of any handler who has not made payments required pursuant to §1032.71 for the preceding month shall not be included in the computation of these prices, and such handler's report shall not be included in the computation for succeeding months until the handler has made full payment of outstanding monthly obligations. Subject to the conditions of this paragraph, the market administrator shall compute the producer butterfat price and the producer price differential in the following manner:

(a) *Producer butterfat price.* The producer butterfat price per pound, rounded to the nearest one-hundredth cent, shall be computed by:

(1) Multiplying the pounds of butterfat in producer milk allocated to each class pursuant to §1000.44(b) by the respective class butterfat prices;

(2) Adding the butterfat value calculated in §1032.60(i) for other source milk allocated to Class I pursuant to §1000.43(d) and the steps of §1000.44(b) that correspond to §1000.44(a)(3)(i) and §1000.44(a)(8) by the Class I price; and

(3) Dividing the sum of paragraphs (a)(1) and (a)(2) of this section by the sum of the pounds of butterfat in producer milk and other source milk used to calculate the values in paragraphs (a)(1) and (a)(2) of this section.

(b) *Producer price differential.* (1) Combine into one total the values computed pursuant to §1032.60 for all handlers required to file reports prescribed in §1032.30;

(2) Subtract the total of the values obtained:

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(i) By multiplying the total pounds of protein, other solids, and butterfat contained in each handler's producer milk for which an obligation was computed pursuant to §1032.60(a) through (h) and §1032.60(j) by the protein price, other solids price, and producer butterfat price, respectively, and the total value of the somatic cell adjustment pursuant to §1032.30(a)(1) and (c)(1);

(ii) By multiplying each handler's pounds of skim milk and butterfat for which a value is computed pursuant to §1032.60(i) by the Class III skim milk price and the producer butterfat price, respectively;

(3) Add an amount equal to the minus location adjustments and subtract an amount equal to the plus location adjustments computed pursuant to §1032.75;

(4) Add an amount equal to not less than one-half of the unobligated balance in the producer-settlement fund;

(5) Divide the resulting amount by the sum of the following for all handlers included in these computations:

(i) The total hundredweight of producer milk; and

(ii) The total hundredweight for which a value is computed pursuant to §1032.60(i); and

(6) Subtract not less than 4 cents nor more than 5 cents from the price computed pursuant to paragraph (b)(5) of this section. The result shall be known as the *producer price differential* for the month.

[64 FR 47985, Sept. 1, 1999, as amended at 65 FR 82837, Dec. 28, 2000]

**§ 1032.62 Announcement of producer prices.**

On or before the 11th day after the end of each month, the market administrator shall announce publicly the following prices and information:

- (a) The producer price differential;
- (b) The protein price;
- (c) The nonfat solids price;
- (d) The other solids price;
- (e) The producer butterfat price;
- (f) The somatic cell adjustment rate;
- (g) The average butterfat, protein, nonfat solids, and other solids content of producer milk; and
- (h) The statistical uniform price computed by adding the following values:

(1) The Class III skim milk price computed in §1000.50(i) multiplied by .965;

(2) The producer butterfat price computed in §1032.61(a) multiplied by 3.5; and

(3) The producer price differential computed in §1032.61(b).

[64 FR 47985, Sept. 1, 1999, as amended at 65 FR 82838, Dec. 28, 2000]

**PAYMENTS FOR MILK**

**§ 1032.70 Producer-settlement fund.**

See §1000.70.

**§ 1032.71 Payments to the producer-settlement fund.**

Each handler shall make payment to the producer-settlement fund in a manner that provides receipt of the funds by the market administrator no later than the 14th day after the end of the month (except as provided in §1000.90). Payment shall be the amount, if any, by which the amount specified in paragraph (a) of this section exceeds the amount specified in paragraph (b) of this section:

(a) The total value of milk to the handler for the month as determined pursuant to §1032.60.

(b) The sum of:

(1) An amount obtained by multiplying the total hundredweight of producer milk as determined pursuant to §1000.44(c) by the producer price differential as adjusted pursuant to §1032.75;

(2) An amount obtained by multiplying the total pounds of protein, other solids, and butterfat contained in producer milk by the protein, other solids, and producer butterfat prices respectively;

(3) The total value of the somatic cell adjustment to producer milk; and

(4) An amount obtained by multiplying the hundredweight, the pounds of skim milk, and the pounds of butterfat for which a value was computed pursuant to §1032.60(i) by the producer price differential, the Class III skim milk price, and the producer butterfat price, respectively, as adjusted pursuant to §1032.75 applicable at the location of the plant from which received.

[64 FR 47985, Sept. 1, 1999, as amended at 65 FR 82838, Dec. 28, 2000]

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**§ 1032.72 Payments from the producer-settlement fund.**

No later than the 15th day after the end of each month (except as provided in §1000.90), the market administrator shall pay to each handler the amount, if any, by which the amount computed pursuant to §1032.71(b) exceeds the amount computed pursuant to §1032.71(a). If, at such time, the balance in the producer-settlement fund is insufficient to make all payments pursuant to this section, the market administrator shall reduce uniformly such payments and shall complete the payments as soon as the funds are available.

**§ 1032.73 Payments to producers and to cooperative associations.**

(a) Each handler shall pay each producer for producer milk for which payment is not made to a cooperative association pursuant to paragraph (b) of this section, as follows:

(1) *Partial payment.* For each producer who has not discontinued shipments as of the date of this partial payment, payment shall be made so that it is received by each producer on or before the 26th day of the month (except as provided in §1000.90) for milk received during the first 15 days of the month from the producer at not less than the lowest announced class price for the preceding month, less proper deductions authorized in writing by the producer.

(2) *Final payment.* For milk received during the month, payment shall be made so that it is received by each producer no later than the 17th day after the end of the month (except as provided in §1000.90) in an amount equal to not less than the sum of:

(i) The hundredweight of producer milk received times the producer price differential for the month as adjusted pursuant to §1032.75;

(ii) The pounds of butterfat received times the producer butterfat price for the month;

(iii) The pounds of protein received times the protein price for the month;

(iv) The pounds of other solids received times the other solids price for the month;

(v) The hundredweight of milk received times the somatic cell adjustment for the month;

(vi) Less any payment made pursuant to paragraph (a)(1) of this section;

(vii) Less proper deductions authorized in writing by such producer and plus or minus adjustments for errors in previous payments to such producer; and

(viii) Less deductions for marketing services pursuant to §1000.86.

(b) *Payments for milk received from cooperative association members.* On or before the day prior to the dates specified in paragraphs (a)(1) and (a)(2) of this section (except as provided in §1000.90), each handler shall pay to a cooperative association for milk from producers who market their milk through the cooperative association and who have authorized the cooperative to collect such payments on their behalf an amount equal to the sum of the individual payments otherwise payable for such producer milk pursuant to paragraphs (a)(1) and (a)(2) of this section.

(c) *Payment for milk received from cooperative association pool plants or from cooperatives as handlers pursuant to §1000.9(c).* On or before the day prior to the dates specified in paragraphs (a)(1) and (a)(2) of this section (except as provided in §1000.90), each handler who receives fluid milk products at its plant from a cooperative association in its capacity as the operator of a pool plant or who receives milk from a cooperative association in its capacity as a handler pursuant to §1000.9(c), including the milk of producers who are not members of such association and who the market administrator determines have authorized the cooperative association to collect payment for their milk, shall pay the cooperative for such milk as follows:

(1) For bulk fluid milk products and bulk fluid cream products received from a cooperative association in its capacity as the operator of a pool plant and for milk received from a cooperative association in its capacity as a handler pursuant to §1000.9(c) during the first 15 days of the month, at not less than the lowest announced class prices per hundredweight for the preceding month;

(2) For the total quantity of bulk fluid milk products and bulk fluid cream products received from a cooperative association in its capacity as the operator of a pool plant, at not less than the total value of such products received from the association's pool plants, as determined by multiplying the respective quantities assigned to each class under §1000.44 as follows:

- (i) The hundredweight of Class I skim milk times the Class I skim milk price for the month plus the pounds of Class I butterfat times the Class I butterfat price for the month. The Class I prices to be used shall be the prices effective at the location of the receiving plant;
- (ii) The pounds of nonfat solids in Class II skim milk by the Class II nonfat solids price;
- (iii) The pounds of butterfat in Class II times the Class II butterfat price;
- (iv) The pounds of nonfat solids in Class IV times the nonfat solids price;
- (v) The pounds of butterfat in Class III and Class IV milk by the respective butterfat prices for the month;
- (vi) The pounds of protein in Class III milk times the protein price;
- (vii) The pounds of other solids in Class III milk times the other solids price;
- (viii) The hundredweight of Class II, Class III, and Class IV milk times the somatic cell adjustment; and

(ix) Add together the amounts computed in paragraphs (c)(2)(i) through (viii) of this section and from that sum deduct any payment made pursuant to paragraph (c)(1) of this section; and

(3) For the total quantity of milk received during the month from a cooperative association in its capacity as a handler under §1000.9(c) as follows:

- (i) The hundredweight of producer milk received times the producer price differential as adjusted pursuant to §1032.75;
- (ii) The pounds of butterfat received times the producer butterfat price for the month;
- (iii) The pounds of protein received times the protein price for the month;
- (iv) The pounds of other solids received times the other solids price for the month;
- (v) The hundredweight of milk received times the somatic cell adjustment for the month; and

(vi) Add together the amounts computed in paragraphs (c)(3)(i) through (v) of this section and from that sum deduct any payment made pursuant to paragraph (c)(1) of this section.

(d) If a handler has not received full payment from the market administrator pursuant to §1032.72 by the payment date specified in paragraph (a), (b) or (c) of this section, the handler may reduce pro rata its payments to producers or to the cooperative association (with respect to receipts described in paragraph (b) of this section, prorating the underpayment to the volume of milk received from the cooperative association in proportion to the total milk received from producers by the handler), but not by more than the amount of the underpayment. The payments shall be completed on the next scheduled payment date after receipt of the balance due from the market administrator.

(e) If a handler claims that a required payment to a producer cannot be made because the producer is deceased or cannot be located, or because the cooperative association or its lawful successor or assignee is no longer in existence, the payment shall be made to the producer-settlement fund, and in the event that the handler subsequently locates and pays the producer or a lawful claimant, or in the event that the handler no longer exists and a lawful claim is later established, the market administrator shall make the required payment from the producer-settlement fund to the handler or to the lawful claimant, as the case may be.

(f) In making payments to producers pursuant to this section, each handler shall furnish each producer, except a producer whose milk was received from a cooperative association handler described in §1000.9(a) or (c), a supporting statement in a form that may be retained by the recipient which shall show:

(1) The name, address, Grade A identifier assigned by a duly constituted regulatory agency, and payroll number of the producer;

(2) The daily and total pounds, and the month and dates such milk was received from that producer;

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(3) The total pounds of butterfat, protein, and other solids contained in the producer's milk;

(4) The somatic cell count of the producer's milk;

(5) The minimum rate or rates at which payment to the producer is required pursuant to the order in this part;

(6) The rate used in making payment if the rate is other than the applicable minimum rate;

(7) The amount, or rate per hundred-weight, or rate per pound of component, and the nature of each deduction claimed by the handler; and

(8) The net amount of payment to the producer or cooperative association.

[64 FR 47985, Sept. 1, 1999, as amended at 65 FR 82833, Dec. 28, 2000]

**§ 1032.74 [Reserved]**

**§ 1032.75 Plant location adjustments for producer milk and nonpool milk.**

For purposes of making payments for producer milk and nonpool milk, a plant location adjustment shall be determined by subtracting the Class I price specified in §1032.51 from the Class I price at the plant's location. The difference, plus or minus as the case may be, shall be used to adjust the payments required pursuant to §§ 1032.73 and 1000.76.

**§ 1032.76 Payments by a handler operating a partially regulated distributing plant.**

See § 1000.76.

**§ 1032.77 Adjustment of accounts.**

See § 1000.77.

**§ 1032.78 Charges on overdue accounts.**

See § 1000.78.

**ADMINISTRATIVE ASSESSMENT AND MARKETING SERVICE DEDUCTION**

**§ 1032.85 Assessment for order administration.**

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See § 1000.86.

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**PART 1033—MILK IN THE MIDEAST MARKETING AREA**

**Subpart—Order Regulating Handling**

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### ADMINISTRATIVE ASSESSMENT AND MARKETING SERVICE DEDUCTION

- 1033.85 Assessment for order administration.
- 1033.86 Deduction for marketing services.

AUTHORITY: 7 U.S.C. 601-674, and 7253.

SOURCE: 64 FR 47991, Sept. 1, 1999, unless otherwise noted.

## Subpart—Order Regulating Handling

### GENERAL PROVISIONS

#### § 1033.1 General provisions.

The terms, definitions, and provisions in part 1000 of this chapter apply to this part 1033. In this part 1033, all references to sections in part 1000 refer to part 1000 of this chapter.

### DEFINITIONS

#### § 1033.2 Mideast marketing area.

The marketing area means all territory within the bounds of the following states and political subdivisions, including all piers, docks, and wharves connected therewith and all craft moored thereat, and all territory occupied by government (municipal, State, or Federal) reservations, installations, institutions, or other similar establishments if any part thereof is within any of the listed states or political subdivisions:

#### INDIANA COUNTIES

Adams, Allen, Bartholomew, Benton, Blackford, Boone, Brown, Carroll, Cass, Clay, Clinton, Dearborn, Decatur, De Kalb, Delaware, Elkhart, Fayette, Fountain, Franklin, Fulton, Grant, Hamilton, Hancock, Hendricks, Henry, Howard, Huntington, Jackson, Jasper, Jay, Jefferson, Jennings, Johnson, Kosciusko, Lagrange, Lake, La Porte, Lawrence, Madison, Marion, Marshall, Miami, Monroe, Montgomery, Morgan, New-

ton, Noble, Ohio, Owen, Parke, Porter, Pulaski, Putnam, Randolph, Ripley, Rush, Shelby, St. Joseph, Starke, Steuben, Switzerland, Tippecanoe, Tipton, Union, Vermillion, Vigo, Wabash, Warren, Wayne, Wells, White, and Whitley.

#### KENTUCKY COUNTIES

Boone, Boyd, Bracken, Campbell, Floyd, Grant, Greenup, Harrison, Johnson, Kenton, Lawrence, Lewis, Magoffin, Martin, Mason, Pendleton, Pike, and Robertson.

#### MICHIGAN COUNTIES

All counties except Delta, Dickinson, Gogebic, Iron, Menominee, and Ontonagon.

#### OHIO

The townships of Woodville and Madison in Sandusky County and all other counties in Ohio except Erie, Huron, and Ottawa.

#### PENNSYLVANIA COUNTIES

Allegheny, Armstrong, Beaver, Butler, Crawford, Erie, Fayette, Greene, Lawrence, Mercer, Venango, and Washington.

In Clarion County only the townships of Ashland, Beaver, Licking, Madison, Perry, Piney, Richland, Salem, and Toby.

All of Westmoreland County except the townships of Cook, Donegal, Fairfield, Ligonier, and St. Clair, and the boroughs of Bolivar, Donegal, Ligonier, New Florence, and Seward.

#### WEST VIRGINIA COUNTIES

Barbour, Boone, Brooke, Cabell, Calhoun, Doddridge, Fayette, Gilmer, Hancock, Harrison, Jackson, Kanawha, Lewis, Lincoln, Logan, Marion, Marshall, Mason, Mingo, Monongalia, Ohio, Pleasants, Preston, Putnam, Raleigh, Randolph, Ritchie, Roane, Taylor, Tucker, Tyler, Upshur, Wayne, Wetzell, Wirt, Wood, and Wyoming.

#### § 1033.3 Route disposition.

See § 1000.3.

#### § 1033.4 Plant.

See § 1000.4.

#### § 1033.5 Distributing plant.

See § 1000.5.

#### § 1033.6 Supply plant.

See § 1000.6.

#### § 1033.7 Pool plant.

*Pool plant* means a plant, unit of plants, or a system of plants as specified in paragraphs (a) through (f) of this section, but excluding a plant

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specified in paragraph (h) of this section. The pooling standards described in paragraphs (c) through (f) of this section are subject to modification pursuant to paragraph (g) of this section:

(a) A distributing plant, other than a plant qualified as a pool plant pursuant to paragraph (b) of this section or § 1033.7(b) of any other Federal milk order, from which during the month 30 percent or more of the total quantity of fluid milk products physically received at the plant (excluding concentrated milk received from another plant by agreement for other than Class I use) are disposed of as route disposition or are transferred in the form of packaged fluid milk products to other distributing plants. At least 25 percent of such route disposition and transfers must be to outlets in the marketing area.

(b) Any distributing plant located in the marketing area which during the month processed at least 30 percent of the total quantity of fluid milk products physically received at the plant (excluding concentrated milk received from another plant by agreement for other than Class I use) into ultra-pasteurized or aseptically-processed fluid milk products.

(c) A supply plant from which the quantity of bulk fluid milk products shipped to, received at, and physically unloaded into plants described in paragraph (a) or (b) of this section as a percent of the Grade A milk received at the plant from dairy farmers (except dairy farmers described in §1033.12(b)) and handlers described in §1033.9(c), as reported in §1033.30(a), is not less than 30 percent of the milk received from dairy farmers, including milk diverted pursuant to §1033.13, subject to the following conditions:

(1) Qualifying shipments pursuant to this paragraph may be made to the following plants, except whenever the authority provided in paragraph (g) of this section is applied to increase the shipping requirements specified in this section, only shipments to pool plants described in §1033.7(a) and (b), shall count as qualifying shipments for the purpose of meeting the increased shipments:

(i) Pool plants described in §1033.7(a) and (b);

(ii) Plants of producer-handlers;

(iii) Partially regulated distributing plants, except that credit for such shipments shall be limited to the amount of such milk classified as Class I at the transferee plant.

(2) The operator of a supply plant located within the marketing area may include deliveries to pool distributing plants directly from farms of producers pursuant to §1033.13(c) as up to 90 percent of the supply plant's qualifying shipments. Handlers may not use shipments pursuant to §1033.13(c) to qualify plants located outside the marketing area.

(3) Concentrated milk transferred from the supply plant to a distributing plant for an agreed-upon use other than Class I shall be excluded from the supply plant's shipments in computing the supply plant's shipping percentage.

(4) Shipments used in determining qualifying percentages shall be milk transferred or diverted and physically received by pool distributing plants, less any transfers or diversions of bulk fluid milk products from such pool distributing plants.

(5) A supply plant that does not meet the minimum delivery requirements specified in this paragraph to qualify for pool status in the current month because a distributing plant to which the supply plant delivered its fluid milk products during such month failed to qualify as a pool plant pursuant to paragraph (a) or (b) of this section shall continue to be a pool plant for the current month if such supply plant qualified as a pool plant in the 3 immediately preceding months.

(d) A plant operated by a cooperative association if, during the month, 30 percent or more of the producer milk of members of the association is delivered to a distributing pool plant(s) or to a nonpool plant(s), and classification other than Class I is not requested. Deliveries for qualification purposes may be made directly from the farm or by transfer from such association's plant, subject to the following conditions:

(1) The cooperative requests pool status for such plant;

(2) The 30 percent delivery requirement may be met for the current

month or it may be met on the basis of deliveries during the preceding 12-month period ending with the current month. Shipments used in determining qualifying shipments in meeting this 30 percent delivery requirement shall be milk transferred or diverted and physically received by pool distributing plants, less any transfers or diversions of bulk fluid milk products from such pool distributing plants;

(3) The plant is approved by a duly constituted regulatory authority to handle milk for fluid consumption; and

(4) The plant does not qualify as a pool plant under paragraph (a), (b), or (c) of this section or under the similar provisions of another Federal order applicable to a distributing plant or supply plant.

(e) A plant located inside the marketing area which has been a pool plant under this order for twelve consecutive months, but is not otherwise qualified under this paragraph, if it has a marketing agreement with a cooperative association and it fulfills the following conditions:

(1) The aggregate monthly quantity supplied by all parties to such an agreement as a percentage of the producer milk receipts included in the unit during the month is not less than 35 percent; and

(2) Shipments for qualification purposes shall include both transfers from supply plants to plants described in paragraph (c)(1) of this section, and deliveries made direct from the farm to plants qualified under paragraph (a) of this section.

(f) A system of supply plants may qualify for pooling if 2 or more plants operated by one or more handlers meet the applicable percentage requirements of paragraph (c) of this section in the same manner as a single plant subject to the following additional requirements:

(1) Each plant in the system is located within the marketing area, or was a pool supply plant for each of the 3 months immediately preceding the effective date of this paragraph so long as it continues to maintain pool status. Cooperative associations may not use shipments pursuant to §1033.9(c) to qualify plants located outside the marketing area;

(2) A written notification to the market administrator listing the plants to be included in the system and the handler that is responsible for meeting the performance requirements of this paragraph under a marketing agreement certified to the market administrator by the designated handler and any others included in the system, and the period during which such consideration shall apply. Such notice, and notice of any change in designation, shall be furnished on or before the 5th working day following the month to which the notice applies. The listed plants included in the system shall also be in the sequence in which they shall qualify for pool plant status based on the minimum deliveries required. If the deliveries made are insufficient to qualify the entire system for pooling, the last listed plant shall be excluded from the system, followed by the plant next-to-last on the list, and continuing in this sequence until remaining listed plants have met the minimum shipping requirements; and

(3) Each plant that qualifies as a pool plant within a system shall continue each month as a plant in the system unless the plant subsequently fails to qualify for pooling, or the responsible handler submits a written notification to the market administrator prior to the first day of the month that the plant is to be deleted from the system, or that the system is to be discontinued. In any month of March through August, a system shall not contain any plant which was not qualified under this paragraph, either individually or as a member of a system, during the previous September through February.

(g) The applicable shipping percentages of paragraphs (c) through (f) of this section may be increased or decreased by the market administrator if the market administrator finds that such adjustment is necessary to encourage needed shipments or to prevent uneconomic shipments. Before making such a finding, the market administrator shall investigate the need for adjustment either on the market administrator's own initiative or at the request of interested parties if the request is made in writing at least 15 days prior to the month for which the requested revision is desired effective.

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If the investigation shows that an adjustment of the shipping percentages might be appropriate, the market administrator shall issue a notice stating that an adjustment is being considered and invite data, views and arguments. Any decision to revise an applicable shipping percentage must be issued in writing at least one day before the effective date.

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

(1) A producer-handler as defined under any Federal order;

(2) An exempt plant as defined in §1000.8(e);

(3) A plant located within the marketing area and qualified pursuant to paragraph (a) of this section that meets the pooling requirements of another Federal order, and from which more than 50 percent of its route disposition has been in the other Federal order marketing area for 3 consecutive months;

(4) A plant located outside any Federal order marketing area and qualified pursuant to paragraph (a) of this section that meets the pooling requirements of another Federal order and has had greater route disposition in such other Federal order's marketing area for 3 consecutive months;

(5) A plant located in another Federal order marketing area and qualified pursuant to paragraph (a) of this section that meets the pooling requirements of such other Federal order and does not have a majority of its route distribution in this marketing area for 3 consecutive months or if the plant is required to be regulated under such other Federal order without regard to its route disposition in any other Federal order marketing area;

(6) A plant qualified pursuant to paragraph (c) of this section that also meets the pooling requirements of another Federal order and from which greater qualifying shipments are made to plants regulated under the other Federal order than are made to plants regulated under the order in this part, or the plant has automatic pooling status under the other Federal order.

(i) Any plant that qualifies as a pool plant in each of the immediately preceding 3 months pursuant to paragraph (a) of this section or the shipping per-

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centages in paragraph (c) of this section that is unable to meet such performance standards for the current month because of unavoidable circumstances determined by the market administrator to be beyond the control of the handler operating the plant, such as a natural disaster (ice storm, wind storm, flood), fire, breakdown of equipment, or work stoppage, shall be considered to have met the minimum performance standards during the period of such unavoidable circumstances, but such relief shall not be granted for more than 2 consecutive months.

[64 FR 47991, Sept. 1, 1999, as amended at 67 FR 48744, July 26, 2002]

#### § 1033.8 Nonpool plant.

See § 1000.8.

#### § 1033.9 Handler.

See § 1000.9.

#### § 1033.10 Producer-handler.

*Producer-handler* means a person who:

(a) Operates a dairy farm and a distributing plant from which there is route disposition in the marketing area during the month;

(b) Receives fluid milk from own farm production or that is fully subject to the pricing and pooling provisions of the order in this part or any other Federal order;

(c) Receives at its plant or acquires for route disposition no more than 150,000 pounds of fluid milk products from handlers fully regulated under any Federal order. This limitation shall not apply if the producer-handler's own farm production is less than 150,000 pounds during the month;

(d) Disposes of no other source milk as Class I milk except by increasing the nonfat milk solids content of the fluid milk products; and

(e) Provides proof satisfactory to the market administrator that the care and management of the dairy animals and other resources necessary to produce all Class I milk handled (excluding receipts from handlers fully regulated under any Federal order) and the processing and packaging operations are the producer-handler's own enterprise and at its own risk.

§ 1033.11 [Reserved]

§ 1033.12 **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 fluid consumption as Grade A milk and whose milk is:

(1) Received at a pool plant directly from the producer or diverted by the plant operator in accordance with § 1033.13; or

(2) Received by a handler described in § 1033.9(c).

(b) Producer shall not include:

(1) A producer-handler as defined in any Federal order;

(2) A dairy farmer whose milk is received at an exempt plant, excluding producer milk diverted to the exempt plant pursuant to § 1033.13(d);

(3) A dairy farmer whose milk is received by diversion at a pool plant from a handler regulated under another Federal order if the other Federal order designates the dairy farmer as a producer under that order and that milk is allocated by request to a utilization other than Class I; and

(4) A dairy farmer whose milk is reported as diverted to a plant fully regulated under another Federal order with respect to that portion of the milk so diverted that is assigned to Class I under the provisions of such other order.

§ 1033.13 **Producer milk.**

*Producer milk* means the skim milk (or the skim equivalent of components of skim milk), including nonfat components, and butterfat in milk of a producer that is:

(a) Received by the operator of a pool plant directly from a producer or a handler described in § 1000.9(c). All milk received pursuant to this paragraph shall be priced at the location of the plant where it is first physically received;

(b) Received by a handler described in § 1000.9(c) in excess of the quantity delivered to pool plants;

(c) Diverted by a pool plant operator to another pool plant. Milk so diverted shall be priced at the location of the plant to which diverted; or

(d) Diverted by the operator of a pool plant or by a cooperative association described in § 1000.9(c) to a nonpool plant, subject to the following conditions:

(1) Milk of a dairy farmer shall not be eligible for diversion until milk of such dairy farmer has been physically received as producer milk at a pool plant and the dairy farmer has continuously retained producer status since that time. If a dairy farmer loses producer status under the order in this part (except as a result of a temporary loss of Grade A approval), the dairy farmer's milk shall not be eligible for diversion until milk of the dairy farmer has been physically received as producer milk at a pool plant;

(2) The equivalent of at least two days' milk production is caused by the handler to be physically received at a pool plant in each of the months of August through November;

(3) The equivalent of at least two days' milk production is caused by the handler to be physically received at a pool plant in each of the months of December through July if the requirement of paragraph (d)(2) of this section (§ 1033.13) in each of the prior months of August through November are not met, except in the case of a dairy farmer who marketed no Grade A milk during each of the prior months of August through November.

(4) Of the total quantity of producer milk received during the month (including diversions but excluding the quantity of producer milk received from a handler described in § 1000.9(c) of this chapter or which is diverted to another pool plant), the handler diverted to nonpool plants not more than 60 percent in each of the months of August through February and 70 percent in each of the months of March through July.

(5) Diverted milk shall be priced at the location of the plant to which diverted;

(6) Any milk diverted in excess of the limits set forth in paragraph (d)(3) of this section shall not be producer milk. The diverting handler shall designate the dairy farmer deliveries that shall not be producer milk. If the handler fails to designate the dairy farmer deliveries which are ineligible, producer

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milk status shall be forfeited with respect to all milk diverted to nonpool plants by such handler; and

(7) The delivery day requirements and the diversion percentages in paragraphs (d)(2) and (d)(3) of this section may be increased or decreased by the market administrator if the market administrator finds that such revision is necessary to assure orderly marketing and efficient handling of milk in the marketing area. Before making such a finding, the market administrator shall investigate the need for the revision either on the market administrator's own initiative or at the request of interested persons if the request is made in writing at least 15 days prior to the month for which the requested revision is desired effective. If the investigation shows that a revision might be appropriate, the market administrator shall issue a notice stating that the revision is being considered and inviting written data, views, and arguments. Any decision to revise an applicable percentage must be issued in writing at least one day before the effective date.

[64 FR 47991, Sept. 1, 1999, as amended at 67 FR 48744, July 26, 2002]

**§ 1033.14 Other source milk.**

See § 1000.14.

**§ 1033.15 Fluid milk products.**

See § 1000.15.

**§ 1033.16 Fluid cream product.**

See § 1000.16.

**§ 1033.17 [Reserved]**

**§ 1033.18 Cooperative association.**

See § 1000.18.

**§ 1033.19 Commercial food processing establishment.**

See § 1000.19.

**HANDLER REPORTS**

**§ 1033.30 Reports of receipts and utilization.**

Each handler shall report monthly so that the market administrator's office receives the report on or before the 7th day after the end of the month, in the

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detail and on the prescribed forms, as follows:

(a) Each handler that operates a pool plant pursuant to § 1033.7 shall report for each of its operations the following information:

(1) Product pounds, pounds of butterfat, pounds of protein, pounds of solids-not-fat other than protein (other solids), and the value of the somatic cell adjustment pursuant to § 1000.50(p), contained in or represented by:

(i) Receipts of producer milk, including producer milk diverted by the reporting handler, from sources other than handlers described in § 1000.9(c); and

(ii) Receipts of milk from handlers described in § 1000.9(c);

(2) Product pounds and pounds of butterfat contained in:

(i) Receipts of fluid milk products and bulk fluid cream products from other pool plants;

(ii) Receipts of other source milk; and

(iii) Inventories at the beginning and end of the month of fluid milk products and bulk fluid cream products;

(3) The utilization or disposition of all milk and milk products required to be reported pursuant to this paragraph; and

(4) Such other information with respect to the receipts and utilization of skim milk, butterfat, milk protein, other nonfat solids, and somatic cell information as the market administrator may prescribe.

(b) Each handler operating a partially regulated distributing plant shall report with respect to such plant in the same manner as prescribed for reports required by paragraph (a) of this section. Receipts of milk that would have been producer milk if the plant had been fully regulated shall be reported in lieu of producer milk. The report shall show also the quantity of any reconstituted skim milk in route disposition in the marketing area.

(c) Each handler described in § 1000.9(c) shall report:

(1) The product pounds, pounds of butterfat, pounds of protein, pounds of solids-not-fat other than protein (other solids), and the value of the somatic cell adjustment pursuant to § 1000.50(p),

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**§ 1033.60**

contained in receipts of milk from producers; and

(2) The utilization or disposition of such receipts.

(d) Each handler not specified in paragraphs (a) through (c) of this section shall report with respect to its receipts and utilization of milk and milk products in such manner as the market administrator may prescribe.

**§ 1033.31 Payroll reports.**

(a) On or before the 22nd day after the end of each month, each handler that operates a pool plant pursuant to §1033.7 and each handler described in §1000.9(c) shall report to the market administrator its producer payroll for the month, in the detail prescribed by the market administrator, showing for each producer the information described in §1033.73(e).

(b) Each handler operating a partially regulated distributing plant who elects to make payment pursuant to §1000.76(b) shall report for each dairy farmer who would have been a producer if the plant had been fully regulated in the same manner as prescribed for reports required by paragraph (a) of this section.

