

## DEPARTMENT OF AGRICULTURE

## Agricultural Marketing Service

7 CFR Parts 1000, 1001, 1002, 1004, 1005, 1006, 1007, 1012, 1013, 1030, 1032, 1033, 1036, 1040, 1044, 1046, 1049, 1050, 1064, 1065, 1068, 1076, 1079, 1106, 1124, 1126, 1131, 1134, 1135, 1137, 1138 and 1139

[DA-97-12]

### Milk in the New England and Other Marketing Areas; Order Amending the Orders

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Final rule.

7 CFR part	Marketing area
1000 .....	General Provisions of Federal Milk Marketing Orders.
1001 .....	New England.
1002 .....	New York-New Jersey.
1004 .....	Middle Atlantic.
1005 .....	Carolina.
1006 .....	Upper Florida.
1007 .....	Southeast.
1012 .....	Tampa Bay.
1013 .....	Southeastern Florida.
1030 .....	Chicago Regional.
1032 .....	Southern Illinois-Eastern Missouri.
1033 .....	Ohio Valley.
1036 .....	Eastern Ohio-Western Pennsylvania.
1040 .....	Southern Michigan.
1044 .....	Michigan Upper Peninsula.
1046 .....	Louisville-Lexington-Evansville.
1049 .....	Indiana.
1050 .....	Central Illinois.
1064 .....	Greater Kansas City.
1065 .....	Nebraska-Western Iowa.
1068 .....	Upper Midwest.
1076 .....	Eastern South Dakota.
1079 .....	Iowa.
1106 .....	Southwest Plains.
1124 .....	Pacific Northwest.
1126 .....	Texas.
1131 .....	Central Arizona.
1134 .....	Western Colorado.
1135 .....	Southwestern Idaho-Eastern Oregon.
1137 .....	Eastern Colorado.
1138 .....	New Mexico-West Texas.
1139 .....	Great Basin.

**SUMMARY:** This final rule consolidates the current 31 Federal milk marketing orders into 11 orders. This consolidation complies with the 1996 Farm Bill which mandates that the current Federal milk orders be consolidated into between 10 to 14 orders. This final rule will be effective for milk marketed on or after October 1, 1999, thereby conforming to the Omnibus Consolidated and Emergency Supplemental Appropriations Bill, which required that the Federal milk

order reform amendments be implemented on October 1, 1999. This rule sets forth a replacement for the Class I price structure and replaces the basic formula price with a multiple component pricing system. This rule also establishes a new Class IV which includes milk used to produce nonfat dry milk, butter, and other dry milk powders; reclassifies eggnog; and addresses other minor changes. Part 1000 is expanded to include sections that are identical in all of the consolidated orders to assist in simplifying and streamlining the orders. **EFFECTIVE DATE:** October 1, 1999.

**FOR FURTHER INFORMATION CONTACT:** John F. Borovies, Branch Chief, USDA/AMS/Dairy Programs, Order Formulation Branch, Room 2971, South Building, P.O. Box 96456, Washington, DC 20090-6456, (202) 720-6274, e-mail address John.Borovies@usda.gov.

#### SUPPLEMENTARY INFORMATION:

##### Executive Order 12988

The contents of this final rule were reviewed under Executive Order 12988, Civil Justice Reform. This rule is not intended to have a retroactive effect and will not preempt any state or local laws, regulations, or policies, unless they present an irreconcilable conflict with the rule.

The Agricultural Marketing Agreement Act of 1937 (AMAA), as amended, provides that administrative proceedings must be exhausted before parties may file suit in court. Under section 608c(15)(A) of the Act, any handler subject to an order may request modification or exemption from such order by filing with the Secretary a petition stating that the order, any provision of the order, or any obligation imposed in connection with the order is not in accordance with law. A handler is afforded the opportunity for a hearing on the petition. After a hearing, the Secretary would rule on the petition. The Act provides that the district court of the United States in any district in which the handler is an inhabitant, or has its principal place of business, has jurisdiction in equity to review the Secretary's ruling on the petition, provided a bill in equity is filed not later than 20 days after the date of the entry of the ruling.

##### Executive Order 12866

The Department is issuing this final rule in conformance with Executive Order 12866. The final rule is determined to be economically significant for the purposes of Executive Order 12866. To comply with the requirements of Executive Order 12866,

the Department prepared a final Regulatory Impact Analysis (RIA). Information contained in the RIA pertains to the costs and benefits of the revised regulatory structure contained in this final rule and is explained and summarized in detail in the final decision (64 FR 16030). Copies of the RIA can be obtained from Dairy Programs at (202) 720-4392, any Market Administrator office, or via the Internet at <http://www.ams.usda.gov/dairy>.

#### Civil Rights Impact Analysis

Pursuant to Departmental Regulation (DR) 4300-4, a Civil Rights Impact Analysis (CRIA) was completed that reviewed the reforms to the Federal milk marketing order program implemented by this final rule to identify any provisions with actual or potential adverse effects for minorities, women, and persons with disabilities. The analysis disclosed no potential for affecting dairy farmers with specific characteristics differently than the general population of dairy farmers. All producers, regardless of race, national origin, or disability choosing to deliver milk to a Federal order regulated handler will receive the minimum blend price.

Copies of the Civil Rights Impact Analysis can be obtained from Dairy Programs at (202) 720-4392; any Market Administrator office; or via the Internet at <http://www.ams.usda.gov/dairy/>.

#### Small Business Consideration

Pursuant to the requirements set forth in the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*), the Agricultural Marketing Service (AMS) considered the economic impact of the reforms to the Federal milk marketing order program implemented by this final rule on small entities and prepared a final regulatory flexibility analysis that was included in the final decision (64 FR 16034). The analysis indicates that the Department minimized the significant economic impacts of the regulations on small entities to the fullest extent reasonably possible while adhering to the stated objectives. The Department reviewed the regulatory and financial burdens resulting from the regulations and determined, to the fullest extent possible, the impact on small businesses' abilities to compete in the market place. The Department reviewed the regulations from both the small producer and small processor perspectives attempting to maintain a balance between these competing interests.

Copies of the final regulatory impact analysis can be obtained from Dairy Programs at (202) 720-4392; any Market

Administrator office; or via the Internet at <http://www.ams.usda.gov/dairy/>.

#### Paperwork Reduction Act of 1995

The information collection requirements contained in this final rule previously were approved by the Office of Management and Budget (OMB) pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35) under OMB control number 0581-0032, through September 30, 2001.

#### Prior Documents in This Proceeding

Proposed Rule: Issued January 21, 1998; published January 30, 1998 (63 FR 4802).

Correction: Issued February 19, 1998; published February 25, 1998 (63 FR 9686).

Extension of Time: Issued March 10, 1998; published March 13, 1998 (63 FR 12417).

Final Decision on Proposed Amendments: Issued March 12, 1999; published April 2, 1999 (64 FR 16026).

Correction: Issued July 8, 1999; published July 14, 1999 (64 FR 37892).

Notice of Referenda: Issued July 14, 1999; published July 21, 1999 (64 FR 39092).

#### Findings and Determinations

The findings and determinations hereinafter set forth supplement those that were made when the aforesaid orders were first issued and when they were amended. The previous findings and determinations are hereby ratified and confirmed, except where they may conflict with those set forth herein.

The following findings are hereby made with respect to each of the aforesaid orders:

Upon the basis of the record of this proceeding it is found that:

(1) The said orders, as hereby amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the Act;

(2) The parity prices of milk, as determined pursuant to section 2 of the Act, are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the marketing areas, and the minimum prices specified in the orders, as hereby amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest;

(3) The said orders, as hereby amended, regulate the handling of milk in the same manner as, and are applicable only to persons in the respective classes of industrial and commercial activity specified in, marketing agreements;

(4) All milk and milk products handled by handlers, as defined in the orders as hereby amended, are in the current of interstate commerce or directly burden, obstruct, or affect interstate commerce in milk or its products; and

(5) It is hereby found that the necessary expense of the market administrators for the maintenance and functioning of such agency will require the payment by each handler, as his pro rata share of such expense, 5 cents per hundredweight or such lesser amount as the Secretary may prescribe, with respect to milk specified in § 1000.85 of the General Provisions.

(b) Additional Findings. It is necessary in the public interest to make these amendments to each of the orders effective for milk marketed on or after October 1, 1999. Any delay beyond that date would tend to disrupt the orderly marketing of milk in the specified marketing areas.

The amendments to these orders are known to handlers. The final decision containing the proposed amendments to these orders was issued on March 12, 1999.

(c) Determinations. It is hereby determined that:

(1) The refusal or failure of handlers (excluding cooperative associations specified in Sec. 8c(9) of the Act) of more than 50 percent of the milk, which is marketed within the specified marketing areas, to sign proposed marketing agreements, tends to prevent the effectuation of the declared policy of the Act;

(2) The issuance of this order amending each of the specified orders is the only practical means pursuant to the declared policy of the Act of advancing the interests of producers as defined in the respective orders as hereby amended; and

(3) The issuance of the order amending the specified orders is favored by at least two-thirds of the producers who were engaged in the production of milk for sale in the marketing areas.

**List of Subjects in 7 CFR Parts 1000, 1001, 1002, 1004, 1005, 1006, 1007, 1012, 1013, 1030, 1032, 1033, 1036, 1040, 1044, 1046, 1049, 1050, 1064, 1065, 1068, 1076, 1079, 1106, 1124, 1126, 1131, 1134, 1135, 1137, 1138 and 1139**

Milk marketing orders.

#### Order Relative to Handling

*It is therefore ordered*, that on and after the effective date hereof, the handling of milk in each of the aforesaid marketing areas shall be in conformity to and in compliance with the terms and

conditions of the orders, as amended, and as hereby further amended, as follows:

For the reasons set forth in the preamble and under the authority of Title 7, chapter X, Parts 1000, 1001, 1005, 1006, 1007, 1030, 1032, 1033, 1124, 1126, 1131, and 1135 are revised and Parts 1002, 1004, 1012, 1013, 1036, 1040, 1044, 1046, 1049, 1050, 1064, 1065, 1068, 1076, 1079, 1106, 1134, 1137, 1138 and 1139 are removed and reserved as follows:

#### PART 1000—GENERAL PROVISIONS OF FEDERAL MILK MARKETING ORDERS

##### Subpart A—Scope and Purpose

Sec.

1000.1 Scope and purpose of this part 1000.

##### Subpart B—Definitions

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1000.3 Route disposition.

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1000.42 Classification of transfers and diversions.

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1000.44 Classification of producer milk.

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##### Subpart G—Class Prices

1000.50 Class prices, component prices, and advanced pricing factors.

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1000.52 Adjusted Class I differentials.

1000.53 Announcement of class prices, component prices, and advanced pricing factors.

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**Subpart H—Payments for Milk**

- 1000.70 Producer-settlement fund.
- 1000.76 Payments by a handler operating a partially regulated distributing plant.
- 1000.77 Adjustment of accounts.
- 1000.78 Charges on overdue accounts.

**Subpart I—Administrative Assessment and Marketing Service Deduction**

- 1000.85 Assessment for order administration.
- 1000.86 Deduction for marketing services.

**Subpart J—Miscellaneous Provisions**

- 1000.90 Dates.
- 1000.91 [Reserved]
- 1000.92 [Reserved]
- 1000.93 OMB control number assigned pursuant to the Paperwork Reduction Act.

**Authority:** 7 U.S.C. 601–674, and 7253.

**Subpart A—Scope and Purpose****§ 1000.1 Scope and purpose of this part 1000.**

This part sets forth certain terms, definitions, and provisions which shall be common to and apply to Federal milk marketing order in 7 CFR, chapter X, except as specifically defined otherwise, or modified, or otherwise provided, in an individual order in 7 CFR, chapter X.

**Subpart B—Definitions****§ 1000.2 General definitions.**

(a) *Act* means Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 *et seq.*).

(b) *Order* or *Federal milk order* means the applicable part of 7 CFR, chapter X, issued pursuant to Section 8c of the Act as a Federal milk marketing order (as amended).

(c) *Department* means the U.S. Department of Agriculture.

(d) *Secretary* means the Secretary of Agriculture of the United States or any officer or employee of the Department to whom authority has heretofore been delegated, or to whom authority may hereafter be delegated, to act in his stead.

(e) *Person* means any individual, partnership, corporation, association, or other business unit.

**§ 1000.3 Route disposition.**

*Route disposition* means a delivery to a retail or wholesale outlet (except a plant), either directly or through any distribution facility (including disposition from a plant store, vendor, or vending machine) of a fluid milk product in consumer-type packages or dispenser units classified as Class I milk.

**§ 1000.4 Plant.**

(a) Except as provided in paragraph (b) of this section, *plant* means the land, buildings, facilities, and equipment constituting a single operating unit or establishment at which milk or milk products are received, processed, or packaged, including a facility described in paragraph (b)(2) of this section if the facility receives the milk of more than one dairy farmer.

(b) Plant shall not include:

(1) A separate building without stationary storage tanks that is used only as a reload point for transferring bulk milk from one tank truck to another or a separate building used only as a distribution point for storing packaged fluid milk products in transit for route disposition; or

(2) An on-farm facility operated as part of a single dairy farm entity for the separation of cream and skim or the removal of water from milk.

**§ 1000.5 Distributing plant.**

*Distributing plant* means a plant that is approved by a duly constituted regulatory agency for the handling of Grade A milk at which fluid milk products are processed or packaged and from which there is route disposition or transfers of packaged fluid milk products to other plants.

**§ 1000.6 Supply plant.**

*Supply plant* means a plant approved by a duly constituted regulatory agency for the handling of Grade A milk that receives milk directly from dairy farmers and transfers or diverts fluid milk products to other plants or manufactures dairy products on its premises.

**§ 1000.8 Nonpool plant.**

*Nonpool plant* means any milk receiving, manufacturing, or processing plant other than a pool plant. The following categories of nonpool plants are further defined as follows:

(a) *A plant fully regulated under another Federal order* means a plant that is fully subject to the pricing and pooling provisions of another Federal order.

(b) *Producer-handler plant* means a plant operated by a producer-handler as defined under any Federal order.

(c) *Partially regulated distributing plant* means a nonpool plant that is not a plant fully regulated under another Federal order, a producer-handler plant, or an exempt plant, from which there is route disposition in the marketing area during the month.

(d) *Unregulated supply plant* means a supply plant that does not qualify as a pool supply plant and is not a plant

fully regulated under another Federal order, a producer-handler plant, or an exempt plant.

(e) *An exempt plant* means a plant described in this paragraph that is exempt from the pricing and pooling provisions of any order provided that the operator of the plant files reports as prescribed by the market administrator of any marketing area in which the plant distributes packaged fluid milk products to enable determination of the handler's exempt status:

(1) A plant that is operated by a governmental agency that has no route disposition in commercial channels;

(2) A plant that is operated by a duly accredited college or university disposing of fluid milk products only through the operation of its own facilities with no route disposition in commercial channels;

(3) A plant from which the total route disposition is for individuals or institutions for charitable purposes without remuneration; or

(4) A plant that has route disposition and packaged sales of fluid milk products to other plants of 150,000 pounds or less during the month.

**§ 1000.9 Handler.**

*Handler means:*

(a) Any person who operates a pool plant or a nonpool plant.

(b) Any person who receives packaged fluid milk products from a plant for resale and distribution to retail or wholesale outlets, any person who as a broker negotiates a purchase or sale of fluid milk products or fluid cream products from or to any pool or nonpool plant, and any person who by purchase or direction causes milk of producers to be picked up at the farm and/or moved to a plant. Persons who qualify as handlers only under this paragraph under any Federal milk order are not subject to the payment provisions of §§ \_\_\_\_\_.70, \_\_\_\_\_.71, \_\_\_\_\_.72, \_\_\_\_\_.73, \_\_\_\_\_.76, and \_\_\_\_\_.85 of that order.

(c) Any cooperative association with respect to milk that it receives for its account from the farm of a producer and delivers to pool plants or diverts to nonpool plants pursuant to § \_\_\_\_\_.13 of the order. The operator of a pool plant receiving milk from a cooperative association may be the handler for such milk if both parties notify the market administrator of this agreement prior to the time that the milk is delivered to the pool plant and the plant operator purchases the milk on the basis of farm bulk tank weights and samples.

**§ 1000.14 Other source milk.**

*Other source milk* means all skim milk and butterfat contained in or represented by:

(a) Receipts of fluid milk products and bulk fluid cream products from any source other than producers, handlers described in § 1000.9(c) and § 1135.11, or pool plants;

(b) Products (other than fluid milk products, fluid cream products, and products produced at the plant during the same month) from any source which are reprocessed, converted into, or combined with another product in the plant during the month; and

(c) Receipts of any milk product (other than a fluid milk product or a fluid cream product) for which the handler fails to establish a disposition.

**§ 1000.15 Fluid milk product.**

(a) Except as provided in paragraph (b) of this section, *fluid milk product* means any milk products in fluid or frozen form containing less than 9 percent butterfat that are intended to be used as beverages. Such products include, but are not limited to: Milk, fat-free milk, lowfat milk, light milk, reduced fat milk, milk drinks, eggnog and cultured buttermilk, including any such beverage products that are flavored, cultured, modified with added nonfat milk solids, sterilized, concentrated, or reconstituted. As used in this part, the term *concentrated milk* means milk that contains not less than 25.5 percent, and not more than 50 percent, total milk solids.

(b) The term fluid milk product shall not include:

(1) Plain or sweetened evaporated milk/skim milk, sweetened condensed milk/skim milk, formulas especially prepared for infant feeding or dietary use (meal replacement) that are packaged in hermetically-sealed containers, any product that contains by weight less than 6.5 percent nonfat milk solids, and whey; and

(2) The quantity of skim milk equivalent in any modified product specified in paragraph (a) of this section that is greater than an equal volume of an unmodified product of the same nature and butterfat content.

**§ 1000.16 Fluid cream product.**

*Fluid cream product* means cream (other than plastic cream or frozen cream), including sterilized cream, or a mixture of cream and milk or skim milk containing 9 percent or more butterfat, with or without the addition of other ingredients.

**§ 1000.17 [Reserved]****§ 1000.18 Cooperative association.**

*Cooperative association* means any cooperative marketing association of producers which the Secretary determines is qualified under the provisions of the Capper-Volstead Act, has full authority in the sale of milk of its members, and is engaged in marketing milk or milk products for its members. A federation of 2 or more cooperatives incorporated under the laws of any state will be considered a cooperative association under any Federal milk order if all member cooperatives meet the requirements of this section.

**§ 1000.19 Commercial food processing establishment.**

*Commercial food processing establishment* means any facility, other than a milk plant, to which fluid milk products and fluid cream products are disposed of, or producer milk is diverted, that uses such receipts as ingredients in food products and has no other disposition of fluid milk products other than those received in consumer-type packages (1 gallon or less). Producer milk diverted to commercial food processing establishments shall be subject to the same provisions relating to diversions to plants, including, but not limited to, §§ \_\_\_\_\_.13 and \_\_\_\_\_.52 of each Federal milk order.

**Subpart C—Rules of Practice and Procedure Governing Market Administrators****§ 1000.25 Market administrator.**

(a) *Designation.* The agency for the administration of the order shall be a market administrator selected by the Secretary and subject to removal at the Secretary's discretion. The market administrator shall be entitled to compensation determined by the Secretary.

(b) *Powers.* The market administrator shall have the following powers with respect to each order under his/her administration:

(1) Administer the order in accordance with its terms and provisions;

(2) Maintain and invest funds outside of the United States Department of the Treasury for the purpose of administering the order;

(3) Make rules and regulations to effectuate the terms and provisions of the order;

(4) Receive, investigate, and report complaints of violations to the Secretary; and

(5) Recommend amendments to the Secretary.

(c) *Duties.* The market administrator shall perform all the duties necessary to administer the terms and provisions of each order under his/her administration, including, but not limited to, the following:

(1) Employ and fix the compensation of persons necessary to enable him/her to exercise the powers and perform the duties of the office;

(2) Pay out of funds provided by the administrative assessment, except expenses associated with functions for which the order provides a separate charge, all expenses necessarily incurred in the maintenance and functioning of the office and in the performance of the duties of the office, including the market administrator's compensation;

(3) Keep records which will clearly reflect the transactions provided for in the order and upon request by the Secretary, surrender the records to a successor or such other person as the Secretary may designate;

(4) Furnish information and reports requested by the Secretary and submit office records for examination by the Secretary;

(5) Announce publicly at his/her discretion, unless otherwise directed by the Secretary, by such means as he/she deems appropriate, the name of any handler who, after the date upon which the handler is required to perform such act, has not:

(i) Made reports required by the order;

(ii) Made payments required by the order; or

(iii) Made available records and facilities as required pursuant to § 1000.27;

(6) Prescribe reports required of each handler under the order. Verify such reports and the payments required by the order by examining records (including such papers as copies of income tax reports, fiscal and product accounts, correspondence, contracts, documents or memoranda of the handler, and the records of any other persons that are relevant to the handler's obligation under the order), by examining such handler's milk handling facilities, and by such other investigation as the market administrator deems necessary for the purpose of ascertaining the correctness of any report or any obligation under the order. Reclassify skim milk and butterfat received by any handler if such examination and investigation discloses that the original classification was incorrect;

(7) Furnish each regulated handler a written statement of such handler's accounts with the market administrator promptly each month. Furnish a

corrected statement to such handler if verification discloses that the original statement was incorrect; and

(8) Prepare and disseminate publicly for the benefit of producers, handlers, and consumers such statistics and other information concerning operation of the order and facts relevant to the provisions thereof (or proposed provisions) as do not reveal confidential information.

#### Subpart D—Rules Governing Order Provisions

##### § 1000.26 Continuity and separability of provisions.

(a) *Effective time.* The provisions of the order or any amendment to the order shall become effective at such time as the Secretary may declare and shall continue in force until suspended or terminated.

(b) *Suspension or termination.* The Secretary shall suspend or terminate any or all of the provisions of the order whenever he/she finds that such provision(s) obstructs or does not tend to effectuate the declared policy of the Act. The order shall terminate whenever the provisions of the Act authorizing it cease to be in effect.

(c) *Continuing obligations.* If upon the suspension or termination of any or all of the provisions of the order there are any obligations arising under the order, the final accrual or ascertainment of which requires acts by any handler, by the market administrator or by any other person, the power and duty to perform such further acts shall continue notwithstanding such suspension or termination.

(d) *Liquidation.* (1) Upon the suspension or termination of any or all provisions of the order the market administrator, or such other liquidating agent designated by the Secretary, shall, if so directed by the Secretary, liquidate the business of the market administrator's office, dispose of all property in his/her possession or control, including accounts receivable, and execute and deliver all assignments or other instruments necessary or appropriate to effectuate any such disposition; and

(2) If a liquidating agent is so designated, all assets and records of the market administrator shall be transferred promptly to such liquidating agent. If, upon such liquidation, the funds on hand exceed the amounts required to pay outstanding obligations of the office of the market administrator and to pay necessary expenses of liquidation and distribution, such excess shall be distributed to

contributing handlers and producers in an equitable manner.

(e) *Separability of provisions.* If any provision of the order or its application to any person or circumstances is held invalid, the application of such provision and of the remaining provisions of the order to other persons or circumstances shall not be affected thereby.

#### Subpart E—Rules of Practice and Procedure Governing Handlers

##### § 1000.27 Handler responsibility for records and facilities.

Each handler shall maintain and retain records of its operations and make such records and its facilities available to the market administrator. If adequate records of a handler, or of any other persons, that are relevant to the obligation of such handler are not maintained and made available, any skim milk and butterfat required to be reported by such handler for which adequate records are not available shall be considered as used in the highest-priced class.

(a) *Records to be maintained.* (1) Each handler shall maintain records of its operations (including, but not limited to, records of purchases, sales, processing, packaging, and disposition) as are necessary to verify whether such handler has any obligation under the order and if so, the amount of such obligation. Such records shall be such as to establish for each plant or other receiving point for each month:

(i) The quantities of skim milk and butterfat contained in, or represented by, products received in any form, including inventories on hand at the beginning of the month, according to form, time, and source of each receipt;

(ii) The utilization of all skim milk and butterfat showing the respective quantities of such skim milk and butterfat in each form disposed of or on hand at the end of the month; and

(iii) Payments to producers, dairy farmers, and cooperative associations, including the amount and nature of any deductions and the disbursement of money so deducted.

(2) Each handler shall keep such other specific records as the market administrator deems necessary to verify or establish such handler's obligation under the order.

(b) *Availability of records and facilities.* Each handler shall make available all records pertaining to such handler's operations and all facilities the market administrator finds are necessary to verify the information required to be reported by the order and/or to ascertain such handler's

reporting, monetary, or other obligation under the order. Each handler shall permit the market administrator to weigh, sample, and test milk and milk products and observe plant operations and equipment and make available to the market administrator such facilities as are necessary to carry out his/her duties.

(c) *Retention of records.* All records required under the order to be made available to the market administrator shall be retained by the handler for a period of 3 years to begin at the end of the month to which such records pertain. If, within such 3-year period, the market administrator notifies the handler in writing that the retention of such records, or of specified records, is necessary in connection with a proceeding under section 8c(15)(A) of the Act or a court action specified in such notice, the handler shall retain such records, or specified records, until further written notification from the market administrator. The market administrator shall give further written notification to the handler promptly upon the termination of the litigation or when the records are no longer necessary in connection therewith.

##### § 1000.28 Termination of obligations.

(a) Except as provided in paragraphs (b) and (c) of this section, the obligation of any handler to pay money required to be paid under the terms of the order shall terminate 2 years after the last day of the month during which the market administrator receives the handler's report of receipts and utilization on which such obligation is based, unless within such 2-year period, the market administrator notifies the handler in writing that such money is due and payable. Service of such written notice shall be complete upon mailing to the handler's last known address and it shall contain, but need not be limited to, the following information:

(1) The amount of the obligation;

(2) The month(s) on which such obligation is based; and

(3) If the obligation is payable to one or more producers or to a cooperative association, the name of such producer(s) or such cooperative association, or if the obligation is payable to the market administrator, the account for which it is to be paid.

(b) If a handler fails or refuses, with respect to any obligation under the order, to make available to the market administrator all records required by the order to be made available, the market administrator may notify the handler in writing, within the 2-year period provided for in paragraph (a) of this section, of such failure or refusal. If the

market administrator so notifies a handler, the said 2-year period with respect to such obligation shall not begin to run until the first day of the month following the month during which all such records pertaining to such obligation are made available to the market administrator.

(c) Notwithstanding the provisions of paragraphs (a) and (b) of this section, a handler's obligation under the order to pay money shall not be terminated with respect to any transaction involving fraud or willful concealment of a fact, material to the obligation, on the part of the handler against whom the obligation is sought to be imposed.

(d) Unless the handler files a petition pursuant to section 8c(15)(A) of the Act and the applicable rules and regulations (7 CFR 900.50 through 900.71) within the applicable 2-year period indicated below, the obligation of the market administrator:

(1) To pay a handler any money which such handler claims is due under the terms of the order shall terminate 2 years after the end of the month during which the skim milk and butterfat involved in the claim were received; or

(2) To refund any payment made by a handler (including a deduction or offset by the market administrator) shall terminate 2 years after the end of the month during which payment was made by the handler.

#### Subpart F—Classification of Milk

##### § 1000.40 Classes of utilization.

Except as provided in § 1000.42, all skim milk and butterfat required to be reported pursuant to § —.30 of each Federal milk order shall be classified as follows:

(a) *Class I milk* shall be all skim milk and butterfat:

(1) Disposed of in the form of fluid milk products, except as otherwise provided in this section;

(2) In packaged fluid milk products in inventory at the end of the month; and

(3) In shrinkage assigned pursuant to § 1000.43(b).

(b) *Class II milk* shall be all skim milk and butterfat:

(1) In fluid milk products in containers larger than 1 gallon and fluid cream products disposed of or diverted to a commercial food processing establishment if the market administrator is permitted to audit the records of the commercial food processing establishment for the purpose of verification. Otherwise, such uses shall be Class I;

(2) Used to produce:

(i) Cottage cheese, lowfat cottage cheese, dry curd cottage cheese, ricotta

cheese, pot cheese, Creole cheese, and any similar soft, high-moisture cheese resembling cottage cheese in form or use;

(ii) Milkshake and ice milk mixes (or bases), frozen desserts, and frozen dessert mixes distributed in half-gallon containers or larger and intended to be used in soft or semi-solid form;

(iii) Aerated cream, frozen cream, sour cream, sour half-and-half, sour cream mixtures containing nonmilk items, yogurt, and any other semi-solid product resembling a Class II product;

(iv) Custards, puddings, pancake mixes, coatings, batter, and similar products;

(v) Buttermilk biscuit mixes and other buttermilk for baking that contain food starch in excess of 2% of the total solids, provided that the product is labeled to indicate the food starch content;

(vi) Formulas especially prepared for infant feeding or dietary use (meal replacement) that are packaged in hermetically-sealed containers;

(vii) Candy, soup, bakery products and other prepared foods which are processed for general distribution to the public, and intermediate products, including sweetened condensed milk, to be used in processing such prepared food products;

(viii) A fluid cream product or any product containing artificial fat or fat substitutes that resembles a fluid cream product, except as otherwise provided in paragraph (c) of this section; and

(ix) Any product not otherwise specified in this section; and

(3) In shrinkage assigned pursuant to § 1000.43(b).

(c) *Class III milk* shall be all skim milk and butterfat:

(1) Used to produce:

(i) Cream cheese and other spreadable cheeses, and hard cheese of types that may be shredded, grated, or crumbled;

(ii) Plastic cream, anhydrous milkfat, and butteroil; and

(iii) Evaporated or sweetened condensed milk in a consumer-type package; and

(2) In shrinkage assigned pursuant to § 1000.43(b).

(d) *Class IV milk* shall be all skim milk and butterfat:

(1) Used to produce:

(i) Butter; and

(ii) Any milk product in dried form;

(2) In inventory at the end of the month of fluid milk products and fluid cream products in bulk form;

(3) In the skim milk equivalent of nonfat milk solids used to modify a fluid milk product that has not been

accounted for in Class I; and

(4) In shrinkage assigned pursuant to § 1000.43(b).

(e) *Other uses.* Other uses include skim milk and butterfat used in any product described in this section that is dumped, used for animal feed, destroyed, or lost by a handler in a vehicular accident, flood, fire, or similar occurrence beyond the handler's control. Such uses of skim milk and butterfat shall be assigned to the lowest priced class for the month to the extent that the quantities destroyed or lost can be verified from records satisfactory to the market administrator.

##### § 1000.41 [Reserved]

##### § 1000.42 Classification of transfers and diversions.

(a) *Transfers and diversions to pool plants.* Skim milk or butterfat transferred or diverted in the form of a fluid milk product or transferred in the form of a bulk fluid cream product from a pool plant or a handler described in § 1135.11 of this chapter to another pool plant shall be classified as Class I milk unless the handlers both request the same classification in another class. In either case, the classification shall be subject to the following conditions:

(1) The skim milk and butterfat classified in each class shall be limited to the amount of skim milk and butterfat, respectively, remaining in such class at the receiving plant after the computations pursuant to § 1000.44(a)(9) and the corresponding step of § 1000.44(b);

(2) If the transferring plant received during the month other source milk to be allocated pursuant to § 1000.44(a)(3) or the corresponding step of § 1000.44(b), the skim milk or butterfat so transferred shall be classified so as to allocate the least possible Class I utilization to such other source milk; and

(3) If the transferring handler received during the month other source milk to be allocated pursuant to § 1000.44(a)(8) or (9) or the corresponding steps of § 1000.44(b), the skim milk or butterfat so transferred, up to the total of the skim milk and butterfat, respectively, in such receipts of other source milk, shall not be classified as Class I milk to a greater extent than would be the case if the other source milk had been received at the receiving plant.

(b) *Transfers and diversions to a plant regulated under another Federal order.* Skim milk or butterfat transferred or diverted in the form of a fluid milk product or transferred in the form of a bulk fluid cream product from a pool plant to a plant regulated under another Federal order shall be classified in the following manner. Such classification shall apply only to the skim milk or

butterfat that is in excess of any receipts at the pool plant from a plant regulated under another Federal order of skim milk and butterfat, respectively, in fluid milk products and bulk fluid cream products, respectively, that are in the same category as described in paragraph (b)(1) or (2) of this section:

(1) As Class I milk, if transferred as packaged fluid milk products;

(2) If transferred or diverted in bulk form, classification shall be in the classes to which allocated under the other order:

(i) If the operators of both plants so request in their reports of receipts and utilization filed with their respective market administrators, transfers in bulk form shall be classified as other than Class I to the extent that such utilization is available for such classification pursuant to the allocation provisions of the other order;

(ii) If diverted, the diverting handler must request a classification other than Class I. If the plant receiving the diverted milk does not have sufficient utilization available for the requested classification and some of the diverted milk is consequently assigned to Class I use, the diverting handler shall be given the option of designating the entire load of diverted milk as producer milk at the plant physically receiving the milk. Alternatively, if the diverting handler so chooses, it may designate which dairy farmers whose milk was diverted during the month will be designated as producers under the order physically receiving the milk. If the diverting handler declines to accept either of these options, the market administrator will prorate the portion of diverted milk in excess of Class II, III, and IV use among all the dairy farmers whose milk was received from the diverting handler on the last day of the month, then the second-to-last day, and continuing in that fashion until the excess diverted milk has been assigned as producer milk under the receiving order; and

(iii) If information concerning the classes to which such transfers or diversions were allocated under the other order is not available to the market administrator for the purpose of establishing classification under this paragraph, classification shall be Class I, subject to adjustment when such information is available.

(c) *Transfers and diversions to producer-handlers and to exempt plants.* Skim milk or butterfat that is transferred or diverted from a pool plant to a producer-handler under any Federal order or to an exempt plant shall be classified:

(1) As Class I milk if transferred or diverted to a producer-handler;

(2) As Class I milk if transferred to an exempt plant in the form of a packaged fluid milk product; and

(3) In accordance with the utilization assigned to it by the market administrator if transferred or diverted in the form of a bulk fluid milk product or transferred in the form of a bulk fluid cream product to an exempt plant. For this purpose, the receiving handler's utilization of skim milk and butterfat in each class, in series beginning with Class IV, shall be assigned to the extent possible to its receipts of skim milk and butterfat, in bulk fluid cream products, and bulk fluid milk products, respectively, pro rata to each source.

(d) *Transfers and diversions to other nonpool plants.* Skim milk or butterfat transferred or diverted in the following forms from a pool plant to a nonpool plant that is not a plant regulated under another order, an exempt plant, or a producer-handler plant shall be classified:

(1) As Class I milk, if transferred in the form of a packaged fluid milk product; and

(2) As Class I milk, if transferred or diverted in the form of a bulk fluid milk product or transferred in the form of a bulk fluid cream product, unless the following conditions apply:

(i) If the conditions described in paragraphs (d)(2)(i)(A) and (B) of this section are met, transfers or diversions in bulk form shall be classified on the basis of the assignment of the nonpool plant's utilization, excluding the milk equivalent of both nonfat milk solids and concentrated milk used in the plant during the month, to its receipts as set forth in paragraphs (d)(2)(ii) through (viii) of this section:

(A) The transferring handler or diverting handler claims such classification in such handler's report of receipts and utilization filed pursuant to § \_\_\_\_\_.30 of each Federal milk order for the month within which such transaction occurred; and

(B) The nonpool plant operator maintains books and records showing the utilization of all skim milk and butterfat received at such plant which are made available for verification purposes if requested by the market administrator;

(ii) Route disposition in the marketing area of each Federal milk order from the nonpool plant and transfers of packaged fluid milk products from such nonpool plant to plants fully regulated thereunder shall be assigned to the extent possible in the following sequence:

(A) Pro rata to receipts of packaged fluid milk products at such nonpool plant from pool plants;

(B) Pro rata to any remaining unassigned receipts of packaged fluid milk products at such nonpool plant from plants regulated under other Federal orders;

(C) Pro rata to receipts of bulk fluid milk products at such nonpool plant from pool plants; and

(D) Pro rata to any remaining unassigned receipts of bulk fluid milk products at such nonpool plant from plants regulated under other Federal orders;

(iii) Any remaining Class I disposition of packaged fluid milk products from the nonpool plant shall be assigned to the extent possible pro rata to any remaining unassigned receipts of packaged fluid milk products at such nonpool plant from pool plants and plants regulated under other Federal orders;

(iv) Transfers of bulk fluid milk products from the nonpool plant to a plant regulated under any Federal order, to the extent that such transfers to the regulated plant exceed receipts of fluid milk products from such plant and are allocated to Class I at the receiving plant, shall be assigned to the extent possible in the following sequence:

(A) Pro rata to receipts of fluid milk products at such nonpool plant from pool plants; and

(B) Pro rata to any remaining unassigned receipts of fluid milk products at such nonpool plant from plants regulated under other Federal orders;

(v) Any remaining unassigned Class I disposition from the nonpool plant shall be assigned to the extent possible in the following sequence:

(A) To such nonpool plant's receipts from dairy farmers who the market administrator determines constitute regular sources of Grade A milk for such nonpool plant; and

(B) To such nonpool plant's receipts of Grade A milk from plants not fully regulated under any Federal order which the market administrator determines constitute regular sources of Grade A milk for such nonpool plant;

(vi) Any remaining unassigned receipts of bulk fluid milk products at the nonpool plant from pool plants and plants regulated under other Federal orders shall be assigned, pro rata among such plants, to the extent possible first to any remaining Class I utilization and then to all other utilization, in sequence beginning with Class IV at such nonpool plant;

(vii) Receipts of bulk fluid cream products at the nonpool plant from pool



plants and plants regulated under other Federal orders shall be assigned, pro rata among such plants, to the extent possible to any remaining utilization, in sequence beginning with Class IV at such nonpool plant; and

(viii) In determining the nonpool plant's utilization for purposes of this paragraph, any fluid milk products and bulk fluid cream products transferred from such nonpool plant to a plant not fully regulated under any Federal order shall be classified on the basis of the second plant's utilization using the same assignment priorities at the second plant that are set forth in this paragraph.

#### **§ 1000.43 General classification rules.**

In determining the classification of producer milk pursuant to § 1000.44, the following rules shall apply:

(a) Each month the market administrator shall correct for mathematical and other obvious errors all reports filed pursuant to § \_\_\_\_\_.30 of each Federal milk order and shall compute separately for each pool plant, for each handler described in § 1000.9(c) and § 1135.11 of this chapter, the pounds of skim milk and butterfat, respectively, in each class in accordance with §§ 1000.40 and 1000.42, and paragraph (b) of this section.

(b) *Shrinkage and Overage.* For purposes of classifying all milk reported by a handler pursuant to § \_\_\_\_\_.30 of each Federal milk order the market administrator shall determine the shrinkage or overage of skim milk and butterfat for each pool plant and each handler described in § 1000.9(c) and § 1135.11 of this chapter by subtracting total utilization from total receipts. Any positive difference shall be shrinkage, and any negative difference shall be overage.

(1) Shrinkage incurred by pool plants qualified pursuant to § \_\_\_\_\_.7 of any Federal milk order shall be assigned to the lowest-priced class to the extent that such shrinkage does not exceed:

(i) Two percent of the total quantity of milk physically received at the plant directly from producers' farms on the basis of farm weights and tests;

(ii) Plus 1.5 percent of the quantity of bulk milk physically received on a basis other than farm weights and tests, excluding concentrated milk received by agreement for other than Class I use;

(iii) Plus .5 percent of the quantity of milk diverted by the plant operator to another plant on a basis other than farm weights and tests; and

(iv) Minus 1.5 percent of the quantity of bulk milk transferred to other plants, excluding concentrated milk transferred by agreement for other than Class I use.

(2) A handler described in § 1000.9(c) or § 1135.11 of this chapter that delivers milk to plants on a basis other than farm weights and tests shall receive a lowest-priced-class shrinkage allowance of .5 percent of the total quantity of such milk picked up at producers' farms.

(3) Shrinkage in excess of the amounts provided in paragraphs (b)(1) and (2) of this section shall be assigned to existing utilization in series starting with Class I. The shrinkage assigned pursuant to this paragraph shall be added to the handler's reported utilization and the result shall be known as the *gross utilization in each class*.

(c) If any of the water contained in the milk from which a product is made is removed before the product is utilized or disposed of by the handler, the pounds of skim milk in such product that are to be considered under this part as used or disposed of by the handler shall be an amount equivalent to the nonfat milk solids contained in such product plus all of the water originally associated with such solids.

(d) Skim milk and butterfat contained in receipts of bulk concentrated fluid milk and nonfluid milk products that are reconstituted for fluid use shall be assigned to Class I use, up to the reconstituted portion of labeled reconstituted fluid milk products, on a pro rata basis (except for any Class I use of specific concentrated receipts that is established by the handler) prior to any assignments under § 1000.44. Any remaining skim milk and butterfat in concentrated receipts shall be assigned to uses under § 1000.44 on a pro rata basis, unless a specific use of such receipts is established by the handler.

#### **§ 1000.44 Classification of producer milk.**

For each month the market administrator shall determine for each handler described in § 1000.9(a) for each pool plant of the handler separately and for each handler described in § 1000.9(c) and § 1135.11 of this chapter the classification of producer milk by allocating the handler's receipts of skim milk and butterfat to the handler's gross utilization of such receipts pursuant to § 1000.43(b)(3) as follows:

(a) Skim milk shall be allocated in the following manner:

(1) Subtract from the pounds of skim milk in Class I the pounds of skim milk in:

(i) Receipts of packaged fluid milk products from an unregulated supply plant to the extent that an equivalent amount of skim milk disposed of to such plant by handlers fully regulated under any Federal order is classified and priced as Class I milk and is not

used as an offset for any other payment obligation under any order;

(ii) Packaged fluid milk products in inventory at the beginning of the month. This paragraph shall apply only if the pool plant was subject to the provisions of this paragraph or comparable provisions of another Federal order in the immediately preceding month;

(iii) Fluid milk products received in packaged form from plants regulated under other Federal orders; and

(iv) To the extent that the receipts described in paragraphs (a)(1)(i) through (iii) of this section exceed the gross Class I utilization of skim milk, the excess receipts shall be subtracted pursuant to paragraph (a)(3)(vi) of this section.

(2) Subtract from the pounds of skim milk in Class II the pounds of skim milk in the receipts of skim milk in bulk concentrated fluid milk products and in other source milk (except other source milk received in the form of an unconcentrated fluid milk product or a fluid cream product) that is used to produce, or added to, any product in Class II (excluding the quantity of such skim milk that was classified as Class IV milk pursuant to § 1000.40(d)(3)). To the extent that the receipts described in this paragraph exceed the gross Class II utilization of skim milk, the excess receipts shall be subtracted pursuant to paragraph (a)(3)(vi) of this section.

(3) Subtract from the pounds of skim milk remaining in each class, in series beginning with Class IV, the pounds of skim milk in:

(i) Receipts of bulk concentrated fluid milk products and other source milk (except other source milk received in the form of an unconcentrated fluid milk product);

(ii) Receipts of fluid milk products and bulk fluid cream products for which appropriate health approval is not established and from unidentified sources;

(iii) Receipts of fluid milk products and bulk fluid cream products from an exempt plant;

(iv) Fluid milk products and bulk fluid cream products received from a producer-handler as defined under the order in this part, or any other Federal order;

(v) Receipts of fluid milk products from dairy farmers for other markets; and

(vi) The excess receipts specified in paragraphs (a)(1)(iv) and (a)(2) of this section.

(4) Subtract from the pounds of skim milk remaining in all classes other than Class I, in sequence beginning with Class IV, the receipts of fluid milk products from an unregulated supply



plant that were not previously subtracted in this section for which the handler requests classification other than Class I, but not in excess of the pounds of skim milk remaining in these other classes combined.

(5) Subtract from the pounds of skim milk remaining in all classes other than Class I, in sequence beginning with Class IV, receipts of fluid milk products from an unregulated supply plant that were not previously subtracted in this section, and which are in excess of the pounds of skim milk determined pursuant to paragraphs (a)(5)(i) and (ii) of this section:

(i) Multiply by 1.25 the pounds of skim milk remaining in Class I at this allocation step; and

(ii) Subtract from the result in paragraph (a)(5)(i) the pounds of skim milk in receipts of producer milk and fluid milk products from other pool plants.

(6) Subtract from the pounds of skim milk remaining in all classes other than Class I, in sequence beginning with Class IV, the pounds of skim milk in receipts of bulk fluid milk products from a handler regulated under another Federal order that are in excess of bulk fluid milk products transferred or diverted to such handler, if other than Class I classification is requested, but not in excess of the pounds of skim milk remaining in these classes combined.

(7) Subtract from the pounds of skim milk remaining in each class, in series beginning with Class IV, the pounds of skim milk in fluid milk products and bulk fluid cream products in inventory at the beginning of the month that were not previously subtracted in this section.

(8) Subtract from the pounds of skim milk remaining in each class at the plant receipts of skim milk in fluid milk products from an unregulated supply plant that were not previously subtracted in this section and that were not offset by transfers or diversions of fluid milk products to the unregulated supply plant from which fluid milk products to be allocated at this step were received. Such subtraction shall be pro rata to the pounds of skim milk in Class I and in Classes II, III, and IV combined, with the quantity prorated to Classes II, III, and IV combined being subtracted in sequence beginning with Class IV.

