



USDA Issues a Final Rule Establishing Dairy Product Mandatory Reporting Program

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Becky Unkenholz (202) 720-8998
becky.unkenholz@usda.gov
Billy Cox (202)720-8998
billy.cox@usda.gov

Washington, D.C., June 17, 2008 – The U. S. Department of Agriculture today issued a final rule that amends the Dairy Products Mandatory Reporting Program that was established on Aug. 2, 2007 by the Market Enhancement Act of 2000, and certain provisions of the Farm Security and Rural Investment Act of 2002 amend the Agricultural Marketing Act of 1946 to provide for timely, accurate, and reliable market information to facilitate more informed marketing decisions and promote competition in the dairy product manufacturing industry.

This program: (1) requires persons engaged in manufacturing dairy products to report certain information, including the price, quantity, and moisture content where applicable, of dairy products sold by the manufacturer; (2) requires persons storing dairy products to report information on the quantity of dairy products stored. The National Agricultural Statistics Service (NASS) collects such information for the program. The Agricultural Marketing Service implemented a plan to verify the price information submitted by dairy product manufacturing plants to the NASS. A manufacturer that processes and markets less than 1 million pounds of dairy products per year is exempt from reporting requirements.

AMS reviewed all comments received in response to the interim final rule and considered those comments while developing the final rule. All changes in the final rule from the interim rule concern price reporting. The changes concerning stock reporting. Certain products are now excluded in the reporting specifications:

- Products that are produced under faith-based close supervision and are marketed at a higher price than the manufacturer's wholesale market price for the basic commodity.
- Dairy Export Incentive Program sales or other premium-assisted sales.
- Products certified as organic by USDA-accredited certifying agents.

Another substantive change is that in calculating the total dollars received or dollars per pound, the report shall not deduct brokerage fees or clearing charges paid by the manufacturer. Other changes have been made to the organization or content for greater clarity.

The final rule appears in today's Federal Register and becomes effective June 22, 2008. For additional information concerning dairy product price data collection, reporting and verification contact:

John R. Mengel, Chief Economist
USDA/AMS/Dairy Programs
Office of the Chief Economist
1400 Independence Ave, SW., STOP 0229
Washington, DC 20250-0229,
Tel. (202) 720-4664; email John.Mengel@usda.gov

For additional information concerning dairy products storage data collection and reporting contact:

Dan Kerestes, Chief, Livestock Branch,
USDA/NASS
1400 Independence Ave, SW., STOP 2053
Washington, DC 20250-2053,
Tel. (202) 720-3570; email Dan.Kerestes@usda.gov