**§ 1033.32 Other reports.**

In addition to the reports required pursuant to §§1033.30 and 1033.31, each handler shall report any information the market administrator deems necessary to verify or establish each handler's obligation under the order.

**CLASSIFICATION OF MILK**

**§ 1033.40 Classes of utilization.**

See § 1000.40.

**§ 1033.41 [Reserved]**

**§ 1033.42 Classification of transfers and diversions.**

See § 1000.42.

**§ 1033.43 General classification rules.**

See § 1000.43.

**§ 1033.44 Classification of producer milk.**

See § 1000.44.

**§ 1033.45 Market administrator's reports and announcements concerning classification.**

See § 1000.45.

**CLASS PRICES**

**§ 1033.50 Class prices, component prices, and advanced pricing factors.**

See § 1000.50.

**§ 1033.51 Class I differential and price.**

The Class I differential shall be the differential established for Cuyahoga County, Ohio which is reported in §1000.52. The Class I price shall be the price computed pursuant to §1000.50(a) for Cuyahoga County, Ohio.

**§ 1033.52 Adjusted Class I differentials.**

See § 1000.52.

**§ 1033.53 Announcement of class prices, component prices, and advanced pricing factors.**

See § 1000.53.

**§ 1033.54 Equivalent price.**

See § 1000.54.

**PRODUCER PRICE DIFFERENTIAL**

**§ 1033.60 Handler's value of milk.**

For the purpose of computing a handler's obligation for producer milk, the market administrator shall determine for each month the value of milk of each handler with respect to each of the handler's pool plants and of each handler described in §1000.9(c) with respect to milk that was not received at a pool plant by adding the amounts computed in paragraphs (a) through (i) of this section and subtracting from that total amount the value computed in paragraph (j) of this section. Unless otherwise specified, the skim milk, butterfat, and the combined pounds of skim milk and butterfat referred to in this section shall result from the steps set forth in §1000.44(a), (b), and (c), respectively, and the nonfat components of producer milk in each class shall be based upon the proportion of such components in producer skim milk. Receipts of nonfluid milk products that are distributed as labeled reconstituted milk for which payments are made to

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the producer-settlement fund of another Federal order under §1000.76(a)(4) or (d) shall be excluded from pricing under this section.

(a) Class I value.

(1) Multiply the pounds of skim milk in Class I by the Class I skim milk price; and

(2) Add an amount obtained by multiplying the pounds of butterfat in Class I by the Class I butterfat price.

(b) Class II value.

(1) Multiply the pounds of nonfat solids in Class II skim milk by the Class II nonfat solids price; and

(2) Add an amount obtained by multiplying the pounds of butterfat in Class II times the Class II butterfat price.

(c) Class III value.

(1) Multiply the pounds of protein in Class III skim milk by the protein price;

(2) Add an amount obtained by multiplying the pounds of other solids in Class III skim milk by the other solids price; and

(3) Add an amount obtained by multiplying the pounds of butterfat in Class III by the Class III butterfat price.

(d) Class IV value.

(1) Multiply the pounds of nonfat solids in Class IV skim milk by the nonfat solids price; and

(2) Add an amount obtained by multiplying the pounds of butterfat in Class IV by the Class IV butterfat price.

(e) Compute an adjustment for the somatic cell content of producer milk by multiplying the values reported pursuant to §033.30(a)(1) and (c)(1) by the percentage of total producer milk allocated to Class II, Class III, and Class IV pursuant to §1000.44(c);

(f) Multiply the pounds of skim milk and butterfat overage assigned to each class pursuant to §1000.44(a)(11) and the corresponding step of §1000.44(b) by the skim milk prices and butterfat prices applicable to each class.

(g) Multiply the difference between the current month's Class I, II, or III price, as the case may be, and the Class IV price for the preceding month by the hundredweight of skim milk and butterfat subtracted from Class I, II, or III, respectively, pursuant to

§1000.44(a)(7) and the corresponding step of §1000.44(b);

(h) Multiply the difference between the Class I price applicable at the location of the pool plant and the Class IV price by the hundredweight of skim milk and butterfat assigned to Class I pursuant to §1000.43(d) and the hundredweight of skim milk and butterfat subtracted from Class I pursuant to §1000.44(a)(3)(i) through (vi) and the corresponding step of §1000.44(b), excluding receipts of bulk fluid cream products from a plant regulated under other Federal orders and bulk concentrated fluid milk products from pool plants, plants regulated under other Federal orders, and unregulated supply plants.

(i) Multiply the Class I skim milk and Class I butterfat prices applicable at the location of the nearest unregulated supply plants from which an equivalent volume was received by the pounds of skim milk and butterfat in receipts of concentrated fluid milk products assigned to Class I pursuant to §1000.43(d) and §1000.44(a)(3)(i) and the corresponding step of §1000.44(b) and the pounds of skim milk and butterfat subtracted from Class I pursuant to §1000.44(a)(8) and the corresponding step of §1000.44(b), excluding such skim milk and butterfat in receipts of fluid milk products from an unregulated supply plant to the extent that an equivalent amount of skim milk or butterfat disposed of to such plant by handlers fully regulated under any Federal milk order is classified and priced as Class I milk and is not used as an offset for any other payment obligation under any order.

(j) For reconstituted milk made from receipts of nonfluid milk products, multiply \$1.00 (but not more than the difference between the Class I price applicable at the location of the pool plant and the Class IV price) by the hundredweight of skim milk and butterfat contained in receipts of nonfluid milk products that are allocated to Class I use pursuant to §1000.43(d).

[64 FR 47991, Sept. 1, 1999, as amended at 65 FR 82838, Dec. 28, 2000]

**§ 1033.61 Computation of producer butterfat price and producer price differential.**

For each month the market administrator shall compute a producer butterfat price per pound of butterfat and a producer price differential per hundredweight for producer milk receipts. The report of any handler who has not made payments required pursuant to § 1033.71 for the preceding month shall not be included in the computation of these prices, and such handler's report shall not be included in the computation for succeeding months until the handler has made full payment of outstanding monthly obligations. Subject to the conditions of this paragraph, the market administrator shall compute the producer butterfat price and the producer price differential in the following manner:

(a) *Producer butterfat price.* The producer butterfat price per pound, rounded to the nearest one-hundredth cent, shall be computed by:

(1) Multiplying the pounds of butterfat in producer milk allocated to each class pursuant to § 1000.44(b) by the respective class butterfat prices;

(2) Adding the butterfat value calculated in § 1033.60(i) for other source milk allocated to Class I pursuant to § 1000.43(d) and the steps of § 1000.44(b) that correspond to § 1000.44(a)(3)(i) and § 1000.44(a)(8) by the Class I price; and

(3) Dividing the sum of paragraphs (a)(1) and (a)(2) of this section by the sum of the pounds of butterfat in producer milk and other source milk used to calculate the values in paragraphs (a)(1) and (a)(2) of this section.

(b) *Producer price differential.* (1) Combine into one total the values computed pursuant to § 1033.60 for all handlers required to file reports prescribed in § 1033.30;

(2) Subtract the total of the values obtained:

(i) By multiplying the total pounds of protein, other solids, and butterfat contained in each handler's producer milk for which an obligation was computed pursuant to § 1033.60(a) through (h) and § 1033.60(j) by the protein price, other solids price, and producer butterfat price, respectively, and the total value of the somatic cell adjustment pursuant to § 1033.30(a)(1) and (c)(1);

(ii) By multiplying each handler's pounds of skim milk and butterfat for which a value is computed pursuant to § 1033.60(i) by the Class III skim milk price and the producer butterfat price, respectively;

(3) Add an amount equal to the minus location adjustments and subtract an amount equal to the plus location adjustments computed pursuant to § 1033.75;

(4) Add an amount equal to not less than one-half of the unobligated balance in the producer-settlement fund;

(5) Divide the resulting amount by the sum of the following for all handlers included in these computations:

(i) The total hundredweight of producer milk; and

(ii) The total hundredweight for which a value is computed pursuant to § 1033.60(i); and

(6) Subtract not less than 4 cents nor more than 5 cents from the price computed pursuant to paragraph (b)(5) of this section. The result shall be known as the *producer price differential* for the month.

[65 FR 82838, Dec. 28, 2000]

**§ 1033.62 Announcement of producer prices.**

On or before the 13th day after the end of each month, the market administrator shall announce publicly the following prices and information:

(a) The producer price differential;

(b) The protein price;

(c) The nonfat solids price;

(d) The other solids price;

(e) The producer butterfat price;

(f) The somatic cell adjustment rate;

(g) The average butterfat, protein, nonfat solids, and other solids content of producer milk; and

(h) The statistical uniform price computed by adding the following values:

(1) The Class III skim milk price computed in § 1000.50(i) multiplied by .965;

(2) The producer butterfat price computed in § 1033.61(a) multiplied by 3.5; and

(3) The producer price differential computed in § 1033.61(b).

[64 FR 47991, Sept. 1, 1999, as amended at 65 FR 82839, Dec. 28, 2000]

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PAYMENTS FOR MILK

**§ 1033.70 Producer-settlement fund.**

See § 1000.70.

**§ 1033.71 Payments to the producer-settlement fund.**

Each handler shall make payment to the producer-settlement fund in a manner that provides receipt of the funds by the market administrator no later than the 15th day after the end of the month (except as provided in § 1000.90). Payment shall be the amount, if any, by which the amount specified in paragraph (a) of this section exceeds the amount specified in paragraph (b) of this section:

(a) The total value of milk to the handler for the month as determined pursuant to § 1033.60.

(b) The sum of:

(1) An amount obtained by multiplying the total hundredweight of producer milk as determined pursuant to § 1000.44(c) by the producer price differential as adjusted pursuant to § 1033.75;

(2) An amount obtained by multiplying the total pounds of protein, other solids, and butterfat contained in producer milk by the protein, other solids, and producer butterfat prices respectively;

(3) The total value of the somatic cell adjustment to producer milk; and

(4) An amount obtained by multiplying the hundredweight, the pounds of skim milk, and the pounds of butterfat for which a value was computed pursuant to § 1033.60(i) by the producer price differential, the Class III skim milk price, and the producer butterfat price, respectively, as adjusted pursuant to § 1033.75 applicable at the location of the plant from which received.

[64 FR 47991, Sept. 1, 1999, as amended at 65 FR 82839, Dec. 28, 2000]

**§ 1033.72 Payments from the producer-settlement fund.**

No later than the 16th day after the end of each month (except as provided in § 1000.90), the market administrator shall pay to each handler the amount, if any, by which the amount computed pursuant to § 1033.71(b) exceeds the amount computed pursuant to § 1033.71(a). If, at such time, the balance

in the producer-settlement fund is insufficient to make all payments pursuant to this section, the market administrator shall reduce uniformly such payments and shall complete the payments as soon as the funds are available.

**§ 1033.73 Payments to producers and to cooperative associations.**

(a) Each handler shall pay each producer for producer milk for which payment is not made to a cooperative association pursuant to paragraph (b) of this section, as follows:

(1) *Partial payment.* For each producer who has not discontinued shipments as of the date of this partial payment, payment shall be made so that it is received by each producer on or before the 26th day of the month (except as provided in § 1000.90) for milk received during the first 15 days of the month from the producer at not less than the lowest announced class price for the preceding month, less proper deductions authorized in writing by the producer.

(2) *Final payment.* For milk received during the month, payment shall be made so that it is received by each producer no later than the 17th day after the end of the month (except as provided in § 1000.90) in an amount equal to not less than the sum of:

(i) The hundredweight of producer milk received times the producer price differential for the month as adjusted pursuant to § 1033.75;

(ii) The pounds of butterfat received times the producer butterfat price for the month;

(iii) The pounds of protein received times the protein price for the month;

(iv) The pounds of other solids received times the other solids price for the month;

(v) The hundredweight of milk received times the somatic cell adjustment for the month;

(vi) Less any payment made pursuant to paragraph (a)(1) of this section;

(vii) Less proper deductions authorized in writing by such producer and plus or minus adjustments for errors in previous payments to such producer; and

(viii) Less deductions for marketing services pursuant to § 1000.86.

(b) *Payments for milk received from cooperative associations.* On or before the day prior to the dates specified in paragraphs (a)(1) and (a)(2) of this section (except as provided in §1000.90), each handler shall pay to a cooperative association for milk received as follows:

(1) *Partial payment to a cooperative association.* For bulk fluid milk/skimmed milk received during the first 15 days of the month from a cooperative association in any capacity, except as the operator of a pool plant, the partial payment shall be equal to the hundredweight of milk received multiplied by the lowest announced class price for the preceding month.

(2) *Partial payment to a cooperative association for milk transferred from its pool plant.* For bulk fluid milk/skimmed milk products received during the first 15 days of the month from a cooperative association in its capacity as the operator of a pool plant, the partial payment shall be at the pool plant operator's estimated use value of the milk using the most recent class prices available at the receiving plant's location.

(3) *Final payment to a cooperative association for milk transferred from its pool plant.* Following the classification of bulk fluid milk products and bulk fluid cream products received during the month from a cooperative association in its capacity as the operator of a pool plant, the final payment for such receipts shall be determined as follows:

(i) The hundredweight of Class I skim milk times the Class I skim milk price for the month plus the pounds of Class I butterfat times the Class I butterfat price for the month. The Class I prices to be used shall be the prices effective at the location of the receiving plant;

(ii) The pounds of nonfat solids in Class II skim milk by the Class II nonfat solids price;

(iii) The pounds of butterfat in Class II times the Class II butterfat price;

(iv) The pounds of nonfat solids in Class IV times the nonfat solids price;

(v) The pounds of butterfat in Class III and Class IV milk times the respective butterfat prices for the month;

(vi) The pounds of protein in Class III milk times the protein price;

(vii) The pounds of other solids in Class III milk times the other solids price;

(viii) The hundredweight of Class II, Class III, and Class IV milk times the somatic cell adjustment; and

(ix) Add together the amounts computed in paragraphs (b)(3)(i) through (viii) of this section and from that sum deduct any payment made pursuant to paragraph (b)(2) of this section; and

(4) *Final payment to a cooperative association for bulk milk received directly from producers' farms.* For bulk milk received from a cooperative association during the month, including the milk of producers who are not members of such association and who the market administrator determines have authorized the cooperative association to collect payment for their milk, the final payment for such milk shall be an amount equal to the sum of the individual payments otherwise payable for such milk pursuant to paragraph (a)(2) of this section.

(c) If a handler has not received full payment from the market administrator pursuant to §1033.72 by the payment date specified in paragraph (a) or (b) of this section, the handler may reduce payments pursuant to paragraphs (a) and (b) of this section, but not by more than the amount of the underpayment. The payments shall be completed on the next scheduled payment date after receipt of the balance due from the market administrator.

(d) If a handler claims that a required payment to a producer cannot be made because the producer is deceased or cannot be located, or because the cooperative association or its lawful successor or assignee is no longer in existence, the payment shall be made to the producer-settlement fund, and in the event that the handler subsequently locates and pays the producer or a lawful claimant, or in the event that the handler no longer exists and a lawful claim is later established, the market administrator shall make the required payment from the producer-settlement fund to the handler or to the lawful claimant, as the case may be.

(e) In making payments to producers pursuant to this section, each handler shall furnish each producer, except a producer whose milk was received from

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a cooperative association handler described in §1000.9(a) or (c), a supporting statement in a form that may be retained by the recipient which shall show:

(1) The name, address, Grade A identifier assigned by a duly constituted regulatory agency, and payroll number of the producer;

(2) The daily and total pounds, and the month and dates such milk was received from that producer;

(3) The total pounds of butterfat, protein, and other solids contained in the producer's milk;

(4) The somatic cell count of the producer's milk;

(5) The minimum rate or rates at which payment to the producer is required pursuant to the order in this part;

(6) The rate used in making payment if the rate is other than the applicable minimum rate;

(7) The amount, or rate per hundred-weight, or rate per pound of component, and the nature of each deduction claimed by the handler; and

(8) The net amount of payment to the producer or cooperative association.

[64 FR 47991, Sept. 1, 1999, as amended at 65 FR 82839, Dec. 28, 2000]

**§ 1033.74 [Reserved]**

**§ 1033.75 Plant location adjustments for producer milk and nonpool milk.**

For purposes of making payments for producer milk and nonpool milk, a plant location adjustment shall be determined by subtracting the Class I price specified in §1033.51 from the Class I price at the plant's location. The difference, plus or minus as the case may be, shall be used to adjust the payments required pursuant to §§ 1033.73 and 1000.76.

**§ 1033.76 Payments by a handler operating a partially regulated distributing plant.**

See § 1000.76.

**§ 1033.77 Adjustment of accounts.**

See § 1000.77.

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**§ 1033.78 Charges on overdue accounts.**

See § 1000.78.

**ADMINISTRATIVE ASSESSMENT AND MARKETING SERVICE DEDUCTION**

**§ 1033.85 Assessment for order administration.**

See § 1000.85.

**§ 1033.86 Deduction for marketing services.**

See § 1000.86.

**PARTS 1036-1120 [RESERVED]**

**PART 1124—MILK IN THE PACIFIC NORTHWEST MARKETING AREA**

**Subpart—Order Regulating Handling**

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### ADMINISTRATIVE ASSESSMENT AND MARKETING SERVICE DEDUCTION

- 1124.85 Assessment for order administration.
- 1124.86 Deduction for marketing services.

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SOURCE: 64 FR 47998, Sept. 1, 1999, unless otherwise noted.

## Subpart—Order Regulating Handling

### GENERAL PROVISIONS

#### § 1124.1 General provisions.

The terms, definitions, and provisions in part 1000 of this chapter apply to this part 1124. In this part 1124, all references to sections in part 1000 refer to part 1000 of this chapter.

### DEFINITIONS

#### § 1124.2 Pacific Northwest marketing area.

The marketing area means all territory within the bounds of the following states and political subdivisions, including all piers, docks, and wharves connected therewith and all craft

moored thereat, and all territory occupied by government (municipal, State, or Federal) reservations, installations, institutions, or other similar establishments if any part thereof is within any of the listed states or political subdivisions:

#### IDAHO COUNTIES

Benewah, Bonner, Boundary, Kootenai, Latah, and Shoshone.

#### OREGON COUNTIES

Benton, Clackamas, Clatsop, Columbia, Coos, Crook, Curry, Deschutes, Douglas, Gilliam, Hood River, Jackson, Jefferson, Josephine, Klamath, Lake, Lane, Lincoln, Linn, Marion, Morrow, Multnomah, Polk, Sherman, Tillamook, Umatilla, Wasco, Washington, Wheeler, and Yamhill.

#### WASHINGTON

All of the State of Washington.

#### § 1124.3 Route disposition.

See § 1000.3.

#### § 1124.4 Plant.

See § 1000.4.

#### § 1124.5 Distributing plant.

See § 1000.5.

#### § 1124.6 Supply plant.

See § 1000.6.

#### § 1124.7 Pool plant.

*Pool plant* means a plant, unit of plants, or a system of plants as specified in paragraphs (a) through (f) of this section, but excluding a plant specified in paragraph (h) of this section. The pooling standards described in paragraph (c) of this section are subject to modification pursuant to paragraph (g) of this section:

(a) A distributing plant, other than a plant qualified as a pool plant pursuant to paragraph (b) of this section or § \_\_\_\_\_ .7(b) of any other Federal milk order, from which during the month 25 percent or more of the total quantity of fluid milk products physically received at the plant (excluding concentrated milk received from another plant by agreement for other than Class I use) are disposed of as route disposition or are transferred in the form of packaged fluid milk products to other distributing plants. At least 25

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percent of such route disposition and transfers must be to outlets in the marketing area.

(b) Any distributing plant located in the marketing area which during the month processed at least 25 percent of the total quantity of fluid milk products physically received at the plant (excluding concentrated milk received from another plant by agreement for other than Class I use) into ultra-pasteurized or aseptically-processed fluid milk products.

(c) A supply plant from which during any month not less than 20 percent of the total quantity of milk that is physically received at such plant from dairy farmers eligible to be producers pursuant to §1124.12 (excluding milk received at such plant as diverted milk from another plant, which milk is classified other than Class I under the order in this part and is subject to the pricing and pooling provisions of this or another order issued pursuant to the Act) or diverted as producer milk to another plant pursuant to §1124.13, is shipped in the form of a fluid milk product (excluding concentrated milk transferred by agreement for other than Class I use) to a pool distributing plant or is a route disposition in the marketing area of fluid milk products processed and packaged at such plant;

(1) A supply plant that has qualified as a pool plant during each of the immediately preceding months of September through February shall continue to so qualify in each of the following months of March through August, unless the plant operator files a written request with the market administrator that such plant not be a pool plant, such nonpool status to be effective the first month following such request and thereafter until the plant qualifies as a pool plant on the basis of milk shipments;

(2) No plant may qualify as a pool plant due to a reduction in the shipping percentage pursuant to paragraph (g) of this section unless it has been a pool supply plant during each of the immediately preceding 3 months.

(d) A manufacturing plant located within the marketing area and operated by a cooperative association, or its wholly owned subsidiary, if, during the month, or the immediately pre-

ceding 12-month period ending with the current month, 20 percent or more of the producer milk of members of the association (and any producer milk of nonmembers and members of another cooperative association which may be marketed by the cooperative association) is physically received in the form of bulk fluid milk products (excluding concentrated milk transferred to a distributing plant for an agreed-upon use other than Class I) at plants specified in paragraph (a) or (b) of this section either directly from farms or by transfer from supply plants operated by the cooperative association, or its wholly owned subsidiary, and from plants of the cooperative association, or its wholly owned subsidiary, for which pool plant status has been requested under this paragraph subject to the following conditions:

(1) The plant does not qualify as a pool plant under paragraph (a), (b), or (c) of this section or under comparable provisions of another Federal order; and

(2) The plant is approved by a duly constituted regulatory agency for the handling of milk approved for fluid consumption in the marketing area.

(3) A request is filed in writing with the market administrator before the first day of the month for which it is to be effective. The request will remain in effect until a cancellation request is filed in writing with the market administrator before the first day of the month for which the cancellation is to be effective.

(e) [Reserved]

(f) A system of two or more plants identified in §1124.7(d) operated by one or more cooperative handlers may qualify for pooling by meeting the above shipping requirements subject to the following additional requirements:

(1) The cooperative handler(s) establishing the system submits a written request to the market administrator on or before the first day of the month for which the system is to be effective requesting that such plants qualify as a system. Such request will contain a list of the plants participating in the system in the order, beginning with the last plant, in which the plants will be dropped from the system if the system

fails to qualify. Each plant that qualifies as a pool plant within a system shall continue each month as a plant in the system until the handler(s) establishing the system submits a written request before the first day of the month to the market administrator that the plant be deleted from the system or that the system be discontinued. Any plant that has been so deleted from a system, or that has failed to qualify in any month, will not be part of any system. In the event of an ownership change or the business failure of a handler that is a participant in the system, the system may be reorganized to reflect such a change if a written request to file a new marketing agreement is submitted to the market administrator; and

(2) If a system fails to qualify under the requirement of this paragraph, the handler responsible for qualifying the system shall notify the market administrator of which plant or plants will be deleted from the system so that the remaining plants may be pooled as a system. If the handler fails to do so, the market administrator shall exclude one or more plants, beginning at the bottom of the list of plants in the system and continue up the list as necessary until the deliveries are sufficient to qualify the remaining plants in the system.

(g) The applicable shipping percentage of paragraphs (c) and (d) of this section may be increased or decreased by the market administrator if the market administrator finds that such adjustment is necessary to encourage needed shipments or to prevent uneconomic shipments. Before making such a finding, the market administrator shall investigate the need for adjustment either on the market administrator's own initiative or at the request of interested parties if the request is made in writing at least 15 days prior to the month for which the requested revision is desired to be effective. If the investigation shows that an adjustment of the shipping percentages might be appropriate, the market administrator shall issue a notice stating that an adjustment is being considered and invite data, views and arguments. Any decision to revise an applicable shipping percentage must be issued in

writing at least one day before the effective date.

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

(1) A producer-handler as defined under any Federal order;

(2) An exempt plant as defined in §1000.8(e);

(3) A plant located within the marketing area and qualified pursuant to paragraph (a) of this section which meets the pooling requirements of another Federal order, and from which more than 50 percent of its route disposition has been in the other Federal order marketing area for 3 consecutive months;

(4) A plant located outside any Federal order marketing area and qualified pursuant to paragraph (a) of this section that meets the pooling requirements of another Federal order and has had greater route disposition in such other Federal order's marketing area for 3 consecutive months;

(5) A plant located in another Federal order marketing area and qualified pursuant to paragraph (a) of this section that meets the pooling requirements of such other Federal order and does not have a majority of its route distribution in this marketing area for 3 consecutive months or if the plant is required to be regulated under such other Federal order without regard to its route disposition in any other Federal order marketing area; and

(6) A plant qualified pursuant to paragraph (c) of this section which also meets the pooling requirements of another Federal order and from which greater qualifying shipments are made to plants regulated under the other Federal order than are made to plants regulated under the order in this part, or the plant has automatic pooling status under the other Federal order.

[64 FR 47998, Sept. 1, 1999, as amended at 67 FR 69669, Nov. 19, 2002]

#### § 1124.8 Nonpool plant.

See §1000.8.

#### § 1124.9 Handler.

See §1000.9.

**§ 1124.10 Producer-handler.**

*Producer-handler* means a person who operates a dairy farm and a distributing plant from which there is route disposition within the marketing area during the month and who the market administrator has designated a producer-handler after determining that all of the requirements of this section have been met.

(a) *Requirements for designation.* Designation of any person as a producer-handler by the market administrator shall be contingent upon meeting the conditions set forth in paragraphs (a)(1) through (4) of this section. Following the cancellation of a previous producer-handler designation, a person seeking to have his/her producer-handler designation reinstated must demonstrate that these conditions have been met for the preceding month.

(1) The care and management of the dairy animals and other resources and facilities designated in paragraph (b)(1) of this section necessary to produce all Class I milk handled (excluding receipts from handlers fully regulated under any Federal order) are under the complete and exclusive control and management of the producer-handler and are operated as the producer-handler's own enterprise and at its own risk.

(2) The plant operation designated in paragraph (b)(2) of this section at which the producer-handler processes and packages, and from which it distributes, its own milk production is under the complete and exclusive control and management of the producer-handler and is operated as the producer-handler's own enterprise and at its sole risk.

(3) The producer-handler neither receives at its designated milk production resources and facilities nor receives, handles, processes, or distributes at or through any of its designated milk handling, processing, or distributing resources and facilities other source milk products for reconstitution into fluid milk products or fluid milk products derived from any source other than:

(i) Its designated milk production resources and facilities (own farm production);

(ii) Pool handlers and plants regulated under any Federal order within the limitation specified in paragraph (c)(2) of this section; or

(iii) Nonfat milk solids which are used to fortify fluid milk products.

(4) The producer-handler is neither directly nor indirectly associated with the business control or management of, nor has a financial interest in, another handler's operation; nor is any other handler so associated with the producer-handler's operation.

(b) *Designation of resources and facilities.* Designation of a person as a producer-handler shall include the determination of what shall constitute the person's milk production, handling, processing, and distribution resources and facilities, all of which shall be considered an integrated operation.

(1) Milk production resources and facilities shall include all resources and facilities (milking herd(s), buildings housing such herd(s), and the land on which such buildings are located) used for the production of milk which are directly or indirectly, solely or partially, owned, operated, or controlled by the producer-handler, in which the producer-handler in any way has an interest, including any contractual arrangement, or which are directly, indirectly, or partially owned, operated, or controlled by any partner or stockholder of the producer-handler. However, for purposes of this paragraph, any such milk production resources and facilities which do not constitute an actual or potential source of milk supply for the producer-handler's operation shall not be considered a part of the producer-handler's milk production resources and facilities.

(2) Milk handling, processing, and distribution resources and facilities shall include all resources and facilities (including store outlets) used for handling, processing, and distributing fluid milk products which are solely or partially owned by, and directly or indirectly operated or controlled by, the producer-handler or in which the producer-handler in any way has an interest, including any contractual arrangement, or over which the producer-handler directly or indirectly exercises any degree of management or control.

(3) All designations shall remain in effect until canceled pursuant to paragraph (c) of this section.

(c) *Cancellation.* The designation as a producer-handler shall be canceled upon determination by the market administrator that any of the requirements of paragraphs (a)(1) through (4) of this section are not continuing to be met, or under any of the conditions described in paragraphs (c)(1) and (2) of this section. Cancellation of a producer-handler's status pursuant to this paragraph shall be effective on the first day of the month following the month in which the requirements were not met or the conditions for cancellation occurred.

(1) Milk from the milk production resources and facilities of the producer-handler, designated in paragraph (b)(1) of this section, is delivered in the name of another person as producer milk to another handler.

(2) The producer-handler handles fluid milk products derived from sources other than the milk production facilities and resources designated in paragraph (b)(1) of this section, except that it may receive at its plant, or acquire for route disposition, fluid milk products from fully regulated plants and handlers under any Federal order if such receipts do not exceed 150,000 pounds monthly. This limitation shall not apply if the producer-handler's own farm production is less than 150,000 pounds during the month.

(d) *Public announcement.* The market administrator shall publicly announce:

(1) The name, plant location(s), and farm location(s) of persons designated as producer-handlers;

(2) The names of those persons whose designations have been canceled; and

(3) The effective dates of producer-handler status or loss of producer-handler status for each. Such announcements shall be controlling with respect to the accounting at plants of other handlers for fluid milk products received from any producer-handler.

(e) *Burden of establishing and maintaining producer-handler status.* The burden rests upon the handler who is designated as a producer-handler to establish through records required pursuant to §1000.27 that the requirements set forth in paragraph (a) of this section

have been and are continuing to be met, and that the conditions set forth in paragraph (c) of this section for cancellation of designation do not exist.

**§1124.11 Cooperative reserve supply unit.**

Cooperative reserve supply unit means any cooperative association or its agent that is a handler pursuant to §1000.9(c) that does not own or operate a plant, if such cooperative has been qualified to receive payments pursuant to §1124.73 and has been a handler of producer milk under the order in this part or its predecessor order during each of the 12 previous months, and if a majority of the cooperative's member producers are located within 125 miles of a plant described in §1124.7(a). A cooperative reserve supply unit shall be subject to the following conditions:

(a) The cooperative shall file a request with the market administrator for cooperative reserve supply unit status at least 15 days prior to the first day of the month in which such status is desired to be effective. Once qualified as a cooperative reserve supply unit pursuant to this paragraph, such status shall continue to be effective unless the cooperative requests termination prior to the first day of the month that change of status is requested, or the cooperative fails to meet all of the conditions of this section.

(b) The cooperative reserve supply unit supplies fluid milk products to pool distributing plants located within 125 miles of a majority of the cooperative's member producers in compliance with any announcement by the market administrator requesting a minimum level of shipments as follows:

(1) The market administrator may require such supplies of bulk fluid milk from cooperative reserve supply units whenever the market administrator finds that milk supplies for Class I use are needed for plants defined in §1124.7(a) or (b). Before making such a finding, the market administrator shall investigate the need for such shipments either on the market administrator's own initiative or at the request of interested persons if the request is made in writing at least 15 days prior to the month for which the

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requested revision is desired effective. If the market administrator's investigation shows that such shipments might be appropriate, the market administrator shall issue a notice stating that a shipping announcement is being considered and inviting data, views and arguments with respect to the proposed shipping announcement. Any decision on the required shipment of bulk fluid milk from cooperative reserve supply units must be made in writing at least one day before the effective date.

(2) Failure of a cooperative reserve supply unit to comply with any announced shipping requirements, including making any significant change in the unit's marketing operation that the market administrator determines has the impact of evading or forcing such an announcement, shall result in immediate loss of cooperative reserve supply unit status until such time as the unit has been a handler pursuant to §1000.9(c) for at least 12 consecutive months.

