

UNITED STATES DEPARTMENT OF AGRICULTURE

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Agricultural Marketing Service
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FEDERAL MILK ORDERS 124 & 131

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October 1, 2012

HL 12-07

To: Handlers & Cooperative Associations, Federal Orders 124 and 131

From: Market Administrator, Bothell, Washington

Subject: Expiration of Dairy Forward Pricing Program

Many programs and policies of the U.S. Department of Agriculture (USDA) were authorized under the Food, Conservation and Energy Act of 2008 ("2008 Farm Bill") through September 30, 2012. Beginning October 1, 2012, the authority or funding provided under the 2008 Farm Bill for USDA to operate a number of these programs, including the Dairy Forward Pricing Program expired. As of October 1, 2012, Congress has not passed a 2012 Food, Farm and Jobs Act 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, 2012, will not be exempt from paying minimum Federal order prices. Previously established contracts that extend through September 30, 2015, are not impacted.

If you have any questions concerning this notice, please contact John Mykrantz at 425-487-6009 or via e-mail at: jmykrantz@fmmaseattle.com

/s/ William A. Wise
William A. Wise
Market Administrator