(9) Subtract from the pounds of skim milk remaining in each class the pounds of skim milk in receipts of bulk fluid milk products from a handler regulated under another Federal order that are in excess of bulk fluid milk products transferred or diverted to such handler that were not subtracted in paragraph (a)(6) of this section. Such subtraction

shall be pro rata to the pounds of skim milk in Class I and in Classes II, III, and IV combined, with the quantity prorated to Classes II, III, and IV combined being subtracted in sequence beginning with Class IV, with respect to whichever of the following quantities represents the lower proportion of Class I milk:

(i) The estimated utilization of skim milk of all handlers in each class as announced for the month pursuant to § 1000.45(a); or

(ii) The total pounds of skim milk remaining in each class at this allocation step.

(10) Subtract from the pounds of skim milk remaining in each class the pounds of skim milk in receipts of fluid milk products and bulk fluid cream products from another pool plant and from a handler described in § 1135.11 of this chapter according to the classification of such products pursuant to § 1000.42(a).

(11) If the total pounds of skim milk remaining in all classes exceed the pounds of skim milk in producer milk, subtract such excess from the pounds of skim milk remaining in each class in series beginning with Class IV.

(b) Butterfat shall be allocated in accordance with the procedure outlined for skim milk in paragraph (a) of this section.

(c) The quantity of producer milk in each class shall be the combined pounds of skim milk and butterfat remaining in each class after the computations pursuant to paragraphs (a) and (b) of this section.

#### **§ 1000.45 Market administrator's reports and announcements concerning classification.**

(a) Whenever required for the purpose of allocating receipts from plants regulated under other Federal orders pursuant to § 1000.44(a)(9) and the corresponding step of § 1000.44(b), the market administrator shall estimate and publicly announce the utilization (to the nearest whole percentage) in Class I during the month of skim milk and butterfat, respectively, in producer milk of all handlers. The estimate shall be based upon the most current available data and shall be final for such purpose.

(b) The market administrator shall report to the market administrators of other Federal orders as soon as possible after the handlers' reports of receipts and utilization are received, the class to which receipts from plants regulated under other Federal orders are allocated pursuant to §§ 1000.43(d) and 1000.44 (including any reclassification of inventories of bulk concentrated fluid milk products), and thereafter any change in allocation required to correct errors disclosed on the verification of such report.

(c) The market administrator shall furnish each handler operating a pool plant and each handler described in § 1135.11 of this chapter who has shipped fluid milk products or bulk fluid cream products to a plant fully regulated under another Federal order the class to which the shipments were allocated by the market administrator of the other Federal order on the basis of the report by the receiving handler and, as necessary, any changes in the allocation arising from the verification of such report.

(d) The market administrator shall report to each cooperative association which so requests, the percentage of producer milk delivered by members of the association that was used in each class by each handler receiving the milk. For the purpose of this report, the milk so received shall be prorated to each class in accordance with the total utilization of producer milk by the handler.

#### **Subpart G—Class Prices**

##### **§ 1000.50 Class prices, component prices, and advanced pricing factors.**

Class prices per hundredweight of milk containing 3.5 percent butterfat, component prices, and advanced pricing factors shall be as follows. The prices and pricing factors described in paragraphs (a), (b), (c), (e), (f), and (q) of this section shall be based on a weighted average of the most recent 2 weekly prices announced by the National Agricultural Statistical Service (NASS) before the 24th day of the month. These prices shall be announced on or before the 23rd day of the month and shall apply to milk received during the following month. The prices described in paragraphs (g) through (p) of this section shall be based on a weighted average for the preceding month of weekly prices announced by NASS on or before the 5th day of the month and shall apply to milk received during the preceding month. The price described in paragraph (d) of this section shall be derived from the Class II skim milk price announced on or before the 23rd day of the month preceding the month to which it applies and the butterfat price announced on or before the 5th day of the month following the month to which it applies.

(a) *Class I price.* The Class I price per hundredweight, rounded to the nearest cent, shall be .965 times the Class I skim milk price plus 3.5 times the Class I butterfat price.

(b) *Class I skim milk price.* The Class I skim milk price per hundredweight shall be the adjusted Class I differential

specified in § 1000.52 plus the higher of the advanced pricing factors computed in paragraph (q)(1) or (2) of this section.

(c) *Class I butterfat price.* The Class I butterfat price per pound shall be the adjusted Class I differential specified in § 1000.52 divided by 100, plus the advanced butterfat price computed in paragraph (q)(3) of this section.

(d) *The Class II price* per hundredweight, rounded to the nearest cent, shall be .965 times the Class II skim milk price plus 3.5 times the Class II butterfat price.

(e) *Class II skim milk price.* The Class II skim milk price per hundredweight shall be the advanced Class IV skim milk price computed in paragraph (q)(2) of this section plus 70 cents.

(f) *Class II nonfat solids price.* The Class II nonfat solids price per pound, rounded to the nearest one-hundredth cent, shall be the Class II skim milk price divided by 9.

(g) *Class II butterfat price.* The Class II butterfat price per pound shall be the butterfat price plus \$.007.

(h) *Class III price.* The Class III price per hundredweight, rounded to the nearest cent, shall be .965 times the Class III skim milk price plus 3.5 times the butterfat price.

(i) *Class III skim milk price.* The Class III skim milk price per hundredweight, rounded to the nearest cent, shall be the protein price per pound times 3.1 plus the other solids price per pound times 5.9.

(j) *Class IV price.* The Class IV price per hundredweight, rounded to the nearest cent, shall be .965 times the Class IV skim milk price plus 3.5 times the butterfat price.

(k) *Class IV skim milk price.* The Class IV skim milk price per hundredweight, rounded to the nearest cent, shall be the nonfat solids price per pound times 9.

(l) *Butterfat price.* The butterfat price per pound, rounded to the nearest one-hundredth cent, shall be the U.S. average NASS AA Butter survey price reported by the Department for the month less 11.4 cents, with the result divided by 0.82.

(m) *Nonfat solids price.* The nonfat solids price per pound, rounded to the nearest one-hundredth cent, shall be the U.S. average NASS nonfat dry milk survey price reported by the Department

for the month less 13.7 cents, with the result divided by 1.02.

(n) *Protein price.* The protein price per pound, rounded to the nearest one-hundredth cent, shall be computed as follows:

(1) Compute a weighted average of the amounts described in paragraphs (n)(1)(i) and (ii) of this section:

(i) The U.S. average NASS survey price for 40-lb. block cheese reported by the Department for the month; and

(ii) The U.S. average NASS survey price for 500-pound barrel cheddar cheese (39 percent moisture) reported by the Department for the month plus 3 cents;

(2) Subtract 17.02 cents from the price computed pursuant to paragraph (n)(1) of this section and multiply the result by 1.405;

(3) Add to the amount computed pursuant to paragraph (n)(2) of this section an amount computed as follows:

(i) Subtract 17.02 cents from the price computed pursuant to paragraph (n)(1) of this section and multiply the result by 1.582;

(ii) Subtract the butterfat price computed pursuant to paragraph (l) of this section from the amount computed pursuant to paragraph (n)(3)(i) of this section; and

(iii) Multiply the amount computed pursuant to paragraph (n)(3)(ii) of this section by 1.28.

(o) *Other solids price.* The other solids price per pound, rounded to the nearest one-hundredth cent, shall be the U.S. average NASS dry whey survey price reported by the Department for the month minus 13.7 cents, with the result divided by 0.968.

(p) *Somatic cell adjustment.* The somatic cell adjustment per hundredweight of milk shall be determined as follows:

(1) Multiply .0005 by the weighted average price computed pursuant to paragraph (n)(1) of this section and round to the 5th decimal place;

(2) Subtract the somatic cell count of the milk (reported in thousands) from 350; and

(3) Multiply the amount computed in paragraph (p)(1) of this section by the amount computed in paragraph (p)(2) of this section and round to the nearest full cent.

(q) *Advanced pricing factors.* For the purpose of computing the Class I skim

milk price, the Class II skim milk price, the Class II nonfat solids price, and the Class I butterfat price for the following month, the following pricing factors shall be computed using the weighted average of the 2 most recent NASS U.S. average weekly survey prices announced before the 24th day of the month:

(1) An advanced Class III skim milk price per hundredweight, rounded to the nearest cent, shall be computed as follows:

(i) Following the procedure set forth in paragraphs (n) and (o) of this section, but using the weighted average of the 2 most recent NASS U.S. average weekly survey prices announced before the 24th day of the month, compute a protein price and an other solids price;

(ii) Multiply the protein price computed in paragraph (q)(1)(i) of this section by 3.1;

(iii) Multiply the other solids price per pound computed in paragraph (q)(1)(i) of this section by 5.9; and

(iv) Add the amounts computed in paragraphs (q)(1)(ii) and (iii) of this section.

(2) An advanced Class IV skim milk price per hundredweight, rounded to the nearest cent, shall be computed as follows:

(i) Following the procedure set forth in paragraph (m) of this section, but using the weighted average of the 2 most recent NASS U.S. average weekly survey prices announced before the 24th day of the month, compute a nonfat solids price; and

(ii) Multiply the nonfat solids price computed in paragraph (q)(2)(i) of this section by 9.

(3) An advanced butterfat price per pound, rounded to the nearest one-hundredth cent, shall be calculated by computing a weighted average of the 2 most recent U.S. average NASS AA Butter survey prices announced before the 24th day of the month, subtracting 11.4 cents from this average, and dividing the result by 0.82.

#### § 1000.51 [Reserved]

#### § 1000.52 Adjusted Class I differentials.

The Class I differential adjusted for location to be used in § 1000.50(b) and (c) shall be as follows:

County/Parish/City	State	Fips__code	Class I differential adjusted for location
AUTAUGA .....	AL	01001	2.90
BALDWIN .....	AL	01003	3.30
BARBOUR .....	AL	01005	3.20
BIBB .....	AL	01007	2.70

County/Parish/City	State	Fips__code	Class I differential adjusted for location
BLOUNT .....	AL	01009	2.55
BULLOCK .....	AL	01011	3.10
BUTLER .....	AL	01013	3.20
CALHOUN .....	AL	01015	2.70
CHAMBERS .....	AL	01017	2.90
CHEROKEE .....	AL	01019	2.55
CHILTON .....	AL	01021	2.70
CHOCTAW .....	AL	01023	3.10
CLARKE .....	AL	01025	3.10
CLAY .....	AL	01027	2.80
CLEBURNE .....	AL	01029	2.70
COFFEE .....	AL	01031	3.20
COLBERT .....	AL	01033	2.25
CONECUH .....	AL	01035	3.20
COOSA .....	AL	01037	2.80
COVINGTON .....	AL	01039	3.20
CRENSHAW .....	AL	01041	3.20
CULLMAN .....	AL	01043	2.55
DALE .....	AL	01045	3.20
DALLAS .....	AL	01047	2.90
DE KALB .....	AL	01049	2.25
ELMORE .....	AL	01051	2.90
ESCAMBIA .....	AL	01053	3.30
ETOWAH .....	AL	01055	2.55
FAYETTE .....	AL	01057	2.70
FRANKLIN .....	AL	01059	2.25
GENEVA .....	AL	01061	3.30
GREENE .....	AL	01063	2.70
HALE .....	AL	01065	2.70
HENRY .....	AL	01067	3.20
HOUSTON .....	AL	01069	3.30
JACKSON .....	AL	01071	2.25
JEFFERSON .....	AL	01073	2.70
LAMAR .....	AL	01075	2.70
LAUDERDALE .....	AL	01077	2.20
LAWRENCE .....	AL	01079	2.25
LEE .....	AL	01081	2.90
LIMESTONE .....	AL	01083	2.25
LOWNDES .....	AL	01085	3.10
MACON .....	AL	01087	3.10
MADISON .....	AL	01089	2.25
MARENGO .....	AL	01091	3.10
MARION .....	AL	01093	2.55
MARSHALL .....	AL	01095	2.25
MOBILE .....	AL	01097	3.30
MONROE .....	AL	01099	3.20
MONTGOMERY .....	AL	01101	3.10
MORGAN .....	AL	01103	2.25
PERRY .....	AL	01105	2.70
PICKENS .....	AL	01107	2.70
PIKE .....	AL	01109	3.20
RANDOLPH .....	AL	01111	2.80
RUSSELL .....	AL	01113	3.10
ST. CLAIR .....	AL	01115	2.70
SHELBY .....	AL	01117	2.70
SUMTER .....	AL	01119	2.70
TALLADEGA .....	AL	01121	2.70
TALLAPOOSA .....	AL	01123	2.90
TUSCALOOSA .....	AL	01125	2.70
WALKER .....	AL	01127	2.70
WASHINGTON .....	AL	01129	3.10
WILCOX .....	AL	01131	3.10
WINSTON .....	AL	01133	2.55
APACHE .....	AZ	04001	1.90
COCHISE .....	AZ	04003	1.60
COCONINO .....	AZ	04005	1.90
GILA .....	AZ	04007	1.60
GRAHAM .....	AZ	04009	1.60
GREENLEE .....	AZ	04011	1.60
LA PAZ .....	AZ	04012	1.60
MARICOPA .....	AZ	04013	1.55

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MOHAVE .....	AZ	04015	1.90
NAVAJO .....	AZ	04017	1.90
PIMA .....	AZ	04019	1.60
PINAL .....	AZ	04021	1.55
SANTA CRUZ .....	AZ	04023	1.60
YAVAPAI .....	AZ	04025	1.60
YUMA .....	AZ	04027	1.60
ARKANSAS .....	AR	05001	2.65
ASHLEY .....	AR	05003	2.75
BAXTER .....	AR	05005	1.90
BENTON .....	AR	05007	1.70
BOONE .....	AR	05009	1.70
BRADLEY .....	AR	05011	2.65
CALHOUN .....	AR	05013	2.65
CARROLL .....	AR	05015	1.70
CHICOT .....	AR	05017	2.75
CLARK .....	AR	05019	2.35
CLAY .....	AR	05021	2.35
CLEBURNE .....	AR	05023	2.10
CLEVELAND .....	AR	05025	2.65
COLUMBIA .....	AR	05027	2.35
CONWAY .....	AR	05029	2.10
CRAIGHEAD .....	AR	05031	2.65
CRAWFORD .....	AR	05033	1.90
CRITTENDEN .....	AR	05035	2.65
CROSS .....	AR	05037	2.65
DALLAS .....	AR	05039	2.35
DESHA .....	AR	05041	2.75
DREW .....	AR	05043	2.75
FAULKNER .....	AR	05045	2.35
FRANKLIN .....	AR	05047	1.90
FULTON .....	AR	05049	2.10
GARLAND .....	AR	05051	2.10
GRANT .....	AR	05053	2.35
GREENE .....	AR	05055	2.35
HEMPSTEAD .....	AR	05057	2.10
HOT SPRING .....	AR	05059	2.35
HOWARD .....	AR	05061	2.10
INDEPENDENCE .....	AR	05063	2.35
IZARD .....	AR	05065	2.10
JACKSON .....	AR	05067	2.35
JEFFERSON .....	AR	05069	2.65
JOHNSON .....	AR	05071	1.90
LAFAYETTE .....	AR	05073	2.35
LAWRENCE .....	AR	05075	2.35
LEE .....	AR	05077	2.65
LINCOLN .....	AR	05079	2.65
LITTLE RIVER .....	AR	05081	2.10
LOGAN .....	AR	05083	1.90
LONOKE .....	AR	05085	2.35
MADISON .....	AR	05087	1.70
MARION .....	AR	05089	1.90
MILLER .....	AR	05091	2.10
MISSISSIPPI .....	AR	05093	2.65
MONROE .....	AR	05095	2.65
MONTGOMERY .....	AR	05097	2.10
NEVADA .....	AR	05099	2.35
NEWTON .....	AR	05101	1.90
OUACHITA .....	AR	05103	2.35
PERRY .....	AR	05105	2.10
PHILLIPS .....	AR	05107	2.65
PIKE .....	AR	05109	2.10
POINSETT .....	AR	05111	2.65
POLK .....	AR	05113	2.10
POPE .....	AR	05115	1.90
PRAIRIE .....	AR	05117	2.65
PULASKI .....	AR	05119	2.35
RANDOLPH .....	AR	05121	2.10
ST. FRANCIS .....	AR	05123	2.65
SALINE .....	AR	05125	2.35
SCOTT .....	AR	05127	1.90

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SEARCY .....	AR	05129	1.90
SEBASTIAN .....	AR	05131	1.90
SEVIER .....	AR	05133	2.10
SHARP .....	AR	05135	2.10
STONE .....	AR	05137	2.10
UNION .....	AR	05139	2.65
VAN BUREN .....	AR	05141	2.10
WASHINGTON .....	AR	05143	1.70
WHITE .....	AR	05145	2.35
WOODRUFF .....	AR	05147	2.65
YELL .....	AR	05149	2.10
ALAMEDA .....	CA	06001	1.75
ALPINE .....	CA	06003	1.20
AMADOR .....	CA	06005	1.20
BUTTE .....	CA	06007	1.65
CALAVERAS .....	CA	06009	1.20
COLUSA .....	CA	06011	1.80
CONTRA COSTA .....	CA	06013	1.75
DEL NORTE .....	CA	06015	1.80
EL DORADO .....	CA	06017	1.20
FRESNO .....	CA	06019	1.40
GLENN .....	CA	06021	1.80
HUMBOLDT .....	CA	06023	1.80
IMPERIAL .....	CA	06025	1.60
INYO .....	CA	06027	1.50
KERN .....	CA	06029	1.60
KINGS .....	CA	06031	1.40
LAKE .....	CA	06033	1.80
LASSEN .....	CA	06035	1.65
LOS ANGELES .....	CA	06037	1.60
MADERA .....	CA	06039	1.40
MARIN .....	CA	06041	1.80
MARIPOSA .....	CA	06043	1.20
MENDOCINO .....	CA	06045	1.80
MERCED .....	CA	06047	1.40
MODOC .....	CA	06049	1.65
MONO .....	CA	06051	1.20
MONTEREY .....	CA	06053	2.20
NAPA .....	CA	06055	1.80
NEVADA .....	CA	06057	1.40
ORANGE .....	CA	06059	1.60
PLACER .....	CA	06061	1.40
PLUMAS .....	CA	06063	1.65
RIVERSIDE .....	CA	06065	1.60
SACRAMENTO .....	CA	06067	1.40
SAN BENITO .....	CA	06069	1.75
SAN BERNARDINO .....	CA	06071	1.60
SAN DIEGO .....	CA	06073	1.80
SAN FRANCISCO .....	CA	06075	1.75
SAN JOAQUIN .....	CA	06077	1.40
SAN LUIS OBISPO .....	CA	06079	2.20
SAN MATEO .....	CA	06081	1.75
SANTA BARBARA .....	CA	06083	2.20
SANTA CLARA .....	CA	06085	1.75
SANTA CRUZ .....	CA	06087	1.75
SHASTA .....	CA	06089	1.80
SIERRA .....	CA	06091	1.40
SISKIYOU .....	CA	06093	1.80
SOLANO .....	CA	06095	1.65
SONOMA .....	CA	06097	1.80
STANISLAUS .....	CA	06099	1.40
SUTTER .....	CA	06101	1.65
TEHAMA .....	CA	06103	1.80
TRINITY .....	CA	06105	1.80
TULARE .....	CA	06107	1.40
TUOLUMNE .....	CA	06109	1.20
VENTURA .....	CA	06111	2.20
YOLO .....	CA	06113	1.65
YUBA .....	CA	06115	1.65
ADAMS .....	CO	08001	1.55
ALAMOSA .....	CO	08003	1.90

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ARAPAHOE .....	CO	08005	1.55
ARCHULETA .....	CO	08007	2.20
BACA .....	CO	08009	1.90
BENT .....	CO	08011	1.80
BOULDER .....	CO	08013	1.55
CHAFFEE .....	CO	08015	1.90
CHEYENNE .....	CO	08017	1.60
CLEAR CREEK .....	CO	08019	1.55
CONEJOS .....	CO	08021	1.90
COSTILLA .....	CO	08023	1.90
CROWLEY .....	CO	08025	1.80
CUSTER .....	CO	08027	1.90
DELTA .....	CO	08029	2.20
DENVER .....	CO	08031	1.55
DOLORES .....	CO	08033	2.20
DOUGLAS .....	CO	08035	1.55
EAGLE .....	CO	08037	1.80
ELBERT .....	CO	08039	1.55
EL PASO .....	CO	08041	1.80
FREMONT .....	CO	08043	1.90
GARFIELD .....	CO	08045	1.90
GILPIN .....	CO	08047	1.55
GRAND .....	CO	08049	1.55
GUNNISON .....	CO	08051	1.90
HINSDALE .....	CO	08053	2.20
HUERFANO .....	CO	08055	1.90
JACKSON .....	CO	08057	1.55
JEFFERSON .....	CO	08059	1.55
KIOWA .....	CO	08061	1.80
KIT CARSON .....	CO	08063	1.60
LAKE .....	CO	08065	1.90
LA PLATA .....	CO	08067	2.20
LARIMER .....	CO	08069	1.55
LAS ANIMAS .....	CO	08071	1.90
LINCOLN .....	CO	08073	1.60
LOGAN .....	CO	08075	1.40
MESA .....	CO	08077	2.20
MINERAL .....	CO	08079	2.20
MOFFAT .....	CO	08081	1.80
MONTEZUMA .....	CO	08083	2.20
MONTROSE .....	CO	08085	2.20
MORGAN .....	CO	08087	1.40
OTERO .....	CO	08089	1.80
OURAY .....	CO	08091	2.20
PARK .....	CO	08093	1.80
PHILLIPS .....	CO	08095	1.50
PITKIN .....	CO	08097	1.90
PROWERS .....	CO	08099	1.80
PUEBLO .....	CO	08101	1.80
RIO BLANCO .....	CO	08103	1.90
RIO GRANDE .....	CO	08105	1.90
ROUTT .....	CO	08107	1.80
SAGUACHE .....	CO	08109	1.90
SAN JUAN .....	CO	08111	2.20
SAN MIGUEL .....	CO	08113	2.20
SEDGWICK .....	CO	08115	1.40
SUMMIT .....	CO	08117	1.80
TELLER .....	CO	08119	1.80
WASHINGTON .....	CO	08121	1.50
WELD .....	CO	08123	1.40
YUMA .....	CO	08125	1.50
FAIRFIELD .....	CT	09001	2.50
HARTFORD .....	CT	09003	2.50
LITCHFIELD .....	CT	09005	2.30
MIDDLESEX .....	CT	09007	2.50
NEW HAVEN .....	CT	09009	2.30
NEW LONDON .....	CT	09011	2.60
TOLLAND .....	CT	09013	2.50
WINDHAM .....	CT	09015	2.60
KENT .....	DE	10001	2.20
NEW CASTLE .....	DE	10003	2.20

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SUSSEX .....	DE	10005	2.20
DISTRICT OF COLUMBIA .....	DC	11001	2.05
ALACHUA .....	FL	12001	4.00
BAKER .....	FL	12003	3.80
BAY .....	FL	12005	3.40
BRADFORD .....	FL	12007	3.80
BREVARD .....	FL	12009	4.20
BROWARD .....	FL	12011	4.75
CALHOUN .....	FL	12013	3.40
CHARLOTTE .....	FL	12015	4.40
CITRUS .....	FL	12017	4.00
CLAY .....	FL	12019	3.80
COLLIER .....	FL	12021	4.75
COLUMBIA .....	FL	12023	3.80
DADE .....	FL	12025	4.75
DE SOTO .....	FL	12027	4.40
DIXIE .....	FL	12029	3.80
DUVAL .....	FL	12031	3.80
ESCAMBIA .....	FL	12033	3.30
FLAGLER .....	FL	12035	4.00
FRANKLIN .....	FL	12037	3.40
GADSDEN .....	FL	12039	3.40
GILCHRIST .....	FL	12041	3.80
GLADES .....	FL	12043	4.40
GULF .....	FL	12045	3.40
HAMILTON .....	FL	12047	3.60
HARDEE .....	FL	12049	4.40
HENDRY .....	FL	12051	4.75
HERNANDO .....	FL	12053	4.20
HIGHLANDS .....	FL	12055	4.40
HILLSBOROUGH .....	FL	12057	4.20
HOLMES .....	FL	12059	3.30
INDIAN RIVER .....	FL	12061	4.40
JACKSON .....	FL	12063	3.30
JEFFERSON .....	FL	12065	3.50
LAFAYETTE .....	FL	12067	3.80
LAKE .....	FL	12069	4.20
LEE .....	FL	12071	4.75
LEON .....	FL	12073	3.50
LEVY .....	FL	12075	4.00
LIBERTY .....	FL	12077	3.40
MADISON .....	FL	12079	3.60
MANATEE .....	FL	12081	4.40
MARION .....	FL	12083	4.00
MARTIN .....	FL	12085	4.40
MONROE .....	FL	12087	4.75
NASSAU .....	FL	12089	3.80
OKALOOSA .....	FL	12091	3.30
OKEECHOBEE .....	FL	12093	4.40
ORANGE .....	FL	12095	4.20
OSCEOLA .....	FL	12097	4.20
PALM BEACH .....	FL	12099	4.75
PASCO .....	FL	12101	4.20
PINELLAS .....	FL	12103	4.20
POLK .....	FL	12105	4.20
PUTNAM .....	FL	12107	4.00
ST. JOHNS .....	FL	12109	3.80
ST. LUCIE .....	FL	12111	4.40
SANTA ROSA .....	FL	12113	3.30
SARASOTA .....	FL	12115	4.40
SEMINOLE .....	FL	12117	4.20
SUMTER .....	FL	12119	4.20
SUWANNEE .....	FL	12121	3.80
TAYLOR .....	FL	12123	3.60
UNION .....	FL	12125	3.80
VOLUSIA .....	FL	12127	4.20
WAKULLA .....	FL	12129	3.50
WALTON .....	FL	12131	3.30
WASHINGTON .....	FL	12133	3.40
APPLING .....	GA	13001	3.30
ATKINSON .....	GA	13003	3.30



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BACON .....	GA	13005	3.30
BAKER .....	GA	13007	3.30
BALDWIN .....	GA	13009	2.80
BANKS .....	GA	13011	2.70
BARROW .....	GA	13013	2.90
BARTOW .....	GA	13015	2.70
BEN HILL .....	GA	13017	3.30
BERRIEN .....	GA	13019	3.30
BIBB .....	GA	13021	2.80
BLECKLEY .....	GA	13023	3.10
BRANTLEY .....	GA	13025	3.60
BROOKS .....	GA	13027	3.50
BRYAN .....	GA	13029	3.30
BULLOCH .....	GA	13031	3.20
BURKE .....	GA	13033	2.80
BUTTS .....	GA	13035	2.90
CALHOUN .....	GA	13037	3.20
CAMDEN .....	GA	13039	3.60
CANDLER .....	GA	13043	3.20
CARROLL .....	GA	13045	2.90
CATOOSA .....	GA	13047	2.55
CHARLTON .....	GA	13049	3.60
CHATHAM .....	GA	13051	3.30
CHATTAHOOCHEE .....	GA	13053	3.10
CHATTOOGA .....	GA	13055	2.55
CHEROKEE .....	GA	13057	2.70
CLARKE .....	GA	13059	2.80
CLAY .....	GA	13061	3.20
CLAYTON .....	GA	13063	2.90
CLINCH .....	GA	13065	3.60
COBB .....	GA	13067	2.90
COFFEE .....	GA	13069	3.30
COLQUITT .....	GA	13071	3.30
COLUMBIA .....	GA	13073	2.80
COOK .....	GA	13075	3.30
COWETA .....	GA	13077	2.90
CRAWFORD .....	GA	13079	2.90
CRISP .....	GA	13081	3.20
DADE .....	GA	13083	2.55
DAWSON .....	GA	13085	2.70
DECATUR .....	GA	13087	3.30
DE KALB .....	GA	13089	2.90
DODGE .....	GA	13091	3.20
DOOLY .....	GA	13093	3.20
DOUGHERTY .....	GA	13095	3.20
DOUGLAS .....	GA	13097	2.90
EARLY .....	GA	13099	3.30
ECHOLS .....	GA	13101	3.60
EFFINGHAM .....	GA	13103	3.20
ELBERT .....	GA	13105	2.80
EMANUEL .....	GA	13107	3.10
EVANS .....	GA	13109	3.20
FANNIN .....	GA	13111	2.55
FAYETTE .....	GA	13113	2.90
FLOYD .....	GA	13115	2.55
FORSYTH .....	GA	13117	2.90
FRANKLIN .....	GA	13119	2.70
FULTON .....	GA	13121	2.90
GILMER .....	GA	13123	2.55
GLASCOCK .....	GA	13125	2.80
GLYNN .....	GA	13127	3.60
GORDON .....	GA	13129	2.55
GRADY .....	GA	13131	3.30
GREENE .....	GA	13133	2.80
GWINNETT .....	GA	13135	2.90
HABERSHAM .....	GA	13137	2.70
HALL .....	GA	13139	2.90
HANCOCK .....	GA	13141	2.80
HARALSON .....	GA	13143	2.70
HARRIS .....	GA	13145	2.90
HART .....	GA	13147	2.70

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HEARD .....	GA	13149	2.90
HENRY .....	GA	13151	2.90
HOUSTON .....	GA	13153	3.10
IRWIN .....	GA	13155	3.30
JACKSON .....	GA	13157	2.80
JASPER .....	GA	13159	2.80
JEFF DAVIS .....	GA	13161	3.30
JEFFERSON .....	GA	13163	2.80
JENKINS .....	GA	13165	3.10
JOHNSON .....	GA	13167	3.10
JONES .....	GA	13169	2.80
LAMAR .....	GA	13171	2.90
LANIER .....	GA	13173	3.60
LAURENS .....	GA	13175	3.10
LEE .....	GA	13177	3.20
LIBERTY .....	GA	13179	3.30
LINCOLN .....	GA	13181	2.80
LONG .....	GA	13183	3.30
LOWNDES .....	GA	13185	3.60
LUMPKIN .....	GA	13187	2.70
MCDUFFIE .....	GA	13189	2.80
MCINTOSH .....	GA	13191	3.30
MACON .....	GA	13193	3.10
MADISON .....	GA	13195	2.80
MARION .....	GA	13197	3.10
MERIWETHER .....	GA	13199	2.90
MILLER .....	GA	13201	3.30
MITCHELL .....	GA	13205	3.30
MONROE .....	GA	13207	2.90
MONTGOMERY .....	GA	13209	3.20
MORGAN .....	GA	13211	2.80
MURRAY .....	GA	13213	2.55
MUSCOGEE .....	GA	13215	3.10
NEWTON .....	GA	13217	2.80
OCONEE .....	GA	13219	2.80
OGLETHORPE .....	GA	13221	2.80
PAULDING .....	GA	13223	2.90
PEACH .....	GA	13225	2.90
PICKENS .....	GA	13227	2.70
PIERCE .....	GA	13229	3.30
PIKE .....	GA	13231	2.90
POLK .....	GA	13233	2.70
PULASKI .....	GA	13235	3.20
PUTNAM .....	GA	13237	2.80
QUITMAN .....	GA	13239	3.20
RABUN .....	GA	13241	2.55
RANDOLPH .....	GA	13243	3.20
RICHMOND .....	GA	13245	2.80
ROCKDALE .....	GA	13247	2.90
SCHLEY .....	GA	13249	3.10
SCREVEN .....	GA	13251	3.10
SEMINOLE .....	GA	13253	3.30
SPALDING .....	GA	13255	2.90
STEPHENS .....	GA	13257	2.70
STEWART .....	GA	13259	3.10
SUMTER .....	GA	13261	3.20
TALBOT .....	GA	13263	2.90
TALIAFERRO .....	GA	13265	2.80
TATTNALL .....	GA	13267	3.20
TAYLOR .....	GA	13269	2.90
TELFAIR .....	GA	13271	3.20
TERRELL .....	GA	13273	3.20
THOMAS .....	GA	13275	3.50
TIFT .....	GA	13277	3.30
TOOMBS .....	GA	13279	3.20
TOWNS .....	GA	13281	2.55
TREUTLEN .....	GA	13283	3.20
TROUP .....	GA	13285	2.90
TURNER .....	GA	13287	3.30
TWIGGS .....	GA	13289	2.80
UNION .....	GA	13291	2.55

County/Parish/City	State	Fips__code	Class I differential adjusted for location
UPSON .....	GA	13293	2.90
WALKER .....	GA	13295	2.55
WALTON .....	GA	13297	2.80
WARE .....	GA	13299	3.60
WARREN .....	GA	13301	2.80
WASHINGTON .....	GA	13303	2.80
WAYNE .....	GA	13305	3.30
WEBSTER .....	GA	13307	3.20
WHEELER .....	GA	13309	3.20
WHITE .....	GA	13311	2.70
WHITFIELD .....	GA	13313	2.55
WILCOX .....	GA	13315	3.20
WILKES .....	GA	13317	2.80
WILKINSON .....	GA	13319	2.80
WORTH .....	GA	13321	3.30
ADA .....	ID	16001	1.35
ADAMS .....	ID	16003	1.35
BANNOCK .....	ID	16005	1.40
BEAR LAKE .....	ID	16007	1.40
BENEWAH .....	ID	16009	1.35
BINGHAM .....	ID	16011	1.35
BLAINE .....	ID	16013	1.35
BOISE .....	ID	16015	1.35
BONNER .....	ID	16017	1.35
BONNEVILLE .....	ID	16019	1.35
BOUNDARY .....	ID	16021	1.35
BUTTE .....	ID	16023	1.35
CAMAS .....	ID	16025	1.35
CANYON .....	ID	16027	1.35
CARIBOU .....	ID	16029	1.40
CASSIA .....	ID	16031	1.40
CLARK .....	ID	16033	1.40
CLEARWATER .....	ID	16035	1.40
CUSTER .....	ID	16037	1.35
ELMORE .....	ID	16039	1.35
FRANKLIN .....	ID	16041	1.40
FREMONT .....	ID	16043	1.40
GEM .....	ID	16045	1.35
GOODING .....	ID	16047	1.35
IDAHO .....	ID	16049	1.40
JEFFERSON .....	ID	16051	1.35
JEROME .....	ID	16053	1.35
KOOTENAI .....	ID	16055	1.35
LATAH .....	ID	16057	1.35
LEMHI .....	ID	16059	1.40
LEWIS .....	ID	16061	1.35
LINCOLN .....	ID	16063	1.35
MADISON .....	ID	16065	1.40
MINIDOKA .....	ID	16067	1.35
NEZ PERCE .....	ID	16069	1.35
ONEIDA .....	ID	16071	1.40
OWYHEE .....	ID	16073	1.35
PAYETTE .....	ID	16075	1.35
POWER .....	ID	16077	1.40
SHOSHONE .....	ID	16079	1.40
TETON .....	ID	16081	1.40
TWIN FALLS .....	ID	16083	1.35
VALLEY .....	ID	16085	1.35
WASHINGTON .....	ID	16087	1.35
ADAMS .....	IL	17001	2.00
ALEXANDER .....	IL	17003	2.10
BOND .....	IL	17005	2.00
BOONE .....	IL	17007	1.95
BROWN .....	IL	17009	2.00
BUREAU .....	IL	17011	2.00
CALHOUN .....	IL	17013	2.00
CARROLL .....	IL	17015	1.95
CASS .....	IL	17017	2.00
CHAMPAIGN .....	IL	17019	2.00
CHRISTIAN .....	IL	17021	2.00
CLARK .....	IL	17023	2.00

County/Parish/City	State	Fips_code	Class I differential adjusted for location
CLAY .....	IL	17025	2.00
CLINTON .....	IL	17027	2.00
COLES .....	IL	17029	2.00
COOK .....	IL	17031	1.95
CRAWFORD .....	IL	17033	2.00
CUMBERLAND .....	IL	17035	2.00
DE KALB .....	IL	17037	1.95
DE WITT .....	IL	17039	2.00
DOUGLAS .....	IL	17041	2.00
DU PAGE .....	IL	17043	1.95
EDGAR .....	IL	17045	2.00
EDWARDS .....	IL	17047	2.00
EFFINGHAM .....	IL	17049	2.00
FAYETTE .....	IL	17051	2.00
FORD .....	IL	17053	2.00
FRANKLIN .....	IL	17055	2.10
FULTON .....	IL	17057	2.00
GALLATIN .....	IL	17059	2.10
GREENE .....	IL	17061	2.00
GRUNDY .....	IL	17063	2.00
HAMILTON .....	IL	17065	2.10
HANCOCK .....	IL	17067	2.00
HARDIN .....	IL	17069	2.10
HENDERSON .....	IL	17071	2.00
HENRY .....	IL	17073	2.00
IROQUOIS .....	IL	17075	2.00
JACKSON .....	IL	17077	2.10
JASPER .....	IL	17079	2.00
JEFFERSON .....	IL	17081	2.00
JERSEY .....	IL	17083	2.00
JO DAVIESS .....	IL	17085	1.95
JOHNSON .....	IL	17087	2.10
KANE .....	IL	17089	1.95
KANKAKEE .....	IL	17091	2.00
KENDALL .....	IL	17093	2.00
KNOX .....	IL	17095	2.00
LAKE .....	IL	17097	1.95
LA SALLE .....	IL	17099	2.00
LAWRENCE .....	IL	17101	2.00
LEE .....	IL	17103	1.95
LIVINGSTON .....	IL	17105	2.00
LOGAN .....	IL	17107	2.00
MCDONOUGH .....	IL	17109	2.00
MCHENRY .....	IL	17111	1.95
MCLEAN .....	IL	17113	2.00
MACON .....	IL	17115	2.00
MACOUPIN .....	IL	17117	2.00
MADISON .....	IL	17119	2.00
MARION .....	IL	17121	2.00
MARSHALL .....	IL	17123	2.00
MASON .....	IL	17125	2.00
MASSAC .....	IL	17127	2.10
MENARD .....	IL	17129	2.00
MERCER .....	IL	17131	2.00
MONROE .....	IL	17133	2.10
MONTGOMERY .....	IL	17135	2.00
MORGAN .....	IL	17137	2.00
MOULTRIE .....	IL	17139	2.00
OGLE .....	IL	17141	1.95
PEORIA .....	IL	17143	2.00
PERRY .....	IL	17145	2.10
PIATT .....	IL	17147	2.00
PIKE .....	IL	17149	2.00
POPE .....	IL	17151	2.10
PULASKI .....	IL	17153	2.10
PUTNAM .....	IL	17155	2.00
RANDOLPH .....	IL	17157	2.10
RICHLAND .....	IL	17159	2.00
ROCK ISLAND .....	IL	17161	2.00
ST. CLAIR .....	IL	17163	2.10
SALINE .....	IL	17165	2.10

County/Parish/City	State	Fips__code	Class I differential adjusted for location
SANGAMON .....	IL	17167	2.00
SCHUYLER .....	IL	17169	2.00
SCOTT .....	IL	17171	2.00
SHELBY .....	IL	17173	2.00
STARK .....	IL	17175	2.00
STEPHENSON .....	IL	17177	1.95
TAZEWELL .....	IL	17179	2.00
UNION .....	IL	17181	2.10
VERMILION .....	IL	17183	2.00
WABASH .....	IL	17185	2.00
WARREN .....	IL	17187	2.00
WASHINGTON .....	IL	17189	2.10
WAYNE .....	IL	17191	2.00
WHITE .....	IL	17193	2.00
WHITESIDE .....	IL	17195	1.95
WILL .....	IL	17197	2.00
WILLIAMSON .....	IL	17199	2.10
WINNEBAGO .....	IL	17201	1.95
WOODFORD .....	IL	17203	2.00
ADAMS .....	IN	18001	2.00
ALLEN .....	IN	18003	1.80
BARTHOLOMEW .....	IN	18005	2.05
BENTON .....	IN	18007	2.00
BLACKFORD .....	IN	18009	2.00
BOONE .....	IN	18011	2.00
BROWN .....	IN	18013	2.05
CARROLL .....	IN	18015	2.00
CASS .....	IN	18017	2.00
CLARK .....	IN	18019	1.95
CLAY .....	IN	18021	2.00
CLINTON .....	IN	18023	2.00
CRAWFORD .....	IN	18025	2.10
DAVIESS .....	IN	18027	2.05
DEARBORN .....	IN	18029	1.95
DECATUR .....	IN	18031	1.95
DE KALB .....	IN	18033	1.80
DELAWARE .....	IN	18035	2.00
DUBOIS .....	IN	18037	2.10
ELKHART .....	IN	18039	1.80
FAYETTE .....	IN	18041	2.00
FLOYD .....	IN	18043	1.95
FOUNTAIN .....	IN	18045	2.00
FRANKLIN .....	IN	18047	1.95
FULTON .....	IN	18049	2.00
GIBSON .....	IN	18051	2.10
GRANT .....	IN	18053	2.00
GREENE .....	IN	18055	2.05
HAMILTON .....	IN	18057	2.00
HANCOCK .....	IN	18059	2.00
HARRISON .....	IN	18061	1.95
HENDRICKS .....	IN	18063	2.00
HENRY .....	IN	18065	2.00
HOWARD .....	IN	18067	2.00
HUNTINGTON .....	IN	18069	2.00
JACKSON .....	IN	18071	2.05
JASPER .....	IN	18073	2.00
JAY .....	IN	18075	2.00
JEFFERSON .....	IN	18077	1.95
JENNINGS .....	IN	18079	1.95
JOHNSON .....	IN	18081	2.00
KNOX .....	IN	18083	2.05
KOSCIUSKO .....	IN	18085	1.80
LAGRANGE .....	IN	18087	1.80
LAKE .....	IN	18089	1.95
LA PORTE .....	IN	18091	1.80
LAWRENCE .....	IN	18093	2.05
MADISON .....	IN	18095	2.00
MARION .....	IN	18097	2.00
MARSHALL .....	IN	18099	1.80
MARTIN .....	IN	18101	2.05
MIAMI .....	IN	18103	2.00

County/Parish/City	State	Fips_code	Class I differential adjusted for location
MONROE .....	IN	18105	2.05
MONTGOMERY .....	IN	18107	2.00
MORGAN .....	IN	18109	2.00
NEWTON .....	IN	18111	2.00
NOBLE .....	IN	18113	1.80
OHIO .....	IN	18115	1.95
ORANGE .....	IN	18117	2.05
OWEN .....	IN	18119	2.00
PARKE .....	IN	18121	2.00
PERRY .....	IN	18123	2.10
PIKE .....	IN	18125	2.10
PORTER .....	IN	18127	1.95
POSEY .....	IN	18129	2.10
PULASKI .....	IN	18131	2.00
PUTNAM .....	IN	18133	2.00
RANDOLPH .....	IN	18135	2.00
RIPLEY .....	IN	18137	1.95
RUSH .....	IN	18139	2.00
ST. JOSEPH .....	IN	18141	1.80
SCOTT .....	IN	18143	1.95
SHELBY .....	IN	18145	2.00
SPENCER .....	IN	18147	2.10
STARKE .....	IN	18149	1.80
STEUBEN .....	IN	18151	1.80
SULLIVAN .....	IN	18153	2.05
SWITZERLAND .....	IN	18155	1.95
TIPPECANOE .....	IN	18157	2.00
TIPTON .....	IN	18159	2.00
UNION .....	IN	18161	2.00
VANDERBURGH .....	IN	18163	2.10
VERMILLION .....	IN	18165	2.00
VIGO .....	IN	18167	2.00
WABASH .....	IN	18169	2.00
WARREN .....	IN	18171	2.00
WARRICK .....	IN	18173	2.10
WASHINGTON .....	IN	18175	1.95
WAYNE .....	IN	18177	2.00
WELLS .....	IN	18179	2.00
WHITE .....	IN	18181	2.00
WHITLEY .....	IN	18183	1.80
ADAIR .....	IA	19001	1.90
ADAMS .....	IA	19003	1.90
ALLAMAKEE .....	IA	19005	1.70
APPANOOSE .....	IA	19007	1.90
AUDUBON .....	IA	19009	1.90
BENTON .....	IA	19011	1.95
BLACK HAWK .....	IA	19013	1.80
BOONE .....	IA	19015	1.90
BREMER .....	IA	19017	1.80
BUCHANAN .....	IA	19019	1.80
BUENA VISTA .....	IA	19021	1.80
BUTLER .....	IA	19023	1.80
CALHOUN .....	IA	19025	1.80
CARROLL .....	IA	19027	1.90
CASS .....	IA	19029	1.90
CEDAR .....	IA	19031	1.95
CERRO GORDO .....	IA	19033	1.70
CHEROKEE .....	IA	19035	1.80
CHICKASAW .....	IA	19037	1.70
CLARKE .....	IA	19039	1.90
CLAY .....	IA	19041	1.70
CLAYTON .....	IA	19043	1.70
CLINTON .....	IA	19045	1.95
CRAWFORD .....	IA	19047	1.90
DALLAS .....	IA	19049	1.90
DAVIS .....	IA	19051	1.90
DECATUR .....	IA	19053	1.90
DELAWARE .....	IA	19055	1.80
DES MOINES .....	IA	19057	1.90
DICKINSON .....	IA	19059	1.70
DUBUQUE .....	IA	19061	1.80