### § 1124.12 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 fluid consumption as Grade A milk and whose milk (or components of milk) is:

(1) Received at a pool plant directly from the producer or diverted by the plant operator in accordance with §1124.13; or

(2) Received by a handler described in §1000.9(c).

(b) Producer shall not include:

(1) A producer-handler as defined in any Federal order;

(2) A dairy farmer whose milk is received at an exempt plant, excluding producer milk diverted to the exempt plant pursuant to §1124.13(e);

(3) A dairy farmer whose milk is received by diversion at a pool plant from a handler regulated under another Federal order if the other Federal order designates the dairy farmer as a producer under that order and that milk is allocated by request to a utilization other than Class I;

(4) A dairy farmer whose milk is reported as diverted to a plant fully regulated under another Federal order with

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respect to that portion of the milk so diverted that is assigned to Class I under the provisions of such other order; and

(5) A dairy farmer whose milk was received at a nonpool plant during the month from the same farm as other than producer milk under the order in this part or any other Federal order. Such a dairy farmer shall be known as a *dairy farmer for other markets*.

### § 1124.13 Producer milk.

*Producer milk* means the skim milk (or the skim equivalent of components of skim milk), including nonfat components, and butterfat in milk of a producer that is:

(a) Received by the operator of a pool plant directly from a producer or a handler described in §1000.9(c). All milk received pursuant to this paragraph shall be priced at the location of the plant where it is first physically received;

(b) Received by a cooperative reserve supply unit described in §1124.11. All milk received pursuant to this paragraph shall be priced at the location of the plant where it is first physically received and shall not be subject to the conditions specified in paragraph (e) of this section;

(c) Received by a handler described in §1000.9(c) in excess of the quantity delivered to pool plants;

(d) Diverted by a pool plant operator to another pool plant. Milk so diverted shall be priced at the location of the plant to which diverted; or

(e) Diverted by the operator of a pool plant or a cooperative association described in §1000.9(c), excluding a cooperative reserve supply unit described in §1124.11, to a nonpool plant, subject to the following conditions:

(1) Milk of a dairy farmer shall not be eligible for diversion unless at least 3 days' production of such dairy farmer's production is physically received at a pool plant during the month.

(2) Of the quantity of producer milk received during the month (including diversions, but excluding the quantity of producer milk received from a handler described in §1000.9(c)) the handler diverts to nonpool plants not more than 80 percent.

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(3) Two or more handlers described in § 1000.9(c) may have their allowable diversions computed on the basis of their combined deliveries of producer milk which they caused to be delivered to pool plants or diverted during the month if each has filed a request in writing with the market administrator before the first day of the month the agreement is to be effective. The request shall specify the basis for assigning overdiverted milk to the producer deliveries of each according to a method approved by the market administrator.

(4) Diverted milk shall be priced at the location of the plant to which diverted;

(5) Any milk diverted in excess of the limits prescribed in paragraph (e)(2) of this section shall not be producer milk. If the diverting handler or cooperative association fails to designate the dairy farmers' deliveries that are not to be producer milk, no milk diverted by the handler or cooperative association during the month to a nonpool plant shall be producer milk. In the event some of the milk of any producer is determined not to be producer milk pursuant to this paragraph, other milk delivered by such producer as producer milk during the month will not be subject to § 1124.12(b)(5).

(6) The delivery day requirement in paragraph (e)(1) of this section and the diversion percentage in paragraph (e)(2) of this section may be increased or decreased by the market administrator if the market administrator finds that such revision is necessary to assure the orderly marketing and efficient handling of milk in the marketing area. Before making such finding, the market administrator shall investigate the need for the revision either on the market administrator's own initiative or at the request of interested persons if the request is made in writing at least 15 days prior to the month for which the requested revision is desired to be effective. If the investigation shows that a revision might be appropriate, the market administrator shall issue a notice stating that the revision is being considered and inviting written data, views, and arguments. Any decision to revise the delivery day requirement or the diversion percent-

age must be issued in writing at least one day before the effective date.

[64 FR 47998, Sept. 1, 1999, as amended at 67 FR 69669, Nov. 19, 2002]

### § 1124.14 Other source milk.

See § 1000.14.

### § 1124.15 Fluid milk product.

See § 1000.15.

### § 1124.16 Fluid cream product.

See § 1000.16.

### § 1124.17 [Reserved]

### § 1124.18 Cooperative association.

See § 1000.18.

### § 1124.19 Commercial food processing establishment.

See § 1000.19.

## HANDLER REPORTS

### § 1124.30 Reports of receipts and utilization.

Each handler shall report monthly so that the market administrator's office receives the report on or before the 9th day after the end of the month, in the detail and on the prescribed forms, as follows:

(a) Each handler that operates a pool plant pursuant to § 1124.7 shall report for each of its operations the following information:

(1) Product pounds, pounds of butterfat, pounds of protein, and pounds of solids-not-fat other than protein (other solids) contained in or represented by:

(i) Receipts of producer milk, including producer milk diverted by the reporting handler, from sources other than handlers described in § 1000.9(c); and

(ii) Receipts of milk from handlers described in § 1000.9(c);

(2) Product pounds and pounds of butterfat contained in:

(i) Receipts of fluid milk products and bulk fluid cream products from other pool plants;

(ii) Receipts of other source milk; and

(iii) Inventories at the beginning and end of the month of fluid milk products and bulk fluid cream products;

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(3) The utilization or disposition of all milk and milk products required to be reported pursuant to this paragraph; and

(4) Such other information with respect to the receipts and utilization of skim milk, butterfat, milk protein, and other nonfat solids, as the market administrator may prescribe.

(b) Each handler operating a partially regulated distributing plant shall report with respect to such plant in the same manner as prescribed for reports required by paragraph (a) of this section. Receipts of milk that would have been producer milk if the plant had been fully regulated shall be reported in lieu of producer milk. The report shall show also the quantity of any reconstituted skim milk in route disposition in the marketing area.

(c) Each handler described in §1000.9(c) shall report:

(1) The product pounds, pounds of butterfat, pounds of protein, and the pounds of solids-not-fat other than protein (other solids) contained in receipts of milk from producers; and

(2) The utilization or disposition of such receipts.

(d) Each handler not specified in paragraphs (a) through (c) of this section shall report with respect to its receipts and utilization of milk and milk products in such manner as the market administrator may prescribe.

**§ 1124.31 Payroll reports.**

(a) On or before the 20th day after the end of each month, each handler that operates a pool plant pursuant to §1124.7 and each handler described in §1000.9(c) shall report to the market administrator its producer payroll for the month, in the detail prescribed by the market administrator, showing for each producer the information described in §1124.73(f).

(b) Each handler operating a partially regulated distributing plant who elects to make payment pursuant to §1000.76(b) shall report for each dairy farmer who would have been a producer if the plant had been fully regulated in the same manner as prescribed for reports required by paragraph (a) of this section.

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**§ 1124.32 Other reports.**

In addition to the reports required pursuant to §§1124.30 and 1124.31, each handler shall report any information the market administrator deems necessary to verify or establish each handler's obligation under the order.

**CLASSIFICATION OF MILK**

**§ 1124.40 Classes of utilization.**

See §1000.40.

**§ 1124.41 [Reserved]**

**§ 1124.42 Classification of transfers and diversions.**

See §1000.42.

**§ 1124.43 General classification rules.**

See §1000.43.

**§ 1124.44 Classification of producer milk.**

In addition to the provisions provided in §1000.44, for purposes of this part 1124, §1000.44(a)(3)(iv) applies to fluid milk products and bulk fluid cream products received or acquired for distribution from a producer-handler.

**§ 1124.45 Market administrator's reports and announcements concerning classification.**

See §1000.45.

**CLASS PRICES**

**§ 1124.50 Class prices, component prices, and advanced pricing factors.**

See §1000.50.

**§ 1124.51 Class I differential and price.**

The Class I differential shall be the differential established for King County, Washington, which is reported in §1000.52. The Class I price shall be the price computed pursuant to §1000.50(a) for King County, Washington.

**§ 1124.52 Adjusted Class I differentials.**

See §1000.52.

**§ 1124.53 Announcement of class prices, component prices, and advanced pricing factors.**

See §1000.53.

**§ 1124.54 Equivalent price.**

See § 1000.54.

PRODUCER PRICE DIFFERENTIAL

**§ 1124.60 Handler's value of milk.**

For the purpose of computing a handler's obligation for producer milk, the market administrator shall determine for each month the value of milk of each handler with respect to each of the handler's pool plants and of each handler described in § 1000.9(c) with respect to milk that was not received at a pool plant by adding the amounts computed in paragraphs (a) through (h) of this section and subtracting from that total amount the value computed in paragraph (i) of this section. Unless otherwise specified, the skim milk, butterfat, and the combined pounds of skim milk and butterfat referred to in this section shall result from the steps set forth in § 1000.44 (a), (b), and (c), respectively, and the nonfat components of producer milk in each class shall be based upon the proportion of such components in producer skim milk. Receipts of nonfluid milk products that are distributed as labeled reconstituted milk for which payments are made to the producer-settlement fund of another Federal order under § 1000.76 (a)(4) or (d) shall be excluded from pricing under this section.

(a) Class I value.

(1) Multiply the hundredweight of skim milk in Class I by the Class I skim milk price; and

(2) Add an amount obtained by multiplying the pounds of butterfat in Class I by the Class I butterfat price.

(b) Class II value.

(1) Multiply the pounds of nonfat solids in Class II skim milk by the Class II nonfat solids price; and

(2) Add an amount obtained by multiplying the pounds of butterfat in Class II times the Class II butterfat price.

(c) Class III value.

(1) Multiply the pounds of protein in Class III skim milk by the protein price;

(2) Add an amount obtained by multiplying the pounds of other solids in Class III skim milk by the other solids price; and

(3) Add an amount obtained by multiplying the pounds of butterfat in Class III by the Class III butterfat price.

(d) Class IV value.

(1) Multiply the pounds of nonfat solids in Class IV skim milk by the nonfat solids price; and

(2) Add an amount obtained by multiplying the pounds of butterfat in Class IV by the Class IV butterfat price.

(e) Multiply the pounds of skim milk and butterfat overage assigned to each class pursuant to § 1000.44(a)(11) and the corresponding steps of § 1000.44(b) by the skim milk prices and butterfat prices applicable to each class.

(f) Multiply the difference between the current month's Class I, II, or III price, as the case may be, and the Class IV price for the preceding month by the hundredweight of skim milk and butterfat subtracted from Class I, II, or III, respectively, pursuant to § 1000.44(a)(7) and the corresponding step of § 1000.44(b);

(g) Multiply the difference between the Class I price applicable at the location of the pool plant and the Class IV price by the hundredweight of skim milk and butterfat assigned to Class I pursuant to § 1000.43(d) and the hundredweight of skim milk and butterfat subtracted from Class I pursuant to § 1000.44(a)(3) (i) through (vi) and the corresponding step of § 1000.44(b), excluding receipts of bulk fluid cream products from plants regulated under other Federal orders and bulk concentrated fluid milk products from pool plants, plants regulated under other Federal orders, and unregulated supply plants.

(h) Multiply the Class I skim milk and Class I butterfat prices applicable at the location of the nearest unregulated supply plants from which an equivalent volume was received by the pounds of skim milk and butterfat in receipts of concentrated fluid milk products assigned to Class I pursuant to § 1000.43(d) and § 1000.44(a)(3)(i) and the corresponding step of § 1000.44(b) and the pounds of skim milk and butterfat subtracted from Class I pursuant to § 1000.44(a)(8) and the corresponding step of § 1000.44(b), excluding such skim milk and butterfat in receipts of fluid milk products from an unregulated supply plant to the extent that an

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equivalent amount of skim milk or butterfat disposed of to such plant by handlers fully regulated under any Federal milk order is classified and priced as Class I milk and is not used as an offset for any other payment obligation under any order.

(i) For reconstituted milk made from receipts of nonfluid milk products, multiply \$1.00 (but not more than the difference between the Class I price applicable at the location of the pool plant and the Class IV price) by the hundredweight of skim milk and butterfat contained in receipts of nonfluid milk products that are allocated to Class I use pursuant to § 1000.43(d).

[64 FR 47998, Sept. 1, 1999, as amended at 65 FR 82839, Dec. 28, 2000]

### § 1124.61 Computation of producer butterfat price and producer price differential.

For each month, the market administrator shall compute a producer butterfat price per pound of butterfat and a producer price differential per hundredweight. The report of any handler who has not made payments required pursuant to § 1124.71 for the preceding month shall not be included in these computations, and such handler's report shall not be included in the computation for succeeding months until the handler has made full payment of outstanding monthly obligations. Subject to the aforementioned conditions, the market administrator shall compute the producer butterfat price and the producer price differential in the following manner:

(a) *Producer butterfat price.* The producer butterfat price per pound, rounded to the nearest one-hundredth cent, shall be computed by:

(1) Multiplying the pounds of butterfat in producer milk allocated to each class pursuant to § 1000.44(b) by the respective class butterfat prices;

(2) Adding the butterfat value calculated in § 1124.60(h) for other source milk allocated to Class I pursuant to § 1000.43(d) and the steps of § 1000.44(b) that correspond to § 1000.44(a)(3)(i) and § 1000.44(a)(8) by the Class I price; and

(3) Dividing the sum of paragraphs (a)(1) and (a)(2) of this section by the sum of the pounds of butterfat in producer milk and other source milk used

to calculate the values in paragraphs (a)(1) and (a)(2) of this section.

(b) *Producer price differential.* (1) Combine into one total the values computed pursuant to § 1124.60 for all handlers required to file reports prescribed in § 1124.30;

(2) Subtract the total of the values obtained:

(i) By multiplying the total pounds of protein, other solids, and butterfat contained in each handler's producer milk for which an obligation was computed pursuant to § 1124.60(a) through (g) and § 1124.60(i) by the protein price, other solids price, and producer butterfat price, respectively;

(ii) By multiplying each handler's pounds of skim milk and butterfat for which a value is computed pursuant to § 1124.60(h) by the Class III skim milk price and the producer butterfat price, respectively;

(3) Add an amount equal to the minus location adjustments and subtract an amount equal to the plus location adjustments computed pursuant to § 1124.75;

(4) Add an amount equal to not less than one-half of the unobligated balance in the producer-settlement fund;

(5) Divide the resulting amount by the sum of the following for all handlers included in these computations:

(i) The total hundredweight of producer milk; and

(ii) The total hundredweight for which a value is computed pursuant to § 1124.60(h); and

(6) Subtract not less than 4 cents nor more than 5 cents from the price computed pursuant to paragraph (b)(5) of this section. The result shall be known as the *producer price differential* for the month.

[64 FR 47998, Sept. 1, 1999, as amended at 65 FR 82839, Dec. 28, 2000]

### § 1124.62 Announcement of producer prices.

On or before the 14th day after the end of each month, the market administrator shall announce publicly the following prices and information:

- (a) The producer price differential;
- (b) The protein price;
- (c) The nonfat solids price;
- (d) The other solids price;
- (e) The producer butterfat price;

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(f) The average butterfat, protein, nonfat solids, and other solids content of producer milk; and

(g) The statistical uniform price computed by adding the following values:

(1) The Class III skim milk price computed in §1000.50(i) multiplied by .965;

(2) The producer butterfat price computed in §1124.61(a) multiplied by 3.5; and

(3) The producer price differential computed in §1124.61(b).

[64 FR 47998, Sept. 1, 1999, as amended at 65 FR 82840, Dec. 28, 2000]

### PAYMENTS FOR MILK

#### § 1124.70 Producer-settlement fund.

See §1000.70.

#### § 1124.71 Payments to the producer-settlement fund.

Each handler shall make payment to the producer-settlement fund in a manner that provides receipt of the funds by the market administrator no later than the 16th day after the end of the month (except as provided in §1000.90). Payment shall be the amount, if any, by which the amount specified in paragraph (a) of this section exceeds the amount specified in paragraph (b) of this section:

(a) The total value of milk to the handler for the month as determined pursuant to §1124.60.

(b) The sum of:

(1) An amount obtained by multiplying the total hundredweight of producer milk as determined pursuant to §1000.44(c) by the producer price differential as adjusted pursuant to §1124.75;

(2) An amount obtained by multiplying the total pounds of protein, other solids, and butterfat contained in producer milk by the protein, other solids, and producer butterfat prices respectively; and

(3) An amount obtained by multiplying the hundredweight, the pounds of skim milk, and the pounds of butterfat for which a value was computed pursuant to §1124.60(h) by the producer price differential, the Class III skim milk price, and the producer butterfat price, respectively, as adjusted pursu-

ant to §1124.75 applicable at the location of the plant from which received.

[64 FR 47998, Sept. 1, 1999, as amended at 65 FR 82840, Dec. 28, 2000]

#### § 1124.72 Payments from the producer-settlement fund.

No later than the 18th day after the end of each month (except as provided in §1000.90), the market administrator shall pay to each handler the amount, if any, by which the amount computed pursuant to §1124.71(b) exceeds the amount computed pursuant to §1124.71(a). If, at such time, the balance in the producer-settlement fund is insufficient to make all payments pursuant to this section, the market administrator shall reduce uniformly such payments and shall complete the payments as soon as the funds are available.

#### § 1124.73 Payments to producers and to cooperative associations.

(a) Each handler shall pay each producer for producer milk for which payment is not made to a cooperative association pursuant to paragraph (b) of this section, as follows:

(1) *Partial payment.* For each producer who has not discontinued shipments as of the 18th day of the month, partial payment shall be made so that it is received by each producer on or before the last day of the month (except as provided in §1000.90) for milk received during the first 15 days of the month from the producer at not less than the lowest announced class price for the preceding month, less proper deductions authorized in writing by the producer.

(2) *Final payment.* For milk received during the month, payment shall be made so that it is received by each producer no later than the 19th day after the end of the month (except as provided in §1000.90) in an amount equal to not less than the sum of:

(i) The hundredweight of producer milk received times the producer price differential for the month as adjusted pursuant to §1124.75;

(ii) The pounds of butterfat received times the producer butterfat price for the month;

(iii) The pounds of protein received times the protein price for the month;

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(iv) The pounds of other solids received times the other solids price for the month;

(v) Less any payment made pursuant to paragraph (a)(1) of this section;

(vi) Less proper deductions authorized in writing by such producer and plus or minus adjustments for errors in previous payments to such producer subject to approval by the market administrator; and

(vii) Less deductions for marketing services pursuant to §1000.86.

(b) *Payments for milk received from cooperative association members.* On or before the 2nd day prior to the dates specified in paragraphs (a)(1) and (a)(2) of this section (except as provided in §1000.90), each handler shall pay to a cooperative association for milk from producers who market their milk through the cooperative association and who have authorized the cooperative to collect such payments on their behalf an amount equal to the sum of the individual payments otherwise payable for such producer milk pursuant to paragraphs (a)(1) and (a)(2) of this section.

(c) *Payment for milk received from cooperative association pool plants or from cooperatives as handlers pursuant to §1000.9(c).* On or before the 2nd day prior to the dates specified in paragraphs (a)(1) and (a)(2) of this section (except as provided in §1000.90), each handler who receives fluid milk products at its plant from a cooperative association in its capacity as the operator of a pool plant or who receives milk from a cooperative association in its capacity as a handler pursuant to §1000.9(c), including the milk of producers who are not members of such association and who the market administrator determines have authorized the cooperative association to collect payment for their milk, shall pay the cooperative for such milk as follows:

(1) For bulk fluid milk products and bulk fluid cream products received from a cooperative association in its capacity as the operator of a pool plant and for milk received from a cooperative association in its capacity as a handler pursuant to §1000.9(c) during the first 15 days of the month, at not less than the lowest announced class

price per hundredweight for the preceding month.

(2) For the total quantity of bulk fluid milk products and bulk fluid cream products received from a cooperative association in its capacity as the operator of a pool plant, at not less than the total value of such products received from the association's pool plants, as determined by multiplying the respective quantities assigned to each class under §1000.44, as follows:

(i) The hundredweight of Class I skim milk times the Class I skim milk price for the month plus the pounds of Class I butterfat times the Class I butterfat price for the month. The Class I prices to be used shall be the prices effective at the location of the receiving plant;

(ii) The pounds of nonfat solids in Class II skim milk by the Class II nonfat solids price;

(iii) The pounds of butterfat in Class II times the Class II butterfat price;

(iv) The pounds of nonfat solids in Class IV times the nonfat solids price;

(v) The pounds of butterfat in Class III and Class IV milk by the respective butterfat prices for the month;

(vi) The pounds of protein in Class III milk times the protein price;

(vii) The pounds of other solids in Class III milk times the other solids price; and

(viii) Add together the amounts computed in paragraphs (c)(2)(i) through (vii) of this section and from that sum deduct any payment made pursuant to paragraph (c)(1) of this section; and

(3) For the total quantity of milk received during the month from a cooperative association in its capacity as a handler under §1000.9(c) as follows:

(i) The hundredweight of producer milk received times the producer price differential as adjusted pursuant to §1124.75;

(ii) The pounds of butterfat received times the producer butterfat price for the month;

(iii) The pounds of protein received times the protein price for the month;

(iv) The pounds of other solids received times the other solids price for the month; and

(v) Add together the amounts computed in paragraphs (c)(3)(i) through (iv) of this section and from that sum

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deduct any payment made pursuant to paragraph (c)(1) of this section.

(d) If a handler has not received full payment from the market administrator pursuant to §1124.72 by the payment date specified in paragraph (a), (b) or (c) of this section, the handler may reduce pro rata its payments to producers or to the cooperative association (with respect to receipts described in paragraph (b) of this section, prorating the underpayment to the volume of milk received from the cooperative association in proportion to the total milk received from producers by the handler), but not by more than the amount of the underpayment. The payments shall be completed on the next scheduled payment date after receipt of the balance due from the market administrator.

(e) If a handler claims that a required payment to a producer cannot be made because the producer is deceased or cannot be located, or because the cooperative association or its lawful successor or assignee is no longer in existence, the payment shall be made to the producer-settlement fund, and in the event that the handler subsequently locates and pays the producer or a lawful claimant, or in the event that the handler no longer exists and a lawful claim is later established, the market administrator shall make the required payment from the producer-settlement fund to the handler or to the lawful claimant, as the case may be.

(f) In making payments to producers pursuant to this section, each handler shall furnish each producer, except a producer whose milk was received from a cooperative association handler described in §1000.9(a) or (c), a supporting statement in a form that may be retained by the recipient which shall show:

(1) The name, address, Grade A identifier assigned by a duly constituted regulatory agency, and payroll number of the producer;

(2) The daily and total pounds, and the month and dates such milk was received from that producer;

(3) The total pounds of butterfat, protein, and other solids contained in the producer's milk;

(4) The minimum rate or rates at which payment to the producer is required pursuant to the order in this part;

(5) The rate used in making payment if the rate is other than the applicable minimum rate;

(6) The amount, or rate per hundred-weight, or rate per pound of component, and the nature of each deduction claimed by the handler; and

(7) The net amount of payment to the producer or cooperative association.

[64 FR 47998, Sept. 1, 1999, as amended at 65 FR 82840, Dec. 28, 2000]

**§ 1124.74 [Reserved]**

**§ 1124.75 Plant location adjustments for producer milk and nonpool milk.**

For purposes of making payments for producer milk and nonpool milk, a plant location adjustment shall be determined by subtracting the Class I price specified in §1124.51 from the Class I price at the plant's location. The difference, plus or minus as the case may be, shall be used to adjust the payments required pursuant to §§1124.73 and 1000.76.

**§ 1124.76 Payments by a handler operating a partially regulated distributing plant.**

See § 1000.76.

**§ 1124.77 Adjustment of accounts.**

See § 1000.77.

**§ 1124.78 Charges on overdue accounts.**

See § 1000.78.

ADMINISTRATIVE ASSESSMENT AND  
MARKETING SERVICE DEDUCTION

**§ 1124.85 Assessment for order administration.**

See § 1000.85.

**§ 1124.86 Deduction for marketing services.**

See § 1000.86.

**PART 1125 [RESERVED]**

**PART 1126—MILK IN THE  
SOUTHWEST MARKETING AREA**

**Subpart—Order Regulating Handling**

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1126.85 Assessment for order administration.  
1126.86 Deduction for marketing services.

AUTHORITY: 7 U.S.C. 601-674, and 7253.

SOURCE: 64 FR 48004, Sept. 1, 1999, unless otherwise noted.

**Subpart—Order Regulating  
Handling**

GENERAL PROVISIONS

**§ 1126.1 General provisions.**

The terms, definitions, and provisions in part 1000 of this chapter apply to this part 1126. In this part 1126, all references to sections in part 1000 refer to part 1000 of this chapter.

DEFINITIONS

**§ 1126.2 Southwest marketing area.**

The marketing area means all territory within the bounds of the following states and political subdivisions, including all piers, docks and wharves connected therewith and all craft moored thereat, and all territory occupied by government (municipal, State or Federal) reservations, installations, institutions, or other similar establishments if any part thereof is within any of the listed states or political subdivisions:

COLORADO COUNTIES

Archuleta, LaPlata, and Montezuma.

NEW MEXICO AND TEXAS

All of the States of New Mexico and Texas.

**§ 1126.3 Route disposition.**

See § 1000.3.

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### § 1126.4 Plant.

See § 1000.4.

### § 1126.5 Distributing plant.

See § 1000.5.

### § 1126.6 Supply plant.

See § 1000.6.

### § 1126.7 Pool plant.

*Pool plant* means a plant specified in paragraphs (a) through (d) of this section, or a unit of plants as specified in paragraph (e) of this section, but excluding a plant specified in paragraph (g) of this section. The pooling standards described in paragraphs (c) and (d) of this section are subject to modification pursuant to paragraph (f) of this section:

(a) A distributing plant, other than a plant qualified as a pool plant pursuant to paragraph (b) of this section or § \_\_\_\_\_7(b) of any other Federal milk order, from which during the month 25 percent or more of the total quantity of fluid milk products physically received at the plant (excluding concentrated milk received from another plant by agreement for other than Class I use) are disposed of as route disposition or are transferred in the form of packaged fluid milk products to other distributing plants. At least 25 percent of such route disposition and transfers must be to outlets in the marketing area.

(b) Any distributing plant located in the marketing area which during the month processed at least 25 percent of the total quantity of fluid milk products physically received at the plant (excluding concentrated milk received from another plant by agreement for other than Class I use) into ultra-pasteurized or aseptically-processed fluid milk products.

(c) A supply plant from which 50 percent or more of the total quantity of milk that is physically received during the month from dairy farmers and handlers described in § 1000.9(c), including milk that is diverted as producer milk to other plants, is transferred to pool distributing plants. Concentrated milk transferred from the supply plant to a distributing plant for an agreed-upon use other than Class I shall be excluded

from the supply plant's shipments in computing the plant's shipping percentage.

(d) A plant located within the marketing area that is operated by a cooperative association if pool plant status under this paragraph is requested for such plant by the cooperative association and during the month at least 30 percent of the producer milk of members of such cooperative association is delivered directly from farms to pool distributing plants or is transferred to such plants as a fluid milk product (excluding concentrated milk transferred to a distributing plant for an agreed-upon use other than Class I) from the cooperative's plant.

(e) Two or more plants operated by the same handler and located within the marketing area may qualify for pool status as a unit by meeting the total and in-area route disposition requirements specified in paragraph (a) of this section and the following additional requirements:

(1) At least one of the plants in the unit must qualify as a pool plant pursuant to paragraph (a) of this section;

(2) Other plants in the unit must process only Class I or Class II products and must be located in a pricing zone providing the same or a lower Class I price than the price applicable at the distributing plant included in the unit pursuant to paragraph (e)(1) of this section; and

(3) A written request to form a unit, or to add or remove plants from a unit, must be filed with the market administrator prior to the first day of the month for which it is to be effective.

(f) The applicable shipping percentages of paragraphs (c) and (d) of this section may be increased or decreased by the market administrator if the market administrator finds that such adjustment is necessary to encourage needed shipments or to prevent uneconomic shipments. Before making such a finding, the market administrator shall investigate the need for adjustment either on the market administrator's own initiative or at the request of interested parties if the request is made in writing at least 15 days prior to the month for which the requested revision is desired effective. If the investigation shows that an adjustment

## § 1126.8

of the shipping percentages might be appropriate, the market administrator shall issue a notice stating that an adjustment is being considered and invite data, views and arguments. Any decision to revise an applicable shipping percentage must be issued in writing at least one day before the effective date.

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

(1) A producer-handler plant;

(2) An exempt plant as defined in §1000.8(e);

(3) A plant qualified pursuant to paragraph (a) of this section that is located within the marketing area if the plant also meets the pooling requirements of another Federal order, and more than 50 percent of its route distribution has been in such other Federal order marketing area for 3 consecutive months;

(4) A plant qualified pursuant to paragraph (a) of this section which is not located within any Federal order marketing area that meets the pooling requirements of another Federal order and has had greater route disposition in such other Federal order's marketing area for 3 consecutive months;

(5) A plant qualified pursuant to paragraph (a) of this section that is located in another Federal order marketing area if the plant meets the pooling requirements of such other Federal order and does not have a majority of its route distribution in this marketing area for 3 consecutive months or if the plant is required to be regulated under such other Federal order without regard to its route disposition in any other Federal order marketing area;

(6) A plant qualified pursuant to paragraph (c) or (d) of this section which also meets the pooling requirements of another Federal order and from which greater qualifying shipments are made to plants regulated under the other Federal order than are made to plants regulated under the order in this part, or the plant has automatic pooling status under the other Federal order; and

(7) That portion of a pool plant designated as a nonpool plant that is physically separate and operated separately from the pool portion of such plant. The designation of a portion of a regulated plant as a nonpool plant

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must be requested in writing by the handler and must be approved by the market administrator.

### § 1126.8 Nonpool plant.

See § 1000.8.

### § 1126.9 Handler.

See § 1000.9.

### § 1126.10 Producer-handler.

*Producer-handler* means a person who:

(a) Operates a dairy farm and a distributing plant from which there is route disposition in the marketing area during the month;

(b) Receives fluid milk products from own farm production or milk that is fully subject to the pricing and pooling provisions of the order in this part or another Federal order;

(c) Receives no more than 150,000 pounds of fluid milk products from handlers fully regulated under any Federal order, including such products received at a location other than the producer-handler's processing plant for distribution on routes. This limitation shall not apply if the producer-handler's own farm production is less than 150,000 pounds during the month;

(d) Disposes of no other source milk as Class I milk except by increasing the nonfat milk solids content of the fluid milk products; and

(e) Provides proof satisfactory to the market administrator that the care and management of the dairy animals and other resources necessary to produce all Class I milk handled (excluding receipts from handlers fully regulated under any Federal order) and the processing and packaging operations are the producer-handler's own enterprise and at its own risk.

### § 1126.11 [Reserved]

### § 1126.12 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 fluid consumption as Grade A milk and whose milk (or components of milk) is:

(1) Received at a pool plant directly from the producer or diverted by the

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plant operator in accordance with § 1126.13; or

(2) Received by a handler described in § 1000.9(c).

(b) Producer shall not include:

(1) A producer-handler as defined in any Federal order;

(2) A dairy farmer whose milk is received at an exempt plant, excluding producer milk diverted to the exempt plant pursuant to § 1126.13(d);

(3) A dairy farmer whose milk is received by diversion at a pool plant from a handler regulated under another Federal order if the other Federal order designates the dairy farmer as a producer under that order and the milk is allocated by request to a utilization other than Class I; and

(4) A dairy farmer whose milk is reported as diverted to a plant fully regulated under another Federal order with respect to that portion of the milk so diverted that is assigned to Class I under the provisions of such other order.

