

PART 1135—MILK IN THE WESTERN MARKETING AREA

AUTHORITY: 7 U.S.C. 601-674, and 7253.

Subpart—Order Regulating Handling

§ 1135.1 General provisions.

The terms, definitions, and provisions in part 1000 of this chapter apply to this part 1135. In this part 1135, all references to sections in part 1000 refer to part 1000 of this chapter.

[64 FR 48015, Sept. 1, 1999]

PARTS 1136-1140 [RESERVED]

PART 1145—DAIRY FORWARD PRICING PROGRAM

Subpart A—Definitions

Sec.

1145.1 Definitions.

Subpart B—Program Rules

1145.2 Program.

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AUTHORITY: 7 U.S.C. 8772.

SOURCE: 73 FR 64871, Oct. 31, 2008, unless otherwise noted.

Subpart A—Definitions

§ 1145.1 Definitions.

(a) *Program* means the dairy forward pricing program as established by Section 1502 of Public Law No. 110-246.

(b) *Eligible milk* means the quantity of milk equal to the contracting handler's Class II, III and IV utilization of producer milk, in product pounds, during the month, combining all plants of a single handler regulated under the same Federal milk marketing order.

(c) *Forward contract* means an agreement covering the terms and conditions for the sale of Class II, III or IV milk from a producer defined in 7 CFR 1001.12, 1005.12, 1006.12, 1007.12, 1030.12, 1032.12, 1033.12, 1124.12, 1126.12, 1131.12 or a cooperative association of producers

defined in 7 CFR 1000.18, and a handler defined in 7 CFR 1000.9.

(d) *Contract milk* means the producer milk regulated under a Federal milk marketing order covered by a forward contract.

(e) *Disclosure statement* means the following statement which must be signed by each producer or cooperative representative entering into a forward contract with a handler before the Federal milk marketing order administrator will recognize the contract as satisfying the provisions of this program.

Attachment to § 1145.1, paragraph (e):

DISCLOSURE STATEMENT

I am voluntarily entering into a forward contract with [insert handler's name]. I have been given a copy of the contract. By signing this form, I understand that I am forfeiting my right to receive the Federal milk marketing order's minimum prices for that portion of the milk which is under contract for the duration of the contract. I also understand that this contract milk will be priced in accordance with the terms and conditions of the contract.

Printed Name: _____

Signature: _____

Date: _____

Address: _____

Producer Number: _____

(f) *Other definitions.* The definition of any term in parts 1000-1131 of this chapter apply to, and are hereby made a part of this part, as appropriate.

Subpart B—Program Rules

§ 1145.2 Program.

(a) Any handler defined in 7 CFR 1000.9 may enter into forward contracts with producers or cooperative associations of producers for the handler's eligible volume of milk. Milk under forward contract in compliance with the provisions of this part will be exempt from the minimum payment provisions that would apply to such milk pursuant to 7 CFR 1001.73, 1005.73, 1006.73, 1007.73, 1030.73, 1032.73, 1033.73, 1124.73, 1126.73 and 1131.73 for the period of time covered by the contract.

(b) No forward price contract may be entered into under the program after September 30, 2012, and no forward contract entered into under the program may extend beyond September 30, 2015.

(c) Forward contracts must be signed and dated by the contracting handler and producer (or cooperative association) prior to the 1st day of the 1st month for which they are to be effective and must be received by the Federal milk market administrator by the 15th day of that month. The disclosure statement must be signed on the same date as the contract by each producer entering into a forward contract, and this signed disclosure statement must be attached to or otherwise included in each contract submitted to the market administrator.

(d) In the event that a handler's contract milk exceeds the handler's eligible milk for any month in which the specified contract price(s) are below the order's minimum prices, the handler must designate which producer milk shall not be contract milk. If the handler does not designate the suppliers of the over-contracted milk, the market administrator shall prorate the over-contracted milk to each producer and cooperative association having a forward contract with the handler.

(e) Payments for milk covered by a forward contract must be made on or before the dates applicable to payments for milk that are not under forward contract under the respective Federal milk marketing order.

(f) Nothing in this part shall impede the contractual arrangements that exist between a cooperative association and its members.

Subpart C—Enforcement

§ 1145.3 Enforcement.

A handler may not require participation in a forward pricing contract as a condition of the handler receiving milk from a producer or cooperative association of producers. USDA will investigate all complaints made by producers or cooperative associations alleging coercion by handlers to enter into forward contracts and based on the results of the investigation will take appropriate action.

PART 1150—DAIRY PROMOTION PROGRAM

Subpart—Dairy Promotion and Research Order

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- 1150.103 Secretary.
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