County/Parish/City	State	Fips__code	Class I differential adjusted for location
EMMET .....	IA	19063	1.70
FAYETTE .....	IA	19065	1.70
FLOYD .....	IA	19067	1.70
FRANKLIN .....	IA	19069	1.80
FREMONT .....	IA	19071	1.90
GREENE .....	IA	19073	1.90
GRUNDY .....	IA	19075	1.80
GUTHRIE .....	IA	19077	1.90
HAMILTON .....	IA	19079	1.80
HANCOCK .....	IA	19081	1.70
HARDIN .....	IA	19083	1.80
HARRISON .....	IA	19085	1.90
HENRY .....	IA	19087	1.90
HOWARD .....	IA	19089	1.70
HUMBOLDT .....	IA	19091	1.80
IDA .....	IA	19093	1.80
IOWA .....	IA	19095	1.95
JACKSON .....	IA	19097	1.95
JASPER .....	IA	19099	1.95
JEFFERSON .....	IA	19101	1.90
JOHNSON .....	IA	19103	1.95
JONES .....	IA	19105	1.95
KEOKUK .....	IA	19107	1.90
KOSSUTH .....	IA	19109	1.70
LEE .....	IA	19111	1.90
LINN .....	IA	19113	1.95
LOUISA .....	IA	19115	1.90
LUCAS .....	IA	19117	1.90
LYON .....	IA	19119	1.70
MADISON .....	IA	19121	1.90
MAHASKA .....	IA	19123	1.90
MARION .....	IA	19125	1.90
MARSHALL .....	IA	19127	1.95
MILLS .....	IA	19129	1.90
MITCHELL .....	IA	19131	1.70
MONONA .....	IA	19133	1.80
MONROE .....	IA	19135	1.90
MONTGOMERY .....	IA	19137	1.90
MUSCATINE .....	IA	19139	1.90
O'BRIEN .....	IA	19141	1.70
OSCEOLA .....	IA	19143	1.70
PAGE .....	IA	19145	1.90
PALO ALTO .....	IA	19147	1.70
PLYMOUTH .....	IA	19149	1.70
POCAHONTAS .....	IA	19151	1.80
POLK .....	IA	19153	1.90
POTTAWATTAMIE .....	IA	19155	1.90
POWESHIEK .....	IA	19157	1.95
RINGGOLD .....	IA	19159	1.90
SAC .....	IA	19161	1.80
SCOTT .....	IA	19163	1.95
SHELBY .....	IA	19165	1.90
SIoux .....	IA	19167	1.70
STORY .....	IA	19169	1.95
TAMA .....	IA	19171	1.95
TAYLOR .....	IA	19173	1.90
UNION .....	IA	19175	1.90
VAN BUREN .....	IA	19177	1.90
WAPELLO .....	IA	19179	1.90
WARREN .....	IA	19181	1.90
WASHINGTON .....	IA	19183	1.90
WAYNE .....	IA	19185	1.90
WEBSTER .....	IA	19187	1.80
WINNEBAGO .....	IA	19189	1.70
WINNESHIEK .....	IA	19191	1.70
WOODBURY .....	IA	19193	1.80
WORTH .....	IA	19195	1.70
WRIGHT .....	IA	19197	1.80
ALLEN .....	KS	20001	1.70
ANDERSON .....	KS	20003	1.70
ATCHISON .....	KS	20005	1.90



County/Parish/City	State	Fips_code	Class I differential adjusted for location
BARBER .....	KS	20007	1.90
BARTON .....	KS	20009	1.90
BOURBON .....	KS	20011	1.70
BROWN .....	KS	20013	1.90
BUTLER .....	KS	20015	1.70
CHASE .....	KS	20017	1.70
CHAUTAUQUA .....	KS	20019	1.70
CHEROKEE .....	KS	20021	1.70
CHEYENNE .....	KS	20023	1.60
CLARK .....	KS	20025	1.90
CLAY .....	KS	20027	1.90
CLOUD .....	KS	20029	1.80
COFFEY .....	KS	20031	1.70
COMANCHE .....	KS	20033	1.90
COWLEY .....	KS	20035	1.70
CRAWFORD .....	KS	20037	1.70
DECATUR .....	KS	20039	1.60
DICKINSON .....	KS	20041	1.90
DONIPHAN .....	KS	20043	1.90
DOUGLAS .....	KS	20045	1.70
EDWARDS .....	KS	20047	1.90
ELK .....	KS	20049	1.70
ELLIS .....	KS	20051	1.80
ELLSWORTH .....	KS	20053	1.90
FINNEY .....	KS	20055	1.80
FORD .....	KS	20057	1.90
FRANKLIN .....	KS	20059	1.70
GEARY .....	KS	20061	1.90
GOVE .....	KS	20063	1.60
GRAHAM .....	KS	20065	1.60
GRANT .....	KS	20067	1.90
GRAY .....	KS	20069	1.90
GREELEY .....	KS	20071	1.80
GREENWOOD .....	KS	20073	1.70
HAMILTON .....	KS	20075	1.80
HARPER .....	KS	20077	1.70
HARVEY .....	KS	20079	1.70
HASKELL .....	KS	20081	1.90
HODGEMAN .....	KS	20083	1.80
JACKSON .....	KS	20085	1.90
JEFFERSON .....	KS	20087	1.90
JEWELL .....	KS	20089	1.80
JOHNSON .....	KS	20091	1.90
KEARNY .....	KS	20093	1.80
KINGMAN .....	KS	20095	1.70
KIOWA .....	KS	20097	1.90
LABETTE .....	KS	20099	1.70
LANE .....	KS	20101	1.80
LEAVENWORTH .....	KS	20103	1.90
LINCOLN .....	KS	20105	1.80
LINN .....	KS	20107	1.70
LOGAN .....	KS	20109	1.60
LYON .....	KS	20111	1.70
MCPHERSON .....	KS	20113	1.90
MARION .....	KS	20115	1.70
MARSHALL .....	KS	20117	1.90
MEADE .....	KS	20119	1.90
MIAMI .....	KS	20121	1.70
MITCHELL .....	KS	20123	1.80
MONTGOMERY .....	KS	20125	1.70
MORRIS .....	KS	20127	1.90
MORTON .....	KS	20129	1.90
NEMAHA .....	KS	20131	1.90
NEOSHO .....	KS	20133	1.70
NESS .....	KS	20135	1.80
NORTON .....	KS	20137	1.60
OSAGE .....	KS	20139	1.70
OSBORNE .....	KS	20141	1.80
OTTAWA .....	KS	20143	1.90
PAWNEE .....	KS	20145	1.90
PHILLIPS .....	KS	20147	1.60

County/Parish/City	State	Fips_code	Class I differential adjusted for location
POTTAWATOMIE .....	KS	20149	1.90
PRATT .....	KS	20151	1.90
RAWLINS .....	KS	20153	1.60
RENO .....	KS	20155	1.70
REPUBLIC .....	KS	20157	1.80
RICE .....	KS	20159	1.90
RILEY .....	KS	20161	1.90
ROOKS .....	KS	20163	1.60
RUSH .....	KS	20165	1.80
RUSSELL .....	KS	20167	1.80
SALINE .....	KS	20169	1.90
SCOTT .....	KS	20171	1.80
SEDGWICK .....	KS	20173	1.70
SEWARD .....	KS	20175	1.90
SHAWNEE .....	KS	20177	1.90
SHERIDAN .....	KS	20179	1.60
SHERMAN .....	KS	20181	1.60
SMITH .....	KS	20183	1.60
STAFFORD .....	KS	20185	1.90
STANTON .....	KS	20187	1.90
STEVENS .....	KS	20189	1.90
SUMNER .....	KS	20191	1.70
THOMAS .....	KS	20193	1.60
TREGO .....	KS	20195	1.80
WABAUNSEE .....	KS	20197	1.90
WALLACE .....	KS	20199	1.60
WASHINGTON .....	KS	20201	1.90
WICHITA .....	KS	20203	1.80
WILSON .....	KS	20205	1.70
WOODSON .....	KS	20207	1.70
WYANDOTTE .....	KS	20209	1.90
ADAIR .....	KY	21001	1.95
ALLEN .....	KY	21003	2.05
ANDERSON .....	KY	21005	1.95
BALLARD .....	KY	21007	2.30
BARREN .....	KY	21009	2.05
BATH .....	KY	21011	2.05
BELL .....	KY	21013	2.15
BOONE .....	KY	21015	1.95
BOURBON .....	KY	21017	2.05
BOYD .....	KY	21019	2.20
BOYLE .....	KY	21021	1.95
BRACKEN .....	KY	21023	2.05
BREATHITT .....	KY	21025	2.15
BRECKINRIDGE .....	KY	21027	2.10
BULLITT .....	KY	21029	1.95
BUTLER .....	KY	21031	2.20
CALDWELL .....	KY	21033	2.30
CALLOWAY .....	KY	21035	2.30
CAMPBELL .....	KY	21037	2.05
CARLISLE .....	KY	21039	2.30
CARROLL .....	KY	21041	1.95
CARTER .....	KY	21043	2.20
CASEY .....	KY	21045	1.95
CHRISTIAN .....	KY	21047	2.20
CLARK .....	KY	21049	2.05
CLAY .....	KY	21051	2.15
CLINTON .....	KY	21053	2.15
CRITTENDEN .....	KY	21055	2.30
CUMBERLAND .....	KY	21057	2.05
DAVIESS .....	KY	21059	2.10
EDMONSON .....	KY	21061	2.05
ELLIOTT .....	KY	21063	2.05
ESTILL .....	KY	21065	2.05
FAYETTE .....	KY	21067	2.05
FLEMING .....	KY	21069	2.05
FLOYD .....	KY	21071	2.15
FRANKLIN .....	KY	21073	1.95
FULTON .....	KY	21075	2.30
GALLATIN .....	KY	21077	1.95
GARRARD .....	KY	21079	1.95

County/Parish/City	State	Fips_code	Class I differential adjusted for location
GRANT .....	KY	21081	1.95
GRAVES .....	KY	21083	2.30
GRAYSON .....	KY	21085	2.10
GREEN .....	KY	21087	1.95
GREENUP .....	KY	21089	2.20
HANCOCK .....	KY	21091	2.10
HARDIN .....	KY	21093	1.95
HARLAN .....	KY	21095	2.15
HARRISON .....	KY	21097	2.05
HART .....	KY	21099	1.95
HENDERSON .....	KY	21101	2.10
HENRY .....	KY	21103	1.95
HICKMAN .....	KY	21105	2.30
HOPKINS .....	KY	21107	2.20
JACKSON .....	KY	21109	1.95
JEFFERSON .....	KY	21111	1.95
JESSAMINE .....	KY	21113	1.95
JOHNSON .....	KY	21115	2.15
KENTON .....	KY	21117	2.05
KNOTT .....	KY	21119	2.15
KNOX .....	KY	21121	2.15
LARUE .....	KY	21123	1.95
LAUREL .....	KY	21125	2.15
LAWRENCE .....	KY	21127	2.15
LEE .....	KY	21129	2.05
LESLIE .....	KY	21131	2.15
LETCHER .....	KY	21133	2.15
LEWIS .....	KY	21135	2.05
LINCOLN .....	KY	21137	1.95
LIVINGSTON .....	KY	21139	2.30
LOGAN .....	KY	21141	2.20
LYON .....	KY	21143	2.30
MCCRACKEN .....	KY	21145	2.30
MCCREARY .....	KY	21147	2.15
MCLEAN .....	KY	21149	2.10
MADISON .....	KY	21151	2.05
MAGOFFIN .....	KY	21153	2.15
MARION .....	KY	21155	1.95
MARSHALL .....	KY	21157	2.30
MARTIN .....	KY	21159	2.15
MASON .....	KY	21161	2.05
MEADE .....	KY	21163	1.95
MENIFEE .....	KY	21165	2.05
MERCER .....	KY	21167	1.95
METCALFE .....	KY	21169	2.05
MONROE .....	KY	21171	2.05
MONTGOMERY .....	KY	21173	2.05
MORGAN .....	KY	21175	2.05
MUHLENBERG .....	KY	21177	2.20
NELSON .....	KY	21179	1.95
NICHOLAS .....	KY	21181	2.05
OHIO .....	KY	21183	2.10
OLDHAM .....	KY	21185	1.95
OWEN .....	KY	21187	1.95
OWSLEY .....	KY	21189	2.15
PENDLETON .....	KY	21191	2.05
PERRY .....	KY	21193	2.15
PIKE .....	KY	21195	2.15
POWELL .....	KY	21197	2.05
PULASKI .....	KY	21199	2.15
ROBERTSON .....	KY	21201	2.05
ROCKCASTLE .....	KY	21203	1.95
ROWAN .....	KY	21205	2.05
RUSSELL .....	KY	21207	1.95
SCOTT .....	KY	21209	2.05
SHELBY .....	KY	21211	1.95
SIMPSON .....	KY	21213	2.05
SPENCER .....	KY	21215	1.95
TAYLOR .....	KY	21217	1.95
TODD .....	KY	21219	2.20
TRIGG .....	KY	21221	2.30

County/Parish/City	State	Fips_code	Class I differential adjusted for location
TRIMBLE .....	KY	21223	1.95
UNION .....	KY	21225	2.10
WARREN .....	KY	21227	2.05
WASHINGTON .....	KY	21229	1.95
WAYNE .....	KY	21231	2.15
WEBSTER .....	KY	21233	2.10
WHITLEY .....	KY	21235	2.15
WOLFE .....	KY	21237	2.05
WOODFORD .....	KY	21239	1.95
ACADIA .....	LA	22001	3.05
ALLEN .....	LA	22003	2.85
ASCENSION .....	LA	22005	2.85
ASSUMPTION .....	LA	22007	3.05
AVOUELLES .....	LA	22009	2.85
BEAUREGARD .....	LA	22011	2.85
BIENVILLE .....	LA	22013	2.65
BOSSIER .....	LA	22015	2.35
CADDO .....	LA	22017	2.35
CALCASIEU .....	LA	22019	3.05
CALDWELL .....	LA	22021	2.75
CAMERON .....	LA	22023	3.05
CATAHOULA .....	LA	22025	2.85
CLAIBORNE .....	LA	22027	2.65
CONCORDIA .....	LA	22029	2.85
DE SOTO .....	LA	22031	2.65
EAST BATON ROUGE .....	LA	22033	2.85
EAST CARROLL .....	LA	22035	2.75
EAST FELICIANA .....	LA	22037	2.85
EVANGELINE .....	LA	22039	2.85
FRANKLIN .....	LA	22041	2.75
GRANT .....	LA	22043	2.75
IBERIA .....	LA	22045	3.05
IBERVILLE .....	LA	22047	2.85
JACKSON .....	LA	22049	2.75
JEFFERSON .....	LA	22051	3.05
JEFFERSON DAVIS .....	LA	22053	3.05
LAFAYETTE .....	LA	22055	3.05
LAFOURCHE .....	LA	22057	3.05
LA SALLE .....	LA	22059	2.75
LINCOLN .....	LA	22061	2.65
LIVINGSTON .....	LA	22063	2.85
MADISON .....	LA	22065	2.75
MOREHOUSE .....	LA	22067	2.75
NATCHITOCHES .....	LA	22069	2.75
ORLEANS .....	LA	22071	3.05
OUACHITA .....	LA	22073	2.75
PLAQUEMINES .....	LA	22075	3.05
POINTE COUPEE .....	LA	22077	2.85
RAPIDES .....	LA	22079	2.85
RED RIVER .....	LA	22081	2.65
RICHLAND .....	LA	22083	2.75
SABINE .....	LA	22085	2.75
ST. BERNARD .....	LA	22087	3.05
ST. CHARLES .....	LA	22089	3.05
ST. HELENA .....	LA	22091	2.85
ST. JAMES .....	LA	22093	2.85
ST. JOHN THE BAPTIST .....	LA	22095	2.85
ST. LANDRY .....	LA	22097	3.05
ST. MARTIN .....	LA	22099	3.05
ST. MARY .....	LA	22101	3.05
ST. TAMMANY .....	LA	22103	2.85
TANGIPAHOA .....	LA	22105	2.85
TENSAS .....	LA	22107	2.85
TERREBONNE .....	LA	22109	3.05
UNION .....	LA	22111	2.65
VERMILION .....	LA	22113	3.05
VERNON .....	LA	22115	2.85
WASHINGTON .....	LA	22117	2.85
WEBSTER .....	LA	22119	2.35
WEST BATON ROUGE .....	LA	22121	2.85
WEST CARROLL .....	LA	22123	2.75

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WEST FELICIANA .....	LA	22125	2.85
WINN .....	LA	22127	2.75
ANDROSCOGGIN .....	ME	23001	2.20
AROOSTOOK .....	ME	23003	2.15
CUMBERLAND .....	ME	23005	2.30
FRANKLIN .....	ME	23007	2.15
HANCOCK .....	ME	23009	2.15
KENNEBEC .....	ME	23011	2.20
KNOX .....	ME	23013	2.20
LINCOLN .....	ME	23015	2.20
OXFORD .....	ME	23017	2.15
PENOBSCOT .....	ME	23019	2.15
PISCATAQUIS .....	ME	23021	2.15
SAGadahoc .....	ME	23023	2.30
SOMERSET .....	ME	23025	2.15
WALDO .....	ME	23027	2.20
WASHINGTON .....	ME	23029	2.15
YORK .....	ME	23031	2.45
ALLEGANY .....	MD	24001	2.05
ANNE ARUNDEL .....	MD	24003	2.05
BALTIMORE .....	MD	24005	2.05
CALVERT .....	MD	24009	2.05
CAROLINE .....	MD	24011	2.10
CARROLL .....	MD	24013	2.05
CECIL .....	MD	24015	2.10
CHARLES .....	MD	24017	2.05
DORCHESTER .....	MD	24019	2.10
FREDERICK .....	MD	24021	2.05
GARRETT .....	MD	24023	2.05
HARFORD .....	MD	24025	2.05
HOWARD .....	MD	24027	2.05
KENT .....	MD	24029	2.10
MONTGOMERY .....	MD	24031	2.05
PRINCE GEORGE'S .....	MD	24033	2.05
QUEEN ANNE'S .....	MD	24035	2.10
ST. MARY'S .....	MD	24037	2.05
SOMERSET .....	MD	24039	2.10
TALBOT .....	MD	24041	2.10
WASHINGTON .....	MD	24043	2.05
WICOMICO .....	MD	24045	2.10
WORCESTER .....	MD	24047	2.10
BALTIMORE CITY .....	MD	24510	2.05
BARNSTABLE .....	MA	25001	2.75
BERKSHIRE .....	MA	25003	2.30
BRISTOL .....	MA	25005	2.75
DUKES .....	MA	25007	2.75
ESSEX .....	MA	25009	2.75
FRANKLIN .....	MA	25011	2.40
HAMPDEN .....	MA	25013	2.40
HAMPSHIRE .....	MA	25015	2.40
MIDDLESEX .....	MA	25017	2.75
NANTUCKET .....	MA	25019	2.75
NORFOLK .....	MA	25021	2.75
PLYMOUTH .....	MA	25023	2.75
SUFFOLK .....	MA	25025	2.75
WORCESTER .....	MA	25027	2.60
ALCONA .....	MI	26001	1.50
ALGER .....	MI	26003	1.60
ALLEGAN .....	MI	26005	1.80
ALPENA .....	MI	26007	1.35
ANTRIM .....	MI	26009	1.35
ARENAC .....	MI	26011	1.70
BARAGA .....	MI	26013	1.50
BARRY .....	MI	26015	1.80
BAY .....	MI	26017	1.70
BENZIE .....	MI	26019	1.50
BERRIEN .....	MI	26021	1.80
BRANCH .....	MI	26023	1.80
CALHOUN .....	MI	26025	1.80
CASS .....	MI	26027	1.80
CHARLEVOIX .....	MI	26029	1.35

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CHEBOYGAN .....	MI	26031	1.35
CHIPPEWA .....	MI	26033	1.70
CLARE .....	MI	26035	1.70
CLINTON .....	MI	26037	1.80
CRAWFORD .....	MI	26039	1.50
DELTA .....	MI	26041	1.60
DICKINSON .....	MI	26043	1.40
EATON .....	MI	26045	1.80
EMMET .....	MI	26047	1.35
GENESEE .....	MI	26049	1.85
GLADWIN .....	MI	26051	1.70
GOGEBIC .....	MI	26053	1.40
GRAND TRAVERSE .....	MI	26055	1.50
GRATIOT .....	MI	26057	1.70
HILLSDALE .....	MI	26059	1.80
HOUGHTON .....	MI	26061	1.50
HURON .....	MI	26063	1.85
INGHAM .....	MI	26065	1.80
IONIA .....	MI	26067	1.80
IOSCO .....	MI	26069	1.50
IRON .....	MI	26071	1.40
ISABELLA .....	MI	26073	1.70
JACKSON .....	MI	26075	1.80
KALAMAZOO .....	MI	26077	1.80
KALKASKA .....	MI	26079	1.50
KENT .....	MI	26081	1.70
KEWEENAW .....	MI	26083	1.50
LAKE .....	MI	26085	1.70
LAPEER .....	MI	26087	1.85
LEELANAU .....	MI	26089	1.50
LENAWEE .....	MI	26091	1.80
LIVINGSTON .....	MI	26093	1.85
LUCE .....	MI	26095	1.70
MACKINAC .....	MI	26097	1.70
MACOMB .....	MI	26099	1.85
MANISTEE .....	MI	26101	1.50
MARQUETTE .....	MI	26103	1.50
MASON .....	MI	26105	1.70
MECOSTA .....	MI	26107	1.70
MENOMINEE .....	MI	26109	1.50
MIDLAND .....	MI	26111	1.70
MISSAUKEE .....	MI	26113	1.50
MONROE .....	MI	26115	1.85
MONTCALM .....	MI	26117	1.70
MONTMORENCY .....	MI	26119	1.35
MUSKEGON .....	MI	26121	1.70
NEWAYGO .....	MI	26123	1.70
OAKLAND .....	MI	26125	1.85
OCEANA .....	MI	26127	1.70
OGEMAW .....	MI	26129	1.50
ONTONAGON .....	MI	26131	1.40
OSCEOLA .....	MI	26133	1.70
OSCODA .....	MI	26135	1.50
OTSEGO .....	MI	26137	1.35
OTTAWA .....	MI	26139	1.70
PRESQUE ISLE .....	MI	26141	1.35
ROSCOMMON .....	MI	26143	1.50
SAGINAW .....	MI	26145	1.85
ST. CLAIR .....	MI	26147	1.85
ST. JOSEPH .....	MI	26149	1.80
SANILAC .....	MI	26151	1.85
SCHOOLCRAFT .....	MI	26153	1.60
SHIAWASSEE .....	MI	26155	1.85
TUSCOLA .....	MI	26157	1.85
VAN BUREN .....	MI	26159	1.80
WASHTENAW .....	MI	26161	1.85
WAYNE .....	MI	26163	1.85
WEXFORD .....	MI	26165	1.50
AITKIN .....	MN	27001	1.30
ANOKA .....	MN	27003	1.60
BECKER .....	MN	27005	1.40

County/Parish/City	State	Fips_code	Class I differential adjusted for location
BELTRAMI .....	MN	27007	1.10
BENTON .....	MN	27009	1.50
BIG STONE .....	MN	27011	1.50
BLUE EARTH .....	MN	27013	1.60
BROWN .....	MN	27015	1.60
CARLTON .....	MN	27017	1.65
CARVER .....	MN	27019	1.60
CASS .....	MN	27021	1.30
CHIPPEWA .....	MN	27023	1.50
CHISAGO .....	MN	27025	1.60
CLAY .....	MN	27027	1.40
CLEARWATER .....	MN	27029	1.10
COOK .....	MN	27031	1.65
COTTONWOOD .....	MN	27033	1.60
CROW WING .....	MN	27035	1.30
DAKOTA .....	MN	27037	1.60
DODGE .....	MN	27039	1.60
DOUGLAS .....	MN	27041	1.50
FARIBAULT .....	MN	27043	1.60
FILLMORE .....	MN	27045	1.60
FREEBORN .....	MN	27047	1.60
GOODHUE .....	MN	27049	1.60
GRANT .....	MN	27051	1.50
HENNEPIN .....	MN	27053	1.60
HOUSTON .....	MN	27055	1.60
HUBBARD .....	MN	27057	1.30
ISANTI .....	MN	27059	1.60
ITASCA .....	MN	27061	1.30
JACKSON .....	MN	27063	1.60
KANABEC .....	MN	27065	1.50
KANDIYOHI .....	MN	27067	1.50
KITTSO .....	MN	27069	1.10
KOOCHICHING .....	MN	27071	1.30
LAC QUI PARLE .....	MN	27073	1.50
LAKE .....	MN	27075	1.65
LAKE OF THE WOODS .....	MN	27077	1.10
LE SUEUR .....	MN	27079	1.60
LINCOLN .....	MN	27081	1.50
LYON .....	MN	27083	1.50
MCLEOD .....	MN	27085	1.60
MAHONOMEN .....	MN	27087	1.40
MARSHALL .....	MN	27089	1.10
MARTIN .....	MN	27091	1.60
MEEKER .....	MN	27093	1.60
MILLE LACS .....	MN	27095	1.50
MORRISON .....	MN	27097	1.50
MOWER .....	MN	27099	1.60
MURRAY .....	MN	27101	1.60
NICOLLET .....	MN	27103	1.60
NOBLES .....	MN	27105	1.60
NORMAN .....	MN	27107	1.40
OLMSTED .....	MN	27109	1.60
OTTER TAIL .....	MN	27111	1.40
PENNINGTON .....	MN	27113	1.10
PINE .....	MN	27115	1.65
PIPESTONE .....	MN	27117	1.60
POLK .....	MN	27119	1.40
POPE .....	MN	27121	1.50
RAMSEY .....	MN	27123	1.60
RED LAKE .....	MN	27125	1.10
REDWOOD .....	MN	27127	1.60
RENVILLE .....	MN	27129	1.60
RICE .....	MN	27131	1.60
ROCK .....	MN	27133	1.60
ROSEAU .....	MN	27135	1.10
ST. LOUIS .....	MN	27137	1.65
SCOTT .....	MN	27139	1.60
SHERBURNE .....	MN	27141	1.60
SIBLEY .....	MN	27143	1.60
STEARNS .....	MN	27145	1.50
STEELE .....	MN	27147	1.60



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STEVENS .....	MN	27149	1.50
SWIFT .....	MN	27151	1.50
TODD .....	MN	27153	1.50
TRAVERSE .....	MN	27155	1.50
WABASHA .....	MN	27157	1.60
WADENA .....	MN	27159	1.30
WASECA .....	MN	27161	1.60
WASHINGTON .....	MN	27163	1.60
WATONWAN .....	MN	27165	1.60
WILKIN .....	MN	27167	1.40
WINONA .....	MN	27169	1.60
WRIGHT .....	MN	27171	1.60
YELLOW MEDICINE .....	MN	27173	1.50
ADAMS .....	MS	28001	2.85
ALCORN .....	MS	28003	2.70
AMITE .....	MS	28005	2.85
ATTALA .....	MS	28007	2.85
BENTON .....	MS	28009	2.70
BOLIVAR .....	MS	28011	2.85
CALHOUN .....	MS	28013	2.85
CARROLL .....	MS	28015	2.85
CHICKASAW .....	MS	28017	2.85
CHOCTAW .....	MS	28019	2.85
CLAIBORNE .....	MS	28021	2.85
CLARKE .....	MS	28023	3.10
CLAY .....	MS	28025	2.85
COAHOMA .....	MS	28027	2.85
COPIAH .....	MS	28029	2.85
COVINGTON .....	MS	28031	3.00
DE SOTO .....	MS	28033	2.85
FORREST .....	MS	28035	3.10
FRANKLIN .....	MS	28037	2.85
GEORGE .....	MS	28039	3.00
GREENE .....	MS	28041	3.10
GRENADA .....	MS	28043	2.85
HANCOCK .....	MS	28045	3.00
HARRISON .....	MS	28047	3.00
HINDS .....	MS	28049	2.85
HOLMES .....	MS	28051	2.85
HUMPHREYS .....	MS	28053	2.85
ISSAQUENA .....	MS	28055	2.85
ITAWAMBA .....	MS	28057	2.55
JACKSON .....	MS	28059	3.00
JASPER .....	MS	28061	3.10
JEFFERSON .....	MS	28063	2.85
JEFFERSON DAVIS .....	MS	28065	3.00
JONES .....	MS	28067	3.10
KEMPER .....	MS	28069	2.70
LAFAYETTE .....	MS	28071	2.85
LAMAR .....	MS	28073	3.00
LAUDERDALE .....	MS	28075	2.70
LAWRENCE .....	MS	28077	2.85
LEAKE .....	MS	28079	2.70
LEE .....	MS	28081	2.70
LEFLORE .....	MS	28083	2.85
LINCOLN .....	MS	28085	2.85
LOWNDES .....	MS	28087	2.70
MADISON .....	MS	28089	2.85
MARION .....	MS	28091	3.00
MARSHALL .....	MS	28093	2.85
MONROE .....	MS	28095	2.70
MONTGOMERY .....	MS	28097	2.85
NESHOBA .....	MS	28099	2.70
NEWTON .....	MS	28101	2.70
NOXUBEE .....	MS	28103	2.70
OKTIBBEHA .....	MS	28105	2.70
PANOLA .....	MS	28107	2.85
PEARL RIVER .....	MS	28109	3.00
PERRY .....	MS	28111	3.10
PIKE .....	MS	28113	2.85
PONTOTOC .....	MS	28115	2.85

County/Parish/City	State	Fips_code	Class I differential adjusted for location
PRENTISS .....	MS	28117	2.70
QUITMAN .....	MS	28119	2.85
RANKIN .....	MS	28121	2.85
SCOTT .....	MS	28123	2.70
SHARKEY .....	MS	28125	2.85
SIMPSON .....	MS	28127	2.85
SMITH .....	MS	28129	3.00
STONE .....	MS	28131	3.00
SUNFLOWER .....	MS	28133	2.85
TALLAHATCHIE .....	MS	28135	2.85
TATE .....	MS	28137	2.85
TIPPAH .....	MS	28139	2.70
TISHOMINGO .....	MS	28141	2.50
TUNICA .....	MS	28143	2.85
UNION .....	MS	28145	2.70
WALTHALL .....	MS	28147	2.85
WARREN .....	MS	28149	2.85
WASHINGTON .....	MS	28151	2.85
WAYNE .....	MS	28153	3.10
WEBSTER .....	MS	28155	2.85
WILKINSON .....	MS	28157	2.85
WINSTON .....	MS	28159	2.70
YALOBUSHA .....	MS	28161	2.85
YAZOO .....	MS	28163	2.85
ADAIR .....	MO	29001	1.90
ANDREW .....	MO	29003	1.90
ATCHISON .....	MO	29005	1.90
AUDRAIN .....	MO	29007	2.00
BARRY .....	MO	29009	1.70
BARTON .....	MO	29011	1.70
BATES .....	MO	29013	1.70
BENTON .....	MO	29015	1.90
BOLLINGER .....	MO	29017	2.10
BOONE .....	MO	29019	2.00
BUCHANAN .....	MO	29021	1.90
BUTLER .....	MO	29023	2.10
CALDWELL .....	MO	29025	1.90
CALLAWAY .....	MO	29027	2.00
CAMDEN .....	MO	29029	1.90
CAPE GIRARDEAU .....	MO	29031	2.10
CARROLL .....	MO	29033	1.90
CARTER .....	MO	29035	2.10
CASS .....	MO	29037	1.90
CEDAR .....	MO	29039	1.70
CHARITON .....	MO	29041	1.90
CHRISTIAN .....	MO	29043	1.70
CLARK .....	MO	29045	1.90
CLAY .....	MO	29047	1.90
CLINTON .....	MO	29049	1.90
COLE .....	MO	29051	2.00
COOPER .....	MO	29053	1.90
CRAWFORD .....	MO	29055	1.90
DADE .....	MO	29057	1.70
DALLAS .....	MO	29059	1.70
DAVIESS .....	MO	29061	1.90
DE KALB .....	MO	29063	1.90
DENT .....	MO	29065	1.90
DOUGLAS .....	MO	29067	1.70
DUNKLIN .....	MO	29069	2.35
FRANKLIN .....	MO	29071	2.00
GASCONADE .....	MO	29073	2.00
GENTRY .....	MO	29075	1.90
GREENE .....	MO	29077	1.70
GRUNDY .....	MO	29079	1.90
HARRISON .....	MO	29081	1.90
HENRY .....	MO	29083	1.70
HICKORY .....	MO	29085	1.70
HOLT .....	MO	29087	1.90
HOWARD .....	MO	29089	1.90
HOWELL .....	MO	29091	1.90
IRON .....	MO	29093	2.10

County/Parish/City	State	Fips_code	Class I differential adjusted for location
JACKSON .....	MO	29095	1.90
JASPER .....	MO	29097	1.70
JEFFERSON .....	MO	29099	2.10
JOHNSON .....	MO	29101	1.90
KNOX .....	MO	29103	1.90
LACLEDE .....	MO	29105	1.70
LAFAYETTE .....	MO	29107	1.90
LAWRENCE .....	MO	29109	1.70
LEWIS .....	MO	29111	1.90
LINCOLN .....	MO	29113	2.00
LINN .....	MO	29115	1.90
LIVINGSTON .....	MO	29117	1.90
MCDONALD .....	MO	29119	1.70
MACON .....	MO	29121	1.90
MADISON .....	MO	29123	2.10
MARIES .....	MO	29125	1.90
MARION .....	MO	29127	2.00
MERCER .....	MO	29129	1.90
MILLER .....	MO	29131	1.90
MISSISSIPPI .....	MO	29133	2.10
MONITEAU .....	MO	29135	2.00
MONROE .....	MO	29137	2.00
MONTGOMERY .....	MO	29139	2.00
MORGAN .....	MO	29141	1.90
NEW MADRID .....	MO	29143	2.35
NEWTON .....	MO	29145	1.70
NODAWAY .....	MO	29147	1.90
OREGON .....	MO	29149	2.10
OSAGE .....	MO	29151	2.00
OZARK .....	MO	29153	1.90
PEMISCOT .....	MO	29155	2.35
PERRY .....	MO	29157	2.10
PETTIS .....	MO	29159	1.90
PHELPS .....	MO	29161	1.90
PIKE .....	MO	29163	2.00
PLATTE .....	MO	29165	1.90
POLK .....	MO	29167	1.70
PULASKI .....	MO	29169	1.90
PUTNAM .....	MO	29171	1.90
RALLS .....	MO	29173	2.00
RANDOLPH .....	MO	29175	1.90
RAY .....	MO	29177	1.90
REYNOLDS .....	MO	29179	2.10
RIPLEY .....	MO	29181	2.10
ST. CHARLES .....	MO	29183	2.00
ST. CLAIR .....	MO	29185	1.70
STE. GENEVIEVE .....	MO	29186	2.10
ST. FRANCOIS .....	MO	29187	2.10
ST. LOUIS .....	MO	29189	2.10
SALINE .....	MO	29195	1.90
SCHUYLER .....	MO	29197	1.90
SCOTLAND .....	MO	29199	1.90
SCOTT .....	MO	29201	2.10
SHANNON .....	MO	29203	1.90
SHELBY .....	MO	29205	1.90
STODDARD .....	MO	29207	2.10
STONE .....	MO	29209	1.70
SULLIVAN .....	MO	29211	1.90
TANEY .....	MO	29213	1.70
TEXAS .....	MO	29215	1.90
VERNON .....	MO	29217	1.70
WARREN .....	MO	29219	2.00
WASHINGTON .....	MO	29221	2.10
WAYNE .....	MO	29223	2.10
WEBSTER .....	MO	29225	1.70
WORTH .....	MO	29227	1.90
WRIGHT .....	MO	29229	1.70
ST. LOUIS CITY .....	MO	29510	2.10
BEAVERHEAD .....	MT	30001	1.40
BIG HORN .....	MT	30003	1.50
BLAINE .....	MT	30005	1.65

County/Parish/City	State	Fips__code	Class I differential adjusted for location
BROADWATER .....	MT	30007	1.40
CARBON .....	MT	30009	1.40
CARTER .....	MT	30011	1.40
CASCADE .....	MT	30013	1.75
CHOUTEAU .....	MT	30015	1.75
CUSTER .....	MT	30017	1.50
DANIELS .....	MT	30019	1.50
DAWSON .....	MT	30021	1.50
DEER LODGE .....	MT	30023	1.40
FALLON .....	MT	30025	1.40
FERGUS .....	MT	30027	1.65
FLATHEAD .....	MT	30029	1.50
GALLATIN .....	MT	30031	1.40
GARFIELD .....	MT	30033	1.65
GLACIER .....	MT	30035	1.65
GOLDEN VALLEY .....	MT	30037	1.65
GRANITE .....	MT	30039	1.65
HILL .....	MT	30041	1.75
JEFFERSON .....	MT	30043	1.40
JUDITH BASIN .....	MT	30045	1.65
LAKE .....	MT	30047	1.50
LEWIS AND CLARK .....	MT	30049	1.65
LIBERTY .....	MT	30051	1.75
LINCOLN .....	MT	30053	1.50
MCCONE .....	MT	30055	1.50
MADISON .....	MT	30057	1.40
MEAGHER .....	MT	30059	1.40
MINERAL .....	MT	30061	1.50
MISSOULA .....	MT	30063	1.50
MUSSELSHELL .....	MT	30065	1.65
PARK .....	MT	30067	1.40
PETROLEUM .....	MT	30069	1.65
PHILLIPS .....	MT	30071	1.65
PONDERA .....	MT	30073	1.65
POWDER RIVER .....	MT	30075	1.40
POWELL .....	MT	30077	1.65
PRAIRIE .....	MT	30079	1.50
RAVALLI .....	MT	30081	1.65
RICHLAND .....	MT	30083	1.50
ROOSEVELT .....	MT	30085	1.50
ROSEBUD .....	MT	30087	1.50
SANDERS .....	MT	30089	1.50
SHERIDAN .....	MT	30091	1.50
SILVER BOW .....	MT	30093	1.40
STILLWATER .....	MT	30095	1.40
SWEET GRASS .....	MT	30097	1.40
TETON .....	MT	30099	1.65
TOOLE .....	MT	30101	1.65
TREASURE .....	MT	30103	1.50
VALLEY .....	MT	30105	1.65
WHEATLAND .....	MT	30107	1.65
WIBAUX .....	MT	30109	1.40
YELLOWSTONE .....	MT	30111	1.65

## YELLOWSTONE NATIONAL

PARK .....	MT	30113	1.40
ADAMS .....	NE	31001	1.60
ANTELOPE .....	NE	31003	1.60
ARTHUR .....	NE	31005	1.40
BANNER .....	NE	31007	1.40
BLAINE .....	NE	31009	1.50
BOONE .....	NE	31011	1.60
BOX BUTTE .....	NE	31013	1.40
BOYD .....	NE	31015	1.50
BROWN .....	NE	31017	1.50
BUFFALO .....	NE	31019	1.60
BURT .....	NE	31021	1.80
BUTLER .....	NE	31023	1.80
CASS .....	NE	31025	1.90
CEDAR .....	NE	31027	1.60

County/Parish/City	State	Fips_code	Class I differential adjusted for location
CHASE .....	NE	31029	1.50
CHERRY .....	NE	31031	1.40
CHEYENNE .....	NE	31033	1.40
CLAY .....	NE	31035	1.80
COLFAX .....	NE	31037	1.80
CUMING .....	NE	31039	1.80
CUSTER .....	NE	31041	1.50
DAKOTA .....	NE	31043	1.80
DAWES .....	NE	31045	1.40
DAWSON .....	NE	31047	1.60
DEUEL .....	NE	31049	1.40
DIXON .....	NE	31051	1.60
DODGE .....	NE	31053	1.80
DOUGLAS .....	NE	31055	1.90
DUNDY .....	NE	31057	1.60
FILLMORE .....	NE	31059	1.80
FRANKLIN .....	NE	31061	1.60
FRONTIER .....	NE	31063	1.60
FURNAS .....	NE	31065	1.60
GAGE .....	NE	31067	1.90
GARDEN .....	NE	31069	1.40
GARFIELD .....	NE	31071	1.50
GOSPER .....	NE	31073	1.60
GRANT .....	NE	31075	1.40
GREELEY .....	NE	31077	1.60
HALL .....	NE	31079	1.60
HAMILTON .....	NE	31081	1.80
HARLAN .....	NE	31083	1.60
HAYES .....	NE	31085	1.60
HITCHCOCK .....	NE	31087	1.60
HOLT .....	NE	31089	1.50
HOOKE .....	NE	31091	1.40
HOWARD .....	NE	31093	1.60
JEFFERSON .....	NE	31095	1.80
JOHNSON .....	NE	31097	1.90
KEARNEY .....	NE	31099	1.60
KEITH .....	NE	31101	1.40
KEYA PAHA .....	NE	31103	1.50
KIMBALL .....	NE	31105	1.40
KNOX .....	NE	31107	1.60
LANCASTER .....	NE	31109	1.80
LINCOLN .....	NE	31111	1.50
LOGAN .....	NE	31113	1.50
LOUP .....	NE	31115	1.50
MCPHERSON .....	NE	31117	1.50
MADISON .....	NE	31119	1.60
MERRICK .....	NE	31121	1.60
MORRILL .....	NE	31123	1.40
NANCE .....	NE	31125	1.60
NEMAHA .....	NE	31127	1.90
NUCKOLLS .....	NE	31129	1.60
OTOE .....	NE	31131	1.90
PAWNEE .....	NE	31133	1.90
PERKINS .....	NE	31135	1.50
PHELPS .....	NE	31137	1.60
PIERCE .....	NE	31139	1.60
PLATTE .....	NE	31141	1.80
POLK .....	NE	31143	1.80
RED WILLOW .....	NE	31145	1.60
RICHARDSON .....	NE	31147	1.90
ROCK .....	NE	31149	1.50
SALINE .....	NE	31151	1.80
SARPY .....	NE	31153	1.90
SAUNDERS .....	NE	31155	1.80
SCOTTS BLUFF .....	NE	31157	1.40
SEWARD .....	NE	31159	1.80
SHERIDAN .....	NE	31161	1.40
SHERMAN .....	NE	31163	1.60
SIOUX .....	NE	31165	1.40
STANTON .....	NE	31167	1.60
THAYER .....	NE	31169	1.80

County/Parish/City	State	Fips_code	Class I differential adjusted for location
THOMAS .....	NE	31171	1.40
THURSTON .....	NE	31173	1.80
VALLEY .....	NE	31175	1.60
WASHINGTON .....	NE	31177	1.90
WAYNE .....	NE	31179	1.60
WEBSTER .....	NE	31181	1.60
WHEELER .....	NE	31183	1.60
YORK .....	NE	31185	1.80
CHURCHILL .....	NV	32001	1.40
CLARK .....	NV	32003	2.25
DOUGLAS .....	NV	32005	1.20
ELKO .....	NV	32007	1.40
ESMERALDA .....	NV	32009	1.50
EUREKA .....	NV	32011	1.40
HUMBOLDT .....	NV	32013	1.40
LANDER .....	NV	32015	1.40
LINCOLN .....	NV	32017	1.80
LYON .....	NV	32019	1.20
MINERAL .....	NV	32021	1.20
NYE .....	NV	32023	1.50
PERSHING .....	NV	32027	1.40
STOREY .....	NV	32029	1.20
WASHOE .....	NV	32031	1.40
WHITE PINE .....	NV	32033	1.50
CARSON CITY .....	NV	32510	1.20
BELKNAP .....	NH	33001	2.30
CARROLL .....	NH	33003	2.15
CHESHIRE .....	NH	33005	2.50
COOS .....	NH	33007	1.95
GRAFTON .....	NH	33009	2.15
HILLSBOROUGH .....	NH	33011	2.60
MERRIMACK .....	NH	33013	2.45
ROCKINGHAM .....	NH	33015	2.60
STRAFFORD .....	NH	33017	2.45
SULLIVAN .....	NH	33019	2.30
ATLANTIC .....	NJ	34001	2.20
BERGEN .....	NJ	34003	2.50
BURLINGTON .....	NJ	34005	2.20
CAMDEN .....	NJ	34007	2.20
CAPE MAY .....	NJ	34009	2.20
CUMBERLAND .....	NJ	34011	2.20
ESSEX .....	NJ	34013	2.50
GLOUCESTER .....	NJ	34015	2.20
HUDSON .....	NJ	34017	2.50
HUNTERDON .....	NJ	34019	2.30
MERCER .....	NJ	34021	2.30
MIDDLESEX .....	NJ	34023	2.30
MONMOUTH .....	NJ	34025	2.30
MORRIS .....	NJ	34027	2.30
OCEAN .....	NJ	34029	2.30
PASSAIC .....	NJ	34031	2.50
SALEM .....	NJ	34033	2.20
SOMERSET .....	NJ	34035	2.30
SUSSEX .....	NJ	34037	2.30
UNION .....	NJ	34039	2.50
WARREN .....	NJ	34041	2.30
BERNALILLO .....	NM	35001	2.30
CATRON .....	NM	35003	1.90
CHAVES .....	NM	35005	1.60
CIBOLA .....	NM	35006	1.90
COLFAX .....	NM	35007	1.90
CURRY .....	NM	35009	1.60
DE BACA .....	NM	35011	1.60
DONA ANA .....	NM	35013	1.60
EDDY .....	NM	35015	1.60
GRANT .....	NM	35017	1.60
GUADALUPE .....	NM	35019	1.90
HARDING .....	NM	35021	1.90
HIDALGO .....	NM	35023	1.60
LEA .....	NM	35025	1.60
LINCOLN .....	NM	35027	1.90