### § 1126.13 Producer milk.

*Producer milk* means the skim milk (or the skim equivalent of components of skim milk), including nonfat components, and butterfat contained in milk of a producer that is:

(a) Received by the operator of a pool plant directly from a producer or a handler described in § 1000.9(c). All milk received pursuant to this paragraph shall be priced at the location of the plant where it is first physically received;

(b) Received by a handler described in § 1000.9(c) in excess of the quantity delivered to pool plants;

(c) Diverted by a pool plant operator for the account of the handler operating such plant to another pool plant. Milk so diverted shall be priced at the location of the plant to which diverted; or

(d) Diverted by the operator of a pool plant or a handler described in § 1000.9(c) to a nonpool plant, subject to the following conditions:

(1) Milk of a dairy farmer shall not be eligible for diversion unless a delivery of at least 40,000 pounds or one day's milk production, whichever is less, of such dairy farmer has been physically received as producer milk at a pool

plant and the dairy farmer has continuously retained producer status since that time;

(2) The total quantity of milk diverted during the month by a cooperative association shall not exceed 50 percent of the total quantity of producer milk that the cooperative association caused to be received at pool plants and diverted;

(3) The operator of a pool plant that is not a cooperative association may divert any milk that is not under the control of a cooperative association that diverts milk during the month pursuant to this paragraph. The total quantity of milk so diverted during the month shall not exceed 50 percent of the total quantity of the producer milk physically received at such plant (or such unit of plants in the case of plants that pool as a unit pursuant to § 1126.7(e)) and diverted;

(4) Any milk diverted in excess of the limits prescribed in paragraphs (d)(2) and (3) of this section shall not be producer milk. If the diverting handler or cooperative association fails to designate the dairy farmers' deliveries that will not be producer milk, no milk diverted by the handler or cooperative association shall be producer milk;

(5) Diverted milk shall be priced at the location of the plant to which diverted; and

(6) The delivery requirement in paragraph (d)(1) and the diversion percentages in paragraphs (d)(2) and (3) of this section may be increased or decreased by the market administrator if there is a finding that such revision is necessary to assure orderly marketing and efficient handling of milk in the marketing area. Before making such a finding, the market administrator shall investigate the need for the revision either on the market administrator's own initiative or at the request of interested persons if the request is made in writing at least 15 days prior to the month for which the requested revision is desired effective. If the investigation shows that a revision might be appropriate, the market administrator shall issue a notice stating that the revision is being considered and inviting written data, views, and arguments. Any decision to revise the

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delivery day requirement or any diversion percentage must be issued in writing at least one day before the effective date.

**§ 1126.14 Other source milk.**

See §1000.14.

**§ 1126.15 Fluid milk product.**

See §1000.15.

**§ 1126.16 Fluid cream product.**

See §1000.16.

**§ 1126.17 [Reserved]**

**§ 1126.18 Cooperative association.**

See §1000.18.

**§ 1126.19 Commercial food processing establishment.**

See §1000.19.

HANDLER REPORTS

**§ 1126.30 Reports of receipts and utilization.**

Each handler shall report monthly so that the market administrator's office receives the report on or before the 8th day after the end of the month, in the detail and on prescribed forms, as follows:

(a) Each pool plant operator shall report for each of its operations the following information:

(1) Product pounds, pounds of butterfat, pounds of protein, pounds of nonfat solids other than protein (other solids), and the value of the somatic cell adjustment pursuant to §1000.50(p) contained in or represented by:

(i) Receipts of producer milk, including producer milk diverted by the reporting handler, from sources other than handlers described in §1000.9(c); and

(ii) Receipts of milk from handlers described in §1000.9(c);

(2) Product pounds and pounds of butterfat contained in:

(i) Receipts of fluid milk products and bulk fluid cream products from other pool plants;

(ii) Receipts of other source milk; and

(iii) Inventories at the beginning and end of the month of fluid milk products and bulk fluid cream products;

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(3) The utilization or disposition of all milk and milk products required to be reported pursuant to this paragraph; and

(4) Such other information with respect to the receipts and utilization of skim milk, butterfat, milk protein, other nonfat solids, and somatic cell information, as the market administrator may prescribe.

(b) Each handler operating a partially regulated distributing plant shall report with respect to such plant in the same manner as prescribed for reports required by paragraph (a) of this section. Receipts of milk that would have been producer milk if the plant had been fully regulated shall be reported in lieu of producer milk. The report shall show also the quantity of any reconstituted skim milk in route disposition in the marketing area.

(c) Each handler described in §1000.9(c) shall report:

(1) The product pounds, pounds of butterfat, pounds of protein, pounds of solids-not-fat other than protein (other solids), and the value of the somatic cell adjustment pursuant to §1000.50(p), contained in receipts of milk from producers; and

(2) The utilization or disposition of such receipts.

(d) Each handler not specified in paragraphs (a) through (c) of this section shall report with respect to its receipts and utilization of milk and milk products in such manner as the market administrator may prescribe.

**§ 1126.31 Payroll reports.**

(a) On or before the 20th day after the end of each month, each handler that operates a pool plant pursuant to §1126.7 and each handler described in §1000.9(c) shall report to the market administrator its producer payroll for the month, in the detail prescribed by the market administrator, showing for each producer the information specified in §1126.73(e).

(b) Each handler operating a partially regulated distributing plant who elects to make payment pursuant to §1000.76(b) shall report for each dairy farmer who would have been a producer if the plant had been fully regulated in

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the same manner as prescribed by reports required by paragraph (a) of this section.

### § 1126.32 Other reports.

In addition to the reports required pursuant to §§1126.30 and 1126.31, each handler shall report any information the market administrator deems necessary to verify or establish each handler's obligation under the order.

#### CLASSIFICATION OF MILK

### § 1126.40 Classes of utilization.

See §1000.40.

### § 1126.41 [Reserved]

### § 1126.42 Classification of transfers and diversions.

See §1000.42.

### § 1126.43 General classification rules.

See §1000.43.

### § 1126.44 Classification of producer milk.

See §1000.44.

### § 1126.45 Market administrator's reports and announcements concerning classification.

See §1000.45.

#### CLASS PRICES

### § 1126.50 Class prices, component prices, and advanced pricing factors.

See §1000.50.

### § 1126.51 Class I differential and price.

The Class I differential shall be the differential established for Dallas County, Texas, which is reported in §1000.52. The Class I price shall be the price computed pursuant to §1000.50(a) for Dallas County, Texas.

### § 1126.52 Adjusted Class I differentials.

See §1000.52.

### § 1126.53 Announcement of class prices, component prices, and advanced pricing factors.

See §1000.53.

### § 1126.54 Equivalent price.

See §1000.54.

#### PRODUCER PRICE DIFFERENTIAL

### § 1126.60 Handler's value of milk.

For the purpose of computing a handler's obligation for producer milk, the market administrator shall determine for each month the value of milk of each handler with respect to each of the handler's pool plants and of each handler described in §1000.9(c) with respect to milk that was not received at a pool plant by adding the amounts computed in paragraphs (a) through (i) of this section and subtracting from that total amount the value computed in paragraph (j) of this section. Unless otherwise specified, the skim milk, butterfat, and the combined pounds of skim milk and butterfat referred to in this section shall result from the steps set forth in §1000.44(a), (b), and (c), respectively, and the nonfat components of producer milk in each class shall be based upon the proportion of such components in producer skim milk. Receipts of nonfluid milk products that are distributed as labeled reconstituted milk for which payments are made to the producer-settlement fund of another Federal order under §1000.76(a)(4) or (d) shall be excluded from pricing under this section.

(a) Class I value.

(1) Multiply the pounds of skim milk in Class I by the Class I skim milk price; and

(2) Add an amount obtained by multiplying the pounds of butterfat in Class I by the Class I butterfat price.

(b) Class II value.

(1) Multiply the pounds of nonfat solids in Class II skim milk by the Class II nonfat solids price; and

(2) Add an amount obtained by multiplying the pounds of butterfat in Class II times the Class II butterfat price.

(c) Class III value.

(1) Multiply the pounds of protein in Class III skim milk by the protein price;

(2) Add an amount obtained by multiplying the pounds of other solids in Class III skim milk by the other solids price; and

(3) Add an amount obtained by multiplying the pounds of butterfat in Class III by the Class III butterfat price.

(d) Class IV value.

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(1) Multiply the pounds of nonfat solids in Class IV skim milk by the nonfat solids price; and

(2) Add an amount obtained by multiplying the pounds of butterfat in Class IV by the Class IV butterfat price.

(e) Compute an adjustment for the somatic cell content of producer milk by multiplying the values reported pursuant to § 1126.30(a)(1) and (c)(1) by the percentage of total producer milk allocated to Class II, Class III, and Class IV pursuant to § 1000.44(c);

(f) Multiply the pounds of skim milk and butterfat overage assigned to each class pursuant to § 1000.44(a)(11) and the corresponding step of § 1000.44(b) by the skim milk prices and butterfat prices applicable to each class.

(g) Multiply the difference between the current month's Class I, II, or III price, as the case may be, and the Class IV price for the preceding month by the hundredweight of skim milk and butterfat subtracted from Class I, II, or III, respectively, pursuant to § 1000.44(a)(7) and the corresponding step of § 1000.44(b);

(h) Multiply the difference between the Class I price applicable at the location of the pool plant and the Class IV price by the hundredweight of skim milk and butterfat assigned to Class I pursuant to § 1000.43(d) and the hundredweight of skim milk and butterfat subtracted from Class I pursuant to § 1000.44(a)(3)(i) through (vi) and the corresponding step of § 1000.44(b), excluding receipts of bulk fluid cream products from plants regulated under other Federal orders and bulk concentrated fluid milk products from pool plants, plants regulated under other Federal orders, and unregulated supply plants.

(i) Multiply the Class I skim milk and Class I butterfat prices applicable at the location of the nearest unregulated supply plants from which an equivalent volume was received by the pounds of skim milk and butterfat in receipts of concentrated fluid milk products assigned to Class I pursuant to § 1000.43(d) and § 1000.44(a)(3)(i) and the corresponding step of § 1000.44(b) and the pounds of skim milk and butterfat subtracted from Class I pursuant to § 1000.44(a)(8) and the corresponding step of § 1000.44(b), excluding such skim

milk and butterfat in receipts of fluid milk products from an unregulated supply plant to the extent that an equivalent amount of skim milk or butterfat disposed of to such plant by handlers fully regulated under any Federal milk order is classified and priced as Class I milk and is not used as an offset for any other payment obligation under any order.

(j) For reconstituted milk made from receipts of nonfluid milk products, multiply \$1.00 (but not more than the difference between the Class I price applicable at the location of the pool plant and the Class IV price) by the hundredweight of skim milk and butterfat contained in receipts of nonfluid milk products that are allocated to Class I use pursuant to § 1000.43(d).

[64 FR 478004, Sept. 1, 1999, as amended at 65 FR 82840, Dec. 28, 2000]

### **§ 1126.61 Computation of producer butterfat price and producer price differential.**

For each month, the market administrator shall compute a producer butterfat price per pound of butterfat and a producer price differential per hundredweight. The report of any handler who has not made payments required pursuant to § 1126.71 for the preceding month shall not be included in these computations, and such handler's report shall not be included in the computation for succeeding months until the handler has made full payment of outstanding monthly obligations. Subject to the aforementioned conditions, the market administrator shall compute the producer butterfat price and the producer price differential in the following manner:

(a) *Producer butterfat price.* The producer butterfat price per pound, rounded to the nearest one-hundredth cent, shall be computed by:

(1) Multiplying the pounds of butterfat in producer milk allocated to each class pursuant to § 1000.44(b) by the respective class butterfat prices;

(2) Adding the butterfat value calculated in § 1126.60(i) for other source milk allocated to Class I pursuant to § 1000.43(d) and the steps of § 1000.44(b) that correspond to § 1000.44(a)(3)(i) and § 1000.44(a)(8) by the Class I price; and

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(3) Dividing the sum of paragraphs (a)(1) and (a)(2) of this section by the sum of the pounds of butterfat in producer milk and other source milk used to calculate the values in paragraphs (a)(1) and (a)(2) of this section.

(b) *Producer price differential.* (1) Combine into one total the values computed pursuant to §1126.60 for all handlers required to file reports prescribed in §1126.30;

(2) Subtract the total of the values obtained:

(i) By multiplying the total pounds of protein, other solids, and butterfat contained in each handler's producer milk for which an obligation was computed pursuant to §1126.60(a) through (h) and §1126.60(j) by the protein price, other solids price, and producer butterfat price, respectively, and the total value of the somatic cell adjustment pursuant to §1126.30(a)(1) and (c)(1);

(ii) By multiplying each handler's pounds of skim milk and butterfat for which a value is computed pursuant to §1126.60(i) by the Class III skim milk price and the producer butterfat price, respectively;

(3) Add an amount equal to the minus location adjustments and subtract an amount equal to the plus location adjustments computed pursuant to §1126.75;

(4) Add an amount equal to not less than one-half of the unobligated balance in the producer-settlement fund;

(5) Divide the resulting amount by the sum of the following for all handlers included in these computations:

(i) The total hundredweight of producer milk; and

(ii) The total hundredweight for which a value is computed pursuant to §1126.60(i); and

(6) Subtract not less than 4 cents nor more than 5 cents from the price computed pursuant to paragraph (b)(5) of this section. The result shall be known as the *producer price differential* for the month.

[65 FR 82840, Dec. 28, 2000]

**§ 1126.62 Announcement of producer prices.**

On or before the 13th day after the end of each month, the market administrator shall announce the following prices and information:

- (a) The producer price differential;
- (b) The protein price;
- (c) The nonfat solids price;
- (d) The other solids price;
- (e) The producer butterfat price;
- (f) The somatic cell adjustment rate;
- (g) The average butterfat, protein, nonfat solids, and other solids content of producer milk; and

(h) The statistical uniform price computed by adding the following values:

(1) The Class III skim milk price computed in §1000.50(i) multiplied by .965;

(2) The producer butterfat price computed in §1126.61(a) multiplied by 3.5; and

(3) The producer price differential computed in §1126.61(b).

[64 FR 478004, Sept. 1, 1999, as amended at 65 FR 82841, Dec. 28, 2000]

**PAYMENTS FOR MILK**

**§ 1126.70 Producer-settlement fund.**

See §1000.70.

**§ 1126.71 Payments to the producer-settlement fund.**

Each handler shall make payment to the producer-settlement fund in a manner that provides receipt of the funds by the market administrator no later than the 16th day after the end of the month (except as provided in §1000.90). Payment shall be the amount, if any, by which the amount specified in paragraph (a) of this section exceeds the amount specified in paragraph (b) of this section:

(a) The total value of milk to the handler for the month as determined pursuant to §1126.60.

(b) The sum of:

(1) An amount obtained by multiplying the total hundredweight of producer milk as determined pursuant to §1000.44(c) by the producer price differential as adjusted pursuant to §1126.75;

(2) An amount obtained by multiplying the total pounds of protein, other solids, and butterfat contained in producer milk by the protein, other solids, and producer butterfat prices respectively;

(3) The total value of the somatic cell adjustment to producer milk; and

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(4) An amount obtained by multiplying the hundredweight, the pounds of skim milk, and the pounds of butterfat for which a value was computed pursuant to §1126.60(i) by the producer price differential, the Class III skim milk price, and the producer butterfat price, respectively, as adjusted pursuant to §1126.75 applicable at the location of the plant from which received.

[64 FR 48004, Sept. 1, 1999, as amended at 65 FR 82841, Dec. 28, 2000]

**§ 1126.72 Payments from the producer-settlement fund.**

No later than the 17th day after the end of each month (except as provided in §1000.90), the market administrator shall pay to each handler the amount, if any, by which the amount computed pursuant to §1126.71(b) exceeds the amount computed pursuant to §1126.71(a). If, at such time, the balance in the producer-settlement fund is insufficient to make all payments pursuant to this section, the market administrator shall reduce uniformly such payments and shall complete the payments as soon as the funds are available.

**§ 1126.73 Payments to producers and to cooperative associations.**

(a) Each handler shall pay each producer for producer milk for which payment is not made to a cooperative association pursuant to paragraph (b) of this section, as follows:

(1) *Partial payment.* For each producer who has not discontinued shipments as of the 23rd day of the month, payment shall be made so that it is received by the producer on or before the 26th day of the month (except as provided in §1000.90) for milk received during the first 15 days of the month at not less than the lowest announced class price for the preceding month, less proper deductions authorized in writing by the producer.

(2) *Final payment.* For milk received during the month, payment shall be made so that it is received by each producer no later than the 18th day after the end of the month (except as provided in §1000.90) in an amount computed as follows:

(i) Multiply the hundredweight of producer milk received times the pro-

ducer price differential for the month as adjusted pursuant to §1126.75;

(ii) Multiply the pounds of butterfat received times the producer butterfat price for the month;

(iii) Multiply the pounds of protein received times the protein price for the month;

(iv) Multiply the pounds of other solids received times the other solids price for the month;

(v) Multiply the hundredweight of milk received times the somatic cell adjustment for the month;

(vi) Add the amounts computed in paragraphs (a)(2)(i) through (v) of this section, and from that sum:

(A) Subtract the partial payment made pursuant to paragraph (a)(1) of this section;

(B) Subtract the deduction for marketing services pursuant to §1000.86;

(C) Add or subtract for errors made in previous payments to the producer subject to approval by the market administrator; and

(D) Subtract proper deductions authorized in writing by the producer.

(b) On or before the day prior to the dates specified for partial and final payments pursuant to paragraph (a) of this section (except as provided in §1000.90), each handler shall pay a cooperative association for milk received as follows:

(1) *Partial payment to a cooperative association for bulk milk received directly from producers' farms.* For bulk milk (including the milk of producers who are not members of such association and who the market administrator determines have authorized the cooperative association to collect payment for their milk) received during the first 15 days of the month from a cooperative association in any capacity, except as the operator of a pool plant, the payment shall be equal to the hundredweight of milk received multiplied by the lowest announced class price for the preceding month.

(2) *Partial payment to a cooperative association for milk transferred from its pool plant.* For bulk milk/skimmed milk products received during the first 15 days of the month from a cooperative

association in its capacity as the operator of a pool plant, the partial payment shall be at the pool plant operator's estimated use value of the milk using the most recent class prices available at the receiving plant's location.

(3) *Final payment to a cooperative association for milk transferred from its pool plant.* Following the classification of bulk fluid milk products and bulk fluid cream products received during the month from a cooperative association in its capacity as the operator of a pool plant, the final payment for such receipts shall be determined as follows:

(i) The hundredweight of Class I skim milk times the Class I skim milk price for the month plus the pounds of Class I butterfat times the Class I butterfat price for the month. The Class I prices to be used shall be the prices effective at the location of the receiving plant;

(ii) The pounds of nonfat solids in Class II skim milk by the Class II nonfat solids price;

(iii) The pounds of butterfat in Class II times the Class II butterfat price;

(iv) The pounds of nonfat solids in Class IV times the nonfat solids price;

(v) The pounds of butterfat in Class III and Class IV milk by the respective butterfat prices for the month;

(vi) The pounds of protein in Class III milk times the protein price;

(vii) The pounds of other solids in Class III milk times the other solids price;

(viii) The hundredweight of Class II, Class III, and Class IV milk times the somatic cell adjustment; and

(ix) Add together the amounts computed in paragraphs (b)(3)(i) through (viii) of this section and from that sum deduct any payments made pursuant to paragraph (b)(2) of this section.

(4) *Final payment to a cooperative association for bulk milk received directly from producers' farms.* For bulk milk received from a cooperative association during the month, including the milk of producers who are not members of such association and who the market administrator determines have authorized the cooperative association to collect payment for their milk, the final payment for such milk shall be an amount equal to the sum of the individual payments otherwise payable for

such milk pursuant to paragraph (a)(2) of this section.

(c) If a handler has not received full payment from the market administrator pursuant to §1126.72 by the payment date specified in paragraph (a) or (b) of this section, the handler may reduce pro rata its payments to producers or to cooperative associations pursuant to paragraphs (a) and (b) of this section, but by not more than the amount of the underpayment. The payments shall be completed on the next scheduled payment date after receipt of the balance due from the market administrator.

(d) If a handler claims that a required payment to a producer cannot be made because the producer is deceased or cannot be located, or because the cooperative association or its lawful successor or assignee is no longer in existence, the payment shall be made to the producer-settlement fund, and in the event that the handler subsequently locates and pays the producer or a lawful claimant, or in the event that the handler no longer exists and a lawful claim is later established, the market administrator shall make the required payment from the producer-settlement fund to the handler or to the lawful claimant as the case may be.

(e) In making payments to producers pursuant to this section, each pool plant operator shall furnish each producer, except a producer whose milk was received from a cooperative association handler described in §1000.9(a) or (c), a supporting statement in a form that may be retained by the recipient which shall show:

(1) The name, address, Grade A identifier assigned by a duly constituted regulatory agency, and the payroll number of the producer;

(2) The month and dates that milk was received from the producer, including the daily and total pounds of milk received;

(3) The total pounds of butterfat, protein, and other solids contained in the producer's milk;

(4) The somatic cell count of the producer's milk;

(5) The minimum rate or rates at which payment to the producer is required pursuant to the order in this part;

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(6) The rate used in making payment if the rate is other than the applicable minimum rate;

(7) The amount, or rate per hundred-weight, or rate per pound of component, and the nature of each deduction claimed by the handler; and

(8) The net amount of payment to the producer or cooperative association.

[64 FR 48004, Sept. 1, 1999, as amended at 65 FR 32010, May 22, 2000; 65 FR 82841, Dec. 28, 2000]

**§ 1126.74 [Reserved]**

**§ 1126.75 Plant location adjustments for producer milk and nonpool milk.**

For purposes of making payments for producer milk and nonpool milk, a plant location adjustment shall be determined by subtracting the Class I price specified in §1126.51 from the Class I price at the plant's location. The difference, plus or minus as the case may be, shall be used to adjust the payments required pursuant to §§1126.73 and 1000.76.

**§ 1126.76 Payments by a handler operating a partially regulated distributing plant.**

See §1000.76.

**§ 1126.77 Adjustment of accounts.**

See §1000.77.

**§ 1126.78 Charges on overdue accounts.**

See §1000.78.

**ADMINISTRATIVE ASSESSMENT AND MARKETING SERVICE DEDUCTION**

**§ 1126.85 Assessment for order administration.**

See §1000.85.

**§ 1126.86 Deduction for marketing services.**

See §1000.86.

**PART 1131—MILK IN ARIZONA-LAS VEGAS MARKETING AREA**

**Subpart—Order Regulating Handling**

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### ADMINISTRATIVE ASSESSMENT AND MARKETING SERVICE DEDUCTION

- 1131.85 Assessment for order administration.  
1131.86 Deduction for marketing services.

AUTHORITY: 7 U.S.C. 601-674, and 7253.

SOURCE: 64 FR 48010, Sept. 1, 1999, unless otherwise noted.

### Subpart—Order Regulating Handling

#### GENERAL PROVISIONS

##### § 1131.1 General provisions.

The terms, definitions, and provisions in part 1000 of this chapter apply to this part 1131. In this part 1131, all references to sections in part 1000 refer to part 1000 of this chapter.

#### DEFINITIONS

##### § 1131.2 Arizona-Las Vegas marketing area.

The marketing area means all territory within the bounds of the following states and political subdivisions, including all piers, docks and wharves connected therewith and all craft moored thereat, and all territory occupied by government (municipal, State or Federal) reservations, installations, institutions, or other similar establishments if any part thereof is within any of the listed states or political subdivisions:

#### ARIZONA

All of the State of Arizona.

#### NEVADA COUNTIES

Clark.

##### § 1131.3 Route disposition.

See § 1000.3.

##### § 1131.4 Plant.

See § 1000.4.

##### § 1131.5 Distributing plant.

See § 1000.5.

##### § 1131.6 Supply plant.

See § 1000.6.

##### § 1131.7 Pool plant.

*Pool Plant* means a plant or unit of plants specified in paragraphs (a) through (e) of this section, but excluding a plant specified in paragraph (g) of this section. The pooling standards described in paragraphs (c) and (d) of this section are subject to modification pursuant to paragraph (f) of this section.

(a) A distributing plant, other than a plant qualified as a pool plant pursuant to paragraph (b) of this § 1131.7(b) of any other Federal milk order, from which during the month 25 percent or more of the total quantity of fluid milk products physically received at the plant (excluding concentrated milk received from another plant by agreement for other than Class I use) are disposed of as route disposition or are transferred in the form of packaged fluid milk products to other distributing plants. At least 25 percent of such route disposition and transfers must be to outlets in the marketing area.

(b) Any distributing plant located in the marketing area which during the month processed at least 25 percent of the total quantity of fluid milk products physically received at the plant (excluding concentrated milk received from another plant by agreement for other than Class I use) into ultra-pasteurized or aseptically-processed fluid milk products.

(c) A supply plant from which 50 percent or more of the total quantity of milk that is physically received at such plant from dairy farmers and handlers described in § 1000.9(c), including milk that is diverted as producer milk to other plants, is transferred to pool distributing plants. Concentrated milk transferred from the supply plant to a distributing plant for an agreed-upon use other than Class I shall be excluded from the supply plant's shipments in computing the plant's shipping percentage.

(d) A plant located within the marketing area and operated by a cooperative association if, during the month, or the immediately preceding 12-month period ending with the current month, 35 percent or more of the producer milk of members of the association (and any producer milk of nonmembers and

members of another cooperative association which may be marketed by the cooperative association) is physically received in the form of bulk fluid milk products (excluding concentrated milk transferred to a distributing plant for an agreed-upon use other than Class I) at plants specified in paragraph (a) or (b) of this section either directly from farms or by transfer from supply plants operated by the cooperative association and from plants of the cooperative association for which pool plant status has been requested under this paragraph subject to the following conditions:

(1) The plant does not qualify as a pool plant under paragraph (a), (b) or (c) of this section or under comparable provisions of another Federal order; and

(2) The plant is approved by a duly constituted regulatory agency for the handling of milk approved for fluid consumption in the marketing area.

(e) Two or more plants operated by the same handler and located in the marketing area may qualify for pool plant status as a unit by together meeting the requirements specified in paragraph (a) of this section and subject to all of the following additional requirements:

(1) At least one of the plants in the unit must qualify as a pool plant pursuant to paragraph (a) of this section;

(2) Other plants in the unit must process Class I or Class II products, using 50 percent or more of the total Grade A fluid milk products received in bulk form at such plant or diverted therefrom by the plant operator in Class I or Class II products, and must be located in a pricing zone providing the same or lower Class I price than the price applicable at the distributing plant included in the unit pursuant to paragraph (e)(1) of this section; and

(3) A written request to form a unit must be filed by the handler with the market administrator prior to the first day of the month for which such status is desired to be effective. The unit shall continue from month to month thereafter without further notification. The handler shall notify the market administrator in writing prior to the first day of any month for which termi-

nation or any change of the unit is desired.

(f) The applicable shipping percentages of paragraphs (c) and (d) of this section may be increased or decreased by the market administrator if the market administrator finds that such adjustment is necessary to encourage needed shipments or to prevent uneconomic shipments. Before making such a finding, the market administrator shall investigate the need for adjustment either on the market administrator's own initiative or at the request of interested parties if the request is made in writing at least 15 days prior to the month for which the requested revision is desired effective. If the investigation shows that an adjustment of the shipping percentages might be appropriate, the market administrator shall issue a notice stating that an adjustment is being considered and invite data, views and arguments. Any decision to revise an applicable shipping percentage must be issued in writing at least one day before the effective date.

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

(1) A producer-handler as defined under any Federal order;

(2) An exempt plant as defined in §1000.8(e);

(3) A plant located within the marketing area and qualified pursuant to paragraph (a) of this section which meets the pooling requirements of another Federal order, and from which more than 50 percent of its route disposition has been in the other Federal order marketing area for 3 consecutive months;

(4) A plant located outside any Federal order marketing area and qualified pursuant to paragraph (a) of this section that meets the pooling requirements of another Federal order and has had greater route disposition in such other Federal order's marketing area for 3 consecutive months;

(5) A plant located in another Federal order marketing area and qualified pursuant to paragraph (a) of this section that meets the pooling requirements of such other Federal order and does not have a majority of its route distribution in this marketing area for 3 consecutive months or if the plant is required to be regulated under such

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other Federal order without regard to its route disposition in any other Federal order marketing area;

(6) A plant qualified pursuant to paragraph (c) of this section which also meets the pooling requirements of another Federal order and from which greater qualifying shipments are made to plants regulated under the other Federal order than are made to plants regulated under the order in this part, or the plant has automatic pooling status under the other Federal order; and

(7) That portion of a regulated plant designated as a nonpool plant that is physically separate and operated separately from the pool portion of such plant. The designation of a portion of a regulated plant as a nonpool plant must be requested in advance and in writing by the handler and must be approved by the market administrator.

[64 FR 48010, Sept. 1, 1999]

### § 1131.8 Nonpool plant.

See § 1000.8.

### § 1131.9 Handler.

See § 1000.9.

### § 1131.10 Producer-handler.

*Producer-handler* means a person who:

(a) Operates a dairy farm and a distributing plant from which there is route disposition in the marketing area during the month;

(b) Receives fluid milk products from own farm production or milk that is fully subject to the pricing and pooling provisions of the order in this part or another Federal order;

(c) Receives at its plant or acquires for route disposition no more than 150,000 pounds of fluid milk products from handlers fully regulated under any Federal order. This limitation shall not apply if the producer-handler's own farm production is less than 150,000 pounds during the month;

(d) Disposes of no other source milk as Class I milk except by increasing the nonfat milk solids content of the fluid milk products;

(e) Does not distribute fluid milk products to a wholesale customer who also is serviced by a plant described in § 1131.7(a), (b), or (e), or a handler described in § 1000.8(c) that supplied the

same product in the same-sized package with a similar label to the wholesale customer during the month; and

(f) Provides proof satisfactory to the market administrator that the care and management of the dairy animals and other resources necessary to produce all Class I milk handled (excluding receipts from handlers fully regulated under any Federal order) and the operation of the distributing plant are the personal enterprise of, and at the personal risk of, such person in his/her capacity as a producer-handler.

### § 1131.11 [Reserved]

### § 1131.12 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 fluid consumption as Grade A milk and whose milk (or components of milk) is:

(1) Received at a pool plant directly from the producer or diverted by the plant operator in accordance with § 1131.13; or

(2) Received by a handler described in § 1000.9(c).

(b) Producer shall not include:

(1) A producer-handler as defined in any Federal order;

(2) A dairy farmer whose milk is received at an exempt plant, excluding producer milk diverted to the exempt plant pursuant to § 1131.13(d);

(3) A dairy farmer whose milk is received by diversion at a pool plant from a handler regulated under another Federal order if the other Federal order designates the dairy farmer as a producer under that order and that milk is allocated by request to a utilization other than Class I;

(4) A dairy farmer whose milk is reported as diverted to a plant fully regulated under another Federal order with respect to that portion of the milk so diverted that is assigned to Class I under the provisions of such other order; and

(5) A dairy farmer whose milk is received at a pool plant if during the month milk from the same farm is received at a nonpool plant (except a nonpool plant that has no utilization of milk products in any class other than

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Class III or Class IV) other than as producer milk under the order in this part or some other Federal order. Such a dairy farmer shall be known as a *dairy farmer for other markets*.

