



UPPER MIDWEST MARKETING AREA
Federal Order No. 30

600 East Diehl Road, Suite 100
Naperville, IL 60563-4896
Telephone: (630) 810-9999
Fax: (630) 810-1788

Agricultural Marketing Service
Dairy Programs

1600 West 82nd Street, Suite 200
Minneapolis, MN 55431-1420
Telephone: (952) 831-5292
Fax: (952) 831-8249

Home Page:
www.fmma30.com

4600 American Parkway, Suite 101
Madison, WI 53718-8334
Telephone: (608) 242-1822
Fax: (608) 242-1846

May 18, 2020

TO: Regulated Handlers

SUBJECT: Producer Settlement Fund Non-Payment

On May 15, 2020, Dean Foods, DIP (debtor-in-possession), a regulated handler on the Upper Midwest Order (F.O. 30), did not pay its obligation to the Producer Settlement Fund (PSF) as required by Federal milk marketing order regulations. USDA recognizes the significance of this non-payment and is continuing to work with the Department of Justice to attempt to recover these monies as part of the Dean Foods, DIP, estate.

When payment is not made to the PSF, Federal milk marketing order regulations prescribe procedures for how the remaining marketwide pool monies should be distributed to handlers (§1030.72). When PSF monies are not sufficient to make full payments to handlers, the Market Administrator shall reduce uniformly such payments to handlers due a payment from the PSF.

Accordingly, for milk pooled on Order 30 during April 2020, payments to handlers from the PSF have been reduced pro rata. Should the PSF payments be recovered from the Dean Foods, DIP, estate at a later time, full payments will be distributed. In the meantime, Federal milk marketing order regulations provide for reduced payments to producers from regulated handlers who did not receive full payment from the PSF (§1030.73(c)). Consequently, the enforced minimum payments to producers will be at the pro rata amount.

USDA will continue to monitor this situation and work to assist the dairy industry. Additional information will be provided to all market participants as it becomes available. If you have any questions, please contact Glen Rieck at 1-888-301-8224, ext. 2211, or me at ext. 2207. We can be reached by email at griek@fmma30.com, or vhalverson@fmma30.com.

/s/ Victor J. Halverson
Market Administrator