County/Parish/City	State	Fips_code	Class I differential adjusted for location
LOS ALAMOS .....	NM	35028	2.30
LUNA .....	NM	35029	1.60
MCKINLEY .....	NM	35031	1.90
MORA .....	NM	35033	1.90
OTERO .....	NM	35035	1.60
QUAY .....	NM	35037	1.60
RIO ARriba .....	NM	35039	2.20
ROOSEVELT .....	NM	35041	1.60
SANDOVAL .....	NM	35043	2.30
SAN JUAN .....	NM	35045	2.20
SAN MIGUEL .....	NM	35047	1.90
SANTA FE .....	NM	35049	2.30
SIERRA .....	NM	35051	1.90
SOCORRO .....	NM	35053	1.90
TAOS .....	NM	35055	1.90
TORRANCE .....	NM	35057	1.90
UNION .....	NM	35059	1.90
VALENCIA .....	NM	35061	1.90
ALBANY .....	NY	36001	2.15
ALLEGANY .....	NY	36003	1.85
BRONX .....	NY	36005	2.50
BROOME .....	NY	36007	1.90
CATTARAUGUS .....	NY	36009	1.60
CAYUGA .....	NY	36011	1.85
CHAUTAUQUA .....	NY	36013	1.60
CHEMUNG .....	NY	36015	1.85
CHENANGO .....	NY	36017	1.85
CLINTON .....	NY	36019	1.95
COLUMBIA .....	NY	36021	2.15
CORTLAND .....	NY	36023	1.85
DELAWARE .....	NY	36025	2.15
DUTCHESS .....	NY	36027	2.30
ERIE .....	NY	36029	1.85
ESSEX .....	NY	36031	2.05
FRANKLIN .....	NY	36033	1.85
FULTON .....	NY	36035	2.05
GENESEE .....	NY	36037	1.85
GREENE .....	NY	36039	2.15
HAMILTON .....	NY	36041	1.95
HERKIMER .....	NY	36043	1.95
JEFFERSON .....	NY	36045	1.85
KINGS .....	NY	36047	2.50
LEWIS .....	NY	36049	1.85
LIVINGSTON .....	NY	36051	1.85
MADISON .....	NY	36053	1.85
MONROE .....	NY	36055	1.85
MONTGOMERY .....	NY	36057	2.05
NASSAU .....	NY	36059	2.50
NEW YORK .....	NY	36061	2.50
NIAGARA .....	NY	36063	1.85
ONEIDA .....	NY	36065	1.85
ONONDAGA .....	NY	36067	1.85
ONTARIO .....	NY	36069	1.85
ORANGE .....	NY	36071	2.30
ORLEANS .....	NY	36073	1.85
OSWEGO .....	NY	36075	1.85
OTSEGO .....	NY	36077	1.95
PUTNAM .....	NY	36079	2.30
QUEENS .....	NY	36081	2.50
RENSSELAER .....	NY	36083	2.15
RICHMOND .....	NY	36085	2.50
ROCKLAND .....	NY	36087	2.50
ST. LAWRENCE .....	NY	36089	1.85
SARATOGA .....	NY	36091	2.05
SCHENECTADY .....	NY	36093	2.15
SCHOHARIE .....	NY	36095	2.05
SCHUYLER .....	NY	36097	1.85
SENECA .....	NY	36099	1.85
STEUBEN .....	NY	36101	1.85
SUFFOLK .....	NY	36103	2.50
SULLIVAN .....	NY	36105	2.15

County/Parish/City	State	Fips_code	Class I differential adjusted for location
TIOGA .....	NY	36107	1.90
TOMPKINS .....	NY	36109	1.85
ULSTER .....	NY	36111	2.15
WARREN .....	NY	36113	1.95
WASHINGTON .....	NY	36115	2.05
WAYNE .....	NY	36117	1.85
WESTCHESTER .....	NY	36119	2.50
WYOMING .....	NY	36121	1.85
YATES .....	NY	36123	1.85
ALAMANCE .....	NC	37001	2.35
ALEXANDER .....	NC	37003	2.35
ALLEGHANY .....	NC	37005	2.35
ANSON .....	NC	37007	2.55
ASHE .....	NC	37009	2.25
AVERY .....	NC	37011	2.25
BEAUFORT .....	NC	37013	2.65
BERTIE .....	NC	37015	2.65
BLADEN .....	NC	37017	2.80
BRUNSWICK .....	NC	37019	2.85
BUNCOMBE .....	NC	37021	2.55
BURKE .....	NC	37023	2.35
CABARRUS .....	NC	37025	2.55
CALDWELL .....	NC	37027	2.35
CAMDEN .....	NC	37029	2.55
CARTERET .....	NC	37031	2.85
CASWELL .....	NC	37033	2.35
CATAWBA .....	NC	37035	2.35
CHATHAM .....	NC	37037	2.35
CHEROKEE .....	NC	37039	2.55
CHOWAN .....	NC	37041	2.55
CLAY .....	NC	37043	2.55
CLEVELAND .....	NC	37045	2.55
COLUMBUS .....	NC	37047	3.00
CRAVEN .....	NC	37049	2.85
CUMBERLAND .....	NC	37051	2.80
CURRITUCK .....	NC	37053	2.55
DARE .....	NC	37055	2.65
DAVIDSON .....	NC	37057	2.35
DAVIE .....	NC	37059	2.35
DUPLIN .....	NC	37061	2.85
DURHAM .....	NC	37063	2.35
EDGECOMBE .....	NC	37065	2.65
FORSYTH .....	NC	37067	2.35
FRANKLIN .....	NC	37069	2.55
GASTON .....	NC	37071	2.55
GATES .....	NC	37073	2.55
GRAHAM .....	NC	37075	2.55
GRANVILLE .....	NC	37077	2.55
GREENE .....	NC	37079	2.65
GUILFORD .....	NC	37081	2.35
HALIFAX .....	NC	37083	2.55
HARNETT .....	NC	37085	2.55
HAYWOOD .....	NC	37087	2.55
HENDERSON .....	NC	37089	2.55
HERTFORD .....	NC	37091	2.55
HOKE .....	NC	37093	2.80
HYDE .....	NC	37095	2.65
IREDELL .....	NC	37097	2.35
JACKSON .....	NC	37099	2.55
JOHNSTON .....	NC	37101	2.65
JONES .....	NC	37103	2.85
LEE .....	NC	37105	2.55
LENOIR .....	NC	37107	2.85
LINCOLN .....	NC	37109	2.35
MCDOWELL .....	NC	37111	2.35
MACON .....	NC	37113	2.55
MADISON .....	NC	37115	2.25
MARTIN .....	NC	37117	2.65
MECKLENBURG .....	NC	37119	2.55
MITCHELL .....	NC	37121	2.25
MONTGOMERY .....	NC	37123	2.55



County/Parish/City	State	Fips_code	Class I differential adjusted for location
MOORE .....	NC	37125	2.55
NASH .....	NC	37127	2.65
NEW HANOVER .....	NC	37129	2.85
NORTHAMPTON .....	NC	37131	2.55
ONSLow .....	NC	37133	2.85
ORANGE .....	NC	37135	2.35
PAMLICO .....	NC	37137	2.85
PASQUOTANK .....	NC	37139	2.55
PENDER .....	NC	37141	2.85
PERQUIMANS .....	NC	37143	2.55
PERSON .....	NC	37145	2.35
PITT .....	NC	37147	2.65
POLK .....	NC	37149	2.55
RANDOLPH .....	NC	37151	2.35
RICHMOND .....	NC	37153	2.55
ROBESON .....	NC	37155	3.00
ROCKINGHAM .....	NC	37157	2.35
ROWAN .....	NC	37159	2.35
RUTHERFORD .....	NC	37161	2.55
SAMPSON .....	NC	37163	2.80
SCOTLAND .....	NC	37165	2.80
STANLY .....	NC	37167	2.55
STOKES .....	NC	37169	2.35
SURRY .....	NC	37171	2.35
SWAIN .....	NC	37173	2.25
TRANSYLVANIA .....	NC	37175	2.55
TYRRELL .....	NC	37177	2.65
UNION .....	NC	37179	2.55
VANCE .....	NC	37181	2.55
WAKE .....	NC	37183	2.55
WARREN .....	NC	37185	2.55
WASHINGTON .....	NC	37187	2.65
WATAUGA .....	NC	37189	2.25
WAYNE .....	NC	37191	2.65
WILKES .....	NC	37193	2.35
WILSON .....	NC	37195	2.65
YADKIN .....	NC	37197	2.35
YANCEY .....	NC	37199	2.25
ADAMS .....	ND	38001	1.40
BARNES .....	ND	38003	1.40
BENSON .....	ND	38005	1.40
BILLINGS .....	ND	38007	1.40
BOTTINEAU .....	ND	38009	1.40
BOWMAN .....	ND	38011	1.40
BURKE .....	ND	38013	1.40
BURLEIGH .....	ND	38015	1.40
CASS .....	ND	38017	1.40
CAVALIER .....	ND	38019	1.40
DICKEY .....	ND	38021	1.40
DIVIDE .....	ND	38023	1.40
DUNN .....	ND	38025	1.40
EDDY .....	ND	38027	1.40
EMMONS .....	ND	38029	1.40
FOSTER .....	ND	38031	1.40
GOLDEN VALLEY .....	ND	38033	1.40
GRAND FORKS .....	ND	38035	1.40
GRANT .....	ND	38037	1.40
GRIGGS .....	ND	38039	1.40
HETTINGER .....	ND	38041	1.40
KIDDER .....	ND	38043	1.40
LA MOURE .....	ND	38045	1.40
LOGAN .....	ND	38047	1.40
MCHENRY .....	ND	38049	1.40
MCINTOSH .....	ND	38051	1.40
MCKENZIE .....	ND	38053	1.40
MCLEAN .....	ND	38055	1.40
MERCER .....	ND	38057	1.40
MORTON .....	ND	38059	1.40
MOUNTRAIL .....	ND	38061	1.40
NELSON .....	ND	38063	1.40
OLIVER .....	ND	38065	1.40

County/Parish/City	State	Fips_code	Class I differential adjusted for location
PEMBINA .....	ND	38067	1.40
PIERCE .....	ND	38069	1.40
RAMSEY .....	ND	38071	1.40
RANSOM .....	ND	38073	1.40
RENVILLE .....	ND	38075	1.40
RICHLAND .....	ND	38077	1.40
ROLETTE .....	ND	38079	1.40
SARGENT .....	ND	38081	1.40
SHERIDAN .....	ND	38083	1.40
SIOUX .....	ND	38085	1.40
SLOPE .....	ND	38087	1.40
STARK .....	ND	38089	1.40
STEELE .....	ND	38091	1.40
STUTSMAN .....	ND	38093	1.40
TOWNER .....	ND	38095	1.40
TRAILL .....	ND	38097	1.40
WALSH .....	ND	38099	1.40
WARD .....	ND	38101	1.40
WELLS .....	ND	38103	1.40
WILLIAMS .....	ND	38105	1.40
ADAMS .....	OH	39001	2.05
ALLEN .....	OH	39003	2.00
ASHLAND .....	OH	39005	2.00
ASHTABULA .....	OH	39007	2.00
ATHENS .....	OH	39009	2.00
AUGLAIZE .....	OH	39011	2.00
BELMONT .....	OH	39013	2.00
BROWN .....	OH	39015	2.05
BUTLER .....	OH	39017	2.05
CARROLL .....	OH	39019	1.95
CHAMPAIGN .....	OH	39021	2.00
CLARK .....	OH	39023	2.00
CLERMONT .....	OH	39025	2.05
CLINTON .....	OH	39027	2.05
COLUMBIANA .....	OH	39029	1.95
COSHOCTON .....	OH	39031	1.95
CRAWFORD .....	OH	39033	2.00
CUYAHOGA .....	OH	39035	2.00
DARKE .....	OH	39037	2.00
DEFIANCE .....	OH	39039	1.80
DELAWARE .....	OH	39041	2.00
ERIE .....	OH	39043	2.00
FAIRFIELD .....	OH	39045	2.00
FAYETTE .....	OH	39047	2.00
FRANKLIN .....	OH	39049	2.00
FULTON .....	OH	39051	1.85
GALLIA .....	OH	39053	2.20
GEAUGA .....	OH	39055	2.00
GREENE .....	OH	39057	2.00
GUERNSEY .....	OH	39059	2.00
HAMILTON .....	OH	39061	2.05
HANCOCK .....	OH	39063	2.00
HARDIN .....	OH	39065	2.00
HARRISON .....	OH	39067	1.95
HENRY .....	OH	39069	1.85
HIGHLAND .....	OH	39071	2.05
HOCKING .....	OH	39073	2.00
HOLMES .....	OH	39075	1.95
HURON .....	OH	39077	2.00
JACKSON .....	OH	39079	2.05
JEFFERSON .....	OH	39081	1.95
KNOX .....	OH	39083	2.00
LAKE .....	OH	39085	2.00
LAWRENCE .....	OH	39087	2.20
LICKING .....	OH	39089	2.00
LOGAN .....	OH	39091	2.00
LORAIN .....	OH	39093	2.00
LUCAS .....	OH	39095	1.85
MADISON .....	OH	39097	2.00
MAHONING .....	OH	39099	1.95
MARION .....	OH	39101	2.00

County/Parish/City	State	Fips_code	Class I differential adjusted for location
MEDINA .....	OH	39103	2.00
MEIGS .....	OH	39105	2.05
MERCER .....	OH	39107	2.00
MIAMI .....	OH	39109	2.00
MONROE .....	OH	39111	2.00
MONTGOMERY .....	OH	39113	2.00
MORGAN .....	OH	39115	2.00
MORROW .....	OH	39117	2.00
MUSKINGUM .....	OH	39119	2.00
NOBLE .....	OH	39121	2.00
OTTA .....	OH	39123	1.85
PAULDING .....	OH	39125	1.80
PERRY .....	OH	39127	2.00
PICKAWAY .....	OH	39129	2.00
PIKE .....	OH	39131	2.05
PORTAGE .....	OH	39133	2.00
PREBLE .....	OH	39135	2.00
PUTNAM .....	OH	39137	2.00
RICHLAND .....	OH	39139	2.00
ROSS .....	OH	39141	2.05
SANDUSKY .....	OH	39143	2.00
SCIOTO .....	OH	39145	2.05
SENECA .....	OH	39147	2.00
SHELBY .....	OH	39149	2.00
STARK .....	OH	39151	1.95
SUMMIT .....	OH	39153	2.00
TRUMBULL .....	OH	39155	2.00
TUSCARAWAS .....	OH	39157	1.95
UNION .....	OH	39159	2.00
VAN WERT .....	OH	39161	2.00
VINTON .....	OH	39163	2.05
WARREN .....	OH	39165	2.05
WASHINGTON .....	OH	39167	2.00
WAYNE .....	OH	39169	1.95
WILLIAMS .....	OH	39171	1.80
WOOD .....	OH	39173	1.85
WYANDOT .....	OH	39175	2.00
ADAIR .....	OK	40001	1.90
ALFALFA .....	OK	40003	1.90
ATOKA .....	OK	40005	1.95
BEAVER .....	OK	40007	1.90
BECKHAM .....	OK	40009	1.90
BLAINE .....	OK	40011	1.90
BRYAN .....	OK	40013	1.95
CADDO .....	OK	40015	1.90
CANADIAN .....	OK	40017	1.90
CARTER .....	OK	40019	1.95
CHEROKEE .....	OK	40021	1.90
CHOCTAW .....	OK	40023	1.95
CIMARRON .....	OK	40025	1.90
CLEVELAND .....	OK	40027	1.90
COAL .....	OK	40029	1.95
COMANCHE .....	OK	40031	1.95
COTTON .....	OK	40033	1.95
CRAIG .....	OK	40035	1.70
CREEK .....	OK	40037	1.90
CUSTER .....	OK	40039	1.90
DELAWARE .....	OK	40041	1.70
DEWEY .....	OK	40043	1.90
ELLIS .....	OK	40045	1.90
GARFIELD .....	OK	40047	1.90
GARVIN .....	OK	40049	1.95
GRADY .....	OK	40051	1.90
GRANT .....	OK	40053	1.90
GREER .....	OK	40055	1.95
HARMON .....	OK	40057	1.95
HARPER .....	OK	40059	1.90
HASKELL .....	OK	40061	1.90
HUGHES .....	OK	40063	1.90
JACKSON .....	OK	40065	1.95
JEFFERSON .....	OK	40067	1.95

County/Parish/City	State	Fips_code	Class I differential adjusted for location
JOHNSTON .....	OK	40069	1.95
KAY .....	OK	40071	1.90
KINGFISHER .....	OK	40073	1.90
KIOWA .....	OK	40075	1.95
LATIMER .....	OK	40077	1.90
LE FLORE .....	OK	40079	1.90
LINCOLN .....	OK	40081	1.90
LOGAN .....	OK	40083	1.90
LOVE .....	OK	40085	1.95
MCCLAIN .....	OK	40087	1.90
MCCURTAIN .....	OK	40089	1.95
MCINTOSH .....	OK	40091	1.90
MAJOR .....	OK	40093	1.90
MARSHALL .....	OK	40095	1.95
MAYES .....	OK	40097	1.70
MURRAY .....	OK	40099	1.95
MUSKOGEE .....	OK	40101	1.90
NOBLE .....	OK	40103	1.90
NOWATA .....	OK	40105	1.70
OKFUSKEE .....	OK	40107	1.90
OKLAHOMA .....	OK	40109	1.90
OKMULGEE .....	OK	40111	1.90
OSAGE .....	OK	40113	1.90
OTTAWA .....	OK	40115	1.70
PAWNEE .....	OK	40117	1.90
PAYNE .....	OK	40119	1.90
PITTSBURG .....	OK	40121	1.90
PONTOTOC .....	OK	40123	1.95
POTTAWATOMIE .....	OK	40125	1.90
PUSHMATAHA .....	OK	40127	1.95
ROGER MILLS .....	OK	40129	1.90
ROGERS .....	OK	40131	1.70
SEMINOLE .....	OK	40133	1.90
SEQUOYAH .....	OK	40135	1.90
STEPHENS .....	OK	40137	1.95
TEXAS .....	OK	40139	1.90
TILLMAN .....	OK	40141	1.95
TULSA .....	OK	40143	1.90
WAGONER .....	OK	40145	1.90
WASHINGTON .....	OK	40147	1.70
WASHITA .....	OK	40149	1.90
WOODS .....	OK	40151	1.90
WOODWARD .....	OK	40153	1.90
BAKER .....	OR	41001	1.35
BENTON .....	OR	41003	1.55
CLACKAMAS .....	OR	41005	1.45
CLATSOP .....	OR	41007	1.45
COLUMBIA .....	OR	41009	1.45
COOS .....	OR	41011	1.70
CROOK .....	OR	41013	1.30
CURRY .....	OR	41015	1.85
DESCHUTES .....	OR	41017	1.55
DOUGLAS .....	OR	41019	1.70
GILLIAM .....	OR	41021	1.30
GRANT .....	OR	41023	1.35
HARNEY .....	OR	41025	1.35
HOOD RIVER .....	OR	41027	1.45
JACKSON .....	OR	41029	1.85
JEFFERSON .....	OR	41031	1.30
JOSEPHINE .....	OR	41033	1.85
KLAMATH .....	OR	41035	1.70
LAKE .....	OR	41037	1.55
LANE .....	OR	41039	1.55
LINCOLN .....	OR	41041	1.55
LINN .....	OR	41043	1.55
MALHEUR .....	OR	41045	1.35
MARION .....	OR	41047	1.45
MORROW .....	OR	41049	1.30
MULTNOMAH .....	OR	41051	1.45
POLK .....	OR	41053	1.45
SHERMAN .....	OR	41055	1.30

County/Parish/City	State	Fips__code	Class I differential adjusted for location
TILLAMOOK .....	OR	41057	1.45
UMATILLA .....	OR	41059	1.35
UNION .....	OR	41061	1.35
WALLOWA .....	OR	41063	1.35
WASCO .....	OR	41065	1.30
WASHINGTON .....	OR	41067	1.45
WHEELER .....	OR	41069	1.30
YAMHILL .....	OR	41071	1.45
ADAMS .....	PA	42001	2.05
ALLEGHENY .....	PA	42003	1.95
ARMSTRONG .....	PA	42005	1.95
BEAVER .....	PA	42007	1.95
BEDFORD .....	PA	42009	2.05
BERKS .....	PA	42011	2.05
BLAIR .....	PA	42013	2.05
BRADFORD .....	PA	42015	1.90
BUCKS .....	PA	42017	2.10
BUTLER .....	PA	42019	1.95
CAMBRIA .....	PA	42021	2.05
CAMERON .....	PA	42023	1.95
CARBON .....	PA	42025	2.10
CENTRE .....	PA	42027	2.00
CHESTER .....	PA	42029	2.10
CLARION .....	PA	42031	1.95
CLEARFIELD .....	PA	42033	1.95
CLINTON .....	PA	42035	2.00
COLUMBIA .....	PA	42037	2.00
CRAWFORD .....	PA	42039	1.75
CUMBERLAND .....	PA	42041	2.05
DAUPHIN .....	PA	42043	2.05
DELAWARE .....	PA	42045	2.20
ELK .....	PA	42047	1.95
ERIE .....	PA	42049	1.75
FAYETTE .....	PA	42051	1.95
FOREST .....	PA	42053	1.75
FRANKLIN .....	PA	42055	2.05
FULTON .....	PA	42057	2.05
GREENE .....	PA	42059	1.95
HUNTINGDON .....	PA	42061	2.05
INDIANA .....	PA	42063	1.95
JEFFERSON .....	PA	42065	1.95
JUNIATA .....	PA	42067	2.00
LACKAWANNA .....	PA	42069	2.00
LANCASTER .....	PA	42071	2.05
LAWRENCE .....	PA	42073	1.95
LEBANON .....	PA	42075	2.05
LEHIGH .....	PA	42077	2.10
LUZERNE .....	PA	42079	2.00
LYCOMING .....	PA	42081	2.00
MCKEAN .....	PA	42083	1.85
MERCER .....	PA	42085	1.75
MIFFLIN .....	PA	42087	2.00
MONROE .....	PA	42089	2.10
MONTGOMERY .....	PA	42091	2.10
MONTOUR .....	PA	42093	2.00
NORTHAMPTON .....	PA	42095	2.10
NORTHUMBERLAND .....	PA	42097	2.00
PERRY .....	DPA	42099	2.05
PHILADELPHIA .....	PA	42101	2.20
PIKE .....	PA	42103	2.15
POTTER .....	PA	42105	1.90
SCHUYLKILL .....	PA	42107	2.05
SNYDER .....	PA	42109	2.00
SOMERSET .....	PA	42111	2.05
SULLIVAN .....	PA	42113	2.00
SUSQUEHANNA .....	PA	42115	1.90
TIOGA .....	PA	42117	1.90
UNION .....	PA	42119	2.00
VENANGO .....	PA	42121	1.75
WARREN .....	PA	42123	1.60
WASHINGTON .....	PA	42125	1.95

County/Parish/City	State	Fips__code	Class I differential adjusted for location
WAYNE .....	PA	42127	2.15
WESTMORELAND .....	PA	42129	1.95
WYOMING .....	PA	42131	2.00
YORK .....	PA	42133	2.05
BRISTOL .....	RI	44001	2.75
KENT .....	RI	44003	2.75
NEWPORT .....	RI	44005	2.75
PROVIDENCE .....	RI	44007	2.75
WASHINGTON .....	RI	44009	2.75
ABBEVILLE .....	SC	45001	2.70
AIKEN .....	SC	45003	2.80
ALLENDALE .....	SC	45005	3.10
ANDERSON .....	SC	45007	2.55
BAMBERG .....	SC	45009	3.10
BARNWELL .....	SC	45011	2.80
BEAUFORT .....	SC	45013	3.10
BERKELEY .....	SC	45015	3.00
CALHOUN .....	SC	45017	2.80
CHARLESTON .....	SC	45019	3.10
CHEROKEE .....	SC	45021	2.55
CHESTER .....	SC	45023	2.70
CHESTERFIELD .....	SC	45025	2.70
CLARENDON .....	SC	45027	2.80
COLLETON .....	SC	45029	3.10
DARLINGTON .....	SC	45031	2.80
DILLON .....	SC	45033	3.00
DORCHESTER .....	SC	45035	3.10
EDGEFIELD .....	SC	45037	2.80
FAIRFIELD .....	SC	45039	2.70
FLORENCE .....	SC	45041	3.00
GEORGETOWN .....	SC	45043	3.00
GREENVILLE .....	SC	45045	2.55
GREENWOOD .....	SC	45047	2.70
HAMPTON .....	SC	45049	3.20
HORRY .....	SC	45051	3.00
JASPER .....	SC	45053	3.20
KERSHAW .....	SC	45055	2.70
LANCASTER .....	SC	45057	2.70
LAURENS .....	SC	45059	2.55
LEE .....	SC	45061	2.80
LEXINGTON .....	SC	45063	2.80
MCCORMICK .....	SC	45065	2.80
MARION .....	SC	45067	3.00
MARLBORO .....	SC	45069	2.80
NEWBERRY .....	SC	45071	2.70
OCONEE .....	SC	45073	2.55
ORANGEBURG .....	SC	45075	2.80
PICKENS .....	SC	45077	2.55
RICHLAND .....	SC	45079	2.80
SALUDA .....	SC	45081	2.80
SPARTANBURG .....	SC	45083	2.55
SUMTER .....	SC	45085	2.80
UNION .....	SC	45087	2.55
WILLIAMSBURG .....	SC	45089	3.00
YORK .....	SC	45091	2.55
AURORA .....	SD	46003	1.50
BEADLE .....	SD	46005	1.50
BENNETT .....	SD	46007	1.40
BON HOMME .....	SD	46009	1.50
BROOKINGS .....	SD	46011	1.50
BROWN .....	SD	46013	1.40
BRULE .....	SD	46015	1.50
BUFFALO .....	SD	46017	1.40
BUTTE .....	SD	46019	1.40
CAMPBELL .....	SD	46021	1.40
CHARLES MIX .....	SD	46023	1.50
CLARK .....	SD	46025	1.50
CLAY .....	SD	46027	1.70
CODINGTON .....	SD	46029	1.50
CORSON .....	SD	46031	1.40
CUSTER .....	SD	46033	1.40

County/Parish/City	State	Fips_code	Class I differential adjusted for location
DAVISON .....	SD	46035	1.50
DAY .....	SD	46037	1.40
DEUEL .....	SD	46039	1.50
DEWEY .....	SD	46041	1.40
DOUGLAS .....	SD	46043	1.50
EDMUNDS .....	SD	46045	1.40
FALL RIVER .....	SD	46047	1.40
FAULK .....	SD	46049	1.40
GRANT .....	SD	46051	1.50
GREGORY .....	SD	46053	1.50
HAAKON .....	SD	46055	1.40
HAMLIN .....	SD	46057	1.50
HAND .....	SD	46059	1.40
HANSON .....	SD	46061	1.50
HARDING .....	SD	46063	1.40
HUGHES .....	SD	46065	1.40
HUTCHINSON .....	SD	46067	1.50
HYDE .....	SD	46069	1.40
JACKSON .....	SD	46071	1.40
JERAULD .....	SD	46073	1.50
JONES .....	SD	46075	1.40
KINGSBURY .....	SD	46077	1.50
LAKE .....	SD	46079	1.50
LAWRENCE .....	SD	46081	1.40
LINCOLN .....	SD	46083	1.60
LYMAN .....	SD	46085	1.40
MCCOOK .....	SD	46087	1.50
MCPHERSON .....	SD	46089	1.40
MARSHALL .....	SD	46091	1.40
MEADE .....	SD	46093	1.40
MELLETTE .....	SD	46095	1.40
MINER .....	SD	46097	1.50
MINNEHAHA .....	SD	46099	1.60
MOODY .....	SD	46101	1.50
PENNINGTON .....	SD	46103	1.40
PERKINS .....	SD	46105	1.40
POTTER .....	SD	46107	1.40
ROBERTS .....	SD	46109	1.50
SANBORN .....	SD	46111	1.50
SHANNON .....	SD	46113	1.40
SPINK .....	SD	46115	1.40
STANLEY .....	SD	46117	1.40
SULLY .....	SD	46119	1.40
TODD .....	SD	46121	1.40
TRIPP .....	SD	46123	1.40
TURNER .....	SD	46125	1.60
UNION .....	SD	46127	1.70
WALWORTH .....	SD	46129	1.40
YANKTON .....	SD	46135	1.60
ZIEBACH .....	SD	46137	1.40
ANDERSON .....	TN	47001	2.15
BEDFORD .....	TN	47003	2.05
BENTON .....	TN	47005	2.20
BLEDSON .....	TN	47007	2.25
BLOUNT .....	TN	47009	2.25
BRADLEY .....	TN	47011	2.55
CAMPBELL .....	TN	47013	2.15
CANNON .....	TN	47015	2.05
CARROLL .....	TN	47017	2.50
CARTER .....	TN	47019	2.25
CHEATHAM .....	TN	47021	2.05
CHESTER .....	TN	47023	2.70
CLAIBORNE .....	TN	47025	2.15
CLAY .....	TN	47027	2.05
COCKE .....	TN	47029	2.25
COFFEE .....	TN	47031	2.05
CROCKETT .....	TN	47033	2.70
CUMBERLAND .....	TN	47035	2.15
DAVIDSON .....	TN	47037	2.05
DECATUR .....	TN	47039	2.20
DE KALB .....	TN	47041	2.05

County/Parish/City	State	Fips_code	Class I differential adjusted for location
DICKSON .....	TN	47043	2.20
DYER .....	TN	47045	2.50
FAYETTE .....	TN	47047	2.85
FENTRESS .....	TN	47049	2.15
FRANKLIN .....	TN	47051	2.25
GIBSON .....	TN	47053	2.50
GILES .....	TN	47055	2.20
GRAINGER .....	TN	47057	2.25
GREENE .....	TN	47059	2.25
GRUNDY .....	TN	47061	2.25
HAMBLEN .....	TN	47063	2.25
HAMILTON .....	TN	47065	2.55
HANCOCK .....	TN	47067	2.25
HARDEMAN .....	TN	47069	2.70
HARDIN .....	TN	47071	2.50
HAWKINS .....	TN	47073	2.25
HAYWOOD .....	TN	47075	2.70
HENDERSON .....	TN	47077	2.50
HENRY .....	TN	47079	2.30
HICKMAN .....	TN	47081	2.20
HOUSTON .....	TN	47083	2.20
HUMPHREYS .....	TN	47085	2.20
JACKSON .....	TN	47087	2.05
JEFFERSON .....	TN	47089	2.25
JOHNSON .....	TN	47091	2.25
KNOX .....	TN	47093	2.25
LAKE .....	TN	47095	2.30
LAUDERDALE .....	TN	47097	2.70
LAWRENCE .....	TN	47099	2.20
LEWIS .....	TN	47101	2.20
LINCOLN .....	TN	47103	2.25
LOUDON .....	TN	47105	2.25
MCMINN .....	TN	47107	2.55
MCNAIRY .....	TN	47109	2.70
MACON .....	TN	47111	2.05
MADISON .....	TN	47113	2.70
MARION .....	TN	47115	2.25
MARSHALL .....	TN	47117	2.05
MAURY .....	TN	47119	2.05
MEIGS .....	TN	47121	2.55
MONROE .....	TN	47123	2.55
MONTGOMERY .....	TN	47125	2.20
MOORE .....	TN	47127	2.25
MORGAN .....	TN	47129	2.15
OBION .....	TN	47131	2.30
OVERTON .....	TN	47133	2.15
PERRY .....	TN	47135	2.20
PICKETT .....	TN	47137	2.15
POLK .....	TN	47139	2.55
PUTNAM .....	TN	47141	2.15
RHEA .....	TN	47143	2.25
ROANE .....	TN	47145	2.25
ROBERTSON .....	TN	47147	2.05
RUTHERFORD .....	TN	47149	2.05
SCOTT .....	TN	47151	2.15
SEQUATCHIE .....	TN	47153	2.25
SEVIER .....	TN	47155	2.25
SHELBY .....	TN	47157	2.85
SMITH .....	TN	47159	2.05
STEWART .....	TN	47161	2.20
SULLIVAN .....	TN	47163	2.25
SUMNER .....	TN	47165	2.05
TIPTON .....	TN	47167	2.85
TROUSDALE .....	TN	47169	2.05
UNICOI .....	TN	47171	2.25
UNION .....	TN	47173	2.15
VAN BUREN .....	TN	47175	2.15
WARREN .....	TN	47177	2.05
WASHINGTON .....	TN	47179	2.25
WAYNE .....	TN	47181	2.20
WEAKLEY .....	TN	47183	2.30



County/Parish/City	State	Fips__code	Class I differential adjusted for location
WHITE .....	TN	47185	2.15
WILLIAMSON .....	TN	47187	2.05
WILSON .....	TN	47189	2.05
ANDERSON .....	TX	48001	2.35
ANDREWS .....	TX	48003	1.95
ANGELINA .....	TX	48005	2.65
ARANSAS .....	TX	48007	2.95
ARCHER .....	TX	48009	1.95
ARMSTRONG .....	TX	48011	1.95
ATASCOSA .....	TX	48013	2.75
AUSTIN .....	TX	48015	2.75
BAILEY .....	TX	48017	1.60
BANDERA .....	TX	48019	2.55
BASTROP .....	TX	48021	2.65
BAYLOR .....	TX	48023	1.95
BEE .....	TX	48025	2.95
BELL .....	TX	48027	2.35
BEXAR .....	TX	48029	2.65
BLANCO .....	TX	48031	2.55
BORDEN .....	TX	48033	2.10
BOSQUE .....	TX	48035	2.35
BOWIE .....	TX	48037	2.10
BRAZORIA .....	TX	48039	2.95
BRAZOS .....	TX	48041	2.65
BREWSTER .....	TX	48043	2.35
BRISCOE .....	TX	48045	1.95
BROOKS .....	TX	48047	3.15
BROWN .....	TX	48049	2.10
BURLESON .....	TX	48051	2.65
BURNET .....	TX	48053	2.35
CALDWELL .....	TX	48055	2.65
CALHOUN .....	TX	48057	2.95
CALLAHAN .....	TX	48059	2.10
CAMERON .....	TX	48061	3.15
CAMP .....	TX	48063	1.95
CARSON .....	TX	48065	1.95
CASS .....	TX	48067	2.10
CASTRO .....	TX	48069	1.60
CHAMBERS .....	TX	48071	2.95
CHEROKEE .....	TX	48073	2.35
CHILDRESS .....	TX	48075	1.95
CLAY .....	TX	48077	1.95
COCHRAN .....	TX	48079	1.60
COKE .....	TX	48081	2.10
COLEMAN .....	TX	48083	2.10
COLLIN .....	TX	48085	1.95
COLLINGSWORTH .....	TX	48087	1.95
COLORADO .....	TX	48089	2.75
COMAL .....	TX	48091	2.55
COMANCHE .....	TX	48093	2.10
CONCHO .....	TX	48095	2.10
COOKE .....	TX	48097	1.95
CORYELL .....	TX	48099	2.35
COTTLE .....	TX	48101	1.95
CRANE .....	TX	48103	2.10
CROCKETT .....	TX	48105	2.35
CROSBY .....	TX	48107	1.95
CULBERSON .....	TX	48109	1.95
DALLAM .....	TX	48111	1.90
DALLAS .....	TX	48113	2.10
DAWSON .....	TX	48115	1.95
DEAF SMITH .....	TX	48117	1.60
DELTA .....	TX	48119	1.95
DENTON .....	TX	48121	1.95
DE WITT .....	TX	48123	2.75
DICKENS .....	TX	48125	1.95
DIMMIT .....	TX	48127	2.75
DONLEY .....	TX	48129	1.95
DUVAL .....	TX	48131	2.95
EASTLAND .....	TX	48133	2.10
ECTOR .....	TX	48135	2.10

County/Parish/City	State	Fips_code	Class I differential adjusted for location
EDWARDS .....	TX	48137	2.35
ELLIS .....	TX	48139	2.10
EL PASO .....	TX	48141	1.75
ERATH .....	TX	48143	2.10
FALLS .....	TX	48145	2.35
FANNIN .....	TX	48147	1.95
FAYETTE .....	TX	48149	2.75
FISHER .....	TX	48151	2.10
FLOYD .....	TX	48153	1.95
FOARD .....	TX	48155	1.95
FORT BEND .....	TX	48157	2.95
FRANKLIN .....	TX	48159	1.95
FREESTONE .....	TX	48161	2.35
FRIO .....	TX	48163	2.75
GAINES .....	TX	48165	1.95
GALVESTON .....	TX	48167	2.95
GARZA .....	TX	48169	1.95
GILLESPIE .....	TX	48171	2.35
GLASSCOCK .....	TX	48173	2.10
GOLIAD .....	TX	48175	2.95
GONZALES .....	TX	48177	2.75
GRAY .....	TX	48179	1.95
GRAYSON .....	TX	48181	1.95
GREGG .....	TX	48183	2.10
GRIMES .....	TX	48185	2.75
GUADALUPE .....	TX	48187	2.65
HALE .....	TX	48189	1.95
HALL .....	TX	48191	1.95
HAMILTON .....	TX	48193	2.10
HANSFORD .....	TX	48195	1.90
HARDEMAN .....	TX	48197	1.95
HARDIN .....	TX	48199	2.95
HARRIS .....	TX	48201	2.95
HARRISON .....	TX	48203	2.10
HARTLEY .....	TX	48205	1.90
HASKELL .....	TX	48207	1.95
HAYS .....	TX	48209	2.55
HEMPHILL .....	TX	48211	1.90
HENDERSON .....	TX	48213	2.35
HIDALGO .....	TX	48215	3.15
HILL .....	TX	48217	2.35
HOCKLEY .....	TX	48219	1.95
HOOD .....	TX	48221	2.10
HOPKINS .....	TX	48223	1.95
HOUSTON .....	TX	48225	2.55
HOWARD .....	TX	48227	2.10
HUDSPETH .....	TX	48229	1.75
HUNT .....	TX	48231	1.95
HUTCHINSON .....	TX	48233	1.90
IRION .....	TX	48235	2.35
JACK .....	TX	48237	1.95
JACKSON .....	TX	48239	2.95
JASPER .....	TX	48241	2.75
JEFF DAVIS .....	TX	48243	2.10
JEFFERSON .....	TX	48245	2.95
JIM HOGG .....	TX	48247	2.95
JIM WELLS .....	TX	48249	2.95
JOHNSON .....	TX	48251	2.10
JONES .....	TX	48253	2.10
KARNES .....	TX	48255	2.75
KAUFMAN .....	TX	48257	2.10
KENDALL .....	TX	48259	2.55
KENEDY .....	TX	48261	3.15
KENT .....	TX	48263	2.10
KERR .....	TX	48265	2.55
KIMBLE .....	TX	48267	2.35
KING .....	TX	48269	1.95
KINNEY .....	TX	48271	2.65
KLEBERG .....	TX	48273	3.15
KNOX .....	TX	48275	1.95
LAMAR .....	TX	48277	1.95

County/Parish/City	State	Fips_code	Class I differential adjusted for location
LAMB .....	TX	48279	1.60
LAMPASAS .....	TX	48281	2.35
LA SALLE .....	TX	48283	2.75
LAVACA .....	TX	48285	2.75
LEE .....	TX	48287	2.65
LEON .....	TX	48289	2.55
LIBERTY .....	TX	48291	2.95
LIMESTONE .....	TX	48293	2.35
LIPSCOMB .....	TX	48295	1.90
LIVE OAK .....	TX	48297	2.95
LLANO .....	TX	48299	2.35
LOVING .....	TX	48301	1.95
LUBBOCK .....	TX	48303	1.95
LYNN .....	TX	48305	1.95
MCCULLOCH .....	TX	48307	2.10
MCLENNAN .....	TX	48309	2.35
MCMULLEN .....	TX	48311	2.75
MADISON .....	TX	48313	2.65
MARION .....	TX	48315	2.10
MARTIN .....	TX	48317	2.10
MASON .....	TX	48319	2.35
MATAGORDA .....	TX	48321	2.95
MAVERICK .....	TX	48323	2.65
MEDINA .....	TX	48325	2.65
MENARD .....	TX	48327	2.35
MIDLAND .....	TX	48329	2.10
MILAM .....	TX	48331	2.55
MILLS .....	TX	48333	2.10
MITCHELL .....	TX	48335	2.10
MONTAGUE .....	TX	48337	1.95
MONTGOMERY .....	TX	48339	2.95
MOORE .....	TX	48341	1.90
MORRIS .....	TX	48343	1.95
MOTLEY .....	TX	48345	1.95
NACOGDOCHES .....	TX	48347	2.55
NAVARRO .....	TX	48349	2.35
NEWTON .....	TX	48351	2.75
NOLAN .....	TX	48353	2.10
NUECES .....	TX	48355	3.15
OCHILTREE .....	TX	48357	1.90
OLDHAM .....	TX	48359	1.90
ORANGE .....	TX	48361	2.95
PALO PINTO .....	TX	48363	2.10
PANOLA .....	TX	48365	2.35
PARKER .....	TX	48367	2.10
PARMER .....	TX	48369	1.60
PECOS .....	TX	48371	2.35
POLK .....	TX	48373	2.75
POTTER .....	TX	48375	1.95
PRESIDIO .....	TX	48377	2.10
RAINS .....	TX	48379	1.95
RANDALL .....	TX	48381	1.95
REAGAN .....	TX	48383	2.35
REAL .....	TX	48385	2.55
RED RIVER .....	TX	48387	1.95
REEVES .....	TX	48389	2.10
REFUGIO .....	TX	48391	2.95
ROBERTS .....	TX	48393	1.90
ROBERTSON .....	TX	48395	2.55
ROCKWALL .....	TX	48397	1.95
RUNNELS .....	TX	48399	2.10
RUSK .....	TX	48401	2.35
SABINE .....	TX	48403	2.65
SAN AUGUSTINE .....	TX	48405	2.65
SAN JACINTO .....	TX	48407	2.75
SAN PATRICIO .....	TX	48409	2.95
SAN SABA .....	TX	48411	2.10
SCHLEICHER .....	TX	48413	2.35
SCURRY .....	TX	48415	2.10
SHACKELFORD .....	TX	48417	2.10
SHELBY .....	TX	48419	2.55

County/Parish/City	State	Fips__code	Class I differential adjusted for location
SHERMAN .....	TX	48421	1.90
SMITH .....	TX	48423	2.35
SOMERVELL .....	TX	48425	2.10
STARR .....	TX	48427	2.95
STEPHENS .....	TX	48429	2.10
STERLING .....	TX	48431	2.10
STONEWALL .....	TX	48433	2.10
SUTTON .....	TX	48435	2.35
SWISHER .....	TX	48437	1.95
TARRANT .....	TX	48439	2.10
TAYLOR .....	TX	48441	2.10
TERRELL .....	TX	48443	2.35
TERRY .....	TX	48445	1.95
THROCKMORTON .....	TX	48447	1.95
TITUS .....	TX	48449	1.95
TOM GREEN .....	TX	48451	2.10
TRAVIS .....	TX	48453	2.55
TRINITY .....	TX	48455	2.65
TYLER .....	TX	48457	2.75
UPSHUR .....	TX	48459	2.10
UPTON .....	TX	48461	2.35
UVALDE .....	TX	48463	2.65
VAL VERDE .....	TX	48465	2.35
VAN ZANDT .....	TX	48467	2.10
VICTORIA .....	TX	48469	2.95
WALKER .....	TX	48471	2.75
WALLER .....	TX	48473	2.75
WARD .....	TX	48475	2.10
WASHINGTON .....	TX	48477	2.75
WEBB .....	TX	48479	2.75
WHARTON .....	TX	48481	2.95
WHEELER .....	TX	48483	1.90
WICHITA .....	TX	48485	1.95
WILBARGER .....	TX	48487	1.95
WILLACY .....	TX	48489	3.15
WILLIAMSON .....	TX	48491	2.55
WILSON .....	TX	48493	2.75
WINKLER .....	TX	48495	1.95
WISE .....	TX	48497	1.95
WOOD .....	TX	48499	1.95
YOAKUM .....	TX	48501	1.95
YOUNG .....	TX	48503	1.95
ZAPATA .....	TX	48505	2.95
ZAVALA .....	TX	48507	2.65
BEAVER .....	UT	49001	1.50
BOX ELDER .....	UT	49003	1.50
CACHE .....	UT	49005	1.50
CARBON .....	UT	49007	1.80
DAGGETT .....	UT	49009	1.50
DAVIS .....	UT	49011	1.50
DUCHESNE .....	UT	49013	1.50
EMERY .....	UT	49015	1.80
GARFIELD .....	UT	49017	1.80
GRAND .....	UT	49019	1.90
IRON .....	UT	49021	1.80
JUAB .....	UT	49023	1.50
KANE .....	UT	49025	1.90
MILLARD .....	UT	49027	1.50
MORGAN .....	UT	49029	1.50
PIUTE .....	UT	49031	1.50
RICH .....	UT	49033	1.50
SALT LAKE .....	UT	49035	1.50
SAN JUAN .....	UT	49037	1.90
SANPETE .....	UT	49039	1.50
SEVIER .....	UT	49041	1.50
SUMMIT .....	UT	49043	1.50
TOOELE .....	UT	49045	1.50
UINTAH .....	UT	49047	1.80
UTAH .....	UT	49049	1.50
WASATCH .....	UT	49051	1.50
WASHINGTON .....	UT	49053	1.90