**§ 1131.13 Producer milk.**

*Producer milk* means the skim milk (or the skim equivalent of components of skim milk) and butterfat in milk of a producer that is:

(a) Received by the operator of a pool plant directly from a producer or a handler described in §1000.9(c). All milk received pursuant to this paragraph shall be priced at the location of the plant where it is first physically received;

(b) Received by a handler described in §1000.9(c) in excess of the quantity delivered to pool plants;

(c) Diverted by a pool plant operator to another pool plant. Milk so diverted shall be priced at the location of the plant to which diverted; or

(d) Diverted by the operator of a pool plant or a cooperative association described in §1000.9(c) to a nonpool plant, subject to the following conditions:

(1) Milk of a dairy farmer shall not be eligible for diversion unless at least one day's production of such dairy farmer is physically received at a pool plant during the month;

(2) The total quantity of milk diverted by a handler in any month shall not exceed 50 percent of the total producer milk caused by the handler to be received at pool plants and diverted;

(3) Diverted milk shall be priced at the location of the plant to which diverted;

(4) Any milk diverted in excess of the limits prescribed in paragraph (d)(2) of this section shall not be producer milk. If the diverting handler or cooperative association fails to designate the dairy farmers' deliveries that are not to be producer milk, no milk diverted by the handler or cooperative association during the month to a nonpool plant shall be producer milk. In the event some of the milk of any producer is determined not to be producer milk pursuant to this paragraph, other milk delivered by such producer as producer milk during the month will not be subject to §1131.12(b)(5); and

(5) The delivery day requirement in paragraph (d)(1) of this section and diversion percentage in paragraph (d)(2) of this section may be increased or decreased by the market administrator if the market administrator finds that such revision is necessary to assure orderly marketing and efficient handling of milk in the marketing area. Before making such a finding, the market administrator shall investigate the need for the revision either on the market administrator's own initiative or at the request of interested persons if the request is made in writing at least 15 days prior to the month for which the requested revision is desired effective. If the investigation shows that a revision might be appropriate, the market administrator shall issue a notice stating that the revision is being considered and inviting written data, views, and arguments. Any decision to revise the delivery day requirement or the diversion percentage must be issued in writing at least one day before the effective date.

**§ 1131.14 Other source milk.**

See § 1000.14.

**§ 1131.15 Fluid milk product.**

See § 1000.15.

**§ 1131.16 Fluid cream product.**

See § 1000.16.

**§ 1131.17 [Reserved]**

**§ 1131.18 Cooperative association.**

See § 1000.18.

**§ 1131.19 Commercial food processing establishment.**

See § 1000.19.

**HANDLER REPORTS**

**§ 1131.30 Reports of receipts and utilization.**

Each handler shall report monthly so that the market administrator's office receives the report on or before the 7th day after the end of the month, in the detail and on the forms prescribed by the market administrator, as follows:

(a) With respect to each of its pool plants, the quantities of skim milk and

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butterfat contained in or represented by:

(1) Receipts of producer milk, including producer milk diverted by the reporting handler, from sources other than handlers described in §1000.9(c);

(2) Receipts of milk from handlers described in §1000.9(c);

(3) Receipts of fluid milk products and bulk fluid cream products from other pool plants;

(4) Receipts of other source milk;

(5) Inventories at the beginning and end of the month of fluid milk products and bulk fluid cream products; and

(6) The utilization or disposition of all milk and milk products required to be reported pursuant to this paragraph.

(b) Each handler operating a partially regulated distributing plant shall report with respect to such plant in the same manner as prescribed for reports required by paragraph (a) of this section. Receipts of milk that would have been producer milk if the plant had been fully regulated shall be reported in lieu of producer milk. Such report shall show also the quantity of any reconstituted skim milk in route disposition in the marketing area.

(c) Each handler described in §1000.9(c) shall report:

(1) The quantities of all skim milk and butterfat contained in receipts of milk from producers; and

(2) The utilization or disposition of all such receipts.

(d) Each handler described in §1131.10 shall report:

(1) The pounds of milk received from each of the handler's own-farm production units, showing separately the production of each farm unit and the number of dairy cows in production at each farm unit;

(2) Fluid milk products and bulk fluid cream products received at its plant or acquired for route disposition from pool plants, other order plants, and handlers described in §1000.9(c);

(3) Receipts of other source milk not reported pursuant to paragraph (d)(2) of this section;

(4) Inventories at the beginning and end of the month of fluid milk products and fluid cream products; and

(5) The utilization or disposition of all milk and milk products required to be reported pursuant to this paragraph.

(e) Each handler not specified in paragraphs (a) through (d) of this section shall report with respect to its receipts and utilization of milk and milk products in such manner as the market administrator may prescribe.

### § 1131.31 Payroll reports.

(a) On or before the 20th day after the end of each month, each handler that operates a pool plant pursuant to §1131.7 and each handler described in §1000.9(c) shall report to the market administrator its producer payroll for such month, in the detail prescribed by the market administrator, showing for each producer:

(1) The month;

(2) The producer's name and address;

(3) The daily and total pounds of milk received from the producer;

(4) The total butterfat content of such milk; and

(5) The price per hundredweight, the gross amount due, the amount and nature of any deductions, and the net amount paid.

(b) Each handler operating a partially regulated distributing plant who elects to make payment pursuant to §1000.76(b) shall report for each dairy farmer who would have been a producer if the plant had been fully regulated in the same manner as prescribed for reports required by paragraph (a) of this section.

### § 1131.32 Other reports.

In addition to the reports required pursuant to §1131.30 and §1131.31, each handler shall report any information the market administrator deems necessary to verify or establish each handler's obligation under the order.

### CLASSIFICATION OF MILK

### § 1131.40 Classes of utilization.

See §1000.40.

### § 1131.41 [Reserved]

### § 1131.42 Classification of transfers and diversions.

See §1000.42.

### § 1131.43 General classification rules.

See §1000.43.

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**§ 1131.44 Classification of producer milk.**

See § 1000.44.

**§ 1131.45 Market administrator's reports and announcements concerning classification.**

See § 1000.45.

CLASS PRICES

**§ 1131.50 Class prices, component prices, and advanced pricing factors.**

See § 1000.50.

**§ 1131.51 Class I differential and price.**

The Class I differential shall be the differential established for Maricopa County, Arizona, which is reported in § 1000.52. The Class I price shall be the price computed pursuant to § 1000.50(a) for Maricopa County, Arizona.

**§ 1131.52 Adjusted Class I differentials.**

See § 1000.52.

**§ 1131.53 Announcement of class prices, component prices, and advanced pricing factors.**

See § 1000.53.

**§ 1131.54 Equivalent price.**

See § 1000.54.

UNIFORM PRICES

**§ 1131.60 Handler's value of milk.**

For the purpose of computing a handler's obligation for producer milk, the market administrator shall determine for each month the value of milk of each handler with respect to each of the handler's pool plants and of each handler described in § 1000.9(c) with respect to milk that was not received at a pool plant by adding the amounts computed in paragraphs (a) through (e) of this section and subtracting from that total amount the value computed in paragraph (f) of this section. Receipts of nonfluid milk products that are distributed as labeled reconstituted milk for which payments are made to the producer-settlement fund of another Federal order under § 1000.76(a)(4) or (d) shall be excluded from pricing under this section.

(a) Multiply the pounds of skim milk and butterfat in producer milk that were classified in each class pursuant to § 1000.44(c) by the applicable skim milk and butterfat prices, and add the resulting amounts;

(b) Multiply the pounds of skim milk and butterfat overage assigned to each class pursuant to § 1000.44(a)(11) and the corresponding steps of § 1000.44(b) by the respective skim milk and butterfat prices applicable at the location of the pool plant;

(c) Multiply the difference between the current month's Class I, II, or III price, as the case may be, and the Class IV price for the preceding month by the hundredweight of skim milk and butterfat subtracted from Class I, II, or III, respectively, pursuant to § 1000.44(a)(7) and the corresponding step of § 1000.44(b);

(d) Multiply the difference between the Class I price applicable at the location of the pool plant and the Class IV price by the hundredweight of skim milk and butterfat assigned to Class I pursuant to § 1000.43(d) and the hundredweight of skim milk and butterfat subtracted from Class I pursuant to § 1000.44(a)(3)(i) through (vi) and the corresponding step of § 1000.44(b), excluding receipts of bulk fluid cream products from plants regulated under other Federal orders and bulk concentrated fluid milk products from pool plants, plants regulated under other Federal orders, and unregulated supply plants;

(e) Multiply the Class I skim milk and Class I butterfat prices applicable at the location of the nearest unregulated supply plants from which an equivalent volume was received by the pounds of skim milk and butterfat in receipts of concentrated fluid milk products assigned to Class I pursuant to § 1000.43(d) and § 1000.44(a)(3)(i) and the corresponding step of § 1000.44(b) and the pounds of skim milk and butterfat subtracted from Class I pursuant to § 1000.44(a)(8) and the corresponding step of § 1000.44(b), excluding such skim milk and butterfat in receipts of fluid milk products from an unregulated supply plant to the extent that an equivalent amount of skim milk or butterfat disposed of to such plant by handlers fully regulated under any

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Federal milk order is classified and priced as Class I milk and is not used as an offset for any other payment obligation under any order.

(f) For reconstituted milk made from receipts of nonfluid milk products, multiply \$1.00 (but not more than the difference between the Class I price applicable at the location of the pool plant and the Class IV price) by the hundredweight of skim milk and butterfat contained in receipts of nonfluid milk products that are allocated to Class I use pursuant to §1000.43(d).

[64 FR 48010, Sept. 1, 1999, as amended at 65 FR 82841, Dec. 28, 2000]

**§ 1131.61 Computation of uniform prices.**

On or before the 11th day of each month, the market administrator shall compute a uniform butterfat price, a uniform skim milk price, and a uniform price for producer milk receipts reported for the prior month. The report of any handler who has not made payments required pursuant to §1131.71 for the preceding month shall not be included in the computation of these prices, and such handler's report shall not be included in the computation for succeeding months until the handler has made full payment of outstanding monthly obligations.

(a) *Uniform butterfat price.* The uniform butterfat price per pound, rounded to the nearest one-hundredth cent, shall be computed by:

(1) Multiplying the pounds of butterfat in producer milk allocated to each class pursuant to §1000.44(b) by the respective class butterfat prices;

(2) Adding the butterfat value calculated in §1131.60(e) for other source milk allocated to Class I pursuant to §1000.43(d) and the steps of §1000.44(b) that correspond to §1000.44(a)(3)(i) and §1000.44(a)(8) by the Class I price; and

(3) Dividing the sum of paragraphs (a)(1) and (a)(2) of this section by the sum of the pounds of butterfat in producer milk and other source milk used to calculate the values in paragraphs (a)(1) and (a)(2) of this section.

(b) *Uniform skim milk price.* The uniform skim milk price per hundredweight, rounded to the nearest cent, shall be computed as follows:

(1) Combine into one total the values computed pursuant to §1131.60 for all handlers;

(2) Add an amount equal to the minus location adjustments and subtract an amount equal to the plus location adjustments computed pursuant to §1131.75;

(3) Add an amount equal to not less than one-half of the unobligated balance in the producer-settlement fund;

(4) Subtract the value of the total pounds of butterfat for all handlers. The butterfat value shall be computed by multiplying the sum of the pounds of butterfat in producer milk and other source milk used to calculate the values in paragraphs (a)(1) and (a)(2) of this section by the butterfat price computed in paragraph (a) of this section;

(5) Divide the resulting amount by the sum of the following for all handlers included in these computations:

(i) The total skim pounds of producer milk; and

(ii) The total skim pounds for which a value is computed pursuant to §1131.60(e); and

(6) Subtract not less than 4 cents and not more than 5 cents.

(c) *Uniform price.* The uniform price per hundredweight, rounded to the nearest cent, shall be the sum of the following:

(1) Multiply the uniform butterfat price for the month pursuant to paragraph (a) of this section times 3.5 pounds of butterfat; and

(2) Multiply the uniform skim milk price for the month pursuant to paragraph (b) of this section times .965.

[64 FR 48010, Sept. 1, 1999, as amended at 65 FR 82841, Dec. 28, 2000]

**§ 1131.62 Announcement of uniform prices.**

On or before the 11th day after the end of the month, the market administrator shall announce the uniform prices for the month computed pursuant to §1131.61.

**PAYMENTS FOR MILK**

**§ 1131.70 Producer-settlement fund.**

See §1000.70.

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### § 1131.71 Payments to the producer-settlement fund.

Each handler shall make payment to the producer-settlement fund in a manner that provides receipt of the funds by the market administrator no later than the 13th day after the end of the month (except as provided in §1000.90). Payments due the market administrator shall be deemed not to have been made until the money owed has been received at the market administrator's office, or deposited into the market administrator's bank account. Payment shall be the amount, if any, by which the amount specified in paragraph (a) of this section exceeds the amount specified in paragraph (b) of this section:

(a) The total value of milk to the handler for the month as determined pursuant to §1131.60.

(b) The sum of:

(1) The value at the uniform prices for skim milk and butterfat, adjusted for plant location, of the handler's receipts of producer milk; and

(2) The value at the uniform price as adjusted pursuant to §1131.75 applicable at the location of the plant from which received of other source milk for which a value is computed pursuant to §1131.60(e).

### § 1131.72 Payments from the producer-settlement fund.

No later than the 14th day after the end of each month (except as provided in §1000.90), the market administrator shall pay to each handler the amount, if any, by which the amount computed pursuant to §1131.71(b) exceeds the amount computed pursuant to §1131.71(a). If, at such time, the balance in the producer-settlement fund is insufficient to make all payments pursuant to this section, the market administrator shall reduce uniformly such payments and shall complete the payments as soon as the funds are available.

### § 1131.73 Payments to producers and to cooperative associations.

(a) Except as provided in paragraphs (b) and (c) of this section, each handler shall make payment to each producer from whom milk is received during the month as follows:

(1) *Partial Payment.* For each producer who has not discontinued shipments as of the 25th day of the month, payment shall be made so that it is received by the producer on or before the 27th day of each month (except as provided in §1000.90) for milk received from such producer during the first 15 days of the month at not less than 1.3 times the lowest class price for the preceding month less proper deductions authorized in writing by the producer.

(2) *Final payment.* For milk received during the month, a payment computed as follows shall be made so that it is received by each producer one day after the payment date required in §1131.72:

(i) Multiply the hundredweight of producer skim milk received times the uniform skim milk price for the month;

(ii) Multiply the pounds of producer butterfat received times the uniform butterfat price for the month;

(iii) Multiply the hundredweight of producer milk received times the plant location adjustment pursuant to §1131.75; and

(iv) Add the amounts computed in paragraph (a)(2)(i), (ii), and (iii) of this section, and from that sum:

(A) Subtract the partial payment made pursuant to paragraph (a)(1) of this section;

(B) Subtract the deduction for marketing services pursuant to §1000.86;

(C) Add or subtract for errors made in previous payments to the producer, subject to approval by the market administrator; and

(D) Subtract proper deductions authorized in writing by the producer.

(b) Two days prior to the dates on which partial and final payments are due pursuant to paragraph (a) of this section, each handler shall pay a cooperative association for milk received as follows:

(1) *Partial payment to a cooperative association for bulk milk received directly from producers' farms.* For bulk milk (including the milk of producers who are not members of such association and who the market administrator determines have authorized the cooperative association to collect payment for their milk) received during the first 15 days of the month from a cooperative

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association in any capacity except as the operator of a pool plant, the payment shall be an amount not less than 1.3 times the lowest class price for the preceding month multiplied by the hundredweight of milk.

(2) *Partial payment to a cooperative association for milk transferred from its pool plant.* For bulk fluid milk products and bulk fluid cream products received during the first 15 days of the month from a cooperative association in its capacity as the operator of a pool plant, the partial payment shall be at the pool plant operator's estimated use value of the milk using the most recent class prices available for skim milk and butterfat at the receiving plant's location.

(3) *Final payment to a cooperative association for milk transferred from its pool plant.* For bulk fluid milk products and bulk fluid cream products received during the month from a cooperative association in its capacity as the operator of a pool plant, the final payment shall be the classified value of such milk as determined by multiplying the pounds of skim milk and butterfat assigned to each class pursuant to §1000.44 by the class prices for the month at the receiving plant's location, and subtracting from this sum the partial payment made pursuant to paragraph (b)(2) of this section.

(4) *Final payment to a cooperative association for bulk milk received directly from producers' farms.* For bulk milk received from a cooperative association during the month, including the milk of producers who are not members of such association and who the market administrator determines have authorized the cooperative association to collect payment for their milk, the final payment for such milk shall be an amount equal to the sum of the individual payments otherwise payable for such milk pursuant to paragraph (a)(2) of this section.

(c) If a handler has not received full payment from the market administrator pursuant to §1131.72 by the payment date specified in paragraph (a) or (b) of this section, the handler may reduce pro rata his payments pursuant to such paragraphs, but by not more than the amount of such underpayment. Payments to producers shall be completed on the next scheduled payment

date after receipt of the balance due from the market administrator.

(d) If a handler claims that a required payment to a producer cannot be made because the producer is deceased or cannot be located, or because the cooperative association or its lawful successor or assignee is no longer in existence, the payment shall be made to the producer-settlement fund. In the event the handler subsequently locates and pays the producer or a lawful claimant, or in the event that the handler no longer exists and a lawful claim is later established, the market administrator shall make the required payment from the producer-settlement fund to the handler or the lawful claimant, as the case may be.

(e) In making payments to producers pursuant to this section, each pool plant operator shall furnish each producer, except a producer whose milk was received from a cooperative association described in §1000.9(a) or (c), a supporting statement in such form that it may be retained by the recipient which shall show:

(1) The month, and identity of the producer;

(2) The daily and total pounds and the total pounds of butterfat content of producer milk;

(3) The minimum rate at which payment to the producer is required pursuant to the order in this part;

(4) The rate used in making payments if the rate is other than the applicable minimum rate;

(5) The amount, rate per hundredweight, and nature of each deduction claimed by the handler; and

(6) The net amount of payment to the producer or cooperative association.

[64 FR 48010, Sept. 1, 1999, as amended at 65 FR 32010, May 22, 2000]

### § 1131.74 [Reserved]

### § 1131.75 Plant location adjustments for producers and nonpool milk.

For purposes of making payments for producer milk and nonpool milk, a plant location adjustment shall be determined by subtracting the Class I price specified in §1131.51 from the Class I price at the plant's location. The difference, plus or minus as the case may be, shall be used to adjust the

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payments required pursuant to §§ 1131.73 and 1000.76.

**§ 1131.76 Payments by handler operating a partially regulated distributing plant.**

See § 1000.76.

**§ 1131.77 Adjustment of accounts.**

See § 1000.77.

**§ 1131.78 Charges on overdue accounts.**

See § 1000.78.

**ADMINISTRATIVE ASSESSMENT AND MARKETING SERVICE DEDUCTION**

**§ 1131.85 Assessment for order administration.**

See § 1000.85.

**§ 1131.86 Deduction for marketing services.**

See § 1000.86.

**PARTS 1132–1134 [RESERVED]**

**PART 1135—MILK IN THE WESTERN MARKETING AREA**

**Subpart—Order Regulating Handling**

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Sec.

1135.1 General provisions.

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**ADMINISTRATIVE ASSESSMENT AND MARKETING SERVICE DEDUCTION**

- 1135.85 Assessment for order administration.
- 1135.86 Deduction for marketing services.

**AUTHORITY:** 7 U.S.C. 601–674, and 7253.

**SOURCE:** 64 FR 48015, Sept. 1, 1999, unless otherwise noted.

**Subpart—Order Regulating Handling**

**GENERAL PROVISIONS**

**§ 1135.1 General provisions.**

The terms, definitions, and provisions in part 1000 of this chapter apply to this part 1135. In this part 1135, all references to sections in part 1000 refer to part 1000 of this chapter.

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DEFINITIONS

**§ 1135.2 Western marketing area.**

The marketing area means all territory within the bounds of the following states and political subdivisions, including all piers, docks and wharves connected therewith and all craft moored thereat, and all territory occupied by government (municipal, State or Federal) reservations, installations, institutions, or other similar establishments if any part thereof is within any of the listed states or political subdivisions:

IDAHO COUNTIES

Ada, Adams, Bannock, Bear Lake, Bingham, Blaine, Boise, Bonneville, Camas, Canyon, Caribou, Cassia, Elmore, Franklin, Gem, Gooding, Jefferson, Jerome, Lincoln, Madison, Minidoka, Oneida, Owyhee, Payette, Power, Twin Falls, Valley, and Washington.

NEVADA COUNTIES

Elko, Lincoln, and White Pine.

OREGON COUNTIES

Baker, Grant, Harney, Malheur, and Union.

UTAH

All of the state of Utah.

WYOMING COUNTIES

Lincoln and Uinta.

**§ 1135.3 Route disposition.**

See § 1000.3.

**§ 1135.4 Plant.**

See § 1000.4.

**§ 1135.5 Distributing plant.**

See § 1000.5.

**§ 1135.6 Supply plant.**

See § 1000.6.

**§ 1135.7 Pool plant.**

*Pool Plant* means a plant or unit of plants specified in paragraphs (a) through (e) of this section, but excluding a plant specified in paragraph (g) of this section. The pooling standards described in paragraphs (c) and (d) of this section are subject to modification pursuant to paragraph (f) of this section.

(a) A distributing plant, other than a plant qualified as a pool plant pursuant to paragraph (b) of this section or § \_\_\_\_\_ .7(b) of any other Federal milk order, from which during the month 25 percent or more of the total quantity of fluid milk products physically received at the plant (excluding concentrated milk received from another plant by agreement for other than Class I use) are disposed of as route disposition or are transferred in the form of packaged fluid milk products to other distributing plants. At least 25 percent of such route disposition and transfers must be to outlets in the marketing area.

(b) Any distributing plant located in the marketing area which during the month processed at least 25 percent of the total quantity of fluid milk products physically received at the plant (excluding concentrated milk received from another plant by agreement for other than Class I use) into ultra-pasteurized or aseptically-processed fluid milk products.

(c) A supply plant from which during the month the quantity of bulk fluid milk products transferred or diverted to plants described in paragraph (a) or (b) of this section is 35 percent or more of the total Grade A milk received at the plant from dairy farmers (except dairy farmers described in § 1135.12(b)) and handlers described in § 1000.9(c) and § 1135.11, including milk diverted by the plant operator, subject to the following conditions:

(1) A supply plant that has qualified as a pool plant during each of the immediately preceding months of September through February shall continue to so qualify in each of the following months of March through August unless the plant operator files a written request with the market administrator that such plant not be a pool plant, such nonpool status to be effective the first month following such request. A plant withdrawn from pool supply plant status may not be reinstated for any subsequent month of the March through July period unless it qualifies as a pool plant on the basis of milk shipments;

(2) A pool plant operator may include as qualifying shipments milk diverted

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to pool distributing plants pursuant to § 1135.13(c);

(3) Concentrated milk transferred from the supply plant to a distributing plant for an agreed-upon use other than Class I shall be excluded from the supply plant's shipments in computing the plant's shipping percentage; and

(4) No plant may qualify as a pool plant due to a reduction in the shipping percentage pursuant to paragraph (f) of this section unless it has been a pool supply plant during each of the immediately preceding 3 months.

(d) A milk manufacturing plant located within the marketing area that is operated by a cooperative association if, during the month or the immediately preceding 12-month period ending with the current month, 35% or more of such cooperative's member producer milk (and any producer milk of nonmembers and members of another cooperative association which may be marketed by the cooperative association) is physically received in the form of bulk fluid milk products (excluding concentrated milk transferred to a distributing plant for an agreed-upon use other than Class I) at plants specified in paragraph (a) or (b) of this section either directly from farms or by transfer from supply plants operated by the cooperative association and from plants of the cooperative association for which pool plant status has been requested under this paragraph subject to the following conditions:

(1) The plant does not qualify as a pool plant under paragraph (a), (b) or (c) of this section or under comparable provisions of another Federal order; and

(2) The plant is approved by a duly constituted regulatory agency for the handling of milk approved for fluid consumption in the marketing area.

(2) The plant is approved by a duly constituted regulatory agency for the handling of milk approved for fluid consumption in the marketing area.

(e) Two or more plants located in the marketing area and operated by the same handler may qualify for pool plant status as a unit by together meeting the requirements specified in paragraph (a) of this section and sub-

ject to the following additional requirements:

(1) At least one of the plants in the unit must individually qualify as a pool plant pursuant to paragraph (a) of this section;

(2) Other plants in the unit must process Class I or Class II products, using 50 percent or more of the total Grade A fluid milk products received in bulk form at such plant or diverted therefrom by the plant operator in Class I or Class II products, and must be located in a pricing zone providing the same or a lower Class I price than the price applicable at the distributing plant included in the unit pursuant to paragraph (e)(1) of this section; and

(3) A written request to form a unit must be filed by the handler with the market administrator prior to the first day of the month for which such status is to be effective. The unit shall continue from month to month thereafter without further notification. The handler shall notify the market administrator in writing prior to the first day of any month for which termination or any change of the unit is desired.

(f) The applicable shipping percentages of paragraphs (c) and (d) of this section may be increased or decreased by the market administrator if the market administrator finds that such adjustment is necessary to encourage needed shipments or to prevent uneconomic shipments. Before making such a finding, the market administrator shall investigate the need for adjustment either on the market administrator's own initiative or at the request of interested parties if the request is made in writing at least 15 days prior to the month for which the requested revision is desired effective. If the investigation shows that an adjustment of the shipping percentages might be appropriate, the market administrator shall issue a notice stating that an adjustment is being considered and invite data, views and arguments. Any decision to revise an applicable shipping percentage must be issued in writing at least one day before the effective date.

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

(1) A producer-handler as defined under any Federal order;

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(2) An exempt plant as defined in 1000.8(e);

(3) A plant located within the marketing area and qualified pursuant to paragraph (a) of this section which meets the pooling requirements of another Federal order, and from which more than 50 percent of its route disposition has been in the other Federal order marketing area for 3 consecutive months;

(4) A plant located outside any Federal order marketing area and qualified pursuant to paragraph (a) of this section that meets the pooling requirements of another Federal order and has had greater route disposition in such other Federal order's marketing area for 3 consecutive months;

(5) A plant located in another Federal order marketing area and qualified pursuant to paragraph (a) of this section that meets the pooling requirements of such other Federal order and does not have a majority of its route distribution in this marketing area for 3 consecutive months or if the plant is required to be regulated under such other Federal order without regard to its route disposition in any other Federal order marketing area;

(6) A plant qualified pursuant to paragraph (c) of this section which also meets the pooling requirements of another Federal order and from which greater qualifying shipments are made to plants regulated under the other Federal order than are made to plants regulated under the order in this part, or the plant has automatic pooling status under the other Federal order; and

(7) That portion of a regulated plant designated as a nonpool plant that is physically separate and operated separately from the pool portion of such plant. The designation of a portion of a regulated plant as a nonpool plant must be requested in advance and in writing by the handler and must be approved by the market administrator.

### § 1135.8 Nonpool plant.

See § 1000.8.

### § 1135.9 Handler.

In addition to the handlers defined in § 1000.9, handler shall include a person meeting the standards set forth in § 1135.11.

### § 1135.10 Producer-handler.

*Producer-handler* means a person who:

(a) Operates a dairy farm and a distributing plant from which there is route disposition in the marketing area during the month;

(b) Receives fluid milk products from own farm production or milk that is fully subject to the pricing and pooling provisions of the order in this part or another Federal order;

(c) Receives at its plant or acquires for route disposition no more than 150,000 pounds of fluid milk products from handlers fully regulated under any Federal order. This limitation shall not apply if the producer-handler's own farm production is less than 150,000 pounds during the month;

(d) Disposes of no other source milk as Class I milk except by increasing the nonfat milk solids content of the fluid milk products; and

(e) Provides proof satisfactory to the market administrator that the care and management of the dairy animals and other resources necessary to produce all Class I milk handled (excluding receipts from handlers fully regulated under any Federal order) and the processing and packaging operations are the producer-handler's own enterprise and are operated at its own risk.

### § 1135.11 Proprietary bulk tank handler.

Any person, except a cooperative association, with respect to milk that it receives for its account from the farm of a producer in a tank truck owned and operated by, or under the control of, such person and which is delivered during the month for the account of such person to the pool plant of another handler or diverted pursuant to § 1135.13, subject to the following conditions:

(a) Such person must operate a plant located in the marketing area at which milk is processed only into Class II, Class III, or Class IV products; and

(b) Prior to operating as a handler pursuant to this paragraph, such person must submit to the market administrator a statement signed by the applicant and the operator of the pool

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plant to which the milk will be delivered specifying that the applicant will be the responsible handler for the milk.

### § 1135.12 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 fluid consumption as Grade A milk and whose milk (or components of milk) is:

(1) Received at a pool plant directly from the producer or diverted by the plant operator in accordance with § 1135.13; or

(2) Received by a handler described in § 1000.9(c) or § 1135.11.

(b) Producer shall not include:

(1) A producer-handler as defined in any Federal order;

(2) A dairy farmer whose milk is delivered to an exempt plant, excluding producer milk diverted to the exempt plant pursuant to § 1135.13(d);

(3) A dairy farmer whose milk is diverted to a pool plant by a handler regulated under another Federal order if the other Federal order designates the dairy farmer as a producer under that order and that milk is allocated by request to a utilization other than Class I;

(4) A dairy farmer whose milk is reported as diverted to a plant fully regulated under another Federal order with respect to that portion of the milk so diverted that is assigned to Class I under the provisions of such other order; and

(5) A dairy farmer whose milk was received at a nonpool plant during the month from the same farm (except a nonpool plant that has no utilization of milk products in any Class other than Class III or Class IV) as other than producer milk under the order in this part or any other Federal order. Such a dairy farmer shall be known as a *dairy farmer for other markets*.

### § 1135.13 Producer milk.

*Producer milk* means the skim milk (or the skim equivalent of components of skim milk), including nonfat components, and butterfat in milk of a producer that is:

(a) Received by the operator of a pool plant directly from a producer, a han-

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dlers described in § 1000.9(c), or a handler described in § 1135.11. All milk received pursuant to this paragraph shall be priced at the location of the plant where it is first physically received;

(b) Received by a handler described in § 1000.9(c) or in § 1135.11 in excess of the quantity delivered to pool plants;

(c) Diverted by a pool plant operator to another pool plant. Milk so diverted shall be priced at the location of the plant to which diverted; or

(d) Diverted by the operator of a pool plant, a cooperative association described in § 1000.9(c), or a proprietary bulk tank handler described in § 1135.11, to a nonpool plant, subject to the following conditions:

(1) Milk of a dairy farmer shall not be eligible for diversion unless at least one day's milk production of such dairy farmer has been physically received as producer milk at a pool plant and the dairy farmer has continuously retained producer status since that time. If a dairy farmer loses producer status under the order in this part (except as a result of a temporary loss of Grade A approval), the dairy farmer's milk shall not be eligible for diversion until one day's milk production has been physically received as producer milk at a pool plant;

(2) Of the quantity of producer milk received during the month (including diversions) the handler diverts to nonpool plants not more than 90 percent;

(3) Two or more handlers described in § 1000.9(c) may have their allowable diversions computed on the basis of their combined deliveries of producer milk which they caused to be delivered to pool plants or diverted during the month if each has filed a request in writing with the market administrator before the first day of the month the agreement is to be effective. The request shall specify the basis for assigning overdiverted milk to the producer deliveries of each according to a method approved by the market administrator.

(4) Diverted milk shall be priced at the location of the plant to which diverted;

(5) Any milk diverted in excess of the limits prescribed in paragraph (d)(2) of this section shall not be producer milk.

