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UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE
DAIRY PROGRAMS

Milk Market Administrator
SOUTHWEST MILK MARKETING AREA
Federal Order No. 126

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DATE: February 28, 2019

TO: Handlers, Cooperative Associations and Interested Parties

FROM: Cary Hunter
Market Administrator
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SUBJECT: Extension of Dairy Forward Pricing Program until September 30, 2023

The Agricultural Improvement Act of 2018, signed into law on December 20, 2018, extended the authorization of the Dairy Forward Pricing Program contained in the Food, Conservation and Energy Act of 2008 (the 2008 Farm Bill), through September 30, 2023. Handlers may now enter new forward price contracts with producers or cooperative associations of producers through September 30, 2023. Contracts may extend through September 30, 2026. All other provisions of the Dairy Forward Price Program remain the same.

The final rule extending the program was posted on the Federal Register website for public display at:
<https://www.federalregister.gov/public-inspection/current>.

Please keep in mind:

- All new contracts must be signed by both parties prior to the effective month. The signed contract and disclosure statement must be received by the Market Administrator prior to the 15th of the applicable month. For example, to contract for April 2019 milk, the forward contract and disclosure statement must be signed prior to April 1, 2019, and received by the Market Administrator by April 15, 2019.
- The disclosure statement must be signed on the same date as the contract.
- Producer milk that has been forward contracted under the terms of the program is not subject to minimum payment to a producer or cooperative association under a Federal Order.
- For contracts signed between September 30, 2018, and March 3, 2019, if the Market Administrator has already received a copy of the contract and disclosure statement or receives them by March 15, 2019, and the contract includes March milk deliveries, the contract applies only to milk marketed on or after March 4, 2019. This holds true even if contract deliveries began in a prior month. However, contracts cannot be included in the program if the disclosure statement has a date other than the date on which the contract was signed. In this case, if a handler and producer would like to have a valid contract applicable under the program, another contract must be negotiated.
- For contracts signed between September 30, 2018, and March 3, 2019, there will be no allowance for payments less than the Federal order minimum for milk marketed between October 2018 and March 3, 2019.
- Forward Contracts established under this program may not extend past September 30, 2026.

Forward contracts established prior to October 1, 2018, are not impacted. Please call Frank Sheckarski, or e-mail frank.sheckarski@dallasma.com with any questions.

/s/ Cary Hunter

Market Administrator