County/Parish/City	State	Fips__code	Class I differential adjusted for location
WAYNE .....	UT	49055	1.80
WEBER .....	UT	49057	1.50
ADDISON .....	VT	50001	2.05
BENNINGTON .....	VT	50003	2.15
CALEDONIA .....	VT	50005	1.95
CHITTENDEN .....	VT	50007	2.05
ESSEX .....	VT	50009	1.95
FRANKLIN .....	VT	50011	1.95
GRAND ISLE .....	VT	50013	1.95
LAMOILLE .....	VT	50015	1.95
ORANGE .....	VT	50017	2.05
ORLEANS .....	VT	50019	1.95
RUTLAND .....	VT	50021	2.05
WASHINGTON .....	VT	50023	2.05
WINDHAM .....	VT	50025	2.30
WINDSOR .....	VT	50027	2.15
ACCOMACK .....	VA	51001	2.10
ALBEMARLE .....	VA	51003	2.15
ALLEGHANY .....	VA	51005	2.15
AMELIA .....	VA	51007	2.20
AMHERST .....	VA	51009	2.15
APPOMATTOX .....	VA	51011	2.15
ARLINGTON .....	VA	51013	2.05
AUGUSTA .....	VA	51015	2.15
BATH .....	VA	51017	2.15
BEDFORD .....	VA	51019	2.15
BLAND .....	VA	51021	2.25
BOTETOURT .....	VA	51023	2.15
BRUNSWICK .....	VA	51025	2.35
BUCHANAN .....	VA	51027	2.25
BUCKINGHAM .....	VA	51029	2.15
CAMPBELL .....	VA	51031	2.15
CAROLINE .....	VA	51033	2.20
CARROLL .....	VA	51035	2.25
CHARLES CITY .....	VA	51036	2.20
CHARLOTTE .....	VA	51037	2.15
CHESTERFIELD .....	VA	51041	2.20
CLARKE .....	VA	51043	2.05
CRAIG .....	VA	51045	2.15
CULPEPER .....	VA	51047	2.05
CUMBERLAND .....	VA	51049	2.15
DICKENSON .....	VA	51051	2.25
DINWIDDIE .....	VA	51053	2.35
ESSEX .....	VA	51057	2.20
FAIRFAX .....	VA	51059	2.05
FAUQUIER .....	VA	51061	2.05
FLOYD .....	VA	51063	2.15
FLUVANNA .....	VA	51065	2.15
FRANKLIN .....	VA	51067	2.15
FREDERICK .....	VA	51069	2.05
GILES .....	VA	51071	2.15
GLOUCESTER .....	VA	51073	2.20
GOOCHLAND .....	VA	51075	2.20
GRAYSON .....	VA	51077	2.25
GREENE .....	VA	51079	2.15
GREENSVILLE .....	VA	51081	2.35
HALIFAX .....	VA	51083	2.35
HANOVER .....	VA	51085	2.20
HENRICO .....	VA	51087	2.20
HENRY .....	VA	51089	2.35
HIGHLAND .....	VA	51091	2.15
ISLE OF WIGHT .....	VA	51093	2.55
JAMES CITY .....	VA	51095	2.55
KING AND QUEEN .....	VA	51097	2.20
KING GEORGE .....	VA	51099	2.05
KING WILLIAM .....	VA	51101	2.20
LANCASTER .....	VA	51103	2.20
LEE .....	VA	51105	2.25
LOUDOUN .....	VA	51107	2.05
LOUISA .....	VA	51109	2.15
LUNENBURG .....	VA	51111	2.35

County/Parish/City	State	Fips__code	Class I differential adjusted for location
MADISON .....	VA	51113	2.15
MATHEWS .....	VA	51115	2.20
MECKLENBURG .....	VA	51117	2.35
MIDDLESEX .....	VA	51119	2.20
MONTGOMERY .....	VA	51121	2.15
NELSON .....	VA	51125	2.15
NEW KENT .....	VA	51127	2.20
NORTHAMPTON .....	VA	51131	2.10
NORTHUMBERLAND .....	VA	51133	2.20
NOTTOWAY .....	VA	51135	2.35
ORANGE .....	VA	51137	2.15
PAGE .....	VA	51139	2.05
PATRICK .....	VA	51141	2.35
PITTSYLVANIA .....	VA	51143	2.35
POWHATAN .....	VA	51145	2.20
PRINCE EDWARD .....	VA	51147	2.15
PRINCE GEORGE .....	VA	51149	2.35
PRINCE WILLIAM .....	VA	51153	2.05
PULASKI .....	VA	51155	2.15
RAPPAHANNOCK .....	VA	51157	2.05
RICHMOND .....	VA	51159	2.20
ROANOKE .....	VA	51161	2.15
ROCKBRIDGE .....	VA	51163	2.15
ROCKINGHAM .....	VA	51165	2.15
RUSSELL .....	VA	51167	2.25
SCOTT .....	VA	51169	2.25
SHENANDOAH .....	VA	51171	2.05
SMYTH .....	VA	51173	2.25
SOUTHAMPTON .....	VA	51175	2.55
SPOTSYLVANIA .....	VA	51177	2.15
STAFFORD .....	VA	51179	2.05
SURRY .....	VA	51181	2.55
SUSSEX .....	VA	51183	2.35
TAZEWELL .....	VA	51185	2.25
WARREN .....	VA	51187	2.05
WASHINGTON .....	VA	51191	2.25
WESTMORELAND .....	VA	51193	2.05
WISE .....	VA	51195	2.25
WYTHE .....	VA	51197	2.25
YORK .....	VA	51199	2.55
ALEXANDRIA CITY .....	VA	51510	2.05
BEDFORD CITY .....	VA	51515	2.15
BRISTOL CITY .....	VA	51520	2.25
BUENA VISTA CITY .....	VA	51530	2.15
CHARLOTTESVILLE CITY .....	VA	51540	2.15
CHESAPEAKE CITY .....	VA	51550	2.55
CLIFTON FORGE CITY .....	VA	51560	2.15
COLONIAL HEIGHTS CITY .....	VA	51570	2.30
COVINGTON CITY .....	VA	51580	2.15
DANVILLE CITY .....	VA	51590	2.35
EMPORIA CITY .....	VA	51595	2.35
FAIRFAX CITY .....	VA	51600	2.05
FALLS CHURCH CITY .....	VA	51610	2.05
FRANKLIN CITY .....	VA	51620	2.55
FREDERICKSBURG CITY .....	VA	51630	2.15
GALAX CITY .....	VA	51640	2.25
HAMPTON CITY .....	VA	51650	2.55
HARRISONBURG CITY .....	VA	51660	2.15
HOPEWELL CITY .....	VA	51670	2.35
LEXINGTON CITY .....	VA	51678	2.15
LYNCHBURG CITY .....	VA	51680	2.15
MANASSAS CITY .....	VA	51683	2.05
MANASSAS PARK CITY .....	VA	51685	2.05
MARTINSVILLE CITY .....	VA	51690	2.35
NEWPORT NEWS CITY .....	VA	51700	2.55
NORFOLK CITY .....	VA	51710	2.55
NORTON CITY .....	VA	51720	2.25
PETERSBURG CITY .....	VA	51730	2.35
POQUOSON CITY .....	VA	51735	2.55
PORTSMOUTH CITY .....	VA	51740	2.55
RADFORD CITY .....	VA	51750	2.15

County/Parish/City	State	Fips__code	Class I differential adjusted for location
RICHMOND CITY .....	VA	51760	2.20
ROANOKE CITY .....	VA	51770	2.15
SALEM CITY .....	VA	51775	2.15
STAUNTON CITY .....	VA	51790	2.15
SUFFOLK CITY .....	VA	51800	2.55
VIRGINIA BEACH CITY .....	VA	51810	2.55
WAYNESBORO CITY .....	VA	51820	2.15
WILLIAMSBURG CITY .....	VA	51830	2.55
WINCHESTER CITY .....	VA	51840	2.05
ADAMS .....	WA	53001	1.35
ASOTIN .....	WA	53003	1.35
BENTON .....	WA	53005	1.30
CHELAN .....	WA	53007	1.30
CLALLAM .....	WA	53009	1.45
CLARK .....	WA	53011	1.45
COLUMBIA .....	WA	53013	1.35
COWLITZ .....	WA	53015	1.45
DOUGLAS .....	WA	53017	1.30
FERRY .....	WA	53019	1.35
FRANKLIN .....	WA	53021	1.35
GARFIELD .....	WA	53023	1.35
GRANT .....	WA	53025	1.30
GRAYS HARBOR .....	WA	53027	1.45
ISLAND .....	WA	53029	1.45
JEFFERSON .....	WA	53031	1.45
KING .....	WA	53033	1.45
KITSAP .....	WA	53035	1.45
KITTITAS .....	WA	53037	1.30
Klickitat .....	WA	53039	1.30
LEWIS .....	WA	53041	1.45
LINCOLN .....	WA	53043	1.35
MASON .....	WA	53045	1.45
OKANOGAN .....	WA	53047	1.30
PACIFIC .....	WA	53049	1.45
PEND OREILLE .....	WA	53051	1.35
PIERCE .....	WA	53053	1.45
SAN JUAN .....	WA	53055	1.45
SKAGIT .....	WA	53057	1.20
SKAMANIA .....	WA	53059	1.45
SNOHOMISH .....	WA	53061	1.45
SPOKANE .....	WA	53063	1.35
STEVENS .....	WA	53065	1.35
THURSTON .....	WA	53067	1.45
WAHKIAKUM .....	WA	53069	1.45
WALLA WALLA .....	WA	53071	1.35
WHATCOM .....	WA	53073	1.20
WHITMAN .....	WA	53075	1.35
YAKIMA .....	WA	53077	1.30
BARBOUR .....	WV	54001	2.05
BERKELEY .....	WV	54003	2.05
BOONE .....	WV	54005	2.20
BRAXTON .....	WV	54007	2.20
BROOKE .....	WV	54009	1.95
CABELL .....	WV	54011	2.20
CALHOUN .....	WV	54013	2.05
CLAY .....	WV	54015	2.20
DODDRIDGE .....	WV	54017	2.05
FAYETTE .....	WV	54019	2.20
GILMER .....	WV	54021	2.05
GRANT .....	WV	54023	2.05
GREENBRIER .....	WV	54025	2.15
HAMPSHIRE .....	WV	54027	2.05
HANCOCK .....	WV	54029	1.95
HARDY .....	WV	54031	2.05
HARRISON .....	WV	54033	2.05
JACKSON .....	WV	54035	2.05
JEFFERSON .....	WV	54037	2.05
KANAWHA .....	WV	54039	2.20
LEWIS .....	WV	54041	2.05
LINCOLN .....	WV	54043	2.20
LOGAN .....	WV	54045	2.20

County/Parish/City	State	Fips_code	Class I differential adjusted for location
MCDOWELL .....	WV	54047	2.20
MARION .....	WV	54049	1.95
MARSHALL .....	WV	54051	1.95
MASON .....	WV	54053	2.05
MERCER .....	WV	54055	2.15
MINERAL .....	WV	54057	2.05
MINGO .....	WV	54059	2.20
MONONGALIA .....	WV	54061	1.95
MONROE .....	WV	54063	2.15
MORGAN .....	WV	54065	2.05
NICHOLAS .....	WV	54067	2.20
OHIO .....	WV	54069	1.95
PENDLETON .....	WV	54071	2.15
PLEASANTS .....	WV	54073	2.05
POCAHONTAS .....	WV	54075	2.15
PRESTON .....	WV	54077	1.95
PUTNAM .....	WV	54079	2.20
RALEIGH .....	WV	54081	2.20
RANDOLPH .....	WV	54083	2.05
RITCHIE .....	WV	54085	2.05
ROANE .....	WV	54087	2.20
SUMMERS .....	WV	54089	2.15
TAYLOR .....	WV	54091	1.95
TUCKER .....	WV	54093	2.05
TYLER .....	WV	54095	2.05
UPSHUR .....	WV	54097	2.05
WAYNE .....	WV	54099	2.20
WEBSTER .....	WV	54101	2.05
WETZEL .....	WV	54103	1.95
WIRT .....	WV	54105	2.05
WOOD .....	WV	54107	2.05
WYOMING .....	WV	54109	2.20
ADAMS .....	WI	55001	1.70
ASHLAND .....	WI	55003	1.60
BARRON .....	WI	55005	1.60
BAYFIELD .....	WI	55007	1.65
BROWN .....	WI	55009	1.80
BUFFALO .....	WI	55011	1.60
BURNETT .....	WI	55013	1.60
CALUMET .....	WI	55015	1.80
CHIPPEWA .....	WI	55017	1.60
CLARK .....	WI	55019	1.60
COLUMBIA .....	WI	55021	1.70
CRAWFORD .....	WI	55023	1.70
DANE .....	WI	55025	1.80
DODGE .....	WI	55027	1.80
DOOR .....	WI	55029	1.80
DOUGLAS .....	WI	55031	1.65
DUNN .....	WI	55033	1.60
EAU CLAIRE .....	WI	55035	1.60
FLORENCE .....	WI	55037	1.60
FOND DU LAC .....	WI	55039	1.80
FOREST .....	WI	55041	1.60
GRANT .....	WI	55043	1.80
GREEN .....	WI	55045	1.80
GREEN LAKE .....	WI	55047	1.70
IOWA .....	WI	55049	1.80
IRON .....	WI	55051	1.60
JACKSON .....	WI	55053	1.60
JEFFERSON .....	WI	55055	1.80
JUNEAU .....	WI	55057	1.70
KENOSHA .....	WI	55059	1.95
KEWAUNEE .....	WI	55061	1.80
LA CROSSE .....	WI	55063	1.60
LAFAYETTE .....	WI	55065	1.80
LANGLADE .....	WI	55067	1.60
LINCOLN .....	WI	55069	1.60
MANITOWOC .....	WI	55071	1.80
MARATHON .....	WI	55073	1.60
MARINETTE .....	WI	55075	1.60
MARQUETTE .....	WI	55077	1.70



County/Parish/City	State	Fips__code	Class I differential adjusted for location
MENOMINEE .....	WI	55078	1.70
MILWAUKEE .....	WI	55079	1.95
MONROE .....	WI	55081	1.60
OCONTO .....	WI	55083	1.70
ONEIDA .....	WI	55085	1.60
OUTAGAMIE .....	WI	55087	1.70
OZAUKEE .....	WI	55089	1.95
PEPIN .....	WI	55091	1.60
PIERCE .....	WI	55093	1.60
POLK .....	WI	55095	1.60
PORTAGE .....	WI	55097	1.60
PRICE .....	WI	55099	1.60
RACINE .....	WI	55101	1.95
RICHLAND .....	WI	55103	1.70
ROCK .....	WI	55105	1.80
RUSK .....	WI	55107	1.60
ST. CROIX .....	WI	55109	1.60
SAUK .....	WI	55111	1.70
SAWYER .....	WI	55113	1.60
SHAWANO .....	WI	55115	1.70
SHEBOYGAN .....	WI	55117	1.95
TAYLOR .....	WI	55119	1.60
TREMPEALEAU .....	WI	55121	1.60
VERNON .....	WI	55123	1.70
VILAS .....	WI	55125	1.60
WALWORTH .....	WI	55127	1.80
WASHBURN .....	WI	55129	1.60
WASHINGTON .....	WI	55131	1.80
WAUKESHA .....	WI	55133	1.80
WAUPACA .....	WI	55135	1.70
WAUSHARA .....	WI	55137	1.70
WINNEBAGO .....	WI	55139	1.70
WOOD .....	WI	55141	1.60
ALBANY .....	WY	56001	1.55
BIG HORN .....	WY	56003	1.40
CAMPBELL .....	WY	56005	1.40
CARBON .....	WY	56007	1.55
CONVERSE .....	WY	56009	1.40
CROOK .....	WY	56011	1.40
FREMONT .....	WY	56013	1.40
GOSHEN .....	WY	56015	1.40
HOT SPRINGS .....	WY	56017	1.40
JOHNSON .....	WY	56019	1.40
LARAMIE .....	WY	56021	1.55
LINCOLN .....	WY	56023	1.40
NATRONA .....	WY	56025	1.40
NIOBRARA .....	WY	56027	1.40
PARK .....	WY	56029	1.40
PLATTE .....	WY	56031	1.55
SHERIDAN .....	WY	56033	1.50
SUBLETTE .....	WY	56035	1.40
SWEETWATER .....	WY	56037	1.50
TETON .....	WY	56039	1.40
UINTA .....	WY	56041	1.50
WASHAKIE .....	WY	56043	1.40
WESTON .....	WY	56045	1.40

**§ 1000.53 Announcement of class prices, component prices, and advanced pricing factors.**

(a) On or before the 5th day of the month, the market administrator for each Federal milk marketing order shall announce the following prices (as applicable to that order) for the preceding month:

- (1) The Class II price;
- (2) The Class II butterfat price;

- (3) The Class III price;
- (4) The Class III skim milk price;
- (5) The Class IV price;
- (6) The Class IV skim milk price;
- (7) The butterfat price;
- (8) The nonfat solids price;
- (9) The protein price;
- (10) The other solids price; and
- (11) The somatic cell adjustment rate.

(b) On or before the 23rd day of the month, the market administrator for

each Federal milk marketing order shall announce the following prices and pricing factors for the following month:

- (1) The Class I price;
- (2) The Class I skim milk price;
- (3) The Class I butterfat price;
- (4) The Class II skim milk price;
- (5) The Class II nonfat solids price;

and

(6) The advanced pricing factors described in § 1000.50(q).

**§ 1000.54 Equivalent price.**

If for any reason a price or pricing constituent required for computing the prices described in § 1000.50 is not available, the market administrator shall use a price or pricing constituent determined by the Deputy Administrator, Dairy Programs, Agricultural Marketing Service, to be equivalent to the price or pricing constituent that is required.

**Subpart H—Payments for Milk****§ 1000.70 Producer-settlement fund.**

The market administrator shall establish and maintain a separate fund known as the producer-settlement fund into which the market administrator shall deposit all payments made by handlers pursuant to §§ \_\_\_\_\_.71, \_\_\_\_\_.76, and \_\_\_\_\_.77 of each Federal milk order and out of which the market administrator shall make all payments pursuant to §§ \_\_\_\_\_.72 and \_\_\_\_\_.77 of each Federal milk order. Payments due any handler shall be offset by any payments due from that handler.

**§ 1000.76 Payments by a handler operating a partially regulated distributing plant.**

On or before the 25th day after the end of the month (except as provided in § 1000.90), the operator of a partially regulated distributing plant, other than a plant that is subject to marketwide pooling of producer returns under a State government's milk classification and pricing program, shall pay to the market administrator for the producer-settlement fund the amount computed pursuant to paragraph (a) of this section or, if the handler submits the information specified in §§ \_\_\_\_\_.30(b) and \_\_\_\_\_.31(b) of the order, the handler may elect to pay the amount computed pursuant to paragraph (b) of this section. A partially regulated distributing plant that is subject to marketwide pooling of producer returns under a State government's milk classification and pricing program shall pay the amount computed pursuant to paragraph (c) of this section.

(a) The payment under this paragraph shall be an amount resulting from the following computations:

(1) From the plant's route disposition in the marketing area:

(i) Subtract receipts of fluid milk products classified as Class I milk from pool plants, plants fully regulated under other Federal orders, and handlers described in § 1000.9(c) and § 1135.11 of this chapter, except those receipts subtracted under a similar provision of another Federal milk order;

(ii) Subtract receipts of fluid milk products from another nonpool plant

that is not a plant fully regulated under another Federal order to the extent that an equivalent amount of fluid milk products disposed of to the nonpool plant by handlers fully regulated under any Federal order is classified and priced as Class I milk and is not used as an offset for any payment obligation under any order; and

(iii) Subtract the pounds of reconstituted milk made from nonfluid milk products which are disposed of as route disposition in the marketing area;

(2) For orders with multiple component pricing, compute a Class I differential price by subtracting Class III price from the current month's Class I price. Multiply the pounds remaining after the computation in paragraph (a)(1)(iii) of this section by the amount by which the Class I differential price exceeds the producer price differential, both prices to be applicable at the location of the partially regulated distributing plant except that neither the adjusted Class I differential price nor the adjusted producer price differential shall be less than zero;

(3) For orders with skim milk and butterfat pricing, multiply the remaining pounds by the amount by which the Class I price exceeds the uniform price, both prices to be applicable at the location of the partially regulated distributing plant except that neither the adjusted Class I price nor the adjusted uniform price differential shall be less than the lowest announced class price; and

(4) Unless the payment option described in paragraph (d) is selected, add the amount obtained from multiplying the pounds of labeled reconstituted milk included in paragraph (a)(1)(iii) of this section by any positive difference between the Class I price applicable at the location of the partially regulated distributing plant (less \$1.00 if the reconstituted milk is labeled as such) and the Class IV price.

(b) The payment under this paragraph shall be the amount resulting from the following computations:

(1) Determine the value that would have been computed pursuant to § \_\_\_\_\_.60 of the order for the partially regulated distributing plant if the plant had been a pool plant, subject to the following modifications:

(i) Fluid milk products and bulk fluid cream products received at the plant from a pool plant, a plant fully regulated under another Federal order, and handlers described in § 1000.9(c) and § 1135.11 of this chapter shall be allocated at the partially regulated distributing plant to the same class in

which such products were classified at the fully regulated plant;

(ii) Fluid milk products and bulk fluid cream products transferred from the partially regulated distributing plant to a pool plant or a plant fully regulated under another Federal order shall be classified at the partially regulated distributing plant in the class to which allocated at the fully regulated plant. Such transfers shall be allocated to the extent possible to those receipts at the partially regulated distributing plant from the pool plant and plants fully regulated under other Federal orders that are classified in the corresponding class pursuant to paragraph (b)(1)(i) of this section. Any such transfers remaining after the above allocation which are in Class I and for which a value is computed pursuant to § \_\_\_\_\_.60 of the order for the partially regulated distributing plant shall be priced at the statistical uniform price or uniform price, whichever is applicable, of the respective order regulating the handling of milk at the receiving plant, with such statistical uniform price or uniform price adjusted to the location of the nonpool plant (but not to be less than the lowest announced class price of the respective order); and

(iii) If the operator of the partially regulated distributing plant so requests, the handler's value of milk determined pursuant to § \_\_\_\_\_.60 of the order shall include a value of milk determined for each nonpool plant that is not a plant fully regulated under another Federal order which serves as a supply plant for the partially regulated distributing plant by making shipments to the partially regulated distributing plant during the month equivalent to the requirements of § \_\_\_\_\_.7(c) of the order subject to the following conditions:

(A) The operator of the partially regulated distributing plant submits with its reports filed pursuant to §§ \_\_\_\_\_.30(b) and \_\_\_\_\_.31(b) of the order similar reports for each such nonpool supply plant;

(B) The operator of the nonpool plant maintains books and records showing the utilization of all skim milk and butterfat received at the plant which are made available if requested by the market administrator for verification purposes; and

(C) The value of milk determined pursuant to § \_\_\_\_\_.60 for the unregulated supply plant shall be determined in the same manner prescribed for computing the obligation of the partially regulated distributing plant; and

(2) From the partially regulated distributing plant's value of milk

computed pursuant to paragraph (b)(1) of this section, subtract:

(i) The gross payments that were made for milk that would have been producer milk had the plant been fully regulated;

(ii) If paragraph (b)(1)(iii) of this section applies, the gross payments by the operator of the nonpool supply plant for milk received at the plant during the month that would have been producer milk if the plant had been fully regulated; and

(iii) The payments by the operator of the partially regulated distributing plant to the producer-settlement fund of another Federal order under which the plant is also a partially regulated distributing plant and, if paragraph (b)(1)(iii) of this section applies, payments made by the operator of the nonpool supply plant to the producer-settlement fund of any order.

(c) The operator of a partially regulated distributing plant that is subject to marketwide pooling of returns under a milk classification and pricing program that is imposed under the authority of a State government shall pay on or before the 25th day after the end of the month (except as provided in § 1000.90) to the market administrator for the producer-settlement fund an amount computed as follows:

After completing the computations described in paragraphs (a)(1)(i) and (ii) of this section, determine the value of the remaining pounds of fluid milk products disposed of as route disposition in the marketing area by multiplying the hundredweight of such pounds by the amount, if greater than zero, that remains after subtracting the State program's class prices applicable to such products at the plant's location from the Federal order Class I price applicable at the location of the plant.

(d) Any handler may elect partially regulated distributing plant status for any plant with respect to receipts of nonfluid milk ingredients that are reconstituted for fluid use. Payments may be made to the producer-settlement fund of the order regulating the producer milk used to produce the nonfluid milk ingredients at the positive difference between the Class I price applicable under the other order at the location of the plant where the nonfluid milk ingredients were processed and the Class IV price. This payment option shall apply only if a majority of the total milk received at the plant that processed the nonfluid milk ingredients is regulated under one or more Federal orders and payment may only be made to the producer-settlement fund of the order pricing a plurality of the milk used to produce the nonfluid milk

ingredients. This payment option shall not apply if the source of the nonfluid ingredients used in reconstituted fluid milk products cannot be determined by the market administrator.

#### **§ 1000.77 Adjustment of accounts.**

Whenever audit by the market administrator of any handler's reports, books, records, or accounts, or other verification discloses errors resulting in money due the market administrator from a handler, or due a handler from the market administrator, or due a producer or cooperative association from a handler, the market administrator shall promptly notify such handler of any amount so due and payment thereof shall be made on or before the next date for making payments as set forth in the provisions under which the error(s) occurred.

#### **§ 1000.78 Charges on overdue accounts.**

Any unpaid obligation due the market administrator, producers, or cooperative associations from a handler pursuant to the provisions of the order shall be increased 1.0 percent each month beginning with the day following the date such obligation was due under the order. Any remaining amount due shall be increased at the same rate on the corresponding day of each succeeding month until paid. The amounts payable pursuant to this section shall be computed monthly on each unpaid obligation and shall include any unpaid charges previously computed pursuant to this section. The late charges shall accrue to the administrative assessment fund. For the purpose of this section, any obligation that was determined at a date later than prescribed by the order because of a handler's failure to submit a report to the market administrator when due shall be considered to have been payable by the date it would have been due if the report had been filed when due.

### **Subpart I—Administrative Assessment and Marketing Service Deduction**

#### **§ 1000.85 Assessment for order administration.**

On or before the payment receipt date specified under § \_\_\_\_\_.71 of each Federal milk order each handler shall pay to the market administrator its pro rata share of the expense of administration of the order at a rate specified by the market administrator that is no more than 5 cents per hundredweight with respect to:

(a) Receipts of producer milk (including the handler's own production) other than such receipts by a handler described in § 1000.9(c) that

were delivered to pool plants of other handlers;

(b) Receipts from a handler described in § 1000.9(c);

(c) Receipts of concentrated fluid milk products from unregulated supply plants and receipts of nonfluid milk products assigned to Class I use pursuant to § 1000.43(d) and other source milk allocated to Class I pursuant to § 1000.44(a) (3) and (8) and the corresponding steps of § 1000.44(b), except other source milk that is excluded from the computations pursuant to § \_\_\_\_\_.60 (d) and (e) of parts 1005, 1006, and 1007 of this chapter or § \_\_\_\_\_.60 (h) and (i) of parts 1001, 1030, 1032, 1033, 1124, 1126, 1131, and 1135 of this chapter; and

(d) Route disposition in the marketing area from a partially regulated distributing plant that exceeds the skim milk and butterfat subtracted pursuant to § 1000.76(a)(1) (i) and (ii).

#### **§ 1000.86 Deduction for marketing services.**

(a) Except as provided in paragraph (b) of this section, each handler in making payments to producers for milk (other than milk of such handler's own production) pursuant to § \_\_\_\_\_.73 of each Federal milk order shall deduct an amount specified by the market administrator that is no more than 7 cents per hundredweight and shall pay the amount deducted to the market administrator not later than the payment receipt date specified under § \_\_\_\_\_.71 of each Federal milk order. The money shall be used by the market administrator to verify or establish weights, samples and tests of producer milk and provide market information for producers who are not receiving such services from a cooperative association. The services shall be performed in whole or in part by the market administrator or an agent engaged by and responsible to the market administrator.

(b) In the case of producers for whom the market administrator has determined that a cooperative association is actually performing the services set forth in paragraph (a) of this section, each handler shall make deductions from the payments to be made to producers as may be authorized by the membership agreement or marketing contract between the cooperative association and the producers. On or before the 15th day after the end of the month (except as provided in § 1000.90), such deductions shall be paid to the cooperative association rendering the services accompanied by a statement showing the amount of any deductions and the

amount of milk for which the deduction was computed for each producer. These deductions shall be made in lieu of the deduction specified in paragraph (a) of this section.

## **Subpart J—Miscellaneous Provisions**

### **§ 1000.90 Dates.**

If a date required for a payment contained in a Federal milk order falls on a Saturday, Sunday, or national holiday, such payment will be due on the next day that the market administrator's office is open for public business.

### **§ 1000.91 [Reserved]**

### **§ 1000.92 [Reserved]**

### **§ 1000.93 OMB control number assigned pursuant to the Paperwork Reduction Act.**

The information collection requirements contained in this part have been approved by the Office of Management and Budget (OMB) under the provisions of Title 44 U.S.C. chapter 35 and have been assigned OMB control number 0581-0032.

## **PART 1001—MILK IN THE NORTHEAST MARKETING AREA**

### **Subpart—Order Regulating Handling**

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1001.1 General provisions.

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- 1001.3 Route disposition.
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#### **Administrative Assessment and Marketing Service Deduction**

- 1001.85 Assessment for order administration.
  - 1001.86 Deduction for marketing services.
- Authority:** 7 U.S.C. 601-674, and 7253.

### **Subpart—Order Regulating Handling**

#### **General Provisions**

##### **§ 1001.1 General provisions.**

The terms, definitions, and provisions in part 1000 of this chapter apply to this part 1001. In this part 1001, all references to sections in part 1000 refer to part 1000 of this chapter.

#### **Definitions**

##### **§ 1001.2 Northeast marketing area.**

The marketing area means all the territory within the bounds of the following states and political subdivisions, including all piers, docks and wharves connected therewith and all craft moored thereat, and all territory occupied by government (municipal, State or Federal) reservations, installations, institutions, or other similar establishments if any part thereof is within any of the listed states or political subdivisions:

*Connecticut, Delaware, Massachusetts, New Hampshire, New Jersey, Rhode Island, Vermont and District of Columbia*

All of the States of Connecticut, Delaware, Massachusetts, New Hampshire, New Jersey,

Rhode Island, Vermont and the District of Columbia.

#### **Maryland Counties**

All of the State of Maryland except the counties of Allegany and Garrett.

#### **New York Counties, Cities, and Townships**

All counties within the State of New York except Allegany, Cattaraugus, Chatauqua, Erie, Genessee, Livingston, Monroe, Niagara, Ontario, Orleans, Seneca, Wayne, and Wyoming; the townships of Conquest, Montezuma, Sterling and Victory in Cayuga County; the city of Hornell, and the townships of Avoca, Bath, Bradford, Canisteo, Cohocton, Dansville, Fremont, Pulteney, Hartsville, Hornellsville, Howard, Prattsburg, Urbana, Wayland, Wayne and Wheeler in Steuben County; and the townships of Italy, Middlesex, and Potter in Yates County.

#### **Pennsylvania Counties**

Adams, Bucks, Chester, Cumberland, Dauphin, Delaware, Franklin, Fulton, Juniata, Lancaster, Lebanon, Montgomery, Perry, Philadelphia, and York.

#### **Virginia Counties and Cities**

Arlington, Fairfax, Loudoun, and Prince William, and the cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park.

##### **§ 1001.3 Route disposition.**

See § 1000.3.

##### **§ 1001.4 Plant.**

(a) Except as provided in paragraph (b) of this section, plant means the land, buildings, facilities, and equipment constituting a single operating unit or establishment at which milk or milk products are received, processed, or packaged, including a facility described in paragraph (b)(2) of this section if the facility receives the milk of more than one dairy farmer.

(b) Plant shall not include:

(1) A separate building without stationary storage tanks that is used only as a reload point for transferring bulk milk from one tank truck to another or a separate building used only as a distribution point for storing packaged fluid milk products in transit for route disposition;

(2) An on-farm facility operated as part of a single dairy farm entity for the separation of cream and skim milk or the removal of water from milk; or

(3) Bulk reload points where milk is transferred from one tank truck to another while en route from dairy farmers' farms to a plant. If stationary storage tanks are used for transferring milk at the premises, the operator of the facility shall make an advance written request to the market administrator that the facility shall be treated as a reload point. The cooling of milk, collection of samples, and washing and sanitizing of

tank trucks at the premises shall not disqualify it as a bulk reload point.

**§ 1001.5 Distributing plant.**

See § 1000.5.

**§ 1001.6 Supply plant.**

See § 1000.6.

**§ 1001.7 Pool plant.**

*Pool plant* means a plant, unit of plants, or system of plants as specified in paragraphs (a) through (f) of this section, but excluding a plant described in paragraph (h) of this section. The pooling standards described in paragraphs (c) and (f) of this section are subject to modification pursuant to paragraph (g) of this section.

(a) A distributing plant, other than a plant qualified as a pool plant pursuant to paragraph (b) of this section or § \_\_\_\_\_.7(b) of any other Federal milk order, from which during the month 25 percent or more of the total quantity of fluid milk products physically received at the plant (excluding concentrated milk received from another plant by agreement for other than Class I use) are disposed of as route disposition or are transferred in the form of packaged fluid milk products to other distributing plants. At least 25 percent of such route disposition and transfers must be to outlets in the marketing area.

(b) Any distributing plant located in the marketing area which during the month processed at least 25 percent of the total quantity of fluid milk products physically received at the plant (excluding concentrated milk received from another plant by agreement for other than Class I use) into ultra-pasteurized or aseptically-processed fluid milk products.

(c) A supply plant from which fluid milk products are transferred or diverted to plants described in paragraph (a) or (b) of this section subject to the additional conditions described in this paragraph. In the case of a supply plant operated by a cooperative association handler described in § 1000.9(c), fluid milk products that the cooperative delivers to pool plants directly from producers' farms shall be treated as if transferred from the cooperative association's plant for the purpose of meeting the shipping requirements of this paragraph.

(1) During the months of August and December, such shipments must equal not less than 10 percent of the total quantity of milk that is received at the plant or diverted from it pursuant to § 1001.13 during the month;

(2) During the months of September through November, such shipments must equal not less than 20 percent of

the total quantity of milk that is received at the plant or diverted from it pursuant to § 1001.13 during the month;

(3) A plant which meets the shipping requirements of this paragraph during each of the months of August through December shall be a pool plant during the following months of January through July unless the milk received at the plant fails to meet the requirements of a duly constituted regulatory agency, the plant fails to meet a shipping requirement instituted pursuant to paragraph (f) of this section, or the plant operator requests nonpool status for the plant. The shipping requirement for any plant which has not met the requirements of paragraphs (c)(1) and (c)(2) of this section must equal not less than 10 percent of the total quantity of milk that is received at the plant or diverted from it pursuant to § 1001.13 during each of the months of January through July in order for the plant to be a pool plant in each of those months;

(4) If milk is delivered directly from producers' farms that are located outside of the states included in the marketing area or outside Maine or West Virginia, such producers must be grouped by state into reporting units and each reporting unit must independently meet the shipping requirements of this paragraph; and

(5) Concentrated milk transferred from the supply plant to a distributing plant for an agreed-upon use other than Class I shall be excluded from the supply plant's shipments in computing the percentages in paragraphs (c)(1) and (2) of this section.

(d) [Reserved]

(e) Two or more plants that are located in the marketing area and operated by the same handler may qualify as a unit by meeting the total and in-area route distribution requirements specified in paragraph (a) of this section subject to the following additional requirements:

(1) At least one of the plants in the unit qualifies as a pool plant pursuant to paragraph (a) of this section;

(2) Other plants in the unit must process only Class I or Class II products and must be located in a pricing zone providing the same or a lower Class I price than the price applicable at the distributing plant included in the unit; and

(3) A written request to form a unit, or to add or remove plants from a unit, or to cancel a unit, must be filed with the market administrator prior to the first day of the month for which unit formation is to be effective.

(f) Two or more supply plants operated by the same handler, or by one or more cooperative associations, may

qualify for pooling as a system of plants by meeting the applicable percentage requirements of paragraph (c) of this section in the same manner as a single plant subject to the following additional requirements:

(1) A supply plant system will be effective for the period of August 1 through July 31 of the following year. Written notification must be given to the market administrator listing the plants to be included in the system prior to the first day of July preceding the effective date of the system. The plants included in the system shall be listed in the sequence in which they shall qualify for pool plant status based on the minimum deliveries required. If the deliveries made are insufficient to qualify the entire system for pooling, the last listed plant shall be excluded from the system, followed by the plant next-to-last on the list, and continuing in this sequence until remaining listed plants have met the minimum shipping requirements; and

(2) Each plant that qualifies as a pool plant within a system shall continue each month as a plant in the system through the following July unless the plant subsequently fails to qualify for pooling, the handler submits a written notification to the market administrator prior to the first day of the month that the plant be deleted from the system, or that the system be discontinued. Any plant that has been so deleted from the system, or that has failed to qualify as a pool plant in any month, will not be part of the system for the remaining months through July. For any system that qualifies in August, no plant may be added in any subsequent month through the following July unless the plant replaces another plant in the system that has ceased operations and the market administrator is notified of such replacement prior to the first day of the month for which it is to be effective.

(g) The applicable shipping percentages of paragraphs (c) and (f) of this section may be increased or decreased by the market administrator if the market administrator finds that such adjustment is necessary to encourage needed shipments or to prevent uneconomic shipments. Before making such a finding, the market administrator shall investigate the need for adjustment either on the market administrator's own initiative or at the request of interested parties if the request is made in writing at least 15 days prior to the month for which the requested revision is desired effective. If the investigation shows that an adjustment of the shipping percentages might be appropriate, the market administrator

shall issue a notice stating that an adjustment is being considered and invite data, views and arguments. Any decision to revise an applicable shipping percentage must be issued in writing at least one day before the effective date.

(h) The term pool plant shall not apply to the following plants:

- (1) A producer-handler plant;
- (2) An exempt plant as defined in § 1000.8(e);
- (3) A plant qualified pursuant to paragraph (a) of this section that is located within the marketing area if the plant also meets the pooling requirements of another Federal order and more than 50 percent of its route distribution has been in such other Federal order marketing area for 3 consecutive months;
- (4) A plant qualified pursuant to paragraph (a) of this section which is not located within any Federal order marketing area that meets the pooling requirements of another Federal order and has had greater route disposition in such other Federal order's marketing area for 3 consecutive months;
- (5) A plant qualified pursuant to paragraph (a) of this section that is located in another Federal order marketing area if the plant meets the pooling requirements of such other Federal order and does not have a majority of its route distribution in this marketing area for 3 consecutive months or if the plant is required to be regulated under such other Federal order without regard to its route disposition in any other Federal order marketing area;
- (6) A plant qualified pursuant to paragraph (c) of this section which also meets the pooling requirements of another Federal order and from which greater qualifying shipments are made to plants regulated under the other Federal order than are made to plants regulated under the order in this part, or the plant has automatic pooling status under the other Federal order; and
- (7) That portion of a pool plant designated as a "nonpool plant" that is physically separate and operated separately from the pool portion of such plant. The designation of a portion of a regulated plant as a nonpool plant must be requested in writing by the handler and must be approved by the market administrator.

#### § 1001.8 Nonpool plant.

See § 1000.8.

#### § 1001.9 Handler.

See § 1000.9.

#### § 1001.10 Producer-handler.

*Producer-handler* means a person who:

- (a) Operates a dairy farm and a distributing plant from which there is monthly route disposition in the marketing area during the month;
- (b) Receives milk solely from own farm production or receives milk that is fully subject to the pricing and pooling provisions of this or any other Federal order;
- (c) Receives at its plant or acquires for route disposition no more than 150,000 pounds of fluid milk products from handlers fully regulated under any Federal order. This limitation shall not apply if the producer-handler's own farm production is less than 150,000 pounds during the month;
- (d) Disposes of no other source milk as Class I milk except by increasing the nonfat milk solids content of the fluid milk products; and
- (e) Provides proof satisfactory to the market administrator that the care and management of the dairy animals and other resources necessary to produce all Class I milk handled (excluding receipts from handlers fully regulated under any Federal order) and the processing and packaging operations are the producer-handler's own enterprise and at its own risk.

#### § 1001.11 [Reserved]

#### § 1001.12 Producer.

- (a) Except as provided in paragraph (b) of this section, *producer* means any person who produces milk approved by a duly constituted regulatory agency for fluid consumption as Grade A milk and whose milk (or components of milk) is:
  - (1) Received at a pool plant directly from the producer or diverted by the plant operator in accordance with § 1001.13; or
  - (2) Received by a handler described in § 1000.9(c).
- (b) Producer shall not include a dairy farmer described in paragraphs (b)(1) through (6) of this section. A dairy farmer described in paragraphs (b)(5) or (6) of this section shall be known as a *dairy farmer for other markets*.
  - (1) A producer-handler as defined in any Federal order;
  - (2) A dairy farmer whose milk is received at an exempt plant, excluding producer milk diverted to the exempt plant pursuant to § 1001.13(d);
  - (3) A dairy farmer whose milk is received by diversion at a pool plant from a handler regulated under another Federal order if the other Federal order designates the dairy farmer as a producer under that order and that milk is allocated by request to a utilization other than Class I;
  - (4) A dairy farmer whose milk is reported as diverted to a plant fully

regulated under another Federal order with respect to that portion of the milk so diverted that is assigned to Class I under the provisions of such other order;

(5) For any month of December through June, any dairy farmer whose milk is received at a pool plant or by a cooperative association handler described in § 1000.9(c) if the pool plant operator or the cooperative association caused milk from the same farm to be delivered to any plant as other than producer milk, as defined under the order in this part or any other Federal milk order, during the same month, either of the 2 preceding months, or during any of the preceding months of July through November; and

(6) For any month of July through November, any dairy farmer whose milk is received at a pool plant or by a cooperative association handler described in § 1000.9(c) if the pool plant operator or the cooperative association caused milk from the same farm to be delivered to any plant as other than producer milk, as defined under the order in this part or any other Federal milk order, during the same month.

#### § 1001.13 Producer milk.

*Producer milk* means the skim milk (or the skim equivalent of components of skim milk) and butterfat contained in milk of a producer that is:

- (a) Received by the operator of a pool plant directly from a producer or from a handler described in § 1000.9(c). Any milk which is picked up from the producer's farm in a tank truck under the control of the operator of a pool plant or a handler described in § 1000.9(c) but which is not received at a plant until the following month shall be considered as having been received by the handler during the month in which it is picked up at the farm. All milk received pursuant to this paragraph shall be priced at the location of the plant where it is first physically received;
- (b) Received by the operator of a pool plant or a handler described in § 1000.9(c) in excess of the quantity delivered to pool plants subject to the following conditions:
  - (1) The producers whose farms are outside of the states included in the marketing area and outside the states of Maine or West Virginia shall be organized into state units and each such unit shall be reported separately; and
  - (2) For pooling purposes, each reporting unit must satisfy the shipping standards specified for a supply plant pursuant to § 1001.7(c);
  - (c) Diverted by a proprietary pool plant operator to another pool plant.

Milk so diverted shall be priced at the location of the plant to which diverted; or

(d) Diverted by the operator of a pool plant or by a handler described in § 1000.9(c) to a nonpool plant, subject to the following conditions:

(1) Milk of a dairy farmer shall not be eligible for diversion unless milk of such dairy farmer was physically received as producer milk at a pool plant and the dairy farmer has continuously retained producer status since that time. If a dairy farmer loses producer status under the order in this part (except as a result of a temporary loss of Grade A approval), the dairy farmer's milk shall not be eligible for diversion until milk of the dairy farmer has been physically received as producer milk at a pool plant; and

(2) Diverted milk shall be priced at the location of the plant to which diverted.

**§ 1001.14 Other source milk.**

See § 1000.14.

**§ 1001.15 Fluid milk product.**

See § 1000.15.

**§ 1001.16 Fluid cream product.**

See § 1000.16.

**§ 1001.17 [Reserved]**

**§ 1001.18 Cooperative association.**

See § 1000.18.

**§ 1001.19 Commercial food processing establishment.**

See § 1000.19.

**Handler Reports**

**§ 1001.30 Reports of receipts and utilization.**

Each handler shall report monthly so that the market administrator's office receives the report on or before the 9th day after the end of the month, in the detail and on prescribed forms, as follows:

(a) Each pool plant operator shall report for each of its operations the following information:

(1) Product pounds, pounds of butterfat, pounds of protein, and pounds of nonfat solids other than protein (other solids) contained in or represented by:

(i) Receipts of producer milk, including producer milk diverted by the reporting handler, from sources other than handlers described in § 1000.9(c); and

(ii) Receipts of milk from handlers described in § 1000.9(c);

(2) Product pounds and pounds of butterfat contained in:

(i) Receipts of fluid milk products and bulk fluid cream products from other pool plants;

(ii) Receipts of other source milk; and  
(iii) Inventories at the beginning and end of the month of fluid milk products and bulk fluid cream products;

(3) The utilization or disposition of all milk and milk products required to be reported pursuant to this paragraph; and

(4) Such other information with respect to the receipts and utilization of skim milk, butterfat, milk protein, and other nonfat solids as the market administrator may prescribe.