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If the diverting handler, cooperative association, or proprietary bulk tank handler fails to designate the dairy farmers' deliveries that are not to be producer milk, no milk diverted by the handler, cooperative association, or proprietary bulk tank handler during the month to a nonpool plant shall be producer milk. In the event some of the milk of any producer is determined not to be producer milk pursuant to this paragraph, other milk delivered by such producer as producer milk during the month will not be subject to §1135.12(b)(5); and

(6) The delivery day requirement in paragraph (d)(1) and the diversion percentage in paragraph (d)(2) of this section may be increased or decreased by the market administrator if the market administrator finds that such revision is necessary to assure orderly marketing and efficient handling of milk in the marketing area. Before making such a finding, the market administrator shall investigate the need for the revision either on the market administrator's own initiative or at the request of interested persons if the request is made in writing at least 15 days prior to the month for which the requested revision is desired effective. If the investigation shows that a revision might be appropriate, the market administrator shall issue a notice stating that the revision is being considered and inviting written data, views, and arguments. Any decision to revise the delivery day requirement or the diversion percentage must be issued in writing at least one day before the effective date.

**§ 1135.14 Other source milk.**

See §1000.14.

**§ 1135.15 Fluid milk product.**

See §1000.15.

**§ 1135.16 Fluid cream product.**

See §1000.16.

**§ 1135.17 [Reserved]**

**§ 1135.18 Cooperative association.**

See §1000.18.

**§ 1135.19 Commercial food processing establishment.**

See §1000.19.

**HANDLER REPORTS**

**§ 1135.30 Reports of receipts and utilization.**

Each handler shall report monthly so that the market administrator receives the report on or before the 7th day after the end of each month, in the detail and on the forms prescribed by the market administrator, as follows:

(a) Each handler that operates a pool plant pursuant to §1135.7 shall report for each of its operations the following information:

(1) Product pounds, pounds of butterfat, pounds of protein, and pounds of solids-not-fat other than protein (other solids), contained in or represented by:

(i) Receipts of producer milk, including producer milk diverted by the reporting handler, from sources other than handlers described in §1000.9(c) and §1135.11; and

(ii) Receipts of milk from handlers described in §1000.9(c) and §1135.11;

(2) Product pounds and pounds of butterfat contained in:

(i) Receipts of fluid milk products and bulk fluid cream products from other pool plants;

(ii) Receipts of other source milk; and

(iii) Inventories at the beginning and end of the month of fluid milk products and bulk fluid cream products;

(3) The utilization or disposition of all milk and milk products required to be reported pursuant to this paragraph; and

(4) Such other information with respect to the receipts and utilization of skim milk, butterfat, milk protein, and other nonfat solids, as the market administrator may prescribe.

(b) Each handler operating a partially regulated distributing plant shall report with respect to such plant in the same manner as prescribed for reports required by paragraph (a) of this section. Receipts of milk that would have been producer milk if the plant had been fully regulated shall be reported in lieu of producer milk. The report shall show also the quantity of

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any reconstituted skim milk in route disposition in the marketing area.

(c) Each handler described in §§1000.9(c) or 1135.11 shall report:

(1) The product pounds, pounds of butterfat, pounds of protein, and the pounds of solids-not-fat other than protein (other solids) contained in receipts of milk from producers; and

(2) The utilization or disposition of such receipts.

(d) Each handler not specified in paragraphs (a) through (c) of this section shall report with respect to its receipts and utilization of milk and milk products in such manner as the market administrator may prescribe.

**§ 1135.31 Payroll reports.**

(a) On or before the 21st day after the end of each month, each handler that operates a pool plant pursuant to §1135.7 and each handler described in §1000.9(c) and in §1135.11 shall report to the market administrator its producer payroll for the month, in the detail prescribed by the market administrator, showing for each producer the information described in §1135.73(e).

(b) Each handler operating a partially regulated distributing plant who elects to make payment pursuant to §1000.76(b) shall report for each dairy farmer who would have been a producer if the plant had been fully regulated in the same manner as prescribed for reports required by paragraph (a) of this section.

**§ 1135.32 Other reports.**

In addition to the reports required pursuant to §§1135.30 and 1135.31, each handler shall report any information the market administrator deems necessary to verify or establish each handler's obligation under the order.

CLASSIFICATION OF MILK

**§ 1135.40 Classes of utilization.**

See § 1000.40.

**§ 1135.41 [Reserved]**

**§ 1135.42 Classification of transfers and diversions.**

See § 1000.42.

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**§ 1135.43 General classification rules.**

See § 1000.43.

**§ 1135.44 Classification of producer milk.**

See § 1000.44.

**§ 1135.45 Market administrator's reports and announcements concerning classification.**

See § 1000.45.

CLASS PRICES

**§ 1135.50 Class prices, component prices, and advanced pricing factors.**

See § 1000.50.

**§ 1135.51 Class I differential and price.**

The Class I differential shall be the differential established at Salt Lake County, Utah, which is reported in §1000.52. The Class I price shall be the price computed pursuant to §1000.50(a) for Salt Lake County, Utah.

**§ 1135.52 Adjusted Class I differentials.**

See § 1000.52.

**§ 1135.53 Announcement of class prices, component prices, and advanced pricing factors.**

See § 1000.53.

**§ 1135.54 Equivalent price.**

See § 1000.54.

PRODUCER PRICE DIFFERENTIAL

**§ 1135.60 Handler's value of milk.**

For the purpose of computing a handler's obligation for producer milk, the market administrator shall determine for each month the value of milk of each handler with respect to each of the handler's pool plants, and of each handler described in §1000.9(c) and each handler described in §1135.11, with respect to milk that was not received at a pool plant, by adding the amounts computed in paragraphs (a) through (h) of this section and subtracting from that total amount the value computed in paragraph (i) of this section. Unless otherwise specified, the skim milk, butterfat, and the combined pounds of skim milk and butterfat referred to in this section shall result from the steps

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set forth in §1000.44 (a), (b), and (c), respectively, and the nonfat components of producer milk in each class shall be based upon the proportion of such nonfat components in producer skim milk. Receipts of nonfluid milk products that are distributed as labeled reconstituted milk for which payments are made to the producer-settlement fund of another Federal order under §1000.76 (a)(4) or (d) shall be excluded from pricing under this section.

(a) Class I value.

(1) Multiply the hundredweight of skim milk in Class I by the Class I skim milk price; and

(2) Add an amount obtained by multiplying the pounds of butterfat in Class I by the Class I butterfat price.

(b) Class II value.

(1) Multiply the pounds of nonfat solids in Class II skim milk by the Class II nonfat solids price; and

(2) Add an amount obtained by multiplying the pounds of butterfat in Class II times the Class II butterfat price.

(c) Class III value.

(1) Multiply the pounds of protein in Class III skim milk by the protein price;

(2) Add an amount obtained by multiplying the pounds of other solids in Class III skim milk by the other solids price; and

(3) Add an amount obtained by multiplying the pounds of butterfat in Class III by the Class III butterfat price.

(d) Class IV value.

(1) Multiply the pounds of nonfat solids in Class IV skim milk by the nonfat solids price; and

(2) Add an amount obtained by multiplying the pounds of butterfat in Class IV by the Class IV butterfat price.

(e) Multiply the pounds of skim milk and butterfat overage assigned to each class pursuant to §1000.44(a)(11) and the corresponding step of §1000.44(b) by the skim milk prices and butterfat prices applicable to each class.

(f) Multiply the difference between the current month's Class I, II, or III price, as the case may be, and the Class IV price for the preceding month by the hundredweight of skim milk and butterfat subtracted from Class I, II, or III, respectively, pursuant to

§1000.44(a)(7) and the corresponding step of §1000.44(b);

(g) Multiply the difference between the Class I price applicable at the location of the pool plant and the Class IV price by the hundredweight of skim milk and butterfat assigned to Class I pursuant to §1000.43(d) and the hundredweight of skim milk and butterfat subtracted from Class I pursuant to §1000.44(a)(3) (i) through (vi) and the corresponding step of §1000.44(b), excluding receipts of bulk fluid cream products from plants regulated under other Federal orders and bulk concentrated fluid milk products from pool plants, plants regulated under other Federal orders, and unregulated supply plants.

(h) Multiply the Class I skim milk and Class I butterfat prices applicable at the location of the nearest unregulated supply plants from which an equivalent volume was received by the pounds of skim milk and butterfat in receipts of concentrated fluid milk products assigned to Class I pursuant to §1000.43(d) and §1000.44(a)(3)(i) and the corresponding step of §1000.44(b) and the pounds of skim milk and butterfat subtracted from Class I pursuant to §1000.44(a)(8) and the corresponding step of §1000.44(b), excluding such skim milk and butterfat in receipts of fluid milk products from an unregulated supply plant to the extent that an equivalent amount of skim milk or butterfat disposed of to such plant by handlers fully regulated under any Federal milk order is classified and priced as Class I milk and is not used as an offset for any other payment obligation under any order.

(i) For reconstituted milk made from receipts of nonfluid milk products, multiply \$1.00 (but not more than the difference between the Class I price applicable at the location of the pool plant and the Class IV price) by the hundredweight of skim milk and butterfat contained in receipts of nonfluid milk products that are allocated to Class I use pursuant to §1000.43(d).

[64 FR 48015, Sept. 1, 1999, as amended at 65 FR 82841, Dec. 28, 2000]

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**§ 1135.61 Computation of producer butterfat price and producer price differential.**

For each month, the market administrator shall compute a producer butterfat price per pound of butterfat and a producer price differential per hundredweight. The report of any handler who has not made payments required pursuant to § 1135.71 for the preceding month shall not be included in these computations, and such handler's report shall not be included in the computation for succeeding months until the handler has made full payment of outstanding monthly obligations. Subject to the conditions of this paragraph, the market administrator shall compute the producer butterfat price and the producer price differential in the following manner:

(a) *Producer butterfat price.* The producer butterfat price per pound, rounded to the nearest one-hundredth cent, shall be computed by:

(1) Multiplying the pounds of butterfat in producer milk allocated to each class pursuant to § 1000.44(b) by the respective class butterfat prices;

(2) Adding the butterfat value calculated in § 1135.60(h) for other source milk allocated to Class I pursuant to § 1000.43(d) and the steps of § 1000.44(b) that correspond to § 1000.44(a)(3)(i) and § 1000.44(a)(8) by the Class I price; and

(3) Dividing the sum of paragraphs (a)(1) and (a)(2) of this section by the sum of the pounds of butterfat in producer milk and other source milk used to calculate the values in paragraphs (a)(1) and (a)(2) of this section.

(b) *Producer price differential.* (1) Combine into one total the values computed pursuant to § 1135.60 for all handlers required to file reports prescribed in § 1135.30;

(2) Subtract the total of the values obtained:

(i) By multiplying the total pounds of protein, other solids, and butterfat contained in each handler's producer milk for which an obligation was computed pursuant to § 1135.60(a) through (g) and § 1135.60(i) by the protein price, other solids price, and producer butterfat price, respectively;

(ii) By multiplying each handler's pounds of skim milk and butterfat for which a value is computed pursuant to

§ 1135.60(h) by the Class III skim milk price and the producer butterfat price, respectively;

(3) Add an amount equal to the minus location adjustments and subtract an amount equal to the plus location adjustments computed pursuant to § 1135.75;

(4) Add an amount equal to not less than one-half of the unobligated balance in the producer-settlement fund;

(5) Divide the resulting amount by the sum of the following for all handlers included in these computations:

(i) The total hundredweight of producer milk; and

(ii) The total hundredweight for which a value is computed pursuant to § 1135.60(h); and

(6) Subtract not less than 4 cents nor more than 5 cents from the price computed pursuant to paragraph (b)(5) of this section. The result shall be known as the *producer price differential* for the month.

[65 FR 82841, Dec. 28, 2000]

**§ 1135.62 Announcement of producer prices.**

On or before the 12th day after the end of each month, the market administrator shall announce publicly the following prices and information:

(a) The producer price differential;

(b) The protein price;

(c) The nonfat solids price;

(d) The other solids price;

(e) The producer butterfat price;

(f) [Reserved]

(g) The statistical uniform price computed by adding the following values:

(1) The Class III skim milk price computed in § 1000.50(i) multiplied by .965;

(2) The producer butterfat price computed in § 1135.61(a) multiplied by 3.5; and

(3) The producer price differential computed in § 1135.61(b).

(h) The statistical uniform price for milk containing 3.5 percent butterfat, computed by combining the Class III price and the producer price differential.

[64 FR 48015, Sept. 1, 1999, as amended at 65 FR 82842, Dec. 28, 2000]

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### PAYMENTS FOR MILK

#### § 1135.70 Producer-settlement fund.

See § 1000.70.

#### § 1135.71 Payments to the producer-settlement fund.

Each handler shall make payment to the producer-settlement fund in a manner that provides receipt of the funds by the market administrator no later than the 14th day after the end of the month (except as provided in § 1000.90). Payment shall be the amount, if any, by which the amount specified in paragraph (a) of this section exceeds the amount specified in paragraph (b) of this section:

(a) The total value of milk to the handler for the month as determined pursuant to § 1135.60.

(b) The sum of:

(1) An amount obtained by multiplying the total hundredweight of producer milk as determined pursuant to § 1000.44(c) by the producer price differential as adjusted pursuant to § 1135.75;

(2) An amount obtained by multiplying the total pounds of protein, other solids, and butterfat contained in producer milk by the protein, other solids, and producer butterfat prices respectively;

(3) An amount obtained by multiplying the hundredweight, the pounds of skim milk, and the pounds of butterfat for which a value was computed pursuant to § 1135.60(h) by the producer price differential, the Class III skim milk price, and the producer butterfat price, respectively, as adjusted pursuant to § 1135.75 applicable at the location of the plant from which received; and

(4) An amount obtained by multiplying the pounds of skim milk and butterfat for which a value was computed pursuant to § 1135.60(h) by the producer price differential as adjusted pursuant to § 1135.75 for the location of the plant from which received.

[64 FR 48015, Sept. 1, 1999, as amended at 65 FR 82842, Dec. 28, 2000]

#### § 1135.72 Payments from the producer-settlement fund.

No later than the 15th day after the end of each month (except as provided

in § 1000.90), the market administrator shall pay to each handler the amount, if any, by which the amount computed pursuant to § 1135.71(b) exceeds the amount computed pursuant to § 1135.71(a). If, at such time, the balance in the producer-settlement fund is insufficient to make all payments pursuant to this section, the market administrator shall reduce uniformly such payments and shall complete the payments as soon as the funds are available.

#### § 1135.73 Payments to producers and to cooperative associations.

(a) Except as provided in paragraph (b) of this section, each handler shall make payment to each producer from whom milk is received during the month as follows:

(1) *Partial payment.* On or before the 25th day of each month (except as provided in § 1000.90) to each producer an amount not less than 1.2 times the lowest class price for the preceding month multiplied by the hundredweight of milk received from such producer during the first 15 days of the month, less proper deductions authorized in writing by such producer to be made from payments due pursuant to this paragraph.

(2) *Final payment.* On or before the 17th day of the following month (except as provided in § 1000.90), not less than an amount computed by the sum of the following:

(i) The hundredweight of producer milk received times the producer price differential for the month as adjusted pursuant to § 1135.75;

(ii) The pounds of butterfat in producer milk received times the producer butterfat price for the month;

(iii) The pounds of protein in producer milk received times the protein price for the month;

(iv) The pounds of other solids in producer milk received times the other solids price for the month;

(v) [Reserved]

(vi) Less any payments made pursuant to paragraph (a)(1) of this section;

(vii) Less proper deductions authorized in writing by such producer and plus or minus adjustments for errors in previous payments to such producer

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subject to approval by the market administrator; and

(viii) Less deductions made for marketing service pursuant to §1000.86.

(b) One day prior to the dates on which partial and final payments are due pursuant to paragraph (a) of this section, each handler shall pay a cooperative association for milk received as follows:

(1) *Partial payment to a cooperative association for bulk milk received directly from producers' farms.* For bulk milk (including the milk of producers who are not members of such association and who the market administrator determines have authorized the cooperative association to collect payment for their milk) received during the first 15 days of the month from a cooperative association in any capacity, except as the operator of a pool plant, the payment shall be an amount not less than 1.2 times the lowest class price for the preceding month multiplied by the hundredweight of milk.

(2) *Partial payment to a cooperative association for milk transferred from its pool plant.* For bulk fluid milk products and bulk fluid cream products received during the first 15 days of the month from a cooperative association in its capacity as the operator of a pool plant, the partial payment shall be at the pool plant operator's estimated use value of the milk using the most recent class prices available at the receiving plant's location.

(3) *Final payment to a cooperative association for milk transferred from its pool plant.* For the total quantity of bulk fluid milk products and bulk fluid cream products received from a cooperative association in its capacity as the operator of a pool plant, the final payment shall be at not less than the total value of such products received from the association's pool plants, as determined by multiplying the respective quantities assigned to each class under §1000.44, as follows:

(i) The hundredweight of Class I skim milk times the Class I skim milk price for the month plus the pounds of Class I butterfat times the Class I butterfat price for the month. The Class I prices to be used shall be the prices effective at the location of the receiving plant;

(ii) The pounds of nonfat solids in Class II skim milk by the Class II nonfat solids price;

(iii) The pounds of butterfat in Class II times the Class II butterfat price;

(iv) The pounds of nonfat solids in Class IV times the nonfat solids price;

(v) The pounds of butterfat in Class III and Class IV milk times the respective butterfat prices for the month;

(vi) The pounds of protein in Class III milk times the protein price;

(vii) The pounds of other solids in Class III milk times the other solids price; and

(viii) Add together the amounts computed in paragraphs (b)(3)(i) through (vii) of this section and from that sum deduct any payment made pursuant to paragraph (b)(1) of this section.

(4) *Final payment to a cooperative association for bulk milk received directly from producers' farms.* For bulk milk received from a cooperative association during the month, including the milk of producers who are not members of such association and who the market administrator determines have authorized the cooperative association to collect payment for their milk, the final payment for such milk shall be an amount equal to the sum of the individual payments otherwise payable for such milk pursuant to paragraph (a)(2) of this section.

(c) If a handler has not received full payment from the market administrator pursuant to §1135.72 by the payment date specified in paragraph (a) or (b) of this section, the handler may reduce pro rata its payments to producers or to the cooperative association by not more than the amount of such underpayment. The payments shall be completed on the next scheduled payment date after receipt of the balance due from the market administrator.

(d) If a handler claims that a required payment to a producer cannot be made because the producer is deceased or cannot be located, or because the cooperative association or its lawful successor or assignee is no longer in existence, the payment shall be made to the producer settlement fund, and in the event the handler subsequently locates and pays the producer or a lawful

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claimant, or in the event that the handler no longer exists and a lawful claim is later established, the market administrator shall make the required payment from the producer-settlement fund to the handler or to the lawful claimant, as the case may be.

(e) In making payments to producers pursuant to this section, each handler shall furnish each producer, except a producer whose milk was received from a cooperative association handler described in §1000.9(a) or (c), a supporting statement in a form that may be retained by the recipient which shall show:

(1) The name, address, Grade A identifier assigned by a duly constituted regulatory agency, and payroll number of the producer;

(2) The daily and total pounds, and the month and dates such milk was received from that producer;

(3) The total pounds of butterfat, protein, and other solids contained in the producer's milk;

(4) [Reserved]

(5) The minimum rate or rates at which payment to the producer is required pursuant to the order in this part;

(6) The rate used in making payment if the rate is other than the applicable minimum rate;

(7) The amount, or rate per hundred-weight, or rate per pounds of component, and the nature of each deduction claimed by the handler; and

(8) The net amount of payment to the producer or cooperative association.

[64 FR 48015, Sept. 1, 1999, as amended at 65 FR 32010, May 22, 2000; 65 FR 82842, Dec. 28, 2000]

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### § 1135.75 Plant location adjustments for producer milk and nonpool milk.

For purposes of making payments for producer milk and nonpool milk, a plant location adjustment shall be determined by subtracting the Class I price specified in §1135.51 from the Class I price at the plant's location. The difference, plus or minus as the case may be, shall be used to adjust the payments required pursuant to §§ 1135.73 and 1000.76.

### § 1135.76 Payments by a handler operating a partially regulated distributing plant.

See § 1000.76.

### § 1135.77 Adjustment of accounts.

See § 1000.77.

### § 1135.78 Charges on overdue accounts.

See § 1000.78.

#### ADMINISTRATIVE ASSESSMENT AND MARKETING SERVICE DEDUCTION

### § 1135.85 Assessment for order administration.

See § 1000.85.

### § 1135.86 Deduction for marketing services.

See § 1000.86.

## PARTS 1136–1139 [RESERVED]

## PART 1140—DAIRY FORWARD PRICING PILOT PROGRAM

### Subpart A—Definitions

Sec.  
1140.1 Definitions.

### Subpart B—Rules Governing Forward Contracts

1140.2 Rules governing forward contracts.

AUTHORITY: 7 U.S.C. 601 *et seq.*

SOURCE: 65 FR 44413, July 18, 2000, unless otherwise noted.

### Subpart A—Definitions

#### § 1140.1 Definitions.

(a) *Pilot program* means the dairy forward pricing pilot program provided by an amendment to the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 *et seq.*) signed into law on November 29, 1999 (Section 3 of H.R. 3428 of the 106th Congress, as enacted by section 1001(a)(8) of Public Law 106–113 (113 Stat. 1536)).

(b) *Eligible milk* means the quantity of milk equal to the contracting handler's Class II, III, and IV utilization of producer milk, in product pounds, during the month, combining all plants of a

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single handler regulated under the same Federal order.

(c) *Forward contract* means an agreement covering the terms and conditions for the sale of milk from a producer defined in §§1001.12, 1005.12, 1006.12, 1007.12, 1030.12, 1032.12, 1033.12, 1124.12, 1126.12, 1131.12, and 1135.12, or a cooperative association defined in §1000.18, and a handler defined in §1000.9 or 1135.9.

(d) *Contract milk* means the producer milk covered by a forward contract.

(e) *Disclosure statement* means the following statement which must be signed by each producer entering into a forward contract with a handler before the market administrator will recognize the terms and conditions provided in such contract.

DISCLOSURE STATEMENT

I am voluntarily entering into a forward contract with \_\_\_\_\_ (handler's name). I have been given a copy of the contract and I have received the USDA's Pilot Program Fact Sheet to which this disclosure statement was attached. By signing this form, I understand that I am forfeiting my right to receive the order's minimum prices for that portion of my milk that is under forward contract for the duration of the contract. I also understand that my milk will be priced in accordance with the terms and conditions of the contract.

Printed Name: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Date: \_\_\_\_\_  
Address: \_\_\_\_\_  
Producer No: \_\_\_\_\_

(f) *Other definitions.* The definition of any term in parts 1000-1135 of this chapter apply to, and are hereby made a part of, this part.

**Subpart B—Rules Governing Forward Contracts**

**§ 1140.2 Rules governing forward contracts.**

(a) Any handler defined in §§1000.9 and 1135.9 may enter into forward contracts with producers or cooperative associations for the handler's eligible milk. Milk under forward contract in compliance with these rules will be exempt from the minimum payment provisions that would apply to such milk pursuant to §§1001.73, 1005.73, 1006.73, 1007.73, 1030.73, 1032.73, 1033.73, 1124.73,

1126.73, 1131.73 and 1135.73 for the period of time covered by the contract.

(b) A forward contract with a producer or cooperative association participating for the first time in this pilot program may not exceed 12 months. In no event shall a forward contract executed pursuant to this part extend beyond December 31, 2004.

(c) Forward contracts must be signed and dated by the contracting handler and producer (or cooperative association) prior to the 1st day of the 1st month for which they are to be effective and must be in the possession of the market administrator by the 15th day of that month.<sup>1</sup> The disclosure statement provided in §1140.1(e) must be signed on the same date as the contract by each producer entering into a forward contract under the pilot program, and this signed disclosure statement must be attached to each contract submitted to the market administrator.

(d) In the event that a handler's contract milk exceeds the handler's eligible milk for any month in which the specified contract price(s) are below the order's minimum prices, the handler must designate which producer milk shall not be contract milk. If the handler does not designate the suppliers of the over-contracted milk, the market administrator shall prorate the over-contracted milk to each producer and cooperative association having a forward contract with the handler.

(e) Payments for milk covered by a forward contract must be made on or before the dates applicable to payments for milk that is not under forward contract under the respective Federal order.

(f) Handlers participating in the pilot program will continue to be required to file all reports that are currently required under the respective marketing orders and will continue to be required to account to the pool for all milk they receive at their respective order's minimum class prices.

(g) Nothing in this part shall impede the contractual arrangements that

<sup>1</sup>Contracts that have been signed prior to the effective date of these rules are invalid under the pilot program.

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exist between a cooperative association and its members.

**PART 1150—DAIRY PROMOTION PROGRAM**

**Subpart—Dairy Promotion and Research Order**

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**AUTHORITY:** 7 U.S.C. 4501-4513.

**SOURCE:** 49 FR 11816, Mar. 28, 1984, unless otherwise noted.

**Subpart—Dairy Promotion and Research Order**

**DEFINITIONS**

**§ 1150.101 Act.**

*Act* means Title I, Subtitle B, of the Dairy and Tobacco Adjustment Act of 1983, Pub. L. 98-180, 97 Stat. 1128, as approved November 29, 1983, and any amendments thereto.

**§ 1150.102 Department.**

*Department* means the United States Department of Agriculture.

**§ 1150.103 Secretary.**

*Secretary* means the Secretary of Agriculture of the United States or any other officer or employee of the Department to whom authority has heretofore been delegated, or to whom authority may hereafter be delegated, to act in the Secretary's stead.

**§ 1150.104 Board.**

*Board* means the National Dairy Promotion and Research Board established pursuant to § 1150.131.

**§ 1150.105**

**§ 1150.105 Person.**

*Person* means any individual, group of individuals, partnership, corporation, association, cooperative or other entity.

**§ 1150.106 United States.**

*United States* means the 48 contiguous States in the continental United States.

**§ 1150.107 Fiscal period.**

*Fiscal period* means the calendar year or such other annual period as the Board may determine.

**§ 1150.108 Eligible organization.**

*Eligible organization* means any organization which has been certified by the Secretary pursuant to §§ 1150.270 through 1150.278 of this part.

**§ 1150.109 Qualified State or regional program.**

*Qualified State or regional program* means any State or regional dairy product promotion, research or nutrition education program which is certified as a qualified program pursuant to § 1150.153.

**§ 1150.110 Producer.**

*Producer* means any person engaged in the production of milk for commercial use.

**§ 1150.111 Milk.**

*Milk* means any class of cow's milk produced in the United States.

**§ 1150.112 Dairy products.**

*Dairy products* means products manufactured for human consumption which are derived from the processing of milk, and includes fluid milk products.

**§ 1150.113 Fluid milk products.**

*Fluid milk products* means those milk products normally consumed in liquid form as a beverage.

**§ 1150.114 Promotion.**

*Promotion* means actions such as paid advertising, sales promotion, and publicity to advance the image and sales of, and demand for, dairy products generally.

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**§ 1150.115 Research.**

*Research* means studies testing the effectiveness of market development and promotion efforts, studies relating to the nutritional value of milk and dairy products, and other related efforts to expand demand for dairy products.

**§ 1150.116 Nutrition education.**

*Nutrition education* means those activities intended to broaden the understanding of sound nutritional principles, including the role of milk and dairy products in a balanced diet.

**§ 1150.117 Plans and projects.**

*Plans and projects* means promotion, research and nutrition education plans, studies or projects pursuant to §§ 1150.139, 1150.140 and 1150.161.

**§ 1150.118 Marketing.**

*Marketing* means the sale or other disposition in commerce of dairy products.

**§ 1150.119 Cooperative association.**

*Cooperative association* means any cooperative marketing association of producers which is organized under the provisions of the Act of Congress of February 18, 1922, as amended, known as the "Capper-Volstead Act".

NATIONAL DAIRY PROMOTION AND  
RESEARCH BOARD

**§ 1150.131 Establishment and membership.**

(a) There is hereby established a National Dairy Promotion and Research Board of thirty-six members. For purposes of nominating producers to the Board, the United States shall be divided into thirteen geographic regions and the number of Board members from each region shall be as follows:

(1) One member from region number one comprised of the following States: Washington and Oregon.

(2) Six members from region number two comprised of the following State: California.

(3) Three members from region number three comprised of the following States: Arizona, Colorado, Idaho, Montana, Nevada, Utah, and Wyoming.

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(4) Three members from region number four comprised of the following States: Arkansas, Kansas, New Mexico, Oklahoma and Texas.

(5) Three members from region number five comprised of the following States: Minnesota, North Dakota and South Dakota.

(6) Five members from region number six comprised of the following State: Wisconsin.

(7) Two members from region number seven comprised of the following States: Illinois, Iowa, Missouri, and Nebraska.

(8) One member from region number eight comprised of the following States: Alabama, Kentucky, Louisiana, Mississippi and Tennessee.

(9) Three members from region number nine comprised of the following States: Indiana, Michigan, Ohio and West Virginia.

(10) Two members from region number ten comprised of the following States: Florida, Georgia, North Carolina, South Carolina and Virginia.

(11) Three members from region number eleven comprised of the following States: Delaware, Maryland, New Jersey and Pennsylvania.

(12) Three members from region number twelve comprised of the following State: New York.

(13) One member from region number thirteen comprised of the following States: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont.

(b) The Board shall be composed of milk producers appointed by the Secretary either from nominations submitted pursuant to §1150.133 or in accordance with §1150.136. A milk producer may be nominated only to represent the region in which such producer's milk is produced.

(c) At least every five years, and not more than every three years, the Board shall review the geographic distribution of milk production volume throughout the United States and, if warranted, shall recommend to the Secretary a reapportionment of regions and/or a modification of the number of members from regions in order to best reflect the geographic distribution of milk production volume in the United States.

(d) The number of members for each region which shall serve on the Board shall be determined by dividing the total pounds of milk produced in the United States for the calendar year previous to the date of review by 36 which provides a factor of pounds of milk per member, and then dividing the total pounds of milk for each region by such factor.

(e) In determining the volume of milk produced in the United States, the Board and the Secretary shall utilize the information received by the Board pursuant to §1150.171 and data published by the Department.

[49 FR 11816, Mar. 28, 1984, as amended at 54 FR 6264, Feb. 9, 1989; 59 FR 13435, Mar. 22, 1994; 63 FR 57895, Oct. 29, 1998]

### § 1150.132 Term of office.

(a) The members of the Board shall serve for terms of three years, except that the members appointed to the initial Board shall serve proportionately, for terms of one, two and three years.

(b) Each member of the Board shall serve until October 31 of the year in which his/her term expires, except that a retiring member may serve until a successor is appointed.

(c) No member shall serve more than two consecutive terms.

[49 FR 11816, Mar. 28, 1984, as amended at 60 FR 53253, Oct. 13, 1995]

### § 1150.133 Nominations.

Nominations for members of the Board shall be made in the following manner:

(a) Upon effectuation of this provision, the Secretary shall solicit nominations for the initial Board from all eligible organizations. If the Secretary determines that a substantial number of producers are not members of, or their interests are not represented by, such eligible organizations, the Secretary shall also solicit nominations from such producers through general farmer organizations or by other means.

(b) After the appointment of the initial Board, the Secretary shall announce at least 120 days in advance when a Board member's term is expiring and shall solicit nominations for that position in the manner described

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in paragraph (a) of this section. Nominations for such position should be submitted to the Secretary not less than 60 days prior to the expiration of such term.

(c) An eligible organization may submit nominations only for positions on the Board that represent regions in which such eligible organization can establish that it represents a substantial number of producers. If there is more than one Board position for any such region, the organization may submit nominations for each position.

(d) Where there is more than one eligible organization representing producers in a specific region, they may caucus and jointly nominate producers for each position representing that region on the Board for which a member is to be appointed. If joint agreement is not reached with respect to any such nominations, or if no caucus is held, each eligible organization may submit to the Secretary nominations for each appointment to be made to represent that region.

