



**UPPER MIDWEST MARKETING AREA**  
Federal Order No. 30

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October 1, 2018

TO: Handlers, Cooperative Associations and Interested Parties

SUBJECT: Expiration of Dairy Forward Pricing Program

Many programs and policies of the U.S. Department of Agriculture (USDA) were authorized under the Agriculture Act of 2014 (2014 Farm Bill) through September 30, 2018. Beginning October 1, 2018, the authority or funding provided under the 2014 Farm Bill for USDA to operate a number of these programs, including the Dairy Forward Pricing Program, expired.

As of October 1, 2018, Congress has not passed a 2018 Farm Bill or other legislation extending the authority for USDA to carry out this program, and USDA cannot make new commitments to the program.

Therefore, proprietary handlers establishing **new** forward contracts on or after October 1, 2018 will not be exempt from paying minimum Federal order prices. Previously established contracts that expire on or before September 30, 2021, are not impacted.

With the expiration of the Forward Pricing Program, all producers may still choose to (but are not required to) have forward pricing contracts. For producers being paid by proprietary plants, however, such contracts do not exempt the proprietary plant from its obligation to pay the producer the Federal order minimum prices on milk pooled on the order.

Any questions pertaining to the above should be directed to our office at 1-888-301-8224. You may direct them to Michael McDonald at ext. 134, Corey Freije at ext. 226, or me at ext. 207.

/s/ Victor J. Halverson  
Market Administrator