(b) Each handler operating a partially regulated distributing plant shall report with respect to such plant in the same manner as prescribed for reports required by paragraph (a) of this section. Receipts of milk that would have been producer milk if the plant had been fully regulated shall be reported in lieu of producer milk. The report shall show also the quantity of any reconstituted skim milk in route disposition in the marketing area.

(c) Each handler described in § 1000.9(c) shall report:

(1) The product pounds, pounds of butterfat, pounds of protein, and the pounds of solids-not-fat other than protein (other solids) contained in receipts of milk from producers; and

(2) The utilization or disposition of such receipts.

(d) Each handler not specified in paragraph (a) or (b) of this section shall report with respect to its receipts and utilization of milk and milk products in such manner as the market administrator may prescribe.

**§ 1001.31 Payroll reports.**

(a) On or before the 22nd day after the end of each month, each handler that operates a pool plant pursuant to § 1001.7 and each handler described in § 1000.9(c) shall report to the market administrator its producer payroll for the month, in detail prescribed by the market administrator, showing for each producer the information specified in § 1001.73(e).

(b) Each handler operating a partially regulated distributing plant who elects to make payment pursuant to § 1000.76(b) shall report for each dairy farmer who would have been a producer if the plant had been fully regulated in the same manner as prescribed for reports required by paragraph (a) of this section.

**§ 1001.32 Other reports.**

In addition to the reports required pursuant to §§ 1001.30 and 1001.31, each handler shall report any information the market administrator

deems necessary to verify or establish each handler's obligation under the order.

**Classification of Milk**

**§ 1001.40 Classes of utilization.**

See § 1000.40.

**§ 1001.41 [Reserved]**

**§ 1001.42 Classification of transfers and diversions.**

See § 1000.42.

**§ 1001.43 General classification rules.**

See § 1000.43.

**§ 1001.44 Classification of producer milk.**

See § 1000.44.

**§ 1001.45 Market administrator's reports and announcements concerning classification.**

See § 1000.45.

**Class Prices**

**§ 1001.50 Class prices, component prices, and advanced pricing factors.**

See § 1000.50.

**§ 1001.51 Class I differential and price.**

The Class I differential shall be the differential established for Suffolk County, Massachusetts, which is reported in § 1000.52. The Class I price shall be the price computed pursuant to § 1000.50(a) for Suffolk County, Massachusetts.

**§ 1001.52 Adjusted Class I differentials.**

See § 1000.52.

**§ 1001.53 Announcement of class prices, component prices, and advanced pricing factors.**

See § 1000.53.

**§ 1001.54 Equivalent price.**

See § 1000.54.

**Producer Price Differential**

**§ 1001.60 Handler's value of milk.**

For the purpose of computing a handler's obligation for producer milk, the market administrator shall determine for each month the value of milk of each handler with respect to each of the handler's pool plants and of each handler described in § 1000.9(c) with respect to milk that was not received at a pool plant by adding the amounts computed in paragraphs (a) through (h) of this section and subtracting from that total amount the value computed in paragraph (i) of this section. Unless otherwise specified, the skim milk, butterfat, and the combined pounds of skim milk and butterfat referred to in this section shall result from the steps set forth in § 1000.44(a),

(b), and (c), respectively, and the nonfat components of producer milk in each class shall be based upon the proportion of such components in producer skim milk. Receipts of nonfluid milk products that are distributed as labeled reconstituted milk for which payments are made to the producer-settlement fund of another Federal order under § 1000.76(a)(4) or (d) shall be excluded from pricing under this section.

(a) Class I value. (1) Multiply the pounds of skim milk in Class I by the Class I skim milk price; and

(2) Add an amount obtained by multiplying the pounds of butterfat in Class I by the Class I butterfat price.

(b) Class II value. (1) Multiply the pounds of nonfat solids in Class II skim milk by the Class II nonfat solids price; and

(2) Add an amount obtained by multiplying the pounds of butterfat in Class II times the Class II butterfat price.

(c) Class III value. (1) Multiply the pounds of protein in Class III skim milk by the protein price;

(2) Add an amount obtained by multiplying the pounds of other solids in Class III skim milk by the other solids price; and

(3) Add an amount obtained by multiplying the pounds of butterfat in Class III by the butterfat price.

(d) Class IV value. (1) Multiply the pounds of nonfat solids in Class IV skim milk by the nonfat solids price; and

(2) Add an amount obtained by multiplying the pounds of butterfat in Class IV by the butterfat price.

(e) Multiply the pounds of skim milk and butterfat overage assigned to each class pursuant to § 1000.44(a)(11) and the corresponding step of § 1000.44(b) by the skim milk prices and butterfat prices applicable to each class.

(f) Multiply the difference between the current month's Class I, II, or III price, as the case may be, and the Class IV price for the preceding month by the hundredweight of skim milk and butterfat subtracted from Class I, II, or III, respectively, pursuant to § 1000.44(a)(7) and the corresponding step of § 1000.44(b);

(g) Multiply the difference between the Class I price applicable at the location of the pool plant and the Class IV price by the hundredweight of skim milk and butterfat assigned to Class I pursuant to § 1000.43(d) and the hundredweight of skim milk and butterfat subtracted from Class I pursuant to § 1000.44(a)(3)(i) through (vi) and the corresponding step of § 1000.44(b), excluding receipts of bulk fluid cream products from a plant regulated under other Federal orders and bulk concentrated fluid milk

products from pool plants, plants regulated under other Federal orders, and unregulated supply plants.

(h) Multiply the difference between the Class I price applicable at the location of the nearest unregulated supply plants from which an equivalent volume was received and the Class III price by the pounds of skim milk and butterfat in receipts of concentrated fluid milk products assigned to Class I pursuant to § 1000.43(d) and § 1000.44(a)(3)(i) and the corresponding step of § 1000.44(b) and the pounds of skim milk and butterfat subtracted from Class I pursuant to § 1000.44(a)(8) and the corresponding step of § 1000.44(b), excluding such skim milk and butterfat in receipts of fluid milk products from an unregulated supply plant to the extent that an equivalent amount of skim milk or butterfat disposed of to such plant by handlers fully regulated under any Federal milk order is classified and priced as Class I milk and is not used as an offset for any other payment obligation under any order.

(i) For reconstituted milk made from receipts of nonfluid milk products, multiply \$1.00 (but not more than the difference between the Class I price applicable at the location of the pool plant and the Class IV price) by the hundredweight of skim milk and butterfat contained in receipts of nonfluid milk products that are allocated to Class I use pursuant to § 1000.43(d).

#### **§ 1001.61 Computation of producer price differential.**

For each month, the market administrator shall compute a producer price differential per hundredweight. The report of any handler who has not made payments required pursuant to § 1001.71 for the preceding month shall not be included in the computation of the producer price differential, and such handler's report shall not be included in the computation for succeeding months until the handler has made full payment of outstanding monthly obligations.

Subject to the conditions in this paragraph, the market administrator shall compute the producer price differential in the following manner:

(a) Combine into one total the values computed pursuant to § 1001.60 for all handlers required to file reports prescribed in § 1001.30;

(b) Subtract the total of the values obtained by multiplying each handler's total pounds of protein, other solids, and butterfat contained in the milk for which an obligation was computed pursuant to § 1001.60 by the protein price, other solids price, and the butterfat price, respectively;

(c) Add an amount equal to the minus location adjustments and subtract an amount equal to the plus location adjustments computed pursuant to § 1001.75;

(d) Add an amount equal to not less than one-half of the unobligated balance in the producer-settlement fund;

(e) Divide the resulting amount by the sum of the following for all handlers included in these computations:

(1) The total hundredweight of producer milk; and

(2) The total hundredweight for which a value is computed pursuant to § 1001.60(h); and

(f) Subtract not less than 4 cents nor more than 5 cents from the price computed pursuant to paragraph (e) of this section. The result, rounded to the nearest cent, shall be known as the *producer price differential* for the month.

#### **§ 1001.62 Announcement of producer prices.**

On or before the 13th day after the end of the month, the market administrator shall announce the following prices and information:

(a) The producer price differential;

(b) The protein price;

(c) The nonfat solids price;

(d) The other solids price;

(e) The butterfat price;

(f) The average butterfat, protein, nonfat solids, and other solids content of producer milk; and

(g) The statistical uniform price for milk containing 3.5 percent butterfat computed by combining the Class III price and the producer price differential.

#### **Payments for Milk**

##### **§ 1001.70 Producer-settlement fund.**

See § 1000.70.

##### **§ 1001.71 Payments to the producer-settlement fund.**

Each handler shall make payment to the producer-settlement fund in a manner that provides receipt of the funds by the market administrator no later than the 15th day after the end of the month (except as provided in § 1000.90). Payment shall be the amount, if any, by which the amount specified in paragraph (a) of this section exceeds the amount specified in paragraph (b) of this section:

(a) The total value of milk to the handler for the month as determined pursuant to § 1001.60.

(b) The sum of:

(1) An amount obtained by multiplying the total hundredweight of producer milk as determined pursuant to § 1000.44(c) by the producer price



differential as adjusted pursuant to § 1001.75;

(2) An amount obtained by multiplying the total pounds of protein, other solids, and butterfat contained in producer milk by the protein, other solids, and butterfat prices respectively; and

(3) An amount obtained by multiplying the pounds of skim milk and butterfat for which a value was computed pursuant to § 1001.60(h) by the producer price differential as adjusted pursuant to § 1001.75 for the location of the plant from which received.

**§ 1001.72 Payments from the producer-settlement fund.**

No later than the 16th day after the end of each month (except as provided in § 1000.90), the market administrator shall pay to each handler the amount, if any, by which the amount computed pursuant to § 1001.71(b) exceeds the amount computed pursuant to § 1001.71(a). If, at such time, the balance in the producer-settlement fund is insufficient to make all payments pursuant to this section, the market administrator shall reduce uniformly such payments and shall complete the payments as soon as the funds are available.

**§ 1001.73 Payments to producers and to cooperative associations.**

(a) Each pool plant operator that is not paying a cooperative association for producer milk shall pay each producer as follows:

(1) *Partial payment.* For each producer who has not discontinued shipments as of the 23rd day of the month, payment shall be made so that it is received by the producer on or before the 26th day of the month (except as provided in § 1000.90) for milk received during the first 15 days of the month at not less than the lowest announced class price for the preceding month, less proper deductions authorized in writing by the producer.

(2) *Final payment.* For milk received during the month, payment shall be made so that it is received by each producer no later than the day after the payment date required in § 1001.72 in an amount computed as follows:

(i) Multiply the hundredweight of producer milk received by the producer price differential for the month as adjusted pursuant to § 1001.75;

(ii) Multiply the pounds of butterfat received by the butterfat price for the month;

(iii) Multiply the pounds of protein received by the protein price for the month;

(iv) Multiply the pounds of other solids received by the other solids price for the month; and

(v) Add the amounts computed in paragraphs (a)(2)(i) through (iv) of this section, and from that sum:

(A) Subtract the partial payment made pursuant to paragraph (a)(1) of this section;

(B) Subtract the deduction for marketing services pursuant to § 1000.86;

(C) Add or subtract for errors made in previous payments to the producer; and

(D) Subtract proper deductions authorized in writing by the producer.

(b) One day before partial and final payments are due pursuant to paragraph (a) of this section, each pool plant operator shall pay a cooperative association for milk received as follows:

(1) *Partial payment to a cooperative association for bulk milk received directly from producers' farms.* For bulk milk (including the milk of producers who are not members of such association and who the market administrator determines have authorized the cooperative association to collect payment for their milk) received during the first 15 days of the month from a cooperative association in any capacity, except as the operator of a pool plant, the payment shall be equal to the hundredweight of milk received multiplied by the lowest announced class price for the preceding month.

(2) *Partial payment to a cooperative association for milk transferred from its pool plant.* For bulk milk/skimmed milk products received during the first 15 days of the month from a cooperative association in its capacity as the operator of a pool plant, the partial payment shall be at the pool plant operator's estimated use value of the milk using the most recent class prices available at the receiving plant's location.

(3) *Final payment to a cooperative association for milk transferred from its pool plant.* Following the classification of bulk fluid milk products and bulk fluid cream products received during the month from a cooperative association in its capacity as the operator of a pool plant, the final payment for such receipts shall be determined as follows:

(i) Multiply the hundredweight of Class I skim milk by the Class I skim milk price for the month at the receiving plant;

(ii) Multiply the pounds of Class I butterfat by the Class I butterfat price for the month at the receiving plant;

(iii) Multiply the pounds of nonfat solids in Class II skim milk by the Class II nonfat solids price;

(iv) Multiply the pounds of butterfat in Class II times the Class II butterfat price;

(v) Multiply the pounds of nonfat solids in Class IV milk by the nonfat solids price for the month;

(vi) Multiply the pounds of butterfat in Class III and IV milk by the butterfat price for the month;

(vii) Multiply the pounds of protein in Class III milk by the protein price for the month;

(viii) Multiply the pounds of other solids in Class III milk by the other solids price for the month; and

(ix) Add together the amounts computed in paragraphs (b)(3)(i) through (viii) of this section and from that sum deduct any payment made pursuant to paragraph (b)(2) of this section.

(4) *Final payment to a cooperative association for bulk milk received directly from producers' farms.* For bulk milk received from a cooperative association during the month, including the milk of producers who are not members of such association and who the market administrator determines have authorized the cooperative association to collect payment for their milk, the final payment for such milk shall be an amount equal to the sum of the individual payments otherwise payable for such milk pursuant to paragraph (a)(2) of this section.

(c) If a handler has not received full payment from the market administrator pursuant to § 1001.72 by the payment date specified in paragraph (a) or (b) of this section, the handler may reduce payments pursuant to paragraphs (a) and (b) of this section, but by not more than the amount of the underpayment. The payments shall be completed on the next scheduled payment date after receipt of the balance due from the market administrator.

(d) If a handler claims that a required payment to a producer cannot be made because the producer is deceased or cannot be located, or because the cooperative association or its lawful successor or assignee is no longer in existence, the payment shall be made to the producer-settlement fund, and in the event that the handler subsequently locates and pays the producer or a lawful claimant, or in the event that the handler no longer exists and a lawful claim is later established, the market administrator shall make the required payment from the producer-settlement fund to the handler or to the lawful claimant as the case may be.

(e) In making payments to producers pursuant to this section, each pool plant operator shall furnish each producer, except a producer whose milk was

received from a cooperative association handler described in § 1000.9(a) or (c), a supporting statement in such form that it may be retained by the recipient which shall show:

(1) The name, address, Grade A identifier assigned by a duly constituted regulatory agency, and the payroll number of the producer;

(2) The month and dates that milk was received from the producer, including the daily and total pounds of milk received;

(3) The total pounds of butterfat, protein, and other solids contained in the producer's milk;

(4) The minimum rate or rates at which payment to the producer is required pursuant to the order in this part;

(5) The rate used in making payment if the rate is other than the applicable minimum rate;

(6) The amount, or rate per hundredweight, or rate per pound of component, and the nature of each deduction claimed by the handler; and

(7) The net amount of payment to the producer or cooperative association.

#### **§ 1001.74 [Reserved]**

#### **§ 1001.75 Plant location adjustments for producer milk and nonpool milk.**

For purposes of making payments for producer milk and nonpool milk, a plant location adjustment shall be determined by subtracting the Class I price specified in § 1001.51 from the Class I price at the plant's location. The difference, plus or minus as the case may be, shall be used to adjust the payments required pursuant to §§ 1001.73 and 1000.76.

#### **§ 1001.76 Payments by a handler operating a partially regulated distributing plant.**

See § 1000.76.

#### **§ 1001.77 Adjustment of accounts.**

See § 1000.77.

#### **§ 1001.78 Charges on overdue accounts.**

See § 1000.78.

### **Administrative Assessment and Marketing Service Deduction**

#### **§ 1001.85 Assessment for order administration.**

See § 1000.85.

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See § 1000.86.

### **PART 1005—MILK IN THE APPALACHIAN MARKETING AREA**

#### **Subpart—Order Regulating Handling**

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1005.85 Assessment for order administration.

1005.86 Deduction for marketing services.

**Authority:** 7 U.S.C. 601–674, and 7253.

#### **Subpart—Order Regulating Handling**

##### **General Provisions**

##### **§ 1005.1 General provisions.**

The terms, definitions, and provisions in part 1000 of this chapter apply to this part 1005. In this part 1005, all references to sections in part 1000 refer to part 1000 of this chapter.

##### **Definitions**

##### **§ 1005.2 Appalachian marketing area.**

The marketing area means all the territory within the bounds of the following states and political subdivisions, including all piers, docks and wharves connected therewith and all craft moored thereat, and all territory occupied by government (municipal, State or Federal) reservations, installations, institutions, or other similar establishments if any part thereof is within any of the listed states or political subdivisions:

##### *Georgia Counties*

Catoosa, Chattooga, Dade, Fannin, Murray, Walker, and Whitfield.

##### *Indiana Counties*

Clark, Crawford, Daviess, Dubois, Floyd, Gibson, Greene, Harrison, Knox, Martin, Orange, Perry, Pike, Posey, Scott, Spencer, Sullivan, Vanderburgh, Warrick, and Washington.

##### *Kentucky Counties*

Adair, Anderson, Bath, Bell, Bourbon, Boyle, Breathitt, Breckinridge, Bullitt, Butler, Carroll, Carter, Casey, Clark, Clay, Clinton, Cumberland, Daviess, Edmonson, Elliott, Estill, Fayette, Fleming, Franklin, Gallatin, Garrard, Grayson, Green, Hancock, Hardin, Harlan, Hart, Henderson, Henry, Hopkins, Jackson, Jefferson, Jessamine, Knott, Knox, Larue, Laurel, Lee, Leslie, Letcher, Lincoln, Madison, Marion, McCreary, McLean, Meade, Menifee, Mercer, Montgomery, Morgan, Muhlenberg, Nelson, Nicholas, Ohio, Oldham, Owen, Owsley, Perry, Powell, Pulaski, Rockcastle, Rowan, Russell, Scott, Shelby, Spencer, Taylor, Trimble, Union, Washington, Wayne, Webster, Whitley, Wolfe, and Woodford.

##### *North Carolina and South Carolina*

All of the States of North Carolina and South Carolina.

*Tennessee Counties*

Anderson, Blount, Bradley, Campbell, Carter, Claiborne, Cocke, Cumberland, Grainger, Greene, Hamblen, Hamilton, Hancock, Hawkins, Jefferson, Johnson, Knox, Loudon, Marion, McMinn, Meigs, Monroe, Morgan, Polk, Rhea, Roane, Scott, Sequatchie, Sevier, Sullivan, Unicoi, Union, and Washington.

*Virginia Counties and Cities*

Buchanan, Dickenson, Lee, Russell, Scott, Tazewell, Washington, and Wise; and the cities of Bristol and Norton.

*West Virginia Counties*

McDowell and Mercer.

**§ 1005.3 Route disposition.**

See § 1000.3.

**§ 1005.4 Plant.**

See § 1000.4.

**§ 1005.5 Distributing plant.**

See § 1000.5.

**§ 1005.6 Supply plant.**

See § 1000.6.

**§ 1005.7 Pool plant.**

*Pool plant* means a plant specified in paragraphs (a) through (d) of this section, or a unit of plants as specified in paragraph (e) of this section, but excluding a plant specified in paragraph (g) of this section. The pooling standards described in paragraphs (c) and (d) of this section are subject to modification pursuant to paragraph (f) of this section:

(a) A distributing plant, other than a plant qualified as a pool plant pursuant to paragraph (b) of this section or § \_\_\_\_\_.7(b) of any other Federal milk order, from which during the month 50 percent or more of the fluid milk products physically received at such plant (excluding concentrated milk received from another plant by agreement for other than Class I use) are disposed of as route disposition or are transferred in the form of packaged fluid milk products to other distributing plants. At least 25 percent of such route disposition and transfers must be to outlets in the marketing area.

(b) Any distributing plant located in the marketing area which during the month processed at least 50 percent of the total quantity of fluid milk products physically received at the plant (excluding concentrated milk received from another plant by agreement for other than Class I use) into ultra-pasteurized or aseptically-processed fluid milk products.

(c) A supply plant from which 50 percent or more of the total quantity of milk that is physically received during the month from dairy farmers and

handlers described in § 1000.9(c), including milk that is diverted from the plant, is transferred to pool distributing plants. Concentrated milk transferred from the supply plant to a distributing plant for an agreed-upon use other than Class I shall be excluded from the supply plant's shipments in computing the plant's shipping percentage.

(d) A plant located within the marketing area or in the State of Virginia that is operated by a cooperative association if pool plant status under this paragraph is requested for such plant by the cooperative association and during the month at least 60 percent of the producer milk of members of such cooperative association is delivered directly from farms to pool distributing plants or is transferred to such plants as a fluid milk product (excluding concentrated milk transferred to a distributing plant for an agreed-upon use other than Class I) from the cooperative's plant.

(e) Two or more plants operated by the same handler and that are located within the marketing area may qualify for pool status as a unit by meeting the total and in-area route disposition requirements specified in paragraph (a) of this section and the following additional requirements:

(1) At least one of the plants in the unit must qualify as a pool plant pursuant to paragraph (a) of this section;

(2) Other plants in the unit must process only Class I or Class II products and must be located in a pricing zone providing the same or a lower Class I price than the price applicable at the distributing plant included in the unit pursuant to paragraph (e)(1) of this section; and

(3) A written request to form a unit, or to add or remove plants from a unit, must be filed with the market administrator prior to the first day of the month for which it is to be effective.

(f) The applicable shipping percentages of paragraphs (c) and (d) of this section may be increased or decreased by the market administrator if the market administrator finds that such adjustment is necessary to encourage needed shipments or to prevent uneconomic shipments. Before making such a finding, the market administrator shall investigate the need for adjustment either on the market administrator's own initiative or at the request of interested parties if the request is made in writing at least 15 days prior to the date for which the requested revision is desired effective. If the investigation shows that an adjustment of the shipping percentages might be appropriate, the market administrator shall issue a notice stating that an

adjustment is being considered and invite data, views and arguments. Any decision to revise an applicable shipping percentage must be issued in writing at least one day before the effective date.

(g) The term pool plant shall not apply to the following plants:

(1) A producer-handler plant;

(2) An exempt plant as defined in § 1000.8(e);

(3) A plant qualified pursuant to paragraph (a) of this section which is not located within any Federal order marketing area, meets the pooling requirements of another Federal order, and has had greater route disposition in such other Federal order marketing area for 3 consecutive months;

(4) A plant qualified pursuant to paragraph (a) of this section which is located in another Federal order marketing area, meets the pooling standards of the other Federal order, and has not had a majority of its route disposition in this marketing area for 3 consecutive months or is locked into pool status under such other Federal order without regard to its route disposition in any other Federal order marketing area;

(5) A plant qualified pursuant to paragraph (c) of this section which also meets the pooling requirements of another Federal order and from which greater qualifying shipments are made to plants regulated under such other order than are made to plants regulated under the order in this part, or such plant has automatic pooling status under such other order; and

(6) That portion of a pool plant designated as a "nonpool plant" that is physically separate and operated separately from the pool portion of such plant. The designation of a portion of a regulated plant as a nonpool plant must be requested in writing by the handler and must be approved by the market administrator.

**§ 1005.8 Nonpool plant.**

See § 1000.8.

**§ 1005.9 Handler.**

See § 1000.9.

**§ 1005.10 Producer-handler.**

*Producer-handler* means a person who:

(a) Operates a dairy farm and a distributing plant from which there is monthly route disposition in the marketing area;

(b) Receives no fluid milk products, and acquires no fluid milk products for route disposition, from sources other than own farm production;

(c) Disposes of no other source milk as Class I milk except by increasing the

nonfat milk solids content of the fluid milk products received from own farm production; and

(d) Provides proof satisfactory to the market administrator that the care and management of the dairy animals and other resources necessary to produce all Class I milk handled, and the processing and packaging operations are the producer-handler's own enterprise and are operated at the producer-handler's own risk.

#### **§ 1005.11 [Reserved]**

#### **§ 1005.12 Producer.**

(a) Except as provided in paragraph (b) of this section, *producer* means any person who produces milk approved by a duly constituted regulatory agency for fluid consumption as Grade A milk and whose milk (or components of milk) is:

(1) Received at a pool plant directly from the producer or diverted by the plant operator in accordance with § 1005.13; or

(2) Received by a handler described in § 1000.9(c).

(b) Producer shall not include:

(1) A producer-handler as defined in any Federal order;

(2) A dairy farmer whose milk is received at an exempt plant, excluding producer milk diverted to the exempt plant pursuant to § 1005.13(d);

(3) A dairy farmer whose milk is received by diversion at a pool plant from a handler regulated under another Federal order if the other Federal order designates the dairy farmer as a producer under that order and that milk is allocated by request to a utilization other than Class I; and

(4) A dairy farmer whose milk is reported as diverted to a plant fully regulated under another order with respect to that portion of the milk so diverted that is assigned to Class I under the provisions of such other order.

#### **§ 1005.13 Producer milk.**

*Producer milk* means the skim milk (or the skim equivalent of components of skim milk) and butterfat contained in milk of a producer that is:

(a) Received by the operator of a pool plant directly from a producer or a handler described in § 1000.9(c). All milk received pursuant to this paragraph shall be priced at the location of the plant where it is first physically received;

(b) Received by a handler described in § 1000.9(c) in excess of the quantity delivered to pool plants;

(c) Diverted by a pool plant operator to another pool plant. Milk so diverted shall be priced at the location of the plant to which diverted; or

(d) Diverted by the operator of a pool plant or a handler described in § 1000.9(c) to a nonpool plant, subject to the following conditions:

(1) In any month of July through December, not less than 6 days' production of the producer whose milk is diverted is physically received at a pool plant during the month;

(2) In any month of January through June, not less than 2 days' production of the producer whose milk is diverted is physically received at a pool plant during the month;

(3) The total quantity of milk so diverted during the month by a cooperative association shall not exceed 25 percent during the months of July through November, January, and February, and 40 percent during the months of December and March through June, of the producer milk that the cooperative association caused to be delivered to, and physically received at, pool plants during the month;

(4) The operator of a pool plant that is not a cooperative association may divert any milk that is not under the control of a cooperative association that diverts milk during the month pursuant to paragraph (d) of this section. The total quantity of milk so diverted during the month shall not exceed 25 percent during the months of July through November, January, and February, and 40 percent during the months of December and March through June, of the producer milk physically received at such plant (or such unit of plants in the case of plants that pool as a unit pursuant to § 1005.7(d)) during the month, excluding the quantity of producer milk received from a handler described in § 1000.9(c);

(5) Any milk diverted in excess of the limits prescribed in paragraphs (d)(3) and (4) of this section shall not be producer milk. If the diverting handler or cooperative association fails to designate the dairy farmers' deliveries that will not be producer milk, no milk diverted by the handler or cooperative association shall be producer milk;

(6) Diverted milk shall be priced at the location of the plant to which diverted; and

(7) The delivery day requirements and the diversion percentages in paragraphs (d)(1) through (4) of this section may be increased or decreased by the market administrator if the market administrator finds that such revision is necessary to assure orderly marketing and efficient handling of milk in the marketing area. Before making such a finding, the market administrator shall investigate the need for the revision either on the market administrator's own initiative or at the request of

interested persons. If the investigation shows that a revision might be appropriate, the market administrator shall issue a notice stating that the revision is being considered and inviting written data, views, and arguments. Any decision to revise an applicable percentage must be issued in writing at least one day before the effective date.

#### **§ 1005.14 Other source milk.**

See § 1000.14.

#### **§ 1005.15 Fluid milk product.**

See § 1000.15.

#### **§ 1005.16 Fluid cream product.**

See § 1000.16.

#### **§ 1005.17 [Reserved]**

#### **§ 1005.18 Cooperative association.**

See § 1000.18.

#### **§ 1005.19 Commercial food processing establishment.**

See § 1000.19.

#### **Handler Reports**

#### **§ 1005.30 Reports of receipts and utilization.**

Each handler shall report monthly so that the market administrator's office receives the report on or before the 7th day after the end of the month, in the detail and on prescribed forms, as follows:

(a) With respect to each of its pool plants, the quantities of skim milk and butterfat contained in or represented by:

(1) Receipts of producer milk, including producer milk diverted by the reporting handler, from sources other than handlers described in § 1000.9(c);

(2) Receipts of milk from handlers described in § 1000.9(c);

(3) Receipts of fluid milk products and bulk fluid cream products from other pool plants;

(4) Receipts of other source milk;

(5) Receipts of bulk milk from a plant regulated under another Federal order, except Federal Order 1007, for which a transportation credit is requested pursuant to § 1005.82;

(6) Receipts of producer milk described in § 1005.82(c)(2), including the identity of the individual producers whose milk is eligible for the transportation credit pursuant to that paragraph and the date that such milk was received;

(7) For handlers submitting transportation credit requests, transfers of bulk milk to nonpool plants, including the dates that such milk was transferred;

(8) Inventories at the beginning and end of the month of fluid milk products and bulk fluid cream products; and

(9) The utilization or disposition of all milk and milk products required to be reported pursuant to this paragraph.

(b) Each handler operating a partially regulated distributing plant shall report with respect to such plant in the same manner as prescribed for reports required by paragraph (a) of this section. Receipts of milk that would have been producer milk if the plant had been fully regulated shall be reported in lieu of producer milk. The report shall show also the quantity of any reconstituted skim milk in route disposition in the marketing area.

(c) Each handler described in § 1000.9(c) shall report:

(1) The quantities of all skim milk and butterfat contained in receipts of milk from producers;

(2) The utilization or disposition of all such receipts; and

(3) With respect to milk for which a cooperative association is requesting a transportation credit pursuant to § 1005.82, all of the information required in paragraphs (a)(5), (a)(6), and (a)(7) of this section.

(d) Each handler not specified in paragraphs (a) through (c) of this section shall report with respect to its receipts and utilization of milk and milk products in such manner as the market administrator may prescribe.

#### § 1005.31 Payroll reports.

(a) On or before the 20th day after the end of each month, each handler that operates a pool plant pursuant to § 1005.7 and each handler described in § 1000.9(c) shall report to the market administrator its producer payroll for the month, in detail prescribed by the market administrator, showing for each producer the information specified in § 1005.73(e).

(b) Each handler operating a partially regulated distributing plant who elects to make payment pursuant to § 1000.76(b) shall report for each dairy farmer who would have been a producer if the plant had been fully regulated in the same manner as prescribed for reports required by paragraph (a) of this section.

#### § 1005.32 Other reports.

(a) On or before the 20th day after the end of each month, each handler described in § 1000.9(a) and (c) shall report to the market administrator any adjustments to transportation credit requests as reported pursuant to § 1005.30(a)(5), (6), and (7).

(b) In addition to the reports required pursuant to §§ 1005.30, 1005.31, and 1005.32(a), each handler shall report any information the market administrator deems necessary to verify

or establish each handler's obligation under the order.

#### Classification of Milk

##### § 1005.40 Classes of utilization.

See § 1000.40.

##### § 1005.41 [Reserved]

##### § 1005.42 Classification of transfers and diversions.

See § 1000.42.

##### § 1005.43 General classification rules.

See § 1000.43.

##### § 1005.44 Classification of producer milk.

See § 1000.44.

##### § 1005.45 Market administrator's reports and announcements concerning classification.

See § 1000.45.

#### Class Prices

##### § 1005.50 Class prices, component prices, and advanced pricing factors.

See § 1000.50.

##### § 1005.51 Class I differential and price.

The Class I differential shall be the differential established for Mecklenburg County, North Carolina, which is reported in § 1000.52. The Class I price shall be the price computed pursuant to § 1000.50(a) for Mecklenburg County, North Carolina.

##### § 1005.52 Adjusted Class I differentials.

See § 1000.52.

##### § 1005.53 Announcement of class prices, component prices, and advanced pricing factors.

See § 1000.53.

##### § 1005.54 Equivalent price.

See § 1000.54.

#### Uniform Prices

##### § 1005.60 Handler's value of milk.

For the purpose of computing a handler's obligation for producer milk, the market administrator shall determine for each month the value of milk of each handler with respect to each of the handler's pool plants and of each handler described in § 1000.9(c) with respect to milk that was not received at a pool plant by adding the amounts computed in paragraphs (a) through (e) of this section and subtracting from that total amount the value computed in paragraph (f) of this section. Receipts of nonfluid milk products that are distributed as labeled reconstituted milk for which payments are made to the producer-settlement fund of another Federal order under § 1000.76(a)(4) or (d) shall be excluded from pricing under this section.

(a) Multiply the pounds of skim milk and butterfat in producer milk that were classified in each class pursuant to § 1000.44(c) by the applicable skim milk and butterfat prices, and add the resulting amounts;

(b) Multiply the pounds of skim milk and butterfat overage assigned to each class pursuant to § 1000.44(a)(11) by the respective skim milk and butterfat prices applicable at the location of the pool plant;

(c) Multiply the difference between the Class IV price for the preceding month and the current month's Class I, II, or III price, as the case may be, by the hundredweight of skim milk and butterfat subtracted from Class I, II, or III, respectively, pursuant to § 1000.44(a)(7) and the corresponding step of § 1000.44(b);

(d) Multiply the difference between the Class I price applicable at the location of the pool plant and the Class IV price by the hundredweight of skim milk and butterfat assigned to Class I pursuant to § 1000.43(d) and the hundredweight of skim milk and butterfat subtracted from Class I pursuant to § 1000.44(a)(3)(i) through (vi) and the corresponding step of § 1000.44(b), excluding receipts of bulk fluid cream products from a plant regulated under other Federal orders and bulk concentrated fluid milk products from pool plants, plants regulated under other Federal orders, and unregulated supply plants;

(e) Multiply the Class I price applicable at the location of the nearest unregulated supply plants from which an equivalent volume was received by the pounds of skim milk and butterfat in receipts of concentrated fluid milk products assigned to Class I pursuant to § 1000.43(d) and § 1000.44(a)(3)(i) and the pounds of skim milk and butterfat subtracted from Class I pursuant to § 1000.44(a)(8) and the corresponding step of § 1000.44(b), excluding such skim milk and butterfat in receipts of fluid milk products from an unregulated supply plant to the extent that an equivalent amount of skim milk or butterfat disposed of to such plant by handlers fully regulated under any Federal milk order is classified and priced as Class I milk and is not used as an offset for any other payment obligation under any order; and

(f) For reconstituted milk made from receipts of nonfluid milk products, multiply \$1.00 (but not more than the difference between the Class I price applicable at the location of the pool plant and the Class IV price) by the hundredweight of skim milk and butterfat contained in receipts of nonfluid milk products that are

allocated to Class I use pursuant to § 1000.43(d).

**§ 1005.61 Computation of uniform prices.**

On or before the 11th day of each month, the market administrator shall compute a uniform butterfat price, a uniform skim milk price, and a uniform price for producer milk receipts reported for the prior month. The report of any handler who has not made payments required pursuant to § 1005.71 for the preceding month shall not be included in the computation of these prices, and such handler's report shall not be included in the computation for succeeding months until the handler has made full payment of outstanding monthly obligations.

(a) *Uniform butterfat price.* The uniform butterfat price per pound, rounded to the nearest one-hundredth cent, shall be computed by multiplying the pounds of butterfat in producer milk allocated to each class pursuant to § 1000.44(b) by the respective class butterfat prices and dividing the sum of such values by the total pounds of such butterfat.

(b) *Uniform skim milk price.* The uniform skim milk price per hundredweight, rounded to the nearest cent, shall be computed as follows:

(1) Combine into one total the values computed pursuant to § 1005.60 for all handlers;

(2) Add an amount equal to the minus location adjustments and subtract an amount equal to the plus location adjustments computed pursuant to § 1005.75;

(3) Add an amount equal to not less than one-half of the unobligated balance in the producer-settlement fund;

(4) Subtract the value of the total pounds of butterfat for all handlers. The butterfat value shall be computed by multiplying the pounds of butterfat by the butterfat price computed in paragraph (a) of this section;

(5) Divide the resulting amount by the sum of the following for all handlers included in these computations:

(i) The total skim pounds of producer milk; and

(ii) The total skim pounds for which a value is computed pursuant to § 1005.60(e); and

(6) Subtract not less than 4 cents and not more than 5 cents.

(c) *Uniform price.* The uniform price per hundredweight, rounded to the nearest cent, shall be the sum of the following:

(1) Multiply the uniform butterfat price for the month pursuant to paragraph (a) of this section times 3.5 pounds of butterfat; and

(2) Multiply the uniform skim milk price for the month pursuant to

paragraph (b) of this section times 96.5 pounds of skim milk.

**§ 1005.62 Announcement of uniform prices.**

On or before the 11th day after the end of the month, the market administrator shall announce the uniform prices for the month computed pursuant to § 1005.61.

**Payments for Milk**

**§ 1005.70 Producer-settlement fund.**

See § 1000.70.

**§ 1005.71 Payments to the producer-settlement fund.**

Each handler shall make a payment to the producer-settlement fund in a manner that provides receipt of the funds by the market administrator no later than the 12th day after the end of the month (except as provided in § 1000.90). Payment shall be the amount, if any, by which the amount specified in paragraph (a) of this section exceeds the amount specified in paragraph (b) of this section:

(a) The total value of milk of the handler for the month as determined pursuant to § 1005.60; and

(b) The sum of the value at the uniform prices for skim milk and butterfat, adjusted for plant location, of the handler's receipts of producer milk; and the value at the uniform price, as adjusted pursuant to § 1005.75, applicable at the location of the plant from which received of other source milk for which a value is computed pursuant to § 1005.60(e).

**§ 1005.72 Payments from the producer-settlement fund.**

No later than one day after the date of payment receipt required under § 1005.71, the market administrator shall pay to each handler the amount, if any, by which the amount computed pursuant to § 1005.71(b) exceeds the amount computed pursuant to § 1005.71(a). If, at such time, the balance in the producer-settlement fund is insufficient to make all payments pursuant to this section, the market administrator shall reduce uniformly such payments and shall complete the payments as soon as the funds are available.

**§ 1005.73 Payments to producers and to cooperative associations.**

(a) Each pool plant operator that is not paying a cooperative association for producer milk shall pay each producer as follows:

(1) *Partial payment.* For each producer who has not discontinued shipments as of the 23rd day of the month, payment shall be made so that

it is received by the producer on or before the 26th day of the month (except as provided in § 1000.90) for milk received during the first 15 days of the month at not less than 90 percent of the preceding month's uniform price, adjusted for plant location pursuant to § 1005.75 and proper deductions authorized in writing by the producer.

(2) *Final payment.* For milk received during the month, a payment computed as follows shall be made so that it is received by each producer one day after the payment date required in § 1005.72:

(i) Multiply the hundredweight of producer skim milk received times the uniform skim milk price for the month;

(ii) Multiply the pounds of butterfat received times the uniform butterfat price for the month;

(iii) Multiply the hundredweight of producer milk received times the plant location adjustment pursuant to § 1005.75; and

(iv) Add the amounts computed in paragraph (a)(2)(i), (ii), and (iii) of this section, and from that sum:

(A) Subtract the partial payment made pursuant to paragraph (a)(1) of this section;

(B) Subtract the deduction for marketing services pursuant to § 1000.86;

(C) Add or subtract for errors made in previous payments to the producer; and

(D) Subtract proper deductions authorized in writing by the producer.

(b) One day before partial and final payments are due pursuant to paragraph (a) of this section, each pool plant operator shall pay a cooperative association for milk received as follows:

(1) *Partial payment to a cooperative association for bulk milk received directly from producers' farms.* For bulk milk (including the milk of producers who are not members of such association and who the market administrator determines have authorized the cooperative association to collect payment for their milk) received during the first 15 days of the month from a cooperative association in any capacity, except as the operator of a pool plant, the payment shall be equal to the hundredweight of milk received multiplied by 90 percent of the preceding month's uniform price, adjusted for plant location pursuant to § 1005.75.

(2) *Partial payment to a cooperative association for milk transferred from its pool plant.* For bulk fluid milk products and bulk fluid cream products received during the first 15 days of the month from a cooperative association in its capacity as the operator of a pool plant, the partial payment shall be at the pool plant operator's estimated use value of

the milk using the most recent class prices available for skim milk and butterfat at the receiving plant's location.

(3) *Final payment to a cooperative association for milk transferred from its pool plant.* For bulk fluid milk products and bulk fluid cream products received during the month from a cooperative association in its capacity as the operator of a pool plant, the final payment shall be the classified value of such milk as determined by multiplying the pounds of skim milk and butterfat assigned to each class pursuant to § 1000.44 by the class prices for the month at the receiving plant's location, and subtracting from this sum the partial payment made pursuant to paragraph (b)(2) of this section.

(4) *Final payment to a cooperative association for bulk milk received directly from producers' farms.* For bulk milk received from a cooperative association during the month, including the milk of producers who are not members of such association and who the market administrator determines have authorized the cooperative association to collect payment for their milk, the final payment for such milk shall be an amount equal to the sum of the individual payments otherwise payable for such milk pursuant to paragraph (a)(2) of this section.

(c) If a handler has not received full payment from the market administrator pursuant to § 1005.72 by the payment date specified in paragraph (a) or (b) of this section, the handler may reduce payments pursuant to paragraphs (a) and (b) of this section, but by not more than the amount of the underpayment. The payments shall be completed on the next scheduled payment date after receipt of the balance due from the market administrator.

(d) If a handler claims that a required payment to a producer cannot be made because the producer is deceased or cannot be located, or because the cooperative association or its lawful successor or assignee is no longer in existence, the payment shall be made to the producer-settlement fund, and in the event that the handler subsequently locates and pays the producer or a lawful claimant, or in the event that the handler no longer exists and a lawful claim is later established, the market administrator shall make the required payment from the producer-settlement fund to the handler or to the lawful claimant as the case may be.

(e) In making payments to producers pursuant to this section, each pool plant operator shall furnish each producer, except a producer whose milk was received from a cooperative association

described in § 1000.9(a) or (c), a supporting statement in such form that it may be retained by the recipient which shall show:

(1) The name, address, Grade A identifier assigned by a duly constituted regulatory agency, and the payroll number of the producer;

(2) The month and dates that milk was received from the producer, including the daily and total pounds of milk received;

(3) The total pounds of butterfat in the producer's milk;

(4) The minimum rate or rates at which payment to the producer is required pursuant to the order in this part;

(5) The rate used in making payment if the rate is other than the applicable minimum rate;

(6) The amount, or rate per hundredweight, and nature of each deduction claimed by the handler; and

(7) The net amount of payment to the producer or cooperative association.

#### § 1005.74 [Reserved]

#### § 1005.75 Plant location adjustments for producer milk and nonpool milk.

For purposes of making payments for producer milk and nonpool milk, a plant location adjustment shall be determined by subtracting the Class I price specified in § 1005.51 from the Class I price at the plant's location. The difference, plus or minus as the case may be, shall be used to adjust the payments required pursuant to §§ 1005.73 and 1000.76.

#### § 1005.76 Payments by a handler operating a partially regulated distributing plant.

See § 1000.76.

#### § 1005.77 Adjustment of accounts.

See § 1000.77.

#### § 1005.78 Charges on overdue accounts.

See § 1000.78.

### Marketwide Service Payments

#### § 1005.80 Transportation credit balancing fund.

The market administrator shall maintain a separate fund known as the *Transportation Credit Balancing Fund* into which shall be deposited the payments made by handlers pursuant to § 1005.81 and out of which shall be made the payments due handlers pursuant to § 1005.82. Payments due a handler shall be offset against payments due from the handler.

#### § 1005.81 Payments to the transportation credit balancing fund.

(a) On or before the 12th day after the end of the month (except as provided in

§ 1000.90), each handler operating a pool plant and each handler specified in § 1000.9(c) shall pay to the market administrator a transportation credit balancing fund assessment determined by multiplying the pounds of Class I producer milk assigned pursuant to § 1005.44 by \$0.065 per hundredweight or such lesser amount as the market administrator deems necessary to maintain a balance in the fund equal to the total transportation credits disbursed during the prior June–January period. In the event that during any month of the June–January period the fund balance is insufficient to cover the amount of credits that are due, the assessment should be based upon the amount of credits that would have been disbursed had the fund balance been sufficient.

(b) The market administrator shall announce publicly on or before the 5th day of the month (except as provided in § 1000.90) the assessment pursuant to paragraph (a) of this section for the following month.

#### § 1005.82 Payments from the transportation credit balancing fund.

(a) Payments from the transportation credit balancing fund to handlers and cooperative associations requesting transportation credits shall be made as follows:

(1) On or before the 13th day (except as provided in § 1000.90) after the end of each of the months of July through December and any other month in which transportation credits are in effect pursuant to paragraph (b) of this section, the market administrator shall pay to each handler that received, and reported pursuant to § 1005.30(a)(5), bulk milk transferred from a plant fully regulated under another Federal order as described in paragraph (c)(1) of this section or that received, and reported pursuant to § 1005.30(a)(6), milk directly from producers' farms as specified in paragraph (c)(2) of this section, a preliminary amount determined pursuant to paragraph (d) of this section to the extent that funds are available in the transportation credit balancing fund. If an insufficient balance exists to pay all of the credits computed pursuant to this section, the market administrator shall distribute the balance available in the transportation credit balancing fund by reducing payments prorata using the percentage derived by dividing the balance in the fund by the total credits that are due for the month. The amount of credits resulting from this initial proration shall be subject to audit adjustment pursuant to paragraph (a)(2) of this section.



