

AMS NEWS RELEASE

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USDA ANNOUNCES FINAL RULE TO AMEND ALL FEDERAL MILK ORDERS

WASHINGTON, April 27, 2006 -- The U. S. Department of Agriculture today announced publication of a final rule to amend all federal milk marketing orders. This amendment implements provisions included in the Milk Regulatory Equity Act (S. 2120), signed into law on April 11, that amends the Agricultural Marketing Agreement Act of 1937. In passing the amendments, the congressional intent is to “ensure 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.

The amended sections of the orders, which become effective May 1, include:

- 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 areas located within one or more states that require handlers to pay minimum prices for milk;
- 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;
- Remove the state of Nevada from the marketing area definition of any federal order; and
- Remove the regulatory exemption for handlers located in Clark County, Nevada.

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