### § 1150.134 Nominee's agreement to serve.

Any producer nominated to serve on the Board shall file with the Secretary at the time of the nomination a written agreement to:

- (a) Serve on the Board if appointed;
- (b) Disclose any relationship with any organization that operates a qualified State or regional program or has a contractual relationship with the Board; and
- (c) Withdraw from participation in deliberations, decision-making, or voting on matters where paragraph (b) applies.

### § 1150.135 Appointment.

From the nominations made pursuant to § 1150.133, the Secretary shall appoint the members of the Board on the basis of representation provided for in § 1150.131(a).

### § 1150.136 Vacancies.

To fill any vacancy occasioned by the death, removal, resignation, or disqualification of any member of the Board, the Secretary shall appoint a successor from the most recent list of

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nominations for the position or from nominations made by the Board.

### § 1150.137 Procedure.

(a) A majority of the members shall constitute a quorum at a properly convened meeting of the Board. Any action of the Board shall require the concurring votes of at least a majority of those present and voting. The Board shall establish rules concerning timely notice of meetings.

(b) The Board may take action upon the concurring votes of a majority of its members by mail, telephone, or telegraph when in the opinion of the chairman of the Board such action must be taken before a meeting can be called. Action taken by this emergency procedure is valid only if all members are notified and provided the opportunity to vote and any telephone vote is confirmed promptly in writing. Any action so taken shall have the same force and effect as though such action had been taken at a properly convened meeting of the Board.

[49 FR 11816, Mar. 28, 1984, as amended at 50 FR 9984, Mar. 13, 1985]

### § 1150.138 Compensation and reimbursement.

The members of the Board shall serve without compensation but shall be reimbursed for necessary and reasonable expenses, including a per diem allowance as recommended by the Board and approved by the Secretary, incurred by them in the performance of their duties under this subpart.

### § 1150.139 Powers of the Board.

The Board shall have the following powers:

- (a) To receive and evaluate, or on its own initiative develop, and budget for plans or projects to promote the use of fluid milk and dairy products as well as projects for research and nutrition education and to make recommendations to the Secretary regarding such proposals;
- (b) To administer the provisions of this subpart in accordance with its terms and provisions;
- (c) To make rules and regulations to effectuate the terms and provisions of this subpart;

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(d) To receive, investigate, and report to the Secretary complaints of violations of the provisions of this subpart;

(e) To disseminate information to producers or eligible organizations through programs or by direct contact utilizing the public postage system or other systems;

(f) To select committees and subcommittees of Board members, and to adopt such rules for the conduct of its business as it may deem advisable;

(g) To establish advisory committees of persons other than Board members and pay the necessary and reasonable expenses and fees of the members of such committees;

(h) To recommend to the Secretary amendments to this subpart; and

(i) With the approval of the Secretary, to invest, pending disbursement pursuant to a plan or project, funds collected through assessments authorized under §1150.152 in, and only in, obligations of the United States or any agency thereof, in general obligations of any State or any political subdivision thereof, in any interest-bearing account or certificate of deposit of a bank that is a member of the Federal Reserve System, or in obligations fully guaranteed as to principal and interest by the United States.

### § 1150.140 Duties of the Board.

The Board shall have the following duties:

(a) To meet not less than annually, and to organize and select from among its members a chairman and such other officers as may be necessary;

(b) To appoint from its members an executive committee whose membership shall equally reflect each of the different regions in the United States in which milk is produced, and to delegate to the committee authority to administer the terms and provisions of this subpart under the direction of the Board and within the policies determined by the Board;

(c) To appoint or employ such persons as it may deem necessary and define the duties and determine the compensation of each;

(d) To review all programs that promote milk and dairy products on a brand or trade name basis that have requested certification pursuant to

§1150.153, and to recommend to the Secretary whether such request should be granted;

(e) To develop and submit to the Secretary for approval, promotion, research, and nutrition education plans or projects resulting from research or studies conducted either by the Board or others;

(f) To solicit, among other proposals, research proposals that would increase the use of fluid milk and dairy products by the military and by persons in developing nations, and that would demonstrate the feasibility of converting surplus nonfat dry milk to casein for domestic and export use;

(g) To prepare and submit to the Secretary for approval, budgets on a fiscal period basis of its anticipated expenses and disbursements in the administration of this subpart, including probable costs of promotion, research and nutrition education plans or projects, and also including a general description of the proposed promotion, research and nutrition education programs contemplated therein;

(h) To maintain such books and records, which shall be available to the Secretary for inspection and audit, and prepare and submit such reports from time to time to the Secretary as the Secretary may prescribe, and to make appropriate accounting with respect to the receipt and disbursement of all funds entrusted to it;

(i) With the approval of the Secretary, to enter into contracts or agreements with national, regional or State dairy promotion and research organizations or other organizations or entities for the development and conduct of activities authorized under §§1150.139 and 1150.161, and for the payment of the cost thereof with funds collected through assessments pursuant to §1150.152. Any such contract or agreement shall provide that:

(1) The contractors shall develop and submit to the Board a plan or project together with a budgets or budget which shall show the estimated cost to be incurred for such plan or project;

(2) Any such plan or project shall become effective upon approval of the Secretary; and

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(3) The contracting party shall keep accurate records of all of its transactions and make periodic reports to the Board of activities conducted and an accounting for funds received and expended, and such other reports as the Secretary or the Board may require. The Secretary or employees of the Board may audit periodically the records of the contracting party;

(j) To prepare and make public, at least annually, a report of its activities carried out and an accounting for funds received and expended;

(k) To have an audit of its financial statements conducted by a certified public accountant in accordance with generally accepted auditing standards, at least once each fiscal period and at such other times as the Secretary may request, and to submit a copy of each such audit report to the Secretary;

(l) To give the Secretary the same notice of meetings of the Board, committees of the Board and advisory committees as is given to such Board or committee members in order that the Secretary, or a representative of the Secretary, may attend such meetings;

(m) To submit to the Secretary such information pursuant to this subpart as may be requested; and

(n) To encourage the coordination of programs of promotion, research and nutrition education designed to strengthen the dairy industry's position in the marketplace and to maintain and expand domestic and foreign markets and uses for fluid milk and dairy products produced in the United States.

**EXPENSES AND ASSESSMENTS**

**§ 1150.151 Expenses.**

(a) The Board is authorized to incur such expenses (including provision for a reasonable reserve) as the Secretary finds are reasonable and likely to be incurred by the Board for its maintenance and functioning and to enable it to exercise its powers and perform its duties in accordance with the provisions of this subpart. However, after the first full year of operation of the order, administrative expenses incurred by the Board shall not exceed 5 percent of the projected revenue of that fiscal year. Such expenses shall be

paid from assessments collected pursuant to §1150.152.

(b) The Board shall reimburse the Secretary, from assessments collected pursuant to §1150.152, for administrative costs incurred by the Department after May 1, 1984.

**§ 1150.152 Assessments.**

(a) Each person making payment to a producer for milk produced in the United States and marketed for commercial use shall collect an assessment on all such milk handled for the account of the producer at the rate of 15 cents per hundredweight of milk for commercial use or the equivalent thereof and shall remit the assessment to the Board.

(b) Any producer marketing milk of that producer's own production in the form of milk or dairy products to consumers, either directly or through retail or wholesale outlets, shall remit to the Board an assessment on such milk at the rate of 15 cents per hundredweight of milk for commercial use or the equivalent thereof.

(c) In determining the assessment due from each producer pursuant to §1150.152 (a) and (b), a producer who is participating in a qualified State or regional program(s) shall receive a credit for contributions to such program(s), but not to exceed the following amounts:

(1) In the case of contributions for milk marketed on or before May 31, 1984, up to the actual rate of contribution that was in effect under such program(s) on November 29, 1983, not to exceed 15 cents per hundredweight of milk marketed.

(2) In all other cases, the credit shall not exceed 10 cents per hundredweight of milk marketed.

(d) In order for a producer described in §1150.152(a) to receive the credit authorized in §1150.152(c), either the producer or a cooperative association on behalf of the producer must establish to the person responsible for remitting the assessment to the Board that the producer is contributing to a qualified State or regional program. Producers who contribute to a qualified program directly (other than through a payroll

deduction) must establish with the person responsible for remitting the assessment to the Board, with validation by the qualified program, that they are making such contributions.

(e) In order for a producer described in §1150.152(b) to receive the credit authorized in §1150.152(c), the producer and the applicable qualified State or regional program must establish to the Board that the producer is contributing to a qualified State or regional program.

(f) The collection of assessments pursuant to §1150.152(a) and (b) shall begin with respect to milk marketed on and after the effective date of this section and shall continue until terminated by the Secretary. If the Board is not constituted by the date the first assessments are to be collected, the Secretary shall have the authority to receive the assessments on behalf of the Board. The Secretary shall remit such assessments to the Board when it is constituted.

(g) Each person responsible for the remittance of the assessment pursuant to §1150.152(a) and (b) shall remit the assessment to the Board not later than the last day of the month following the month in which the milk was marketed.

(h) Money remitted to the Board shall be in the form of a negotiable instrument made payable to "National Dairy Promotion and Research Board." Remittances and reports specified in §1150.171 shall be mailed to the location designated by the Secretary or the Board.

**§ 1150.153 Qualified State or regional dairy product promotion, research or nutrition education programs.**

(a) Any organization which conducts a State or regional dairy product promotion, research or nutrition education program may apply to the Secretary for certification of qualification so that producers may receive credit pursuant to §1150.152(c) for contributions to such program.

(b) In order to be certified by the Secretary as a qualified program, the program must:

(1) Conduct activities as defined in §§1150.114, 1150.115, and 1150.116 that are

intended to increase consumption of milk and dairy products generally;

(2) Except for programs operated under the laws of the United States or any State, have been active and ongoing before enactment of the Act;

(3) Be financed primarily by producers, either individually or through cooperative associations;

(4) Not use a private brand or trade name in its advertising and promotion of dairy products unless the Board recommends and the Secretary concurs that such preclusion should not apply;

(5) Certify to the Secretary that any requests from producers for refunds under the program will be honored by forwarding to either the Board or a qualified State or regional program designated by the producer that portion of such refunds equal to the amount of credit that otherwise would be applicable to that program pursuant to §1150.152(c); and

(6) Not use program funds for the purpose of influencing governmental policy or action.

(c) An application for certification of qualifications of any State or regional dairy product promotion, research or nutrition education program which does not satisfy the requirements specified in paragraph (b) of this section shall be denied. The certification of any qualified program which fails to satisfy the requirements specified in paragraph (b) of this section after certification shall be subject to suspension or termination.

(1) Prior to the denial of an application for certification of qualification, or the suspension or termination of an existing certification, the Director of the Dairy Division shall afford the applicant or the holder of an existing certification an opportunity to achieve compliance with the requirements for certification within a reasonable time, as determined by the Director.

(2) Any State or regional dairy product promotion, research or nutrition education program whose application for certification of qualification is to be denied, or whose certification of qualification is to be suspended or terminated shall be given written notice of such pending action and shall be afforded an opportunity to petition the Secretary for a review of the action.

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The petition shall be in writing and shall state the facts relevant to the matter for which the review is sought, and whether petitioner desires an informal hearing. If an informal hearing is not requested, the Director of the Dairy Division shall issue a final decision setting forth the action to be taken and the basis for such action. If petitioner requests a hearing, the Director of the Dairy Division, or a person designated by the Director, shall hold an informal hearing in the following manner:

(i) Notice of a hearing shall be given in writing and shall be mailed to the last known address of the petitioner or of the State or regional program, or to an officer thereof, at least 20 days before the date set for the hearing. Such notice shall contain the time and place of the hearing and may contain a statement of the reason for calling the hearing and the nature of the questions upon which evidence is desired or upon which argument may be presented. The hearing place shall be as convenient to the State or regional program as can reasonably be arranged.

(ii) Hearings are not to be public and are to be attended only by representatives of the petitioner or the State or regional program and of the U.S. Government, and such other parties as either the State or regional program or the U.S. Government desires to have appear for purposes of submitting information or as counsel.

(iii) The Director of the Dairy Division, or a person designated by the Director, shall be the presiding officer at the hearing. The hearing shall be conducted in such manner as will be most conducive to the proper disposition of the matter. Written statements or briefs may be filed by the petitioner or the State or regional program, or other participating parties, within the time specified by the presiding officer.

(iv) The presiding officer shall prepare preliminary findings setting forth a recommendation as to what action should be taken and the basis for such action. A copy of such findings shall be served upon the petitioner or the State or regional program by mail or in person. Written exceptions to the findings may be filed within 10 days after service thereof.

(v) After due consideration of all the facts and the exceptions, if any, the Director of the Dairy Division shall issue a final decision setting forth the action to be taken and the basis for such action.

[49 FR 11816, Mar. 28, 1984, as amended at 56 FR 8258, Feb. 28, 1991]

### § 1150.154 **Influencing governmental action.**

No funds collected by the Board under this subpart shall in any manner be used for the purpose of influencing governmental policy or action, except to recommend to the Secretary amendments to this subpart.

### § 1150.155 **Adjustment of accounts.**

Whenever the Board or the Department determines through an audit of a person's reports, records, books or accounts or through some other means that additional money is due the Board or that money is due such person from the Board, such person shall be notified of the amount due. The person shall then remit any amount due the Board by the next date for remitting assessments as provided in § 1150.152. Overpayments shall be credited to the account of the person remitting the overpayment and shall be applied against amounts due in succeeding months.

### § 1150.156 **Charges and penalties.**

(a) *Late-payment charge.* Any unpaid assessments to the Board pursuant to § 1150.152 shall be increased 1.5 percent each month beginning with the day following the date such assessments were due. Any remaining amount due, which shall include any unpaid charges previously made pursuant to this section, shall be increased at the same rate on the corresponding day of each month thereafter until paid. For the purpose of this section, any assessment that was determined at a date later than prescribed by this subpart because of a person's failure to submit a report to the Board when due shall be considered to have been payable by the date it would have been due if the report had been filed when due. The timeliness of a payment to the Board shall be based on the applicable postmark date or the date actually received by the Board, whichever is earlier.

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(b) *Penalties.* Any person who willfully violates any provision of this subpart shall be assessed a civil penalty by the Secretary of not more than \$1,000 for each such violation and, in the case of a willful failure to pay, collect, or remit the assessment as required by this subpart, in addition to the amount due, a penalty equal to the amount of the assessment on the quantity of milk as to which the failure applies. The amount of any such penalty shall accrue to the United States and may be recovered in a civil suit brought by the United States. The remedies provided in this section shall be in addition to, and not exclusive of, other remedies that may be available by law or in equity.

### PROMOTION, RESEARCH AND NUTRITION EDUCATION

#### § 1150.161 Promotion, research and nutrition education.

(a) The Board shall receive and evaluate, or on its own initiative develop, and submit to the Secretary for approval any plans or projects authorized in §§1150.139, 1150.140 and this section. Such plans or projects shall provide for:

(1) The establishment, issuance, effectuation, and administration of appropriate plans or projects for promotion, research and nutrition education with respect to milk and dairy products; and

(2) The establishment and conduct of research and studies with respect to the sale, distribution, marketing and utilization of milk and dairy products and the creation of new products thereof, to the end that marketing and utilization of milk and dairy products may be encouraged, expanded, improved or made more acceptable. Included shall be research and studies of proposals intended to increase the use of fluid milk and dairy products by the military and by persons in developing nations and proposals intended to demonstrate the feasibility of converting nonfat dry milk to casein for domestic and export use.

(b) Each plan or project authorized under §1150.161(a) shall be periodically reviewed or evaluated by the Board to insure that the plan or project contrib-

utes to an effective program of promotion, research and nutrition education. If it is found by the Board that any such plan or project does not further the purposes of the Act, the Board shall terminate such plan or project.

(c) No plan or project authorized under §1150.161(a) shall make use of unfair or deceptive acts or practices with respect to the quality, value or use of any competing product.

### REPORTS, BOOKS AND RECORDS

#### § 1150.171 Reports.

Each producer marketing milk of that producer's own production directly to consumers and each person making payment to producers and responsible for the collection of the assessment under §1150.152 shall be required to report at the time for remitting assessments to the Board such information as may be required by the Board or by the Secretary. Such information may include but not be limited to the following:

(a) The quantity of milk purchased, initially transferred or which, in any other manner, are subject to the collection of the assessment;

(b) The amount of assessment remitted;

(c) The basis, if necessary, to show why the remittance is less than the number of hundredweights of milk multiplied by 15 cents; and

(d) The date any assessment was paid.

#### § 1150.172 Books and records.

Each person who is subject to this subpart, and other persons subject to §1150.171, shall maintain and make available for inspection by employees of the Board and the Secretary such books and records as are necessary to carry out the provisions of this subpart and the regulations issued hereunder, including such records as are necessary to verify any reports required. Such records shall be retained for at least two years beyond the fiscal period of their applicability.

#### § 1150.173 Confidential treatment.

All information obtained from such books, records or reports under the Act

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and this subpart shall be kept confidential by all persons, including employees and former employees of the Board, all officers and employees and all former officers and employees of the Department, and by all officers and all employees and all former officers and employees of contracting agencies having access to such information, and shall not be available to Board members. Only those persons having a specific need for such information in order to effectively administer the provisions of this subpart shall have access to such information. In addition, only such information so furnished or acquired as the Secretary deems relevant shall be disclosed by them, and then only in a suit or administrative hearing brought at the discretion, or upon the request, of the Secretary, or to which the Secretary or any officer of the United States is a party, and involving this subpart. Nothing in this section shall be deemed to prohibit:

(a) The issuance of general statements based upon the reports of the number of persons subject to this subpart or statistical data collected therefrom, which statements do not identify the information furnished by any person; and

(b) The publication, by direction of the Secretary, of the name of any person who has been adjudged to have violated this subpart, together with a statement of the particular provisions of the subpart violated by such person.

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**§ 1150.181 Proceedings after termination.**

(a) Upon the termination of this subpart, the Board shall recommend not more than five of its members to the Secretary to serve as trustees for the purpose of liquidating the affairs of the Board. Such persons, upon designation by the Secretary, shall become trustees of all the funds and property owned, in the possession of, or under the control of the Board, including unpaid claims or property not delivered or any other claim existing at the time of such termination.

(b) The said trustees shall:

(1) Continue in such capacity until discharged by the Secretary;

(2) Carry out the obligations of the Board under any contract or agreements entered into by it pursuant to § 1150.140(i);

(3) From time to time account for all receipts and disbursements and deliver all property on hand, together with all books and records of the Board and of the trustees, to such persons as the Secretary may direct; and

(4) Upon the request of the Secretary, execute such assignments or other instruments necessary or appropriate to vest in such persons full title and right to all of the funds, property, and claims vested in the Board or the trustees pursuant to this subpart.

(c) Any person to whom funds, property, or claims have been transferred or delivered pursuant to this subpart shall be subject to the same obligation imposed upon the Board and upon the trustees.

(d) Any residual funds not required to defray the necessary expenses of liquidation shall be turned over to the Secretary to be used, to the extent practicable, in the interest of continuing one or more of the promotion, research or nutrition education plans or projects authorized pursuant to this subpart.

**§ 1150.182 Effect of termination or amendment.**

Unless otherwise expressly provided by the Secretary, the termination of this subpart or of any regulation issued pursuant hereto, or the issuance of any amendment to either thereof, shall not:

(a) Affect or waive any right, duty, obligation, or liability which shall have arisen or which may hereafter arise in connection with any provision of this subpart or any regulation issued thereunder;

(b) Release or extinguish any violation of this subpart or any regulation issued thereunder; or

(c) Affect or impair any rights or remedies of the United States, or of the Secretary, or of any person, with respect to any such violation.

**§ 1150.183 Personal liability.**

No member or employee of the Board shall be held personally responsible, either individually or jointly, in any way whatsoever to any person for errors in

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judgment, mistakes, or other acts of either commission or omission of such member or employee, except for acts of dishonesty or willful misconduct.

### § 1150.184 Patents, copyrights, inventions and publications.

Any patents, copyrights, trademarks, inventions or publications developed through the use of funds collected under the provisions of this subpart shall be the property of the U.S. Government as represented by the Board, and shall, along with any rents, royalties, residual payments, or other income from the rental, sale, leasing, franchising, or other uses of such patents, copyrights, inventions, or publications, inure to the benefit of the Board. Upon termination of this subpart, § 1150.181 shall apply to determine disposition of all such property.

### § 1150.185 Amendments.

The Secretary may from time to time amend provisions of this part. Any interested person or organization affected by the provisions of the Act may propose such amendments to the Secretary.

### § 1150.186 Separability.

If any provision of this subpart is declared invalid or the applicability thereof to any person or circumstances is held invalid, the validity of the remainder of this subpart or the applicability thereof to other persons or circumstances shall not be affected thereby.

### § 1150.187 Paperwork Reduction Act assigned number.

The information collection and recordkeeping requirements contained in §§ 1150.133, 1150.152, 1150.153, 1150.171, 1150.172, 1150.202, 1150.204, 1150.205, 1150.211 and 1150.273 of these regulations (7 CFR Part 1150) have been approved by the Office of Management and Budget (OMB) under the provisions of 44 U.S.C. Chapter 35 and have been assigned OMB Control Number 0581-0147.

[50 FR 9984, Mar. 13, 1985]

## Subpart—Procedure for Certification of Milk Producer Organizations

### § 1150.270 General.

Organizations must be certified by the Secretary that they are eligible to represent milk producers and to participate in the making of nominations of milk producers to serve as members of the National Dairy Promotion and Research Board as provided in the Dairy and Tobacco Adjustment Act of 1983. Certifications of eligibility required of the Secretary shall be conducted in accordance with this subpart.

### § 1150.271 Definitions.

As used in this subpart:

(a) *Act* means Title I, Subtitle B, of the Dairy and Tobacco Adjustment Act of 1983, Pub. L. 98-180, 97 Stat. 1128, as approved November 29, 1983, and any amendments thereto;

(b) *Department* means the United States Department of Agriculture;

(c) *Secretary* means the Secretary of Agriculture of the United States, or any officer or employee of the Department to whom authority has heretofore been delegated, or to whom authority may hereafter be delegated to act in the Secretary's stead;

(d) *Dairy Division* means the Dairy Division of the Department's Agricultural Marketing Service;

(e) *Producer* means any person engaged in the production of milk for commercial use;

(f) *Dairy products* means products manufactured for human consumption which are derived from the processing of milk, and includes fluid milk products; and

(g) *Fluid milk products* means those milk products normally consumed in liquid form as a beverage.

### § 1150.272 Responsibility for administration of regulations.

The Dairy Division shall have the responsibility for administering the provisions of this subpart.

### § 1150.273 Application for certification.

Any organization whose membership consists primarily of milk producers may apply for certification. Applicant

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organizations should supply information for certification using as a guide "Application for Certification of Organizations," Form DA-26. Form DA-26 may be obtained from the Dairy Division, Agricultural Marketing Service, United States Department of Agriculture, Washington, DC 20250.

**§ 1150.274 Certification standards.**

(a) Certification of eligible organizations shall be based, in addition to other available information, on a factual report submitted by the organization, which shall contain information deemed relevant and specified by the Secretary for the making of such determination, including the following:

- (1) Geographic territory covered by the organization's active membership;
- (2) Nature and size of the organization's active membership including the total number of active milk producers represented by the organization;
- (3) Evidence of stability and permanency of the organization;
- (4) Sources from which the organization's operating funds are derived;
- (5) Functions of the organization; and
- (6) The organization's ability and willingness to further the aims and objectives of the Act.

(b) The primary considerations in determining the eligibility of an organization shall be whether its membership consists primarily of milk producers who produce a substantial volume of milk, and whether the primary or overriding interest of the organization is in the production or processing of fluid milk and dairy products and promotion of the nutritional attributes of fluid milk and dairy products.

(c) The Secretary shall certify any organization which he finds meets the criteria under this section and his determination as to eligibility shall be final.

**§ 1150.275 Inspection and investigation.**

The Secretary shall have the right, at any time after an application is received from an organization, to examine such books, documents, papers, records, files, and facilities of an organization as he deems necessary to verify the information submitted and to procure such other information as

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may be required to determine whether the organization is eligible for certification.

**§ 1150.276 Review of certification.**

Certifications issued pursuant to this subpart are subject to termination or suspension if the organization does not currently meet the certification standards. A certified organization may be requested at any time to supply the Dairy Division with such information as may be required to show that the organization continues to be eligible for certification. Any information submitted to satisfy a request pursuant to this section shall be subject to inspection and investigation as provided in § 1150.275.

**§ 1150.277 Listing of certified organizations.**

A copy of each certification shall be furnished by the Dairy Division to the respective organization. Copies also shall be filed in the Dairy Division where they will be available for public inspection.

**§ 1150.278 Confidential treatment.**

All documents and other information submitted by applicant organizations and otherwise obtained by the Department by investigation or examination of books, documents, papers, records, files, or facilities shall be kept confidential by all employees of the Department. Only such information so furnished or acquired as the Secretary deems relevant shall be disclosed by them, and then only in the issuance of general statements based upon the applications of a number of persons, which do not identify the information furnished by any one person.

**PARTS 1151-1159 [RESERVED]**

**PART 1160—FLUID MILK PROMOTION PROGRAM**

**Subpart—Fluid Milk Promotion Order**

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- 1160.105 Board.
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- 1160.108 Fluid milk processor.
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**NATIONAL FLUID MILK PROCESSOR PROMOTION BOARD**

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AUTHORITY: 7 U.S.C. 6401-6417.

SOURCE: 58 FR 46763, Sept. 3, 1993, unless otherwise noted.

**Subpart—Fluid Milk Promotion Order**

SOURCE: 58 FR 62503, Nov. 29, 1993, unless otherwise noted.

**DEFINITIONS**

**§ 1160.101 Act.**

*Act* means the Fluid Milk Promotion Act of 1990, Subtitle H of Title XIX of the Food, Agriculture, Conservation, and Trade Act of 1990, Public Law 101-624, 7 U.S.C. 6401-6417, and any amendments thereto.

**§ 1160.102 Department.**

*Department* means the United States Department of Agriculture.

**§ 1160.103 Secretary.**

*Secretary* means the Secretary of Agriculture of the United States or any officer or employee of the Department to whom authority has heretofore been delegated, or to whom authority may hereafter be delegated, to act in the Secretary's stead.

**§ 1160.104 United States.**

*United States* means the 48 contiguous states in the continental United States and the District of Columbia, except that United States means the 50 states of the United States of America and the District of Columbia under the following provisions: the petition and review under section 1999K of the Act, enforcement under section 1999L of the Act, and investigations and power to subpoena under section 1999M of the Act.

**§ 1160.105 Board.**

*Board* means the National Processor Advertising and Promotion Board established pursuant to 7 U.S.C. 6407(b)(1) and this subpart (hereinafter known as the National Fluid Milk Processor Promotion Board or Board).

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**§ 1160.106 Person.**

*Person* means any individual, group of individuals, partnership, corporation, association, cooperative or other entity.

**§ 1160.107 Fluid milk product.**

*Fluid milk product* means any product that meets the definition provided in §1000.15 for milk marketing orders issued pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, 7 U.S.C. 601-674.

[67 FR 49858, Aug. 1, 2002]

**§ 1160.108 Fluid milk processor.**

(a) *Fluid milk processor* means any person who processes and markets commercially fluid milk products in consumer-type packages in the United States (excluding fluid milk products delivered directly to the place of residence of a consumer), except that the term fluid milk processor shall not include in each of the respective fiscal periods those persons who process and market not more than 3,000,000 pounds of such fluid milk products during the representative month, which shall be the first month of the fiscal period.

(b) Any person who did not qualify as a fluid milk processor for a fiscal period because of the 3,000,000-pound limitation shall not later qualify as a fluid milk processor during that fiscal period even though the monthly volume limitation is later exceeded during that period.

(c) Any person who qualified as a fluid milk processor for a fiscal period and whose monthly marketings of fluid milk products later become 3,000,000 pounds or less shall no longer qualify as a fluid milk processor during that fiscal period beginning with the month in which the marketings first dropped below the volume limitation.

(d) For the purpose of determining qualification as a fluid milk processor, each processor of fluid milk products shall report for the representative month of each fiscal period the hundredweight of fluid milk products processed and marketed by the processor.

[58 FR 62503, Nov. 29, 1993, as amended at 62 FR 3983, Jan. 28, 1997; 67 FR 49858, Aug. 1, 2002]

**§ 1160.109 Milk.**

*Milk* means any class of cow's milk produced in the United States.

**§ 1160.110 Class I price.**

*Class I price* is the price that is established for Class I milk in each marketing area under milk marketing orders authorized by the Agricultural Marketing Agreement Act of 1937, as amended, 7 U.S.C. 601-674.

**§ 1160.111 Promotion.**

*Promotion* means the following activities:

(a) *Consumer Education*, which means any program utilizing public relations, advertising or other means devoted to educating consumers about the desirable characteristics of fluid milk products and directed toward increasing the general demand for fluid milk products.

(b) *Advertising*, which means any advertising or promotion program involving only fluid milk products and directed toward educating consumers about the positive attributes of fluid milk and increasing the general demand for fluid milk products.

**§ 1160.112 Research.**

*Research* means market research to support advertising and promotion efforts, including educational activities, research directed to product characteristics, and product development, including new products or improved technology in production, manufacturing or processing of milk and the products of milk.

[62 FR 3983, Jan. 28, 1997]

**§ 1160.113 Fiscal period.**

*Fiscal period* means the initial period of up to 30 months that this subpart is effective. Thereafter, the fiscal period shall be such annual period as the Board may determine, except that the Board may provide for a lesser or greater period as it may find appropriate for the period immediately after the initial fiscal period to assure continuity of fiscal periods until the beginning of the first annual fiscal period.

[62 FR 3983, Jan. 28, 1997]

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## § 1160.200

### § 1160.114 Eligible organization.

*Eligible organization* means an organization eligible to nominate members of the Board and which meets the following criteria:

(a) Is a nonprofit organization pursuant to section 501(c) (3), (5), or (6) of the Internal Revenue Code (26 U.S.C. 501(c) (3), (5), or (6));

(b) Is governed by a board comprised of a majority of fluid milk processors; and

(c) Represents fluid milk processors on a national basis whose members process more than 50 percent of the fluid milk products processed and marketed within the United States.

### § 1160.115 Milk marketing area.

*Milk marketing area* means each area within which milk being marketed is subject to a milk marketing order issued pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, 7 U.S.C. 601-674, or applicable state laws.

### § 1160.116 [Reserved]

### § 1160.117 Continuation referendum.

*Continuation referendum* means that referendum among fluid milk processors that the Secretary shall conduct as provided in § 1160.501.

#### NATIONAL FLUID MILK PROCESSOR PROMOTION BOARD

### § 1160.200 Establishment and membership.

(a) There is hereby established a National Fluid Milk Processor Board of 20 members, 15 of whom shall represent geographic regions and five of whom shall be at-large members of the Board. To the extent practicable, members representing geographic regions shall represent fluid milk processing operations of differing sizes. No fluid milk processor shall be represented on the Board by more than three members. The at-large members shall include at least three fluid milk processors and at least one member from the general public. Except for the member or members from the general public, nominees appointed to the Board must be active owners or employees of a fluid milk processor. The failure of such a mem-

ber to own or work for a fluid milk processor or its successor fluid milk processor shall disqualify that member for membership on the Board except that such member shall continue to serve on the Board for a period of up to six months following the disqualification or until appointment of a successor Board member to such position, whichever is sooner, provided that such person continues to meet the criteria for serving on the Board as a processor representative.

(b) In selecting the 15 Board members who represent geographic regions, one member shall be selected from each of the following regions:

Region 1. Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.

Region 2. New York and New Jersey.