(2) The market administrator shall accept adjusted requests for transportation credits on or before the 20th day of the month following the month for which such credits were requested pursuant to § 1005.32(a). After such date, a preliminary audit will be conducted by the market administrator, who will recalculate any necessary proration of transportation credit payments for the preceding month pursuant to paragraph (a) of this section. Handlers will be promptly notified of an overpayment of credits based upon this final computation and remedial payments to or from the transportation credit balancing fund will be made on or before the next payment date for the following month.

(3) Transportation credits paid pursuant to paragraphs (a)(1) and (2) of this section shall be subject to final verification by the market administrator pursuant to § 1000.77. Adjusted payments to or from the transportation credit balancing fund will remain subject to the final proration established pursuant to paragraph (a)(2) of this section.

(4) In the event that a qualified cooperative association is the responsible party for whose account such milk is received and written documentation of this fact is provided to the market administrator pursuant to § 1005.30(c)(3) prior to the date payment is due, the transportation credits for such milk computed pursuant to this section shall be made to such cooperative association rather than to the operator of the pool plant at which the milk was received.

(b) The market administrator may extend the period during which transportation credits are in effect (i.e., the transportation credit period) to the months of January and June if a written request to do so is received 15 days prior to the beginning of the month for which the request is made and, after conducting an independent investigation, finds that such extension is necessary to assure the market of an adequate supply of milk for fluid use. Before making such a finding, the market administrator shall notify the Director of the Dairy Division and all handlers in the market that an extension is being considered and invite written data, views, and arguments. Any decision to extend the transportation credit period must be issued in writing prior to the first day of the month for which the extension is to be effective.

(c) Transportation credits shall apply to the following milk:

(1) Bulk milk received from a plant regulated under another Federal order, except Federal Order 1007, and

allocated to Class I milk pursuant to § 1000.44(a)(9); and

(2) Bulk milk received directly from the farms of dairy farmers at pool distributing plants subject to the following conditions:

(i) The quantity of such milk that shall be eligible for the transportation credit shall be determined by multiplying the total pounds of milk received from producers meeting the conditions of this paragraph by the lower of:

(A) The marketwide estimated Class I utilization of all handlers for the month pursuant to § 1000.45(a); or

(B) The Class I utilization of all producer milk of the pool plant operator receiving the milk after the computations described in § 1000.44;

(ii) The dairy farmer was not a "producer" under this order during more than 2 of the immediately preceding months of February through May and not more than 50 percent of the production of the dairy farmer during those 2 months, in aggregate, was received as producer milk under this order during those 2 months; and

(iii) The farm on which the milk was produced is not located within the specified marketing area of the order in this part or the marketing area of Federal Order 1007 (7 CFR part 1007).

(d) Transportation credits shall be computed as follows:

(1) The market administrator shall subtract from the pounds of milk described in paragraphs (c)(1) and (2) of this section the pounds of bulk milk transferred from the pool plant receiving the supplemental milk if milk was transferred to a nonpool plant on the same calendar day that the supplemental milk was received. For this purpose, the transferred milk shall be subtracted from the most distant load of supplemental milk received, and then in sequence with the next most distant load until all of the transfers have been offset.

(2) With respect to the pounds of milk described in paragraph (c)(1) of this section that remain after the computations described in paragraph (d)(1) of this section, the market administrator shall:

(i) Determine the shortest hard-surface highway distance between the shipping plant and the receiving plant;

(ii) Multiply the number of miles so determined by 0.35 cent;

(iii) Subtract the applicable Class I differential in § 1000.52 for the county in which the shipping plant is located from the Class I differential applicable for the county in which the receiving plant is located;

(iv) Subtract any positive difference computed in paragraph (d)(2)(iii) of this section from the amount computed in paragraph (d)(2)(ii) of this section; and

(v) Multiply the remainder computed in paragraph (d)(2)(iv) of this section by the hundredweight of milk described in paragraph (d)(2) of this section.

(3) For the remaining milk described in paragraph (c)(2) of this section after computations described in paragraph (d)(1) of this section, the market administrator shall:

(i) Determine an origination point for each load of milk by locating the nearest city to the last producer's farm from which milk was picked up for delivery to the receiving pool plant;

(ii) Determine the shortest hard-surface highway distance between the receiving pool plant and the origination point;

(iii) Subtract 85 miles from the mileage so determined;

(iv) Multiply the remaining miles so computed by 0.35 cent;

(v) Subtract the Class I differential specified in § 1000.52 applicable for the county in which the origination point is located from the Class I differential applicable at the receiving pool plant's location;

(vi) Subtract any positive difference computed in paragraph (d)(3)(v) of this section from the amount computed in paragraph (d)(3)(iv) of this section; and

(vii) Multiply the remainder computed in paragraph (d)(3)(vi) of this section by the hundredweight of milk described in paragraph (d)(3) of this section.

#### **Administrative Assessment and Marketing Service Deduction**

##### **§ 1005.85 Assessment for order administration.**

See § 1000.85.

##### **§ 1005.86 Deduction for marketing services.**

See § 1000.86.

#### **PART 1006—MILK IN THE FLORIDA MARKETING AREA**

##### **Subpart—Order Regulating Handling**

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- 1006.86 Deduction for marketing services.

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

#### Subpart—Order Regulating Handling

##### General Provisions

###### § 1006.1 General provisions.

The terms, definitions, and provisions in part 1000 of this chapter apply to this part 1006. In this part 1006, all references to sections in part 1000 refer to part 1000 of this chapter.

##### Definitions

###### § 1006.2 Florida marketing area.

The marketing area means all the territory within the State of Florida, except the counties of Escambia, Okaloosa, Santa Rosa, and Walton, including all piers, docks and wharves connected therewith and all craft moored thereat, and all territory occupied by government (municipal, State or Federal) reservations, installations, institutions, or other similar establishments if any part thereof is within any of the listed states or political subdivisions.

###### § 1006.3 Route disposition.

See § 1000.3.

###### § 1006.4 Plant.

See § 1000.4.

###### § 1006.5 Distributing plant.

See § 1000.5.

###### § 1006.6 Supply plant.

See § 1000.6.

###### § 1006.7 Pool plant.

*Pool plant* means a plant specified in paragraphs (a) through (d) of this section, or a unit of plants as specified in paragraph (e) of this section, but excluding a plant specified in paragraph (g) of this section. The pooling standards described in paragraphs (c) and (d) of this section are subject to modification pursuant to paragraph (f) of this section:

(a) A distributing plant, other than a plant qualified as a pool plant pursuant to paragraph (b) of this section or § \_\_\_\_\_.7(b) of any other Federal milk order, from which during the month 50 percent or more of the fluid milk products physically received at such plant (excluding concentrated milk received from another plant by agreement for other than Class I use) are disposed of as route disposition or are transferred in the form of packaged fluid milk products to other distributing plants. At least 25 percent of such route disposition and transfers must be to outlets in the marketing area.

(b) Any distributing plant located in the marketing area which during the month processed at least 50 percent of the total quantity of fluid milk products physically received at the plant (excluding concentrated milk received from another plant by agreement for other than Class I use) into ultra-pasteurized or aseptically-processed fluid milk products.

(c) A supply plant from which 60 percent or more of the total quantity of milk that is physically received during the month from dairy farmers and

handlers described in § 1000.9(c), including milk that is diverted from the plant, is transferred to pool distributing plants. Concentrated milk transferred from the supply plant to a distributing plant for an agreed-upon use other than Class I shall be excluded from the supply plant's shipments in computing the plant's shipping percentage.

(d) A plant located within the marketing area that is operated by a cooperative association if pool plant status under this paragraph is requested for such plant by the cooperative association and during the month 60 percent of the producer milk of members of such cooperative association is delivered directly from farms to pool distributing plants or is transferred to such plants as a fluid milk product (excluding concentrated milk transferred to a distributing plant for an agreed-upon use other than Class I) from the cooperative's plant.

(e) Two or more plants operated by the same handler and that are located within the marketing area may qualify for pool status as a unit by meeting the total and in-area route disposition requirements specified in paragraph (a) of this section and the following additional requirements:

(1) At least one of the plants in the unit must qualify as a pool plant pursuant to paragraph (a) of this section;

(2) Other plants in the unit must process only Class I or Class II products and must be located in a pricing zone providing the same or a lower Class I price than the price applicable at the distributing plant included in the unit pursuant to paragraph (e)(1) of this section; and

(3) A written request to form a unit, or to add or remove plants from a unit, must be filed with the market administrator prior to the first day of the month for which it is to be effective.

(f) The applicable shipping percentages of paragraphs (c) and (d) of this section may be increased or decreased by the market administrator if the market administrator finds that such adjustment is necessary to encourage needed shipments or to prevent uneconomic shipments. Before making such a finding, the market administrator shall investigate the need for adjustment either on the market administrator's own initiative or at the request of interested parties if the request is made in writing at least 15 days prior to the date for which the requested revision is desired effective. If the investigation shows that an adjustment of the shipping percentages might be appropriate, the market administrator shall issue a notice stating that an adjustment is being considered and

invite data, views and arguments. Any decision to revise an applicable shipping percentage must be issued in writing at least one day before the effective date.

(g) The term pool plant shall not apply to the following plants:

- (1) A producer-handler plant;
- (2) An exempt plant as defined in § 1000.8(e);
- (3) A plant qualified pursuant to paragraph (a) of this section which is not located within any Federal order marketing area, meets the pooling requirements of another Federal order, and has had greater route disposition in such other Federal order marketing area for 3 consecutive months;
- (4) A plant qualified pursuant to paragraph (a) of this section which is located in another Federal order marketing area, meets the pooling standards of the other Federal order, and has not had a majority of its route disposition in this marketing area for 3 consecutive months or is locked into pool status under such other Federal order without regard to its route disposition in any other Federal order marketing area; and
- (5) A plant qualified pursuant to paragraph (c) of this section which also meets the pooling requirements of another Federal order and from which greater qualifying shipments are made to plants regulated under such other order than are made to plants regulated under the order in this part, or such plant has automatic pooling status under such other order.

#### § 1006.8 Nonpool plant.

See § 1000.8.

#### § 1006.9 Handler.

See § 1000.9.

#### § 1006.10 Producer-handler.

*Producer-handler* means a person who:

- (a) Operates a dairy farm and a distributing plant from which there is monthly route disposition in the marketing area;
- (b) Receives no fluid milk products, and acquires no fluid milk products for route disposition, from sources other than own farm production;
- (c) Disposes of no other source milk as Class I milk except by increasing the nonfat milk solids content of the fluid milk products received from own farm production; and
- (d) Provides proof satisfactory to the market administrator that the care and management of the dairy animals and other resources necessary to produce all Class I milk handled, and the processing and packaging operations, are the

producer-handler's own enterprise and are operated at the producer-handler's own risk.

#### § 1006.11 [Reserved]

#### § 1006.12 Producer.

(a) Except as provided in paragraph (b) of this section, *producer* means any person who produces milk approved by a duly constituted regulatory agency for fluid consumption as Grade A milk and whose milk (or components of milk) is:

- (1) Received at a pool plant directly from the producer or diverted by the plant operator in accordance with § 1006.13; or
  - (2) Received by a handler described in § 1000.9(c).
- (b) Producer shall not include:
- (1) A producer-handler as defined in any Federal order;
  - (2) A dairy farmer whose milk is received at an exempt plant, excluding producer milk diverted to the exempt plant pursuant to § 1006.13(d);
  - (3) A dairy farmer whose milk is received by diversion at a pool plant from a handler regulated under another Federal order if the other Federal order designates the dairy farmer as a producer under that order and that milk is allocated by request to a utilization other than Class I; and
  - (4) A dairy farmer whose milk is reported as diverted to a plant fully regulated under another Federal order with respect to that portion of the milk so diverted that is assigned to Class I under the provisions of such other order.

#### § 1006.13 Producer milk.

*Producer milk* means the skim milk (or the skim equivalent of components of skim milk) and butterfat contained in milk of a producer that is:

- (a) Received by the operator of a pool plant directly from a producer or a handler described in § 1000.9(c). All milk received pursuant to this paragraph shall be priced at the location of the plant where it is first physically received;
- (b) Received by a handler described in § 1000.9(c) in excess of the quantity delivered to pool plants;
- (c) Diverted by a pool plant operator to another pool plant. Milk so diverted shall be priced at the location of the plant to which diverted; or
- (d) Diverted by the operator of a pool plant or a handler described in § 1000.9(c) to a nonpool plant, subject to the following conditions:
  - (1) In any month, not less than 10 days' production of the producer whose milk is diverted is physically received at a pool plant during the month;

(2) The total quantity of milk so diverted during the month by a cooperative association shall not exceed 20 percent during the months of July through November, 25 percent during the months of December through February, and 40 percent during all other months, of the producer milk that the cooperative association caused to be delivered to, and physically received at, pool plants during the month;

(3) The operator of a pool plant that is not a cooperative association may divert any milk that is not under the control of a cooperative association that diverts milk during the month pursuant to paragraph (d) of this section. The total quantity of milk so diverted during the month shall not exceed 20 percent during the months of July through November, 25 percent during the months of December through February, and 40 percent during all other months, of the producer milk physically received at such plant (or such unit of plants in the case of plants that pool as a unit pursuant to § 1006.7(d)) during the month, excluding the quantity of producer milk received from a handler described in § 1000.9(c);

(4) Any milk diverted in excess of the limits prescribed in paragraphs (d) (3) and (4) of this section shall not be producer milk. If the diverting handler or cooperative association fails to designate the dairy farmers' deliveries that will not be producer milk, no milk diverted by the handler or cooperative association shall be producer milk;

(5) Diverted milk shall be priced at the location of the plant to which diverted; and

(6) The delivery day requirements and the diversion percentages in paragraphs (d) (1) through (3) of this section may be increased or decreased by the market administrator if the market administrator finds that such revision is necessary to assure orderly marketing and efficient handling of milk in the marketing area. Before making such a finding, the market administrator shall investigate the need for the revision either on the market administrator's own initiative or at the request of interested persons. If the investigation shows that a revision might be appropriate, the market administrator shall issue a notice stating that the revision is being considered and inviting written data, views, and arguments. Any decision to revise an applicable percentage must be issued in writing at least one day before the effective date.

#### § 1006.14 Other source milk.

See § 1000.14.

**§ 1006.15 Fluid milk product.**

See § 1000.15.

**§ 1006.16 Fluid cream product.**

See § 1000.16.

**§ 1006.17 [Reserved]****§ 1006.18 Cooperative association.**

See § 1000.18.

**§ 1006.19 Commercial food processing establishment.**

See § 1000.19.

**Handler Reports****§ 1006.30 Reports of receipts and utilization.**

Each handler shall report monthly so that the market administrator's office receives the report on or before the 7th day after the end of the month, in the detail and on prescribed forms, as follows:

(a) With respect to each of its pool plants, the quantities of skim milk and butterfat contained in or represented by:

(1) Receipts of producer milk, including producer milk diverted by the reporting handler, from sources other than handlers described in § 1000.9(c);

(2) Receipts of milk from handlers described in § 1000.9(c);

(3) Receipts of fluid milk products and bulk fluid cream products from other pool plants;

(4) Receipts of other source milk;

(5) Inventories at the beginning and end of the month of fluid milk products and bulk fluid cream products; and

(6) The utilization or disposition of all milk and milk products required to be reported pursuant to this paragraph.

(b) Each handler operating a partially regulated distributing plant shall report with respect to such plant in the same manner as prescribed for reports required by paragraph (a) of this section. Receipts of milk that would have been producer milk if the plant had been fully regulated shall be reported in lieu of producer milk. The report shall show also the quantity of any reconstituted skim milk in route disposition in the marketing area.

(c) Each handler described in § 1000.9(c) shall report:

(1) The quantities of all skim milk and butterfat contained in receipts of milk from producers; and

(2) The utilization or disposition of all such receipts.

(d) Each handler not specified in paragraphs (a) through (c) of this section shall report with respect to its receipts and utilization of milk and milk products in such manner as the market administrator may prescribe.

**§ 1006.31 Payroll reports.**

(a) On or before the 20th day after the end of each month, each handler that operates a pool plant pursuant to § 1006.7 and each handler described in § 1000.9(c) shall report to the market administrator its producer payroll for the month, in detail prescribed by the market administrator, showing for each producer the information specified in § 1006.73(e).

(b) Each handler operating a partially regulated distributing plant who elects to make payment pursuant to § 1000.76(b) shall report for each dairy farmer who would have been a producer if the plant had been fully regulated in the same manner as prescribed for reports required by paragraph (a) of this section.

**§ 1006.32 Other reports.**

In addition to the reports required pursuant to §§ 1006.30 and 1006.31, each handler shall report any information the market administrator deems necessary to verify or establish each handler's obligation under the order.

**Classification of Milk****§ 1006.40 Classes of utilization.**

See § 1000.40.

**§ 1006.41 [Reserved]****§ 1006.42 Classification of transfers and diversions.**

See § 1000.42.

**§ 1006.43 General classification rules.**

See § 1000.43.

**§ 1006.44 Classification of producer milk.**

See § 1000.44.

**§ 1006.45 Market administrator's reports and announcements concerning classification.**

See § 1000.45.

**Class Prices****§ 1006.50 Class prices, component prices, and advanced pricing factors.**

See § 1000.50.

**§ 1006.51 Class I differential and price.**

The Class I differential shall be the differential established for Hillsborough County, Florida, which is reported in § 1000.52. The Class I price shall be the price computed pursuant to § 1000.50(a) for Hillsborough County, Florida.

**§ 1006.52 Adjusted Class I differentials.**

See § 1000.52.

**§ 1006.53 Announcement of class prices, component prices, and advanced pricing factors.**

See § 1000.53.

**§ 1006.54 Equivalent price.**

See § 1000.54.

**Uniform Prices****§ 1006.60 Handler's value of milk.**

For the purpose of computing a handler's obligation for producer milk, the market administrator shall determine for each month the value of milk of each handler with respect to each of the handler's pool plants and of each handler described in § 1000.9(c) with respect to milk that was not received at a pool plant by adding the amounts computed in paragraphs (a) through (e) of this section and subtracting from that total amount the value computed in paragraph (f) of this section. Receipts of nonfluid milk products that are distributed as labeled reconstituted milk for which payments are made to the producer-settlement fund of another Federal order under § 1000.76(a)(4) or (d) shall be excluded from pricing under this section.

(a) Multiply the pounds of skim milk and butterfat in producer milk that were classified in each class pursuant to § 1000.44(c) by the applicable skim milk and butterfat prices, and add the resulting amounts;

(b) Multiply the pounds of skim milk and butterfat overage assigned to each class pursuant to § 1000.44(a)(11) by the respective skim milk and butterfat prices applicable at the location of the pool plant;

(c) Multiply the difference between the Class IV price for the preceding month and the current month's Class I, II, or III price, as the case may be, by the hundredweight of skim milk and butterfat subtracted from Class I, II, or III, respectively, pursuant to § 1000.44(a)(7) and the corresponding step of § 1000.44(b);

(d) Multiply the difference between the Class I price applicable at the location of the pool plant and the Class IV price by the hundredweight of skim milk and butterfat assigned to Class I pursuant to § 1000.43(d) and the hundredweight of skim milk and butterfat subtracted from Class I pursuant to § 1000.44(a)(3)(i) through (vi) and the corresponding step of § 1000.44(b), excluding receipts of bulk fluid cream products from a plant regulated under other Federal orders and bulk concentrated fluid milk products from pool plants, plants regulated under other Federal orders, and unregulated supply plants;

(e) Multiply the Class I price applicable at the location of the nearest unregulated supply plants from which an equivalent volume was received by the pounds of skim milk and butterfat

in receipts of concentrated fluid milk products assigned to Class I pursuant to § 1000.43(d) and § 1000.44(a)(3)(i) and the pounds of skim milk and butterfat subtracted from Class I pursuant to § 1000.44(a)(8) and the corresponding step of § 1000.44(b), excluding such skim milk and butterfat in receipts of fluid milk products from an unregulated supply plant to the extent that an equivalent amount of skim milk or butterfat disposed of to such plant by handlers fully regulated under any Federal milk order is classified and priced as Class I milk and is not used as an offset for any other payment obligation under any order; and

(f) For reconstituted milk made from receipts of nonfluid milk products, multiply \$1.00 (but not more than the difference between the Class I price applicable at the location of the pool plant and the Class IV price) by the hundredweight of skim milk and butterfat contained in receipts of nonfluid milk products that are allocated to Class I use pursuant to § 1000.43(d).

#### **§ 1006.61 Computation of uniform prices.**

On or before the 11th day of each month, the market administrator shall compute a uniform butterfat price, a uniform skim milk price, and a uniform price for producer milk receipts reported for the prior month. The report of any handler who has not made payments required pursuant to § 1006.71 for the preceding month shall not be included in the computation of these prices, and such handler's report shall not be included in the computation for succeeding months until the handler has made full payment of outstanding monthly obligations.

(a) *Uniform butterfat price.* The uniform butterfat price per pound, rounded to the nearest one-hundredth cent, shall be computed by multiplying the pounds of butterfat in producer milk allocated to each class pursuant to § 1000.44(b) by the respective class butterfat prices and dividing the sum of such values by the total pounds of such butterfat.

(b) *Uniform skim milk price.* The uniform skim milk price per hundredweight, rounded to the nearest cent, shall be computed as follows:

(1) Combine into one total the values computed pursuant to § 1006.60 for all handlers;

(2) Add an amount equal to the minus location adjustments and subtract an amount equal to the plus location adjustments computed pursuant to § 1006.75;

(3) Add an amount equal to not less than one-half of the unobligated balance in the producer-settlement fund;

(4) Subtract the value of the total pounds of butterfat for all handlers. The butterfat value shall be computed by multiplying the pounds of butterfat by the butterfat price computed in paragraph (a) of this section;

(5) Divide the resulting amount by the sum of the following for all handlers included in these computations:

(i) The total skim pounds of producer milk; and

(ii) The total skim pounds for which a value is computed pursuant to § 1006.60(e); and

(6) Subtract not less than 4 cents and not more than 5 cents.

(c) *Uniform price.* The uniform price per hundredweight, rounded to the nearest cent, shall be the sum of the following:

(1) Multiply the uniform butterfat price for the month pursuant to paragraph (a) of this section times 3.5 pounds of butterfat; and

(2) Multiply the uniform skim milk price for the month pursuant to paragraph (b) of this section times 96.5 pounds of skim milk.

#### **§ 1006.62 Announcement of uniform prices.**

On or before the 11th day after the end of the month, the market administrator shall announce the uniform prices for the month computed pursuant to § 1006.61.

#### **Payments for Milk**

##### **§ 1006.70 Producer-settlement fund.**

See § 1000.70.

##### **§ 1006.71 Payments to the producer-settlement fund.**

Each handler shall make a payment to the producer-settlement fund in a manner that provides receipt of the funds by the market administrator no later than the 12th day after the end of the month (except as provided in § 1000.90). Payment shall be the amount, if any, by which the amount specified in paragraph (a) of this section exceeds the amount specified in paragraph (b) of this section:

(a) The total value of milk of the handler for the month as determined pursuant to § 1006.60; and

(b) The sum of the value at the uniform prices for skim milk and butterfat, adjusted for plant location, of the handler's receipts of producer milk; and the value at the uniform price, as adjusted pursuant to § 1006.75, applicable at the location of the plant from which received of other source milk for which a value is computed pursuant to § 1006.60(e).

##### **§ 1006.72 Payments from the producer-settlement fund.**

No later than one day after the date of payment receipt required under § 1006.71, the market administrator shall pay to each handler the amount, if any, by which the amount computed pursuant to § 1006.71(b) exceeds the amount computed pursuant to § 1006.71(a). If, at such time, the balance in the producer-settlement fund is insufficient to make all payments pursuant to this section, the market administrator shall reduce uniformly such payments and shall complete the payments as soon as the funds are available.

##### **§ 1006.73 Payments to producers and to cooperative associations.**

(a) Each pool plant operator that is not paying a cooperative association for producer milk shall pay each producer as follows:

(1) *Partial payments.* (i) For each producer who has not discontinued shipments as of the 15th day of the month, payment shall be made so that it is received by the producer on or before the 20th day of the month (except as provided in § 1000.90) for milk received during the first 15 days of the month at not less than 85 percent of the preceding month's uniform price, adjusted for plant location pursuant to § 1006.75 and proper deductions authorized in writing by the producer; and

(ii) For each producer who has not discontinued shipments as of the last day of the month, payment shall be made so that it is received by the producer on or before the 5th day of the following month (except as provided in § 1000.90) for milk received from the 16th to the last day of the month at not less than 85 percent of the preceding month's uniform price, adjusted for plant location pursuant to § 1006.75 and proper deductions authorized in writing by the producer.

(2) *Final payment.* For milk received during the month, a payment computed as follows shall be made so that it is received by each producer one day after the payment date required in § 1006.72:

(i) Multiply the hundredweight of producer skim milk received times the uniform skim milk price for the month;

(ii) Multiply the pounds of butterfat received times the uniform butterfat price for the month;

(iii) Multiply the hundredweight of producer milk received times the plant location adjustment pursuant to § 1006.75; and

(iv) Add the amounts computed in paragraphs (a)(2)(i), (ii), and (iii) of this section, and from that sum:

(A) Subtract the partial payments made pursuant to paragraph (a)(1) of this section;

(B) Subtract the deduction for marketing services pursuant to § 1000.86;

(C) Add or subtract for errors made in previous payments to the producer; and

(D) Subtract proper deductions authorized in writing by the producer.

(b) One day before partial and final payments are due pursuant to paragraph (a) of this section, each pool plant operator shall pay a cooperative association for milk received as follows:

(1) *Partial payment to a cooperative association for bulk milk received directly from producers' farms.* For bulk milk (including the milk of producers who are not members of such association and who the market administrator determines have authorized the cooperative association to collect payment for their milk) received from a cooperative association in any capacity, except as the operator of a pool plant, the payment shall be equal to the hundredweight of milk received multiplied by 90 percent of the preceding month's uniform price, adjusted for plant location pursuant to § 1006.75.

(2) *Partial payment to a cooperative association for milk transferred from its pool plant.* For bulk fluid milk products and bulk fluid cream products received during the first 15 days of the month from a cooperative association in its capacity as the operator of a pool plant, the partial payment shall be at the pool plant operator's estimated use value of the milk using the most recent class prices available for skim milk and butterfat at the receiving plant's location.

(3) *Final payment to a cooperative association for milk transferred from its pool plant.* For bulk fluid milk products and bulk fluid cream products received during the month from a cooperative association in its capacity as the operator of a pool plant, the final payment shall be the classified value of such milk as determined by multiplying the pounds of skim milk and butterfat assigned to each class pursuant to § 1000.44 by the class prices for the month at the receiving plant's location, and subtracting from this sum the partial payment made pursuant to paragraph (b)(2) of this section.

(4) *Final payment to a cooperative association for bulk milk received directly from producers' farms.* For bulk milk received from a cooperative association during the month, including the milk of producers who are not members of such association and who the market administrator determines

have authorized the cooperative association to collect payment for their milk, the final payment for such milk shall be an amount equal to the sum of the individual payments otherwise payable for such milk pursuant to paragraph (a)(2) of this section.

(c) If a handler has not received full payment from the market administrator pursuant to § 1006.72 by the payment date specified in paragraph (a) or (b) of this section, the handler may reduce payments pursuant to paragraphs (a) and (b) of this section, but by not more than the amount of the underpayment. The payments shall be completed on the next scheduled payment date after receipt of the balance due from the market administrator.

(d) If a handler claims that a required payment to a producer cannot be made because the producer is deceased or cannot be located, or because the cooperative association or its lawful successor or assignee is no longer in existence, the payment shall be made to the producer-settlement fund, and in the event that the handler subsequently locates and pays the producer or a lawful claimant, or in the event that the handler no longer exists and a lawful claim is later established, the market administrator shall make the required payment from the producer-settlement fund to the handler or to the lawful claimant as the case may be.

(e) In making payments to producers pursuant to this section, each pool plant operator shall furnish each producer, except a producer whose milk was received from a cooperative association described in § 1000.9(a) or (c), a supporting statement in such form that it may be retained by the recipient which shall show:

(1) The name, address, Grade A identifier assigned by a duly constituted regulatory agency, and the payroll number of the producer;

(2) The month and dates that milk was received from the producer, including the daily and total pounds of milk received;

(3) The total pounds of butterfat in the producer's milk;

(4) The minimum rate or rates at which payment to the producer is required pursuant to the order in this part;

(5) The rate used in making payment if the rate is other than the applicable minimum rate;

(6) The amount, or rate per hundredweight, and nature of each deduction claimed by the handler; and

(7) The net amount of payment to the producer or cooperative association.

#### § 1006.74 [Reserved]

#### § 1006.75 Plant location adjustments for producer milk and nonpool milk.

For purposes of making payments for producer milk and nonpool milk, a plant location adjustment shall be determined by subtracting the Class I price specified in § 1006.51 from the Class I price at the plant's location. The difference, plus or minus as the case may be, shall be used to adjust the payments required pursuant to §§ 1006.73 and 1000.76.

#### § 1006.76 Payments by a handler operating a partially regulated distributing plant.

See § 1000.76.

#### § 1006.77 Adjustment of accounts.

See § 1000.77.

#### § 1006.78 Charges on overdue accounts.

See § 1000.78.

### Administrative Assessment and Marketing Service Deduction

#### § 1006.85 Assessment for order administration.

See § 1000.85.

#### § 1006.86 Deduction for marketing services.

See § 1000.86.

## PART 1007—MILK IN THE SOUTHEAST MARKETING AREA

### Subpart—Order Regulating Handling

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##### Sec.

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- 1007.85 Assessment for order administration.
  - 1007.86 Deduction for marketing services.
- Authority:** 7 U.S.C. 601-674, and 7253.

**Subpart—Order Regulating Handling****General Provisions****§ 1007.1 General provisions.**

The terms, definitions, and provisions in part 1000 of this chapter apply to this part 1007. In this part 1007, all references to sections in part 1000 refer to part 1000 of this chapter.

**Definitions****§ 1007.2 Southeast marketing area.**

The marketing area means all territory within the bounds of the following states and political subdivisions, including all piers, docks and wharves connected therewith and all craft moored thereat, and all territory occupied by government (municipal, State or Federal) reservations,

installations, institutions, or other similar establishments if any part thereof is within any of the listed states or political subdivisions:

*Alabama, Arkansas, Louisiana, and Mississippi*

All of the States of Alabama, Arkansas, Louisiana, and Mississippi.

**Florida Counties**

Escambia, Okaloosa, Santa Rosa, and Walton.

**Georgia Counties**

All of the State of Georgia except for the counties of Catoosa, Chattooga, Dade, Fannin, Murray, Walker, and Whitfield.

**Kentucky Counties**

Allen, Ballard, Barren, Caldwell, Calloway, Carlisle, Christian, Crittenden, Fulton, Graves, Hickman, Livingston, Logan, Lyon, Marshall, McCracken, Metcalfe, Monroe, Simpson, Todd, Trigg, and Warren.

**Missouri Counties**

Barry, Barton, Bollinger, Butler, Cape Girardeau, Carter, Cedar, Christian, Crawford, Dade, Dallas, Dent, Douglas, Dunklin, Greene, Howell, Iron, Jasper, Laclede, Lawrence, Madison, McDonald, Mississippi, New Madrid, Newton, Oregon, Ozark, Pemiscot, Perry, Polk, Reynolds, Ripley, Scott, Shannon, St. Francois, Stoddard, Stone, Taney, Texas, Vernon, Washington, Wayne, Webster, and Wright.

**Tennessee Counties**

All of the State of Tennessee except for the counties of Anderson, Blount, Bradley, Campbell, Carter, Claiborne, Cocke, Cumberland, Grainger, Greene, Hamblen, Hamilton, Hancock, Hawkins, Jefferson, Johnson, Knox, Loudon, Marion, McMinn, Meigs, Monroe, Morgan, Polk, Rhea, Roane, Scott, Sequatchie, Sevier, Sullivan, Unicoi, Union, and Washington.

**§ 1007.3 Route disposition.**

See § 1000.3.

**§ 1007.4 Plant.**

See § 1000.4.

**§ 1007.5 Distributing plant.**

See § 1000.5.

**§ 1007.6 Supply plant.**

See § 1000.6.

**§ 1007.7 Pool plant.**

*Pool plant* means a plant specified in paragraphs (a) through (d) of this section, or a unit of plants as specified in paragraph (e) of this section, but excluding a plant specified in paragraph (g) of this section. The pooling standards described in paragraphs (c) and (d) of this section are subject to modification pursuant to paragraph (f) of this section:

(a) A distributing plant, other than a plant qualified as a pool plant pursuant to paragraph (b) of this section or

§ \_\_\_\_\_.7(b) of any other Federal milk order, from which during the month 50 percent or more of the fluid milk products physically received at such plant (excluding concentrated milk received from another plant by agreement for other than Class I use) are disposed of as route disposition or are transferred in the form of packaged fluid milk products to other distributing plants. At least 25 percent of such route disposition and transfers must be to outlets in the marketing area.

(b) Any distributing plant located in the marketing area which during the month processed at least 50 percent of the total quantity of fluid milk products physically received at the plant (excluding concentrated milk received from another plant by agreement for other than Class I use) into ultra-pasteurized or aseptically-processed fluid milk products.

(c) A supply plant from which 50 percent or more of the total quantity of milk that is physically received during the month from dairy farmers and handlers described in § 1000.9(c), including milk that is diverted from the plant, is transferred to pool distributing plants. Concentrated milk transferred from the supply plant to a distributing plant for an agreed-upon use other than Class I shall be excluded from the supply plant's shipments in computing the plant's shipping percentage.

(d) A plant located within the marketing area that is operated by a cooperative association if pool plant status under this paragraph is requested for such plant by the cooperative association and during the month at least 60 percent of the producer milk of members of such cooperative association is delivered directly from farms to pool distributing plants or is transferred to such plants as a fluid milk product (excluding concentrated milk transferred to a distributing plant for an agreed-upon use other than Class I) from the cooperative's plant.

(e) Two or more plants operated by the same handler and located within the marketing area may qualify for pool status as a unit by meeting the total and in-area route disposition requirements specified in paragraph (a) of this section and the following additional requirements:

(1) At least one of the plants in the unit must qualify as a pool plant pursuant to paragraph (a) of this section;

(2) Other plants in the unit must process only Class I or Class II products and must be located in a pricing zone providing the same or a lower Class I price than the price applicable at the distributing plant included in the unit

pursuant to paragraph (e)(1) of this section; and

(3) A written request to form a unit, or to add or remove plants from a unit, must be filed with the market administrator prior to the first day of the month for which it is to be effective.

(f) The applicable shipping percentages of paragraphs (c) and (d) of this section may be increased or decreased by the market administrator if the market administrator finds that such adjustment is necessary to encourage needed shipments or to prevent uneconomic shipments. Before making such a finding, the market administrator shall investigate the need for adjustment either on the market administrator's own initiative or at the request of interested parties if the request is made in writing at least 15 days prior to the date for which the requested revision is desired effective. If the investigation shows that an adjustment of the shipping percentages might be appropriate, the market administrator shall issue a notice stating that an adjustment is being considered and invite data, views and arguments. Any decision to revise an applicable shipping percentage must be issued in writing at least one day before the effective date.

(g) The term pool plant shall not apply to the following plants:

- (1) A producer-handler plant;
- (2) An exempt plant as defined in § 1000.8(e);
- (3) A plant qualified pursuant to paragraph (a) of this section which is not located within any Federal order marketing area, meets the pooling requirements of another Federal order, and has had greater route disposition in such other Federal order marketing area for 3 consecutive months;
- (4) A plant qualified pursuant to paragraph (a) of this section which is located in another Federal order marketing area, meets the pooling standards of the other Federal order, and has not had a majority of its route disposition in this marketing area for 3 consecutive months or is locked into pool status under such other Federal order without regard to its route disposition in any other Federal order marketing area; and
- (5) A plant qualified pursuant to paragraph (c) of this section which also meets the pooling requirements of another Federal order and from which greater qualifying shipments are made to plants regulated under such other order than are made to plants regulated under the order in this part, or such plant has automatic pooling status under such other order.

#### § 1007.8 Nonpool plant.

See § 1000.8.

#### § 1007.9 Handler.

See § 1000.9.

#### § 1007.10 Producer-handler.

*Producer-handler* means a person who:

- (a) Operates a dairy farm and a distributing plant from which there is monthly route disposition in the marketing area;
- (b) Receives no fluid milk products, and acquires no fluid milk products for route disposition, from sources other than own farm production;
- (c) Disposes of no other source milk as Class I milk except by increasing the nonfat milk solids content of the fluid milk products received from own farm production; and
- (d) Provides proof satisfactory to the market administrator that the care and management of the dairy animals and other resources necessary to produce all Class I milk handled, and the processing and packaging operations, are the producer-handler's own enterprise and are operated at the producer-handler's own risk.

#### § 1007.11 [Reserved]

#### § 1007.12 Producer.

- (a) Except as provided in paragraph (b) of this section, *producer* means any person who produces milk approved by a duly constituted regulatory agency for fluid consumption as Grade A milk and whose milk (or components of milk) is:
  - (1) Received at a pool plant directly from the producer or diverted by the plant operator in accordance with § 1007.13; or
  - (2) Received by a handler described in § 1000.9(c).
- (b) Producer shall not include:
  - (1) A producer-handler as defined in any Federal order;
  - (2) A dairy farmer whose milk is received at an exempt plant, excluding producer milk diverted to the exempt plant pursuant to § 1007.13(d);
  - (3) A dairy farmer whose milk is received by diversion at a pool plant from a handler regulated under another Federal order if the other Federal order designates the dairy farmer as a producer under that order and that milk is allocated by request to a utilization other than Class I; and
  - (4) A dairy farmer whose milk is reported as diverted to a plant fully regulated under another Federal order with respect to that portion of the milk so diverted that is assigned to Class I under the provisions of such other order.

#### § 1007.13 Producer milk.

*Producer milk* means the skim milk (or the skim equivalent of components of skim milk) and butterfat contained in milk of a producer that is:

- (a) Received by the operator of a pool plant directly from a producer or a handler described in § 1000.9(c). All milk received pursuant to this paragraph shall be priced at the location of the plant where it is first physically received;
- (b) Received by a handler described in § 1000.9(c) in excess of the quantity delivered to pool plants;
- (c) Diverted by a pool plant operator to another pool plant. Milk so diverted shall be priced at the location of the plant to which diverted; or
- (d) Diverted by the operator of a pool plant or a handler described in § 1000.9(c) to a nonpool plant, subject to the following conditions:
  - (1) In any month of January through June, not less than 4 days' production of the producer whose milk is diverted is physically received at a pool plant during the month;
  - (2) In any month of July through December, not less than 10 days' production of the producer whose milk is diverted is physically received at a pool plant during the month;
  - (3) The total quantity of milk so diverted during the month by a cooperative association shall not exceed 33 percent during the months of July through December, and 50 percent during the months of January through June, of the producer milk that the cooperative association caused to be delivered to, and physically received at, pool plants during the month;
  - (4) The operator of a pool plant that is not a cooperative association may divert any milk that is not under the control of a cooperative association that diverts milk during the month pursuant to paragraph (d) of this section. The total quantity of milk so diverted during the month shall not exceed 33 percent during the months of July through December, or 50 percent during the months of January through June, of the producer milk physically received at such plant (or such unit of plants in the case of plants that pool as a unit pursuant to § 1007.7(e)) during the month, excluding the quantity of producer milk received from a handler described in § 1000.9(c);
  - (5) Any milk diverted in excess of the limits prescribed in paragraphs (d)(3) and (4) of this section shall not be producer milk. If the diverting handler or cooperative association fails to designate the dairy farmers' deliveries that will not be producer milk, no milk



diverted by the handler or cooperative association shall be producer milk;

(6) Diverted milk shall be priced at the location of the plant to which diverted; and

(7) The delivery day requirements and the diversion percentages in paragraphs (d)(1) through (4) of this section may be increased or decreased by the market administrator if the market administrator finds that such revision is necessary to assure orderly marketing and efficient handling of milk in the marketing area. Before making such a finding, the market administrator shall investigate the need for the revision either on the market administrator's own initiative or at the request of interested persons. If the investigation shows that a revision might be appropriate, the market administrator shall issue a notice stating that the revision is being considered and inviting written data, views, and arguments. Any decision to revise an applicable percentage must be issued in writing at least one day before the effective date.

**§ 1007.14 Other source milk.**

See § 1000.14.

**§ 1007.15 Fluid milk product.**

See § 1000.15.

**§ 1007.16 Fluid cream product.**

See § 1000.16.

**§ 1007.17 [Reserved]**

**§ 1007.18 Cooperative association.**

See § 1000.18.

**§ 1007.19 Commercial food processing establishment.**

See § 1000.19.

**Handler Reports**

**§ 1007.30 Reports of receipts and utilization.**

Each handler shall report monthly so that the market administrator's office receives the report on or before the 7th day after the end of the month, in the detail and on prescribed forms, as follows:

(a) With respect to each of its pool plants, the quantities of skim milk and butterfat contained in or represented by:

(1) Receipts of producer milk, including producer milk diverted by the reporting handler, from sources other than handlers described in § 1000.9(c);

(2) Receipts of milk from handlers described in § 1000.9(c);

(3) Receipts of fluid milk products and bulk fluid cream products from other pool plants;

(4) Receipts of other source milk;

(5) Receipts of bulk milk from a plant regulated under another Federal order,

except Federal Order 1005, for which a transportation credit is requested pursuant to § 1007.82;

(6) Receipts of producer milk described in § 1007.82(c)(2), including the identity of the individual producers whose milk is eligible for the transportation credit pursuant to that paragraph and the date that such milk was received;

(7) For handlers submitting transportation credit requests, transfers of bulk milk to nonpool plants, including the dates that such milk was transferred;

(8) Inventories at the beginning and end of the month of fluid milk products and bulk fluid cream products; and

(9) The utilization or disposition of all milk and milk products required to be reported pursuant to this paragraph.

(b) Each handler operating a partially regulated distributing plant shall report with respect to such plant in the same manner as prescribed for reports required by paragraphs (a)(1), (a)(2), (a)(3), (a)(4), and (a)(8) of this section. Receipts of milk that would have been producer milk if the plant had been fully regulated shall be reported in lieu of producer milk. The report shall show also the quantity of any reconstituted skim milk in route disposition in the marketing area.

(c) Each handler described in § 1000.9(c) shall report:

(1) The quantities of all skim milk and butterfat contained in receipts of milk from producers;

(2) The utilization or disposition of all such receipts; and

(3) With respect to milk for which a cooperative association is requesting a transportation credit pursuant to § 1007.82, all of the information required in paragraphs (a)(5), (a)(6), and (a)(7) of this section.

(d) Each handler not specified in paragraphs (a) through (c) of this section shall report with respect to its receipts and utilization of milk and milk products in such manner as the market administrator may prescribe.

**§ 1007.31 Payroll reports.**

(a) On or before the 20th day after the end of each month, each handler that operates a pool plant pursuant to § 1007.7 and each handler described in § 1000.9(c) shall report to the market administrator its producer payroll for the month, in detail prescribed by the market administrator, showing for each producer the information specified in § 1007.73(e).

(b) Each handler operating a partially regulated distributing plant who elects to make payment pursuant to § 1000.76(b) shall report for each dairy

farmer who would have been a producer if the plant had been fully regulated in the same manner as prescribed for reports required by paragraph (a) of this section.

**§ 1007.32 Other reports.**

(a) On or before the 20th day after the end of each month, each handler described in § 1000.9(a) and (c) shall report to the market administrator any adjustments to transportation credit requests as reported pursuant to § 1007.30(a)(5), (6), and (7).

(b) In addition to the reports required pursuant to §§ 1007.30, 31, and 32(a), each handler shall report any information the market administrator deems necessary to verify or establish each handler's obligation under the order.

**Classification of Milk**

**§ 1007.40 Classes of utilization.**

See § 1000.40.

**§ 1007.41 [Reserved]**

**§ 1007.42 Classification of transfers and diversions.**

See § 1000.42.

**§ 1007.43 General classification rules.**

See § 1000.43.

**§ 1007.44 Classification of producer milk.**

See § 1000.44.

**§ 1007.45 Market administrator's reports and announcements concerning classification.**

See § 1000.45.

**Class Prices**

**§ 1007.50 Class prices, component prices, and advanced pricing factors.**

See § 1000.50.

**§ 1007.51 Class I differential and price.**

The Class I differential shall be the differential established for Fulton County, Georgia, which is reported in § 1000.52. The Class I price shall be the price computed pursuant to § 1000.50(a) for Fulton County, Georgia.

**§ 1007.52 Adjusted Class I differentials.**

See § 1000.52.

**§ 1007.53 Announcement of class prices, component prices, and advanced pricing factors.**

See § 1000.53.

**§ 1007.54 Equivalent price.**

See § 1000.54.

**Uniform Prices**

**§ 1007.60 Handler's value of milk.**

For the purpose of computing a handler's obligation for producer milk,



the market administrator shall determine for each month the value of milk of each handler with respect to each of the handler's pool plants and of each handler described in § 1000.9(c) with respect to milk that was not received at a pool plant by adding the amounts computed in paragraphs (a) through (e) of this section and subtracting from that total amount the value computed in paragraph (f) of this section. Receipts of nonfluid milk products that are distributed as labeled reconstituted milk for which payments are made to the producer-settlement fund of another Federal order under § 1000.76(a)(4) or (d) shall be excluded from pricing under this section.

