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May 1, 2006

UPPER MIDWEST MARKETING AREA

Federal Order No. 30

Agricultural Marketing Service Dairy Programs

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TO: Interested Persons - Upper Midwest Marketing Area

SUBJECT: Notice of Final Rule Amending All Federal Milk Orders

Enclosed is a final rule amending all Federal milk orders, including the Upper Midwest Order. This final rule implements the provisions of the Milk Regulatory Equity Act of 2005. A press release is also enclosed. These documents are also available on our website at: <a href="https://www.fmma30.com/Homepage/OrderActions.html">www.fmma30.com/Homepage/OrderActions.html</a>.

The Milk Regulatory Equity Act of 2005 (Public Law 109-215, 120 Stat. 328), which was signed on April 11, 2006, amended the Agricultural Marketing Agreement Act of 1937 (AMAA). In passing this amendment, the congressional intent is to "ensure regulatory equity between and among all dairy farmers and handlers for sales of packaged fluid milk in federally regulated milk marketing areas and into certain non-federally regulated milk marketing areas from federally regulated areas, and for other purposes."

This will result in changes to the language of all Federal milk orders, including the Upper Midwest Order, effective May 1, 2006.

Specifically, this final rule amends Federal milk orders to: 1) Require fluid milk handlers located in Federal milk marketing order areas as described on the date of enactment, but not regulated by any Federal milk marketing order, to pay Federal order minimum prices to the Federal order where the handler is physically located for sales of packaged fluid milk into non-Federally regulated marketing area(s) located within one or more States that require handlers to pay minimum prices for milk, excluding plants pooled on another Federal order, plants subject to minimum pricing under State regulations, exempt plants, and producer-handlers with less than three-million pounds of route distribution; 2) Partially or fully regulate any producer-handler that has total distribution of Class I products of own-farm production in excess of three-million pounds and distributes fluid milk in the Arizona-Las Vegas marketing order area; and 3) Remove the State of Nevada from the marketing area definition of any Federal order.

If you have any questions concerning this notice, please contact our office.

/s/ H. Paul Kyburz Market Administrator

Enclosures