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UPPER MIDWEST MARKETING AREA
Federal Order No. 30

Agricultural Marketing Service
Dairy Programs

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March 21, 2014

TO: Handlers, Cooperative Associations and Interested Parties

SUBJECT: Extension of Dairy Forward Pricing Program until September 30, 2018

The Dairy Forward Pricing Program, originally established under the 2008 Farm Bill, allowed forward price contracts between handlers and dairy farmers to be entered into through September 30, 2012. Legislation signed into law on January 2, 2013 renewed authority for the program through September 30, 2013. On February 7, 2014 President Obama signed the Agricultural Act of 2014, again renewing the program's authority through September 30, 2018. Handlers may now enter into new forward price contracts with producers, or cooperative associations of producers, through September 30, 2018. Contracts may extend through September 30, 2021. All other provisions of the Dairy Forward Price Program remain the same.

Please reference the included Federal Register Notice and News Release for additional information.

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 2014 milk, the forward contract and disclosure statement must be signed prior to April 1, 2014 and received by the Market Administrator by April 15, 2014.
- 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, 2013 and April 1, 2014, if the Market Administrator has already received a copy of the contract and disclosure statement or receives them by April 15, 2014, and the contract includes April milk deliveries, the first "effective" month is April. 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, 2013 and April 1, 2014, there will be no allowance for payments less than the Federal order minimum for pooled milk in October 2013 through March 2014.
- Forward Contracts established under this program may not extend past September 30, 2021.

Forward contracts established prior to October 1, 2013 are not impacted.

Any questions pertaining to the above should be directed to our office at 1-888-301-8224. You may direct them to Victor Halverson at ext. 207, Henry Schaefer at ext. 208, Mike McDonald at ext. 134, or me at ext. 206. In addition, my e-mail address is pkgyburz@fmma30.com.

/s/ H. Paul Kyburz
Market Administrator

Enclosures