Region 3. Delaware, Maryland, Pennsylvania, Virginia, and the District of Columbia.

Region 4. Georgia, North Carolina and South Carolina.

Region 5. Florida.

Region 6. Ohio and West Virginia.

Region 7. Michigan, Minnesota, North Dakota, South Dakota and Wisconsin.

Region 8. Illinois and Indiana.

Region 9. Alabama, Kentucky, Louisiana, Mississippi and Tennessee.

Region 10. Texas.

Region 11. Arkansas, Iowa, Kansas, Missouri, Nebraska and Oklahoma.

Region 12. Arizona, Colorado, New Mexico, Nevada, and Utah.

Region 13. Idaho, Montana, Oregon, Washington and Wyoming.

Region 14. Northern California which shall be composed of the Northern California Marketing Area and the South Valley Marketing Area as defined by the Stabilization and Marketing Plan, as amended, issued by the California Department of Food and Agriculture pursuant to the provisions of Chapter 2, Part 3, Division 21, of the California Food and Agriculture Code, effective February 3, 1992.

Region 15. Southern California which shall be composed of the Southern California Marketing Area as defined by the Stabilization and Marketing Plan, as amended, issued by the California Department of Food and Agriculture pursuant to the provisions of Chapter 2, Part 3, Division 21, of the California Food and Agriculture Code, effective February 3, 1992.

[58 FR 62503, Nov. 29, 1993, as amended at 62 FR 3983, Jan. 28, 1997; 63 FR 46639, Sept. 2, 1998; 65 FR 35810, June 6, 2000]

## § 1160.201

### § 1160.201 Term of office.

(a) The members of the Board shall serve for terms of three years, except that the members appointed to the initial Board shall serve proportionately, for terms of one year, two years, and three years, as determined by the Secretary. The terms of all Board members shall expire upon the suspension or termination of the order except as provided in § 1160.502.

(b) No member shall serve more than two consecutive terms, except that any member who is appointed to serve for an initial term of one or two years shall be eligible to be reappointed for two three-year terms. Appointment to another position on the Board is considered a consecutive term. Should a non-board member be appointed to fill a vacancy on the Board with a term of 18 months or less remaining, the appointee shall be entitled to serve two consecutive 3-year terms following the term of the vacant position to which the person was appointed.

[58 FR 62503, Nov. 29, 1993, as amended at 62 FR 3983, Jan. 28, 1997; 63 FR 46639, Sept. 2, 1998]

### § 1160.202 Nominations.

Nominations for members of the Board shall be made in the following manner:

(a) The Secretary shall solicit nominations for the initial Board from individual fluid milk processors and other interested parties, including eligible organizations. Fluid milk processors and other interested parties may submit nominations for positions on the Board for regions in which they are located or market fluid milk, and for at-large members. Eligible organizations may submit a slate of nominees for seats in all regions and for at-large members.

(b) After the appointment of the initial Board, the Secretary shall announce at least 180 days in advance of the expiration of members' terms that such terms are expiring, and shall solicit nominations for such positions in the manner described in paragraph (a) of this section. Nominations for such positions should be submitted to the Secretary not less than 120 days prior to the expiration of members' terms.

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### § 1160.203 Nominee's agreement to serve.

Each nominee for Board membership must file with the Secretary at the time of nomination a written agreement to serve on the Board if appointed.

### § 1160.204 Appointment.

From the nominations made pursuant to § 1160.202, the Secretary shall appoint the members of the Board on the basis of representation provided for in §§ 1160.200 and 1160.201.

### § 1160.205 Vacancies.

To fill any vacancy occasioned by the death, removal, resignation, or disqualification of any member of the Board, the Secretary shall appoint a successor from the most recent list of nominations made by individual fluid milk processors and other interested parties, including eligible organizations, for the Board, or from nominations made by the Board.

### § 1160.206 Procedure.

(a) A majority of the members shall constitute a quorum at a properly convened meeting of the Board. Any action of the Board shall require the concurring votes of at least a majority of those present and voting. The Board shall establish rules concerning timely notice of meetings.

(b) The Board may take action upon the concurring votes of a majority of members by mail, telephone, telegraph, or other means of electronic communication when, in the opinion of the chairperson of the Board, such action must be taken before a meeting can be called. Action taken by this emergency procedure is valid only if all members are notified and provided the opportunity to vote and any telephone vote is confirmed promptly in writing. Any action so taken shall have the same force and effect as though such action had been taken at a properly convened meeting of the Board.

### § 1160.207 Compensation and reimbursement.

The members of the Board and trustees, if any, named under § 1160.502, shall serve without compensation but shall

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be reimbursed for necessary and reasonable expenses incurred by them in the performance of their duties under this subpart.

### § 1160.208 Powers of the Board.

The Board shall have the following powers:

(a) To receive and evaluate, or on its own initiative develop, and budget for plans or projects to educate consumers and promote the use of fluid milk products and to make recommendations to the Secretary regarding such proposals;

(b) To administer the provisions of this subpart in accordance with its terms and provisions;

(c) To make rules and regulations to effectuate the terms and provisions of this subpart;

(d) To receive, investigate, and report to the Secretary complaints of violations of the provisions of this subpart;

(e) To employ such persons as the Board deems necessary and determine the duties and compensation of such persons;

(f) To contract with eligible organizations or other persons to conduct activities authorized pursuant to this subpart;

(g) To select committees and subcommittees, to adopt bylaws, and to adopt such rules for the conduct of its business as it may deem advisable; the Board may establish working committees of persons other than Board members;

(h) To recommend to the Secretary amendments to this subpart; and

(i) With the approval of the Secretary, to invest, pending disbursement pursuant to a plan or project, funds collected through assessments authorized under § 1160.211 in, and only in, obligations of the United States or any agency thereof, in general obligations of any State or any political subdivision thereof, in any interest-bearing account or certificate of deposit of a bank that is a member of the Federal Reserve System, or in obligations fully guaranteed as to principal and interest by the United States.

[58 FR 62503, Nov. 29, 1993, as amended at 63 FR 46639, Sept. 2, 1998]

### § 1160.209 Duties of the Board.

The Board shall have the following duties:

(a) To meet not less than annually, and to organize and select from among its members a chairperson, who may serve for a term of a fiscal period pursuant to § 1160.113, and not more than two consecutive terms, and to select such other officers as may be necessary;

(b) To prepare and submit to the Secretary for approval a budget for each fiscal period of the anticipated expenses and disbursements in the administration of this subpart, including a description of and the probable costs of consumer education, promotion and research projects;

(c) To develop and submit to the Secretary for approval promotion and consumer education, and research plans or projects;

(d) To the extent practicable, carry out consumer education and promotion programs under § 1160.301 in such a manner as to ensure that advertising coverage in each of the regions defined in § 1160.200 is proportionate to funds collected from each such region;

(e) To disseminate information to fluid milk processors or eligible organizations;

(f) To maintain minutes, books and records that accurately reflect all of the acts and transactions of the Board, which shall be available to the Secretary for inspection and audit, and prepare and promptly report minutes of each Board meeting to the Secretary and submit such reports from time to time to the Secretary as the Secretary may prescribe, and to account with respect to the receipt and disbursement of all funds entrusted to it;

(g) To enter into contracts or agreements, with the approval of the Secretary, with such persons and organizations as the Board may approve for the development and conduct of activities authorized under this subpart and for the payment of the cost thereof with funds collected through assessments pursuant to § 1160.211 and income from such assessments. Any such contract or agreement shall provide that:

(1) The contractors shall develop and submit to the Board a plan or project

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together with a budget(s) showing the estimated cost of such plan or project;

(2) Any such plan or project shall be adopted upon approval of the Secretary; and

(3) The contracting party shall keep accurate records of all of its transactions and make periodic reports to the Board of all activities conducted pursuant to the contract or agreement, and provide accounts of all funds received and expended, and such other reports as the Secretary or the Board may require. The Secretary or employees of the Board periodically may audit the records of the contracting parties;

(h) For the initial fiscal period, the Board shall contract, to the extent practicable and subject to the approval of the Secretary, with an eligible organization to carry out the provisions of this subpart;

(i) To prepare and make public, at least annually, a report of its activities and an accounting for funds received and expended;

(j) To have an audit of its financial statements conducted by a certified public accountant in accordance with generally accepted auditing standards, at the end of the first 15 months of the initial fiscal period, at the end of the initial fiscal period, and at least once each fiscal period thereafter as well as at such other times as the Secretary may request, and to submit a copy of each such audit report to the Secretary;

(k) To give the Secretary the same notice of meetings of the Board and committees of the Board, including actions conducted under § 1160.206(b), as is given to such Board or committee members in order that the Secretary, or a representative of the Secretary, may attend such meetings;

(l) To submit to the Secretary such information pursuant to this subpart as may be requested;

(m) The Board shall take reasonable steps to coordinate the collection of assessments, and promotion, education, and research activities of the Board, with the National Dairy Promotion and Research Board established under section 113(b) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(b)); and

(n) The Board shall conduct advertising using third parties only through contracts which shall prohibit the third party from selling, offering for sale, or otherwise making available advertising time or space to private industry members conducting brand-name advertising which immediately precedes, follows, appears in juxtaposition, or appears in the midst of Board-sponsored advertising.

[58 FR 62503, Nov. 29, 1993, as amended at 61 FR 27003, May 30, 1996; 62 FR 3983, Jan. 28, 1997]

### § 1160.210 Expenses.

(a) The Board is authorized to incur such expenses (including provision for a reasonable reserve) as the Secretary finds are reasonable and likely to be incurred by the Board for its administration, and to enable it to exercise its powers and perform its duties in accordance with the provisions of this subpart; except that, after the Board's first year, it shall not spend on its administration more than 5 percent of the assessments collected during any fiscal period subsequent to the initial fiscal period. Such administrative expenses shall be paid from assessments collected pursuant to § 1160.211.

(b) The Board shall reimburse the Secretary for administrative costs incurred by the Department from assessments collected pursuant to § 1160.211.

(c) Within 30 days after funds are remitted from Regions 14 and 15, the Board shall provide a grant of 80% of such funds to the entity authorized by the laws of the State of California to conduct an advertising program for fluid milk products in that State for the purpose of implementing a coordinated advertising program in the markets within those regions. Such grant shall be provided with the approval of the Secretary on the following conditions:

(1) The granted funds shall be utilized to implement a fluid milk promotion campaign within the markets within those regions. Verification of the implementation of this program shall be provided to the Board.

(2) The Board shall ensure that the recipients of these funds implement a research and evaluation program to determine the effect of such program on

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consumption of fluid milk within the region.

(3) The recipient of these funds must provide to the Board data from the research and evaluation programs so that the Board can determine the effect of the program on consumption of fluid milk.

### § 1160.211 Assessments.

(a) (1) Each fluid milk processor shall pay to the Board or its designated agent an assessment of \$.20 per hundredweight of fluid milk products processed and marketed commercially in consumer-type packages in the United States by such fluid milk processor. Producer-handlers required to pay assessments under section 113(g) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(g)), and not exempt under §1160.108, shall also pay the assessment under this subpart. No assessments are required on fluid milk products exported from the United States. The Secretary shall have the authority to receive assessments on behalf of the Board.

(2) The Secretary shall announce the establishment of the assessment each month in the Class I price announcement in each milk marketing area by adding it to the Class I price for the following month. In the event the assessment is suspended for a given month, the Secretary shall inform all fluid milk processors of the suspension in the Class I price announcement for that month. The Secretary shall also inform fluid milk processors marketing fluid milk in areas not subject to milk marketing orders administered by the Secretary of the establishment or suspension of the assessment.

(3) Each processor responsible for remitting an assessment shall remit it to the Board not later than the last day of the month following the month that the assessed milk was marketed.

(b) Such assessments shall not:

(1) Reduce the prices paid under the Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937;

(2) Otherwise be deducted from the amounts that handlers must pay to

producers for fluid milk products sold to a processor; or

(3) Otherwise be deducted from the price of milk paid to a producer by a handler, as determined by the Secretary.

(c) Money remitted to the Board or the Board's designated agent shall be in the form of a negotiable instrument made payable to the Board or its agent, as the case may be. Processors must mail remittances and reports specified in §§1160.108, 1160.211(a)(1), 1160.213, 1160.214, and 1160.401 to the location designated by the Board or its agent.

[58 FR 62503, Nov. 29, 1993, as amended at 62 FR 3983, Jan. 28, 1997]

### § 1160.212 Influencing governmental action.

No funds collected by the Board under this subpart shall in any manner be used for the purpose of influencing governmental policy or action, except to recommend to the Secretary amendments to this subpart.

### § 1160.213 Adjustment of accounts.

Whenever the Board or the Secretary determines through an audit of a processor's reports, records, books or accounts or through some other means that additional money is due the Board or to such processor from the Board, the Board shall notify that person of the amount due or overpaid. If the processor owes money to the Board, it shall remit that amount by the next date for remitting assessments as provided in §1160.211. If the processor has overpaid, that amount shall be credited to its account and applied against amounts due in succeeding months.

### § 1160.214 Charges and penalties.

(a) Late-payment charge. Any unpaid assessments shall be increased 1.5 percent each month beginning with the day following the date such assessments were due. Any remaining amount due, which shall include any unpaid charges previously made pursuant to this section, shall be increased at the same rate on the corresponding day of each month thereafter until paid. For the purpose of this section, any assessment determined at a date later than prescribed by this subpart because of the failure of a processor to

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submit a report to the Board when due shall be considered to have been payable by the date it would have been due if the report had been filed when due. The receipt of a payment by the Board will be based on the earlier of the post-mark date or the actual date of receipt.

(b) Penalties. The Secretary may assess any person who violates any provision of this subpart a civil penalty of not less than \$500 nor more than \$5,000 for each such violation. In the case of a willful failure to pay an assessment as required by this subpart, in addition to the amount due, the Secretary may assess an additional penalty of not less than \$10,000 nor more than \$100,000 for each such violation. The amount of any such penalty shall accrue to the United States, which may recover such amount in a civil suit. The remedies provided in this section are in addition to, and not exclusive of, other remedies that may be available by law or in equity.

### PROMOTION, CONSUMER EDUCATION AND RESEARCH

#### § 1160.301 Promotion, consumer education and research.

(a) The Board shall receive and evaluate, or on its own initiative develop, and submit to the Secretary for approval any plans or projects authorized in §§ 1160.208 and 1160.209. Such plans or projects shall provide for:

(1) The establishment, issuance, effectuation, and administration of consumer education, promotion and research activities with respect to fluid milk products; and

(2) The evaluation of consumer education, promotion and research activities implemented under the direction of the Board, and the communication of such evaluation to fluid milk processors and the public.

(b) The Board shall periodically review or evaluate each plan or project authorized under § 1160.301(a) to ensure that it contributes to an effective program of promotion, consumer education and research. If the Board finds that any such plan or project does not further the purposes of the Act, the Board shall terminate that plan or project.

(c) No plan or project authorized under § 1160.301(a) may employ unfair or deceptive acts or practices with respect to the quality, value or use of any competing product.

(d) No plan or project authorized under § 1160.301(a) may make use of a brand or trade name of a fluid milk product, except that this paragraph does not preclude the Board from offering program material to commercial parties to use under such terms and conditions as the Board may prescribe, subject to approval by the Secretary.

### REPORTS, BOOKS AND RECORDS

#### § 1160.401 Reports.

Each fluid milk processor marketing milk and paying an assessment under § 1160.211 shall be required to report upon the remittance of such assessments such information as the Board or the Secretary may require. Such information shall include but not be limited to the following:

(a) The quantity of fluid milk products marketed that is subject to the collection of the assessment;

(b) The amount of assessment remitted;

(c) The reason, if necessary, why the remittance is less than the number of hundredweights of milk multiplied by 20 cents; and

(d) The date any assessment was paid.

#### § 1160.402 Books and records.

Each person subject to this subpart shall maintain and make available for inspection by agents of the Board and the Secretary such books and records as are necessary to carry out the provisions of this subpart and the regulations issued hereunder, including such records as are necessary to verify any reports required. Such books and records shall be retained for at least two years beyond the fiscal period of their applicability.

#### § 1160.403 Confidential treatment.

(a) All persons, including agents and former agents of the Board, all officers and employees and all former officers and employees of the Department, and all officers and all employees and all

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former officers and employees of contracting agencies having access to commercial or financial information obtained from such books, records or reports under the Act and this subpart shall keep such information confidential, and not make it available to Board members. Only those persons, as determined by the Secretary, who have a specific need for such information in order to effectively administer the provisions of this subpart shall have access to such information. In addition, they shall disclose only that information the Secretary deems relevant, and then only in a suit or administrative hearing brought at the discretion, or upon the request, of the Secretary, or to which the Secretary or any officer of the United States is a party, and involving this subpart. Nothing in this section, however, shall be deemed to prohibit:

(1) The issuance of general statements based upon the reports of the number of processors, individuals, groups of individuals, partnerships, corporations, associations, cooperatives, or other entities subject to this subpart or statistical data collected from such sources, which statements do not identify the information furnished by any such parties, and

(2) The publication, at the direction of the Secretary, of the name of any processor, individuals, group of individuals, partnership, corporation, association, cooperative, or other entity that has been adjudged to have violated this subpart, together with a statement of the particular provisions of the subpart so violated.

(b) Except as otherwise provided in this subpart, information obtained under this subpart may be made available to another agency of the Federal Government for a civil or criminal law enforcement activity if the activity is authorized by law and if the head of the agency has made a written request to the Secretary specifying the particular information desired and the law enforcement activity for which the information is sought.

(c) Any person violating this section, on conviction, shall be subject to a fine of not more than \$1,000 or to imprisonment for not more than 1 year, or both, and if such person is an agent of the

Board or an officer or employee of the Department shall be removed from office.

(d) Nothing in this subsection authorizes the Secretary to withhold information from a duly authorized committee or subcommittee of Congress.

### MISCELLANEOUS

#### § 1160.501 Continuation referenda.

(a) The Secretary at any time may conduct a referendum among those persons who the Secretary determines were fluid milk processors during a representative period, as determined by the Secretary, on whether to suspend or terminate the order. The Secretary shall hold such a referendum at the request of the Board or of any group of such processors that marketed during a representative period, as determined by the Secretary, 10 percent or more of the volume of fluid milk products marketed in the United States by fluid milk processors voting in the preceding referendum.

(b) Any suspension or termination of the order on the basis of a referendum conducted pursuant to this section must be favored:

(1) By at least 50 percent of the fluid milk processors voting in the referendum; and

(2) By fluid milk processors voting in the referendum that marketed during a representative period, as determined by the Secretary, 40 percent or more of the volume of fluid milk products marketed in the United States by fluid milk processors voting in the referendum.

(c) If the Secretary determines that the suspension or termination of the order is favored in the manner set forth in § 1160.501(b), the Secretary shall take such action within 6 months of such determination.

[58 FR 62503, Nov. 29, 1993, as amended at 62 FR 3983, Jan. 28, 1997]

#### § 1160.502 Proceedings after suspension or termination.

(a) Upon the suspension or termination of this subpart, the Board shall recommend to the Secretary not more than five of its members to serve as trustees for the purpose of liquidating

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the affairs of the Board. Once the Secretary has designated such members as trustees, they shall become trustees of all the funds and property that the Board owns, possesses, or controls, including unpaid and undelivered property or any other unpaid claim existing at the time of such termination. The actions of such trustees shall be subject to approval by the Secretary.

(b) The said trustees shall:

(1) Serve as trustees until discharged by the Secretary;

(2) Carry out the obligations of the Board under any contract or agreements that it entered pursuant to §§ 1160.208 and 1160.209;

(3) Account for all receipts and disbursements and deliver to any person designated by the Secretary all property on hand, together with all books and records of the Board and the trustees; and

(4) At the request of the Secretary, execute such assignments or other instruments necessary or appropriate to vest in the Secretary's designee full title and right to all of the funds, property, and claims of the Board or the trustees.

(c) The Secretary's designee shall be subject to the same obligations with respect to funds, property or claims transferred or delivered pursuant to this subpart as the Board and the trustees.

(d) The Board, the trustees or the Secretary's designee shall deliver to the Secretary any residual funds not required to pay liquidation expenses, which funds may be used, to the extent practicable, to continue one or more of the promotion, research or nutrition education plans or projects authorized pursuant to this subpart.

### § 1160.503 Effect of suspension, termination or amendment.

Unless otherwise expressly provided by the Secretary, the suspension or termination of this subpart or of any regulation issued pursuant hereto, or the issuance of any amendment to either thereof, shall not:

(a) Affect or waive any right, duty, obligation, or liability of the Board or its trustees which shall have arisen or which may hereafter arise in connec-

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tion with any provision of this subpart or any regulation issued thereunder;

(b) Release or extinguish any violation of this subpart or any regulation issued thereunder; or

(c) Affect or impair any rights or remedies of the United States, the Secretary, or any person, with respect to any such violation.

### § 1160.504 Personal liability.

No member or employee of the Board shall be held personally responsible, either individually or jointly, in any way whatsoever to any person for errors in judgment, mistakes, or other acts of either commission or omission by such member or employee, except for acts of dishonesty or willful misconduct.

### § 1160.505 Patents, copyrights, inventions and publications.

(a) Any patents, copyrights, trademarks, inventions or publications developed through the use of funds collected under the provisions of this subpart are the property of the United States Government as represented by the Board, and shall, along with any rents, royalties, residual payments, or other income from the rental, sale, leasing, franchising, or other uses of such patents, copyrights, inventions, or publications, inure to the benefit of the Board. Section 1160.502 governs the disposition of all such property upon suspension or termination of this subpart.

(b) Should patents, copyrights, inventions, and publications be developed through the use of funds collected by the Board under this subpart, and funds contributed by another organization or person, ownership and related rights to such patents, copyrights, inventions, and publications shall be determined by the agreement between the Board and the party contributing funds towards the development of such patent, copyright, invention, and publication in a manner consistent with paragraph (a) of this section.

[58 FR 62503, Nov. 29, 1993, as amended at 63 FR 46639, Sept. 2, 1998]

### § 1160.506 Amendments.

The Secretary may from time to time amend provisions of this subpart. Any interested person or organization

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affected by the provisions of the Act may propose amendments to the Secretary.

### § 1160.507 Report.

The Secretary shall provide annually for an independent evaluation of the effectiveness of the fluid milk promotion program carried out under this subtitle during the previous fiscal year, in conjunction with the evaluation of the National Dairy Promotion and Research Board established under section 113(b) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(b)).

### § 1160.508 Separability.

If any provision of this subpart is declared invalid or the applicability thereof to any person or any circumstances is held invalid, such declaration or holding shall not offset the validity of the remainder of this subpart or the applicability thereof to other persons or circumstances.

## Subpart—Procedure for Conduct of Referenda in Connection with a Fluid Milk Promotion Order

### § 1160.600 General.

Referenda to determine whether eligible fluid milk processors favor the issuance, continuance, termination or suspension of a Fluid Milk Promotion Order authorized by the Fluid Milk Promotion Act of 1990 shall be conducted in accordance with this subpart.

### § 1160.601 Definitions.

As used in this subpart:

(a) *Act* means the Fluid Milk Promotion Act of 1990 (Subtitle H of Title XIX of the Food, Agriculture, Conservation, and Trade Act of 1990, Pub. L. 101-624, 7 U.S.C. 6401-6417) and any amendments thereto.

(b) *Department* means the United States Department of Agriculture.

(c) *Secretary* means the Secretary of Agriculture of the United States or any officer or employee of the Department to whom authority has heretofore been delegated, or to whom authority may hereafter be delegated, to act in the Secretary's stead.

(d) *Administrator* means the Administrator of the Agricultural Marketing Service, with power to redelegate, or any officer or employee of the Department to whom authority has been delegated or may hereafter be delegated to act in the Administrator's stead.

(e) *Order* means a Fluid Milk Promotion Order, and any amendments thereto, authorized by the Act.

(f) *Board* means the National Fluid Milk Processor Promotion Board established pursuant to the Act.

(g) *Assessment* means the monies that are collected and remitted to the Board pursuant to the Act.

(h) *Person* means any individual, group of individuals, partnership, corporation, association, cooperative association or other entity.

(i) *Fluid milk processor* means any person who is defined as a fluid milk processor under the order, or under the proposed order on which the initial referendum is held.

(j) *Referendum agent* means the person designated by the Secretary to conduct the referendum.

(k) *Representative period* means the period designated by the Secretary pursuant to Sections 1999N and 1999O of the Act.

### § 1160.602 Conduct of referendum.

(a) The referendum shall be conducted by mail in the manner prescribed in this subpart. The referendum agent may utilize such personnel or agencies of the Department as are deemed necessary by the Administrator. There shall be no voting except within the time specified by the referendum agent.

(b) The referendum agent shall mail to each fluid milk processor that has properly registered to participate in the referendum:

(1) A ballot containing a description of the question(s) upon which the referendum is being held;

(2) Instructions for completing the ballot; and

(3) A statement as to the time within which the ballot must be mailed to the referendum agent.

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**§ 1160.603 Who may vote.**

(a) Each person who was a fluid milk processor during the representative period, as determined by the Secretary, and who at the time of voter registration and when voting is processing and marketing commercially fluid milk products in consumer-type packages in the United States shall be entitled to vote in a referendum, and no such person shall be refused a ballot. Any person casting more than one ballot with conflicting votes shall thereby invalidate all ballots cast by such person in such referendum. Each person voting shall have registered with the referendum agent prior to the voting period. Each ballot cast shall contain a certification by the person casting the ballot that such person is qualified to vote. All information required on the ballot pertinent to the identification of the person voting must be supplied and certified to as being correct in order for the ballot to be valid.

(b) Voting by proxy or agent will not be permitted. However, the ballot of a fluid milk processor who is other than an individual may be cast by a person who is duly authorized to do so, and such ballot shall contain a certification by such person that the entity on whose behalf the ballot is cast was a fluid milk processor during the representative period. All information required on the ballot pertinent to the identification of the fluid milk processor on whose behalf the ballot is cast must be supplied and certified to as being correct in order for the ballot to be valid.

**§ 1160.604 Duties of the referendum agent.**

The referendum agent, in addition to any other duties imposed by this subpart, shall:

(a) For the purpose of adjusting the rate of assessment, determine and publicly announce prior to the voting period the total volume of fluid milk products marketed by all processors of fluid milk in the United States during the representative period and the portion of such volume that must be represented by those fluid milk processors voting in favor of the question included on the ballot if the referendum question is to pass.

(b)(1) Within 12 days after the deadline for registering to vote in the referendum, the referendum agent shall make available upon request a list of those fluid milk processors that properly registered. Any challenge of a processor's eligibility to vote must be received by the referendum agent within 17 days of the deadline for voter registration.

(2) If the voting eligibility of any fluid milk processor is challenged within the timeframe specified in §1160.604(b)(1), the referendum agent shall review the challenge and make a final determination regarding the processor's eligibility to vote.

(3) Prior to the time of mailing ballots to fluid milk processors, the referendum agent shall prepare a final list of eligible voters and make such list available upon request.

(c) Verify the eligibility of all persons voting in the referendum by reviewing all ballots cast to assure that each ballot:

(1) Was mailed within the prescribed time;

(2) Contains all certifications required attesting to the eligibility of the person to vote, and that the person voting filed with the referendum agent prior to the voting period the advance registration required pursuant to §1160.606(a)(1); and

(3) Was completed with respect to all necessary information pertinent to the identification of the person voting so that additional verification can be conducted by the referendum agent to substantiate the eligibility of each such person to vote.

(d) Conduct further verification, as necessary, to determine the eligibility of each person to vote. Such verification may be completed by reviewing readily available sources of information, including the following:

(1) Records of the Department;  
(2) Fluid milk processors' records; and

(3) Any other reliable sources of information which may be available to the referendum agent.

(e) Further verify ballots to avoid a duplication of votes. The following criteria shall serve as a guide:

(1) Each fluid milk processor that is other than an individual shall be regarded as one person for voting purposes;

(2) No more than one vote may be cast on behalf of any one fluid milk processor; and

(3) In the event that more than one individual claim the right to vote and cast a ballot for a fluid milk processor, concurring votes of such individuals shall be treated as one vote while any conflicting votes shall thereby invalidate all ballots cast by such individuals.

[58 FR 62503, Nov. 29, 1993, as amended at 62 FR 3983, Jan. 28, 1997]

**§ 1160.605 Scheduling of referendum.**

A referendum shall be held:

(a) Whenever prescribed by the order;

(b) For the purpose of adjusting the rate of assessment:

(1) At the direction of the Secretary; or

(2) Upon request of the Board or upon request of any group of fluid milk processors that marketed during a representative period, as determined by the Secretary, 10 percent or more of the volume of fluid milk products marketed by all processors of fluid milk in the United States during that period; or

(c) For the purpose of suspending or terminating the order:

(1) At the direction of the Secretary; or

(2) Upon request of the Board or upon request of any group of fluid milk processors that marketed during a representative period, as determined by the Secretary, 10 percent or more of the volume of fluid milk products marketed by fluid milk processors voting in the preceding referendum.

[62 FR 3984, Jan. 28, 1997]

**§ 1160.606 Notice of referendum.**

The referendum agent shall provide at least 30 days' notice of any referendum authorized by the Act by:

(a) Mailing to each known person processing fluid milk products a notice of referendum, which shall include:

(1) An advance registration form to be filed with the referendum agent prior to the voting period by any per-

son choosing to vote in the referendum, with a statement as to the time within which the registration form must be mailed to the referendum agent;

(2) A copy of the final rule, when applicable;

(3) A sample ballot containing a description of the question(s) upon which the referendum is being held; and

(4) Rules for participating in the referendum, including a statement as to the time within which the ballot must be mailed to the referendum agent; and

(b) Giving public notice of the referendum:

(1) By furnishing press releases and other information to available media of public information (including but not limited to press, radio, and television facilities) announcing the time within which ballots must be completed and mailed to the referendum agent, eligibility requirements, required certifications to cast a valid ballot, where additional information, ballots and instructions may be obtained, and other pertinent information; and

(2) By such other means as the referendum agent may deem advisable.

**§ 1160.607 Tabulation of ballots.**

(a) The referendum agent shall verify the validity of all ballots cast in accordance with the instructions and requirements specified in §§ 1160.602 through 1160.606. Ballots that are not valid shall be marked "disqualified" with a notation on the ballot as to the reason for the disqualification.

(b) The total number of ballots cast, including the disqualified ballots, shall be ascertained. The number of ballots cast approving, the number of ballots cast disapproving, and the pounds of fluid milk products distributed during the representative period by the processors represented in each grouping of ballots, shall also be ascertained. The ballots marked "disqualified" shall not be considered as approving or disapproving, and the persons who cast such ballots shall not be regarded as participating in the referendum.

(c) The referendum agent shall notify the Administrator of the number of ballots cast, the count of the votes, the number of disqualified ballots, and the

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volume of fluid milk products associated with the ballots cast as prescribed in §1160.607(b). The referendum agent shall seal the ballots and transmit to the Administrator a complete detailed report of all actions taken in connection with the referendum and all other information furnished to or compiled by the referendum agent.

(d) Announcement of the results of the referendum will be made only at the direction of the Secretary. The referendum agent or others who assist in the referendum shall not disclose the results of the referendum or the total number of ballots and votes cast.

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**§ 1160.608 Confidential information.**

The ballots cast, the identity of any person who voted, or the manner in which any person voted and all information furnished to, compiled by, or in the possession of the referendum agent, except the list of eligible voters, shall be regarded as confidential.

**§ 1160.609 Supplementary instructions.**

The Administrator is authorized to issue instructions and to prescribe forms and ballots, not inconsistent with the provisions of this subpart, to govern the conduct of referenda by referendum agents.

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## FINDING AIDS

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