(a) Multiply the pounds of skim milk and butterfat in producer milk that were classified in each class pursuant to § 1000.44(c) by the applicable skim milk and butterfat prices, and add the resulting amounts;

(b) Multiply the pounds of skim milk and butterfat overage assigned to each class pursuant to § 1000.44(a)(11) by the respective skim milk and butterfat prices applicable at the location of the pool plant;

(c) Multiply the difference between the Class IV price for the preceding month and the current month's Class I, II, or III price, as the case may be, by the hundredweight of skim milk and butterfat subtracted from Class I, II, or III, respectively, pursuant to § 1000.44(a)(7) and the corresponding step of § 1000.44(b);

(d) Multiply the difference between the Class I price applicable at the location of the pool plant and the Class IV price by the hundredweight of skim milk and butterfat assigned to Class I pursuant to § 1000.43(d) and the hundredweight of skim milk and butterfat subtracted from Class I pursuant to § 1000.44(a)(3)(i) through (vi) and the corresponding step of § 1000.44(b), excluding receipts of bulk fluid cream products from a plant regulated under other Federal orders and bulk concentrated fluid milk products from pool plants, plants regulated under other Federal orders, and unregulated supply plants;

(e) Multiply the Class I price applicable at the location of the nearest unregulated supply plants from which an equivalent volume was received by the pounds of skim milk and butterfat in receipts of concentrated fluid milk products assigned to Class I pursuant to § 1000.43(d) and § 1000.44(a)(3)(i) and the pounds of skim milk and butterfat subtracted from Class I pursuant to § 1000.44(a)(8) and the corresponding step of § 1000.44(b), excluding such skim milk and butterfat in receipts of

fluid milk products from an unregulated supply plant to the extent that an equivalent amount of skim milk or butterfat disposed of to such plant by handlers fully regulated under any Federal milk order is classified and priced as Class I milk and is not used as an offset for any other payment obligation under any order; and

(f) For reconstituted milk made from receipts of nonfluid milk products, multiply \$1.00 (but not more than the difference between the Class I price applicable at the location of the pool plant and the Class IV price) by the hundredweight of skim milk and butterfat contained in receipts of nonfluid milk products that are allocated to Class I use pursuant to § 1000.43(d).

#### § 1007.61 Computation of uniform prices.

On or before the 11th day of each month, the market administrator shall compute a uniform butterfat price, a uniform skim milk price, and a uniform price for producer milk receipts reported for the prior month. The report of any handler who has not made payments required pursuant to § 1007.71 for the preceding month shall not be included in the computation of these prices, and such handler's report shall not be included in the computation for succeeding months until the handler has made full payment of outstanding monthly obligations.

(a) *Uniform butterfat price.* The uniform butterfat price per pound, rounded to the nearest one-hundredth cent, shall be computed by multiplying the pounds of butterfat in producer milk allocated to each class pursuant to § 1000.44(b) by the respective class butterfat prices and dividing the sum of such values by the total pounds of such butterfat.

(b) *Uniform skim milk price.* The uniform skim milk price per hundredweight, rounded to the nearest cent, shall be computed as follows:

(1) Combine into one total the values computed pursuant to § 1007.60 for all handlers;

(2) Add an amount equal to the minus location adjustments and subtract an amount equal to the plus location adjustments computed pursuant to § 1007.75;

(3) Add an amount equal to not less than one-half of the unobligated balance in the producer-settlement fund;

(4) Subtract the value of the total pounds of butterfat for all handlers. The butterfat value shall be computed by multiplying the pounds of butterfat by the butterfat price computed in paragraph (a) of this section;

(5) Divide the resulting amount by the sum of the following for all handlers included in these computations:

(i) The total skim pounds of producer milk; and

(ii) The total skim pounds for which a value is computed pursuant to § 1007.60(e); and

(6) Subtract not less than 4 cents and not more than 5 cents.

(c) *Uniform price.* The uniform price per hundredweight, rounded to the nearest cent, shall be the sum of the following:

(1) Multiply the uniform butterfat price for the month pursuant to paragraph (a) of this section times 3.5 pounds of butterfat; and

(2) Multiply the uniform skim milk price for the month pursuant to paragraph (b) of this section times 96.5 pounds of skim milk.

#### § 1007.62 Announcement of uniform prices.

On or before the 11th day after the end of the month, the market administrator shall announce the uniform prices for the month computed pursuant to § 1007.61.

#### Payments for Milk

##### § 1007.70 Producer-settlement fund.

See § 1000.70.

##### § 1007.71 Payments to the producer-settlement fund.

Each handler shall make a payment to the producer-settlement fund in a manner that provides receipt of the funds by the market administrator no later than the 12th day after the end of the month (except as provided in § 1000.90). Payment shall be the amount, if any, by which the amount specified in paragraph (a) of this section exceeds the amount specified in paragraph (b) of this section:

(a) The total value of milk of the handler for the month as determined pursuant to § 1007.60; and

(b) The sum of the value at the uniform prices for skim milk and butterfat, adjusted for plant location, of the handler's receipts of producer milk; and the value at the uniform price, as adjusted pursuant to § 1007.75, applicable at the location of the plant from which received of other source milk for which a value is computed pursuant to § 1007.60(e).

##### § 1007.72 Payments from the producer-settlement fund.

No later than one day after the date of payment receipt required under § 1007.71, the market administrator shall pay to each handler the amount, if any, by which the amount computed

pursuant to § 1007.71(b) exceeds the amount computed pursuant to § 1007.71(a). If, at such time, the balance in the producer-settlement fund is insufficient to make all payments pursuant to this section, the market administrator shall reduce uniformly such payments and shall complete the payments as soon as the funds are available.

**§ 1007.73 Payments to producers and to cooperative associations.**

(a) Each pool plant operator that is not paying a cooperative association for producer milk shall pay each producer as follows:

(1) *Partial payment.* For each producer who has not discontinued shipments as of the 23rd day of the month, payment shall be made so that it is received by the producer on or before the 26th day of the month (except as provided in § 1000.90) for milk received during the first 15 days of the month at not less than 90 percent of the preceding month's uniform price, adjusted for plant location pursuant to § 1007.75 and proper deductions authorized in writing by the producer.

(2) *Final payment.* For milk received during the month, a payment computed as follows shall be made so that it is received by each producer one day after the payment date required in § 1007.72:

(i) Multiply the hundredweight of producer skim milk received times the uniform skim milk price for the month;

(ii) Multiply the pounds of butterfat received times the uniform butterfat price for the month;

(iii) Multiply the hundredweight of producer milk received times the plant location adjustment pursuant to § 1007.75; and

(iv) Add the amounts computed in paragraph (a)(2)(i), (ii), and (iii) of this section, and from that sum:

(A) Subtract the partial payment made pursuant to paragraph (a)(1) of this section;

(B) Subtract the deduction for marketing services pursuant to § 1000.86;

(C) Add or subtract for errors made in previous payments to the producer; and

(D) Subtract proper deductions authorized in writing by the producer.

(b) One day before partial and final payments are due pursuant to paragraph (a) of this section, each pool plant operator shall pay a cooperative association for milk received as follows:

(1) *Partial payment to a cooperative association for bulk milk received directly from producers' farms.* For bulk milk (including the milk of producers who are not members of such association and who the market

administrator determines have authorized the cooperative association to collect payment for their milk) received during the first 15 days of the month from a cooperative association in any capacity, except as the operator of a pool plant, the payment shall be equal to the hundredweight of milk received multiplied by 90 percent of the preceding month's uniform price, adjusted for plant location pursuant to § 1007.75.

(2) *Partial payment to a cooperative association for milk transferred from its pool plant.* For bulk fluid milk products and bulk fluid cream products received during the first 15 days of the month from a cooperative association in its capacity as the operator of a pool plant, the partial payment shall be at the pool plant operator's estimated use value of the milk using the most recent class prices available for skim milk and butterfat at the receiving plant's location.

(3) *Final payment to a cooperative association for milk transferred from its pool plant.* For bulk fluid milk products and bulk fluid cream products received during the month from a cooperative association in its capacity as the operator of a pool plant, the final payment shall be the classified value of such milk as determined by multiplying the pounds of skim milk and butterfat assigned to each class pursuant to § 1000.44 by the class prices for the month at the receiving plant's location, and subtracting from this sum the partial payment made pursuant to paragraph (b)(2) of this section.

(4) *Final payment to a cooperative association for bulk milk received directly from producers' farms.* For bulk milk received from a cooperative association during the month, including the milk of producers who are not members of such association and who the market administrator determines have authorized the cooperative association to collect payment for their milk, the final payment for such milk shall be an amount equal to the sum of the individual payments otherwise payable for such milk pursuant to paragraph (a)(2) of this section.

(c) If a handler has not received full payment from the market administrator pursuant to § 1007.72 by the payment date specified in paragraph (a) or (b) of this section, the handler may reduce payments pursuant to paragraphs (a) and (b) of this section, but by not more than the amount of the underpayment. The payments shall be completed on the next scheduled payment date after receipt of the balance due from the market administrator.

(d) If a handler claims that a required payment to a producer cannot be made because the producer is deceased or cannot be located, or because the cooperative association or its lawful successor or assignee is no longer in existence, the payment shall be made to the producer-settlement fund, and in the event that the handler subsequently locates and pays the producer or a lawful claimant, or in the event that the handler no longer exists and a lawful claim is later established, the market administrator shall make the required payment from the producer-settlement fund to the handler or to the lawful claimant as the case may be.

(e) In making payments to producers pursuant to this section, each pool plant operator shall furnish each producer, except a producer whose milk was received from a cooperative association described in § 1000.9(a) or (c), a supporting statement in such form that it may be retained by the recipient which shall show:

(1) The name, address, Grade A identifier assigned by a duly constituted regulatory agency, and the payroll number of the producer;

(2) The month and dates that milk was received from the producer, including the daily and total pounds of milk received;

(3) The total pounds of butterfat in the producer's milk;

(4) The minimum rate or rates at which payment to the producer is required pursuant to this order;

(5) The rate used in making payment if the rate is other than the applicable minimum rate;

(6) The amount, or rate per hundredweight, and nature of each deduction claimed by the handler; and

(7) The net amount of payment to the producer or cooperative association.

**§ 1007.74 [Reserved]**

**§ 1007.75 Plant location adjustments for producer milk and nonpool milk.**

For purposes of making payments for producer milk and nonpool milk, a plant location adjustment shall be determined by subtracting the Class I price specified in § 1007.51 from the Class I price at the plant's location. The difference, plus or minus as the case may be, shall be used to adjust the payments required pursuant to §§ 1007.73 and 1000.76.

**§ 1007.76 Payments by a handler operating a partially regulated distributing plant.**

See § 1000.76.

**§ 1007.77 Adjustment of accounts.**

See § 1000.77.

**§ 1007.78 Charges on overdue accounts.**  
See § 1000.78.

### **Marketwide Service Payments**

**§ 1007.80 Transportation credit balancing fund.**

The market administrator shall maintain a separate fund known as the *Transportation Credit Balancing Fund* into which shall be deposited the payments made by handlers pursuant to § 1007.81 and out of which shall be made the payments due handlers pursuant to § 1007.82. Payments due a handler shall be offset against payments due from the handler.

**§ 1007.81 Payments to the transportation credit balancing fund.**

(a) On or before the 12th day after the end of the month (except as provided in § 1000.90), each handler operating a pool plant and each handler specified in § 1000.9(c) shall pay to the market administrator a transportation credit balancing fund assessment determined by multiplying the pounds of Class I producer milk assigned pursuant to § 1000.44 by \$0.07 per hundredweight or such lesser amount as the market administrator deems necessary to maintain a balance in the fund equal to the total transportation credits disbursed during the prior June–January period. In the event that during any month of the June–January period the fund balance is insufficient to cover the amount of credits that are due, the assessment should be based upon the amount of credits that would have been disbursed had the fund balance been sufficient.

(b) The market administrator shall announce publicly on or before the 5th day of the month (except as provided in § 1000.90) the assessment pursuant to paragraph (a) of this section for the following month.

**§ 1007.82 Payments from the transportation credit balancing fund.**

(a) Payments from the transportation credit balancing fund to handlers and cooperative associations requesting transportation credits shall be made as follows:

(1) On or before the 13th day (except as provided in § 1000.90) after the end of each of the months of July through December and any other month in which transportation credits are in effect pursuant to paragraph (b) of this section, the market administrator shall pay to each handler that received, and reported pursuant to § 1007.30(a)(5), bulk milk transferred from a plant fully regulated under another Federal order as described in paragraph (c)(1) of this section or that received, and reported

pursuant to § 1007.30(a)(6), milk directly from producers' farms as specified in paragraph (c)(2) of this section, a preliminary amount determined pursuant to paragraph (d) of this section to the extent that funds are available in the transportation credit balancing fund. If an insufficient balance exists to pay all of the credits computed pursuant to this section, the market administrator shall distribute the balance available in the transportation credit balancing fund by reducing payments pro rata using the percentage derived by dividing the balance in the fund by the total credits that are due for the month. The amount of credits resulting from this initial proration shall be subject to audit adjustment pursuant to paragraph (a)(2) of this section;

(2) The market administrator shall accept adjusted requests for transportation credits on or before the 20th day of the month following the month for which such credits were requested pursuant to § 1007.32(a). After such date, a preliminary audit will be conducted by the market administrator, who will recalculate any necessary proration of transportation credit payments for the preceding month pursuant to paragraph (a) of this section. Handlers will be promptly notified of an overpayment of credits based upon this final computation and remedial payments to or from the transportation credit balancing fund will be made on or before the next payment date for the following month;

(3) Transportation credits paid pursuant to paragraphs (a)(1) and (2) of this section shall be subject to final verification by the market administrator pursuant to § 1000.77. Adjusted payments to or from the transportation credit balancing fund will remain subject to the final proration established pursuant to paragraph (a)(2) of this section; and

(4) In the event that a qualified cooperative association is the responsible party for whose account such milk is received and written documentation of this fact is provided to the market administrator pursuant to § 1007.30(c)(3) prior to the date payment is due, the transportation credits for such milk computed pursuant to this section shall be made to such cooperative association rather than to the operator of the pool plant at which the milk was received.

(b) The market administrator may extend the period during which transportation credits are in effect (i.e., the transportation credit period) to the months of January and June if a written request to do so is received 15 days prior to the beginning of the month for

which the request is made and, after conducting an independent investigation, finds that such extension is necessary to assure the market of an adequate supply of milk for fluid use. Before making such a finding, the market administrator shall notify the Director of the Dairy Division and all handlers in the market that an extension is being considered and invite written data, views, and arguments. Any decision to extend the transportation credit period must be issued in writing prior to the first day of the month for which the extension is to be effective.

(c) Transportation credits shall apply to the following milk:

(1) Bulk milk received from a plant regulated under another Federal order, except Federal Order 1005, and allocated to Class I milk pursuant to § 1000.44(a)(9); and

(2) Bulk milk received directly from the farms of dairy farmers at pool distributing plants subject to the following conditions:

(i) The quantity of such milk that shall be eligible for the transportation credit shall be determined by multiplying the total pounds of milk received from producers meeting the conditions of this paragraph by the lower of:

(A) The marketwide estimated Class I utilization of all handlers for the month pursuant to § 1000.45(a); or

(B) The Class I utilization of all producer milk of the pool plant operator receiving the milk after the computations described in § 1000.44;

(ii) The dairy farmer was not a "producer" under the order in this part during more than 2 of the immediately preceding months of February through May and not more than 50 percent of the production of the dairy farmer during those 2 months, in aggregate, was received as producer milk under the order in this part during those 2 months; and

(iii) The farm on which the milk was produced is not located within the specified marketing area of the order in this part or the marketing area of Federal Order 1005 (7 CFR part 1005).

(d) Transportation credits shall be computed as follows:

(1) The market administrator shall subtract from the pounds of milk described in paragraphs (c)(1) and (2) of this section the pounds of bulk milk transferred from the pool plant receiving the supplemental milk if milk was transferred to a nonpool plant on the same calendar day that the supplemental milk was received. For this purpose, the transferred milk shall be subtracted from the most distant load of supplemental milk received, and then

in sequence with the next most distant load until all of the transfers have been offset;

(2) With respect to the pounds of milk described in paragraph (c)(1) of this section that remain after the computations described in paragraph (d)(1) of this section, the market administrator shall:

(i) Determine the shortest hard-surface highway distance between the shipping plant and the receiving plant;

(ii) Multiply the number of miles so determined by 0.35 cent;

(iii) Subtract the applicable Class I differential in § 1000.52 for the county in which the shipping plant is located from the Class I differential applicable for the county in which the receiving plant is located;

(iv) Subtract any positive difference computed in paragraph (d)(2)(iii) of this section from the amount computed in paragraph (d)(2)(ii) of this section; and

(v) Multiply the remainder computed in paragraph (d)(2)(iv) of this section by the hundredweight of milk described in paragraph (d)(2) of this section.

(3) For the remaining milk described in paragraph (c)(2) of this section after computations described in paragraph (d)(1) of this section, the market administrator shall:

(i) Determine an origination point for each load of milk by locating the nearest city to the last producer's farm from which milk was picked up for delivery to the receiving pool plant;

(ii) Determine the shortest hard-surface highway distance between the receiving pool plant and the origination point;

(iii) Subtract 85 miles from the mileage so determined;

(iv) Multiply the remaining miles so computed by 0.35 cent;

(v) Subtract the Class I differential specified in § 1000.52 applicable for the county in which the origination point is located from the Class I differential applicable at the receiving pool plant's location;

(vi) Subtract any positive difference computed in paragraph (d)(3)(v) of this section from the amount computed in paragraph (d)(3)(iv) of this section; and

(vii) Multiply the remainder computed in paragraph (d)(3)(vi) of this section by the hundredweight of milk described in paragraph (d)(3) of this section.

#### **Administrative Assessment and Marketing Service Deduction**

##### **§ 1007.85 Assessment for order administration.**

See § 1000.85.

##### **§ 1007.86 Deduction for marketing services.**

See § 1000.86.

#### **PART 1030—MILK IN THE UPPER MIDWEST MARKETING AREA**

##### **Subpart—Order Regulating Handling**

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##### **Administrative Assessment and Marketing Service Deduction**

1030.85 Assessment for order administration.

1030.86 Deduction for marketing services.

**Authority:** 7 U.S.C. 601–674, and 7253.

##### **Subpart—Order Regulating Handling**

###### **General Provisions**

##### **§ 1030.1 General provisions.**

The terms, definitions, and provisions in part 1000 of this chapter apply to this part 1030. In this part 1030, all references to sections in part 1000 refer to part 1000 of this chapter.

###### **Definitions**

##### **§ 1030.2 Upper Midwest marketing area.**

The marketing area means all territory within the bounds of the following states and political subdivisions, including all piers, docks, and wharves connected therewith and all craft moored thereat, and all territory occupied by government (municipal, State, or Federal) reservations, installations, institutions, or other similar establishments if any part thereof is within any of the listed states or political subdivisions:

###### *Illinois Counties*

Boone, Carroll, Cook, De Kalb, Du Page, Jo Daviess, Kane, Kendall, Lake, Lee, McHenry, Ogle, Stephenson, Will, and Winnebago.

###### *Iowa Counties*

Howard, Kossuth, Mitchell, Winnebago, Winneshiek, and Worth.

###### *Michigan Counties*

Delta, Dickinson, Gogebic, Iron, Menominee, and Ontonagon.

###### *Minnesota*

All counties except Lincoln, Nobles, Pipestone, and Rock.

###### *North Dakota Counties*

Barnes, Cass, Cavalier, Dickey, Grand Forks, Griggs, La Moure, Nelson, Pembina, Ramsey, Ransom, Richland, Sargent, Steele, Traill, and Walsh.

###### *South Dakota Counties*

Brown, Day, Edmunds, Grant, Marshall, McPherson, Roberts, and Walworth.

###### *Wisconsin Counties*

All counties except Crawford and Grant.

##### **§ 1030.3 Route disposition.**

See § 1000.3.

##### **§ 1030.4 Plant.**

See § 1000.4.

**§ 1030.5 Distributing plant.**

See § 1000.5.

**§ 1030.6 Supply plant.**

See § 1000.6.

**§ 1030.7 Pool plant.**

*Pool plant* means a plant, unit of plants, or system of plants as specified in paragraphs (a) through (f) of this section, but excluding a plant specified in paragraph (h) of this section. The pooling standards described in paragraphs (c) and (f) of this section are subject to modification pursuant to paragraph (g) of this section:

(a) A distributing plant, other than a plant qualified as a pool plant pursuant to paragraph (b) of this section or (§ \_\_\_\_\_.7b) of any other Federal milk order, from which during the month 15 percent or more of the total quantity of fluid milk products physically received at the plant (excluding concentrated milk received from another plant by agreement for other than Class I use) are disposed of as route disposition or are transferred in the form of packaged fluid milk products to other distributing plants. At least 25 percent of such route disposition and transfers must be to outlets in the marketing area.

(b) Any distributing plant located in the marketing area which during the month processed at least 15 percent of the total quantity of fluid milk products physically received at the plant (excluding concentrated milk received from another plant by agreement for other than Class I use) into ultra-pasteurized or aseptically-processed fluid milk products.

(c) A supply plant from which the quantity of bulk fluid milk products shipped to (and physically unloaded into) plants described in paragraph (c)(1) of this section is not less than 10 percent of the Grade A milk received from dairy farmers (except dairy farmers described in § 1030.12(b)) and handlers described in § 1000.9(c), including milk diverted pursuant to § 1030.13, subject to the following conditions:

(1) Qualifying shipments may be made to plants described in paragraphs (c)(1)(i) through (iv) of this section, except that whenever shipping requirements are increased pursuant to paragraph (g) of this section, only shipments to pool plants described in paragraphs (a), (b), and (e) of this section shall count as qualifying shipments for the purpose of meeting the increased shipments:

- (i) Pool plants described in § 1030.7(a), (b) and (e);
- (ii) Plants of producer-handlers;
- (iii) Partially regulated distributing plants, except that credit for such

shipments shall be limited to the amount of such milk classified as Class I at the transferee plant; and

(iv) Distributing plants fully regulated under other Federal orders, except that credit for shipments to such plants shall be limited to the quantity shipped to pool distributing plants during the month and credits for shipments to other order plants shall not include any such shipments made on the basis of agreed-upon Class II, Class III, or Class IV utilization.

(2) The operator of a supply plant may include as qualifying shipments under this paragraph milk delivered directly from producers' farms pursuant to §§ 1000.9(c) or 1030.13(c) to plants described in paragraphs (a), (b), and (e) of this section.

(3) Concentrated milk transferred from the supply plant to a distributing plant for an agreed-upon use other than Class I shall be excluded from the supply plant's shipments in computing the supply plant's shipping percentage.

(d) [Reserved]

(e) Two or more plants operated by the same handler and located in the marketing area may qualify for pool status as a unit by meeting the total and in-area route disposition requirements of a pool distributing plant specified in paragraph (a) of this section and subject to the following additional requirements:

(1) At least one of the plants in the unit must qualify as a pool plant pursuant to paragraph (a) of this section;

(2) Other plants in the unit must process Class I or Class II products, using 50 percent or more of the total Grade A fluid milk products received in bulk form at such plant or diverted therefrom by the plant operator in Class I or Class II products; and

(3) The operator of the unit has filed a written request with the market administrator prior to the first day of the month for which such status is desired to be effective. The unit shall continue from month-to-month thereafter without further notification. The handler shall notify the market administrator in writing prior to the first day of any month for which termination or any change of the unit is desired.

(f) A system of 2 or more supply plants operated by one or more handlers may qualify for pooling by meeting the shipping requirements of paragraph (c) of this section in the same manner as a single plant subject to the following additional requirements:

(1) Each plant in the system is located within the marketing area or was a pool supply plant pursuant to § 1030.7(c) for each of the 3 months immediately preceding the applicability date of this

paragraph so long as it continues to maintain pool status. Cooperative associations may not use shipments pursuant to § 1000.9(c) to qualify plants located outside the marketing area;

(2) The handler(s) establishing the system submits a written request to the market administrator on or before July 15 requesting that such plants qualify as a system for the period of August through July of the following year. Such request will contain a list of the plants participating in the system in the order, beginning with the last plant, in which the plants will be dropped from the system if the system fails to qualify. Each plant that qualifies as a pool plant within a system shall continue each month as a plant in the system through the following July unless the handler(s) establishing the system submits a written request to the market administrator that the plant be deleted from the system or that the system be discontinued. Any plant that has been so deleted from a system, or that has failed to qualify in any month, will not be part of any system for the remaining months through July. The handler(s) that established a system may add a plant operated by such handler(s) to a system if such plant has been a pool plant each of the 6 prior months and would otherwise be eligible to be in a system, upon written request to the market administrator no later than the 15th day of the prior month. In the event of an ownership change or the business failure of a handler that is a participant in a system, the system may be reorganized to reflect such changes if a written request to file a new marketing agreement is submitted to the market administrator; and

(3) If a system fails to qualify under the requirements of this paragraph, the handler responsible for qualifying the system shall notify the market administrator which plant or plants will be deleted from the system so that the remaining plants may be pooled as a system. If the handler fails to do so, the market administrator shall exclude one or more plants, beginning at the bottom of the list of plants in the system and continuing up the list as necessary until the deliveries are sufficient to qualify the remaining plants in the system.

(g) The applicable shipping percentages of paragraphs (c) and (f) of this section and the diversion limits described in § 1030.13(d)(2) may be increased or decreased, for all or part of the marketing area, by the market administrator if the market administrator finds that such adjustment is necessary to encourage needed shipments or to prevent uneconomic shipments. Before making

such a finding, the market administrator shall investigate the need for adjustment either on the market administrator's own initiative or at the request of interested parties if the request is made in writing at least 15 days prior to the month for which the requested revision is desired effective. If the investigation shows that an adjustment of the shipping percentages might be appropriate, the market administrator shall issue a notice stating that an adjustment is being considered and invite data, views and arguments. Any decision to revise an applicable shipping or diversion percentage must be issued in writing at least one day before the effective date.

(h) The term pool plant shall not apply to the following plants:

(1) A producer-handler as defined under any Federal order;

(2) An exempt plant as defined in § 1000.8(e);

(3) A plant located within the marketing area and qualified pursuant to paragraph (a) of this section which meets the pooling requirements of another Federal order, and from which more than 50 percent of its route disposition has been in the other Federal order marketing area for 3 consecutive months;

(4) A plant located outside any Federal order marketing area and qualified pursuant to paragraph (a) of this section that meets the pooling requirements of another Federal order and has had greater route disposition in such other Federal order's marketing area for 3 consecutive months;

(5) A plant located in another Federal order marketing area and qualified pursuant to paragraph (a) of this section that meets the pooling requirements of such other Federal order and does not have a majority of its route distribution in this marketing area for 3 consecutive months or if the plant is required to be regulated under such other Federal order without regard to its route disposition in any other Federal order marketing area;

(6) A plant qualified pursuant to paragraph (c) of this section which also meets the pooling requirements of another Federal order and from which greater qualifying shipments are made to plants regulated under the other Federal order than are made to plants regulated under the order in this part, or the plant has automatic pooling status under the other Federal order; and

(7) That portion of a regulated plant designated as a nonpool plant that is physically separate and operated separately from the pool portion of such plant. The designation of a portion of a regulated plant as a nonpool plant must

be requested in advance and in writing by the handler and must be approved by the market administrator.

(i) Any plant that qualifies as a pool plant in each of the immediately preceding 3 months pursuant to paragraph (a) of this section or the shipping percentages in paragraph (c) of this section that is unable to meet such performance standards for the current month because of unavoidable circumstances determined by the market administrator to be beyond the control of the handler operating the plant, such as a natural disaster (ice storm, wind storm, flood), fire, breakdown of equipment, or work stoppage, shall be considered to have met the minimum performance standards during the period of such unavoidable circumstances, but such relief shall not be granted for more than 2 consecutive months.

#### **§ 1030.8 Nonpool plant.**

See § 1000.8.

#### **§ 1030.9 Handler.**

See § 1000.9.

#### **§ 1030.10 Producer-handler.**

*Producer-handler* means a person who:

(a) Operates a dairy farm and a distributing plant from which there is route disposition in the marketing area during the month;

(b) Receives fluid milk from own farm production or milk that is fully subject to the pricing and pooling provisions of the order in this part or any other Federal order;

(c) Receives at its plant or acquires for route disposition no more than 150,000 pounds of fluid milk products from handlers fully regulated under any Federal order. This limitation shall not apply if the producer-handler's own farm production is less than 150,000 pounds during the month;

(d) Disposes of no other source milk as Class I milk except by increasing the nonfat milk solids content of the fluid milk products; and

(e) Provides proof satisfactory to the market administrator that the care and management of the dairy animals and other resources necessary to produce all Class I milk handled (excluding receipts from handlers fully regulated under any Federal order) and the processing and packaging operations are the producer-handler's own enterprise and at its own risk.

#### **§ 1030.11 [Reserved]**

#### **§ 1030.12 Producer.**

(a) Except as provided in paragraph (b) of this section, *producer* means any

person who produces milk approved by a duly constituted regulatory agency for fluid consumption as Grade A milk and whose milk is:

(1) Received at a pool plant directly from the producer or diverted by the plant operator in accordance with

§ 1030.13; or

(2) Received by a handler described in § 1000.9(c).

(b) Producer shall not include:

(1) A producer-handler as defined in any Federal order;

(2) A dairy farmer whose milk is received at an exempt plant, excluding producer milk diverted to the exempt plant pursuant to § 1030.13(d);

(3) A dairy farmer whose milk is received by diversion at a pool plant from a handler regulated under another Federal order if the other Federal order designates the dairy farmer as a producer under that order and that milk is allocated by request to a utilization other than Class I; and

(4) A dairy farmer whose milk is reported as diverted to a plant fully regulated under another Federal order with respect to that portion of the milk so diverted that is assigned to Class I under the provisions of such other order.

#### **§ 1030.13 Producer milk.**

*Producer milk* means the skim milk (or the skim equivalent of components of skim milk), including nonfat components, and butterfat in milk of a producer that is:

(a) Received by the operator of a pool plant directly from a producer or a handler described in § 1000.9(c). All milk received pursuant to this paragraph shall be priced at the location of the plant where it is first physically received;

(b) Received by a handler described in § 1000.9(c) in excess of the quantity delivered to pool plants;

(c) Diverted by a pool plant operator to another pool plant. Milk so diverted shall be priced at the location of the plant to which diverted; or

(d) Diverted by the operator of a pool plant or a cooperative association described in § 1000.9(c) to a nonpool plant, subject to the following conditions:

(1) Milk of a dairy farmer shall not be eligible for diversion unless at least one day's production of such dairy farmer is physically received as producer milk at a pool plant during the first month the dairy farmer is a producer. If a dairy farmer loses producer status under the order in this part (except as a result of a temporary loss of Grade A approval or as a result of the handler of the dairy farmer's milk failing to pool the milk under any order), the dairy farmer's

milk shall not be eligible for diversion unless at least one day's production of the dairy farmer has been physically received as producer milk at a pool plant during the first month the dairy farmer is re-associated with the market;

(2) The quantity of milk diverted by a handler described in § 1000.9(c) may not exceed 90 percent of the producer milk receipts reported by the handler pursuant to § 1030.30(c) provided that not less than 10 percent of such receipts are delivered to plants described in § 1030.7(c)(1)(i) through (iii). These percentages are subject to any adjustments that may be made pursuant to § 1030.7(g); and

(3) Diverted milk shall be priced at the location of the plant to which diverted.

**§ 1030.14 Other source milk.**

See § 1000.14.

**§ 1030.15 Fluid milk product.**

See § 1000.15.

**§ 1030.16 Fluid cream product.**

See § 1000.16.

**§ 1030.17 [Reserved]**

**§ 1030.18 Cooperative association.**

See § 1000.18.

**§ 1030.19 Commercial food processing establishment.**

See § 1000.19.

**Handler Reports**

**§ 1030.30 Reports of receipts and utilization.**

Each handler shall report monthly so that the market administrator's office receives the report on or before the 9th day after the end of the month, in the detail and on the prescribed forms, as follows:

(a) Each handler that operates a pool plant shall report for each of its operations the following information:

(1) Product pounds, pounds of butterfat, pounds of protein, pounds of solids-not-fat other than protein (other solids), and the value of the somatic cell adjustment pursuant to § 1000.50(p), contained in or represented by:

(i) Receipts of producer milk, including producer milk diverted by the reporting handler, from sources other than handlers described in § 1000.9(c); and

(ii) Receipts of milk from handlers described in § 1000.9(c);

(2) Product pounds and pounds of butterfat contained in:

(i) Receipts of fluid milk products and bulk fluid cream products from other pool plants;

(ii) Receipts of other source milk; and

(iii) Inventories at the beginning and end of the month of fluid milk products and bulk fluid cream products;

(3) The utilization or disposition of all milk and milk products required to be reported pursuant to this paragraph; and

(4) Such other information with respect to the receipts and utilization of skim milk, butterfat, milk protein, other nonfat solids, and somatic cell information, as the market administrator may prescribe.

(b) Each handler operating a partially regulated distributing plant shall report with respect to such plant in the same manner as prescribed for reports required by paragraph (a) of this section. Receipts of milk that would have been producer milk if the plant had been fully regulated shall be reported in lieu of producer milk. The report shall show also the quantity of any reconstituted skim milk in route disposition in the marketing area.

(c) Each handler described in § 1000.9(c) shall report:

(1) The product pounds, pounds of butterfat, pounds of protein, pounds of solids-not-fat other than protein (other solids), and the value of the somatic cell adjustment pursuant to § 1000.50(p), contained in receipts of milk from producers; and

(2) The utilization or disposition of such receipts.

(d) Each handler not specified in paragraphs (a) through (c) of this section shall report with respect to its receipts and utilization of milk and milk products in such manner as the market administrator may prescribe.

**§ 1030.31 Payroll reports.**

(a) On or before the 22nd day after the end of each month, each handler that operates a pool plant pursuant to § 1030.7 and each handler described in § 1000.9(c) shall report to the market administrator its producer payroll for the month, in the detail prescribed by the market administrator, showing for each producer the information described in § 1030.73(f).

(b) Each handler operating a partially regulated distributing plant who elects to make payment pursuant to § 1000.76(b) shall report for each dairy farmer who would have been a producer if the plant had been fully regulated in the same manner as prescribed for reports required by paragraph (a) of this section.

**§ 1030.32 Other reports.**

In addition to the reports required pursuant to §§ 1030.30 and 1030.31, each handler shall report any information the market administrator deems necessary to verify or establish

each handler's obligation under the order.

**Classification of Milk**

**§ 1030.40 Classes of utilization.**

See § 1000.40.

**§ 1030.41 [Reserved]**

**§ 1030.42 Classification of transfers and diversions.**

See § 1000.42.

**§ 1030.43 General classification rules.**

See § 1000.43.

**§ 1030.44 Classification of producer milk.**

See § 1000.44.

**§ 1030.45 Market administrator's reports and announcements concerning classification.**

See § 1000.45.

**Class Prices**

**§ 1030.50 Class prices, component prices, and advanced pricing factors.**

See § 1000.50.

**§ 1030.51 Class I differential and price.**

The Class I differential shall be the differential established for Cook County, Illinois, which is reported in § 1000.52. The Class I price shall be the price computed pursuant to § 1000.50(a) for Cook County, Illinois.

**§ 1030.52 Adjusted Class I differentials.**

See § 1000.52.

**§ 1030.53 Announcement of class prices, component prices, and advanced pricing factors.**

See § 1000.53.

**§ 1030.54 Equivalent price.**

See § 1000.54.

**§ 1030.55 Transportation credits and assembly credits.**

(a) Each handler operating a pool distributing plant described in § 1030.7(a), (b), or (e) that receives bulk milk from another pool plant shall receive a transportation credit for such milk computed as follows:

(1) Determine the hundredweight of milk eligible for the credit by completing the steps in paragraph (c) of this section;

(2) Multiply the hundredweight of milk eligible for the credit by .28 cents times the number of miles between the transferor plant and the transferee plant;

(3) Subtract the effective Class I price at the transferor plant from the effective Class I price at the transferee plant;

(4) Multiply any positive amount resulting from the subtraction in paragraph (a)(3) of this section by the hundredweight of milk eligible for the credit; and



(5) Subtract the amount computed in paragraph (a)(4) of this section from the amount computed in paragraph (a)(2) of this section. If the amount computed in paragraph (a)(4) of this section exceeds the amount computed in paragraph (a)(2) of this section, the transportation credit shall be zero.

(b) Each handler operating a pool distributing plant described in § 1030.7(a), (b), or (e) that receives milk from dairy farmers, each handler that transfers or diverts bulk milk from a pool plant to a pool distributing plant, and each handler described in § 1000.9(c) that delivers producer milk to a pool distributing plant shall receive an assembly credit on the portion of such milk eligible for the credit pursuant to paragraph (c) of this section. The credit shall be computed by multiplying the hundredweight of milk eligible for the credit by 8 cents.

(c) The following procedure shall be used to determine the amount of milk eligible for transportation and assembly credits pursuant to paragraphs (a) and (b) of this section:

(1) At each pool distributing plant, determine the aggregate quantity of Class I milk, excluding beginning inventory of packaged fluid milk products;

(2) Subtract the quantity of packaged fluid milk products received at the pool distributing plant from other pool plants and from nonpool plants if such receipts are assigned to Class I;

(3) Subtract the quantity of bulk milk shipped from the pool distributing plant to other plants to the extent that such milk is classified as Class I milk;

(4) Subtract the quantity of bulk milk received at the pool distributing plant from other order plants and unregulated supply plants that is assigned to Class I pursuant to §§ 1000.43(d) and 1000.44; and

(5) Assign the remaining quantity pro rata to physical receipts during the month from:

(i) Producers;

(ii) Handlers described in § 1000.9(c); and

(iii) Other pool plants.

(d) For purposes of this section, the distances to be computed shall be determined by the market administrator using the shortest available state and/or Federal highway mileage. Mileage determinations are subject to redetermination at all times. In the event a handler requests a redetermination of the mileage pertaining to any plant, the market administrator shall notify the handler of such redetermination within 30 days after the receipt of such request. Any financial obligations resulting from a

change in mileage shall not be retroactive for any periods prior to the redetermination by the market administrator.

#### **Producer Price Differential**

##### **§ 1030.60 Handler's value of milk.**

For the purpose of computing a handler's obligation for producer milk, the market administrator shall determine for each month the value of milk of each handler with respect to each of the handler's pool plants and of each handler described in § 1000.9(c) with respect to milk that was not received at a pool plant by adding the amounts computed in paragraphs (a) through (i) of this section and subtracting from that total amount the values computed in paragraphs (j) and (k) of this section. Unless otherwise specified, the skim milk, butterfat, and the combined pounds of skim milk and butterfat referred to in this section shall result from the steps set forth in § 1000.44(a), (b), and (c), respectively, and the nonfat components of producer milk in each class shall be based upon the proportion of such components in producer skim milk. Receipts of nonfluid milk products that are distributed as labeled reconstituted milk for which payments are made to the producer-settlement fund of another Federal order under § 1000.76(a)(4) or (d) shall be excluded from pricing under this section.

(a) Class I value. (1) Multiply the pounds of skim milk in Class I by the Class I skim milk price; and

(2) Add an amount obtained by multiplying the pounds of butterfat in Class I by the Class I butterfat price.

(b) Class II value. (1) Multiply the pounds of nonfat solids in Class II skim milk by the Class II nonfat solids price; and

(2) Add an amount obtained by multiplying the pounds of butterfat in Class II times the Class II butterfat price.

(c) Class III value. (1) Multiply the pounds of protein in Class III skim milk by the protein price;

(2) Add an amount obtained by multiplying the pounds of other solids in Class III skim milk by the other solids price; and

(3) Add an amount obtained by multiplying the pounds of butterfat in Class III by the butterfat price.

(d) Class IV value. (1) Multiply the pounds of nonfat solids in Class IV skim milk by the nonfat solids price; and

(2) Add an amount obtained by multiplying the pounds of butterfat in Class IV by the butterfat price.

(e) Compute an adjustment for the somatic cell content of producer milk by

multiplying the values reported pursuant to § 1030.30(a)(1) and (c)(1) by the percentage of total producer milk allocated to Class II, Class III, and Class IV pursuant to § 1000.44(c);

(f) Multiply the pounds of skim milk and butterfat overage assigned to each class pursuant to § 1000.44(a)(11) and the corresponding step of § 1000.44(b) by the skim milk prices and butterfat prices applicable to each class.

(g) Multiply the difference between the current month's Class I, II, or III price, as the case may be, and the Class IV price for the preceding month and by the hundredweight of skim milk and butterfat subtracted from Class I, II, or III, respectively, pursuant to § 1000.44(a)(7) and the corresponding step of § 1000.44(b);

(h) Multiply the difference between the Class I price applicable at the location of the pool plant and the Class IV price by the hundredweight of skim milk and butterfat assigned to Class I pursuant to § 1000.43(d) and the hundredweight of skim milk and butterfat subtracted from Class I pursuant to § 1000.44(a)(3)(i) through (vi) and the corresponding step of § 1000.44(b), excluding receipts of bulk fluid cream products from plants regulated under other Federal orders and bulk concentrated fluid milk products from pool plants, plants regulated under other Federal orders, and unregulated supply plants.

(i) Multiply the difference between the Class I price applicable at the location of the nearest unregulated supply plants from which an equivalent volume was received and the Class III price by the pounds of skim milk and butterfat in receipts of concentrated fluid milk products assigned to Class I pursuant to § 1000.43(d) and § 1000.44(a)(3)(i) and the corresponding step of § 1000.44(b) and the pounds of skim milk and butterfat subtracted from Class I pursuant to § 1000.44(a)(8) and the corresponding step of § 1000.44(b), excluding such skim milk and butterfat in receipts of fluid milk products from an unregulated supply plant to the extent that an equivalent amount of skim milk or butterfat disposed of to such plant by handlers fully regulated under any Federal milk order is classified and priced as Class I milk and is not used as an offset for any other payment obligation under any order.

(j) For reconstituted milk made from receipts of nonfluid milk products, multiply \$1.00 (but not more than the difference between the Class I price applicable at the location of the pool plant and the Class IV price) by the hundredweight of skim milk and butterfat contained in receipts of



nonfluid milk products that are allocated to Class I use pursuant to § 1000.43(d).

(k) Compute the amount of credits applicable pursuant to § 1030.55.

**§ 1030.61 Computation of producer price differential.**

For each month the market administrator shall compute a producer price differential per hundredweight. The report of any handler who has not made payments required pursuant to § 1030.71 for the preceding month shall not be included in the computation of the producer price differential, and such handler's report shall not be included in the computation for succeeding months until the handler has made full payment of outstanding monthly obligations. Subject to the conditions of this paragraph, the market administrator shall compute the producer price differential in the following manner:

(a) Combine into one total the values computed pursuant to § 1030.60 for all handlers required to file reports prescribed in § 1030.30;

(b) Subtract the total values obtained by multiplying each handler's total pounds of protein, other solids, and butterfat contained in the milk for which an obligation was computed pursuant to § 1030.60 by the protein price, the other solids price, and the butterfat price, respectively, and the total value of the somatic cell adjustment pursuant to § 1030.30 (a)(1) and (c)(1);

(c) Add an amount equal to the minus location adjustments and subtract an amount equal to the plus location adjustments computed pursuant to § 1030.75;

(d) Add an amount equal to not less than one-half of the unobligated balance in the producer-settlement fund;

(e) Divide the resulting amount by the sum of the following for all handlers included in these computations:

(1) The total hundredweight of producer milk; and

(2) The total hundredweight for which a value is computed pursuant to § 1030.60(i); and

(f) Subtract not less than 4 cents nor more than 5 cents from the price computed pursuant to paragraph (e) of this section. The result shall be known as the *producer price differential* for the month.

**§ 1030.62 Announcement of producer prices.**

On or before the 13th day after the end of each month, the market administrator shall announce publicly the following prices and information:

(a) The producer price differential;

(b) The protein price;

(c) The nonfat solids price;

(d) The other solids price;

(e) The butterfat price;

(f) The somatic cell adjustment rate;

(g) The average butterfat, nonfat

solids, protein and other solids content of producer milk; and

(h) The statistical uniform price for milk containing 3.5 percent butterfat, computed by combining the Class III price and the producer price differential.

**Payments for Milk**

**§ 1030.70 Producer-settlement fund.**

See § 1000.70.

**§ 1030.71 Payments to the producer-settlement fund.**

Each handler shall make payment to the producer-settlement fund in a manner that provides receipt of the funds by the market administrator no later than the 15th day after the end of the month (except as provided in § 1000.90). Payment shall be the amount, if any, by which the amount specified in paragraph (a) of this section exceeds the amount specified in paragraph (b) of this section:

(a) The total value of milk to the handler for the month as determined pursuant to § 1030.60.

(b) The sum of:

(1) An amount obtained by multiplying the total hundredweight of producer milk as determined pursuant to § 1000.44(c) by the producer price differential as adjusted pursuant to § 1030.75;

(2) An amount obtained by multiplying the total pounds of protein, other solids, and butterfat contained in producer milk by the protein, other solids, and butterfat prices respectively;

(3) The total value of the somatic cell adjustment to producer milk; and

(4) An amount obtained by multiplying the pounds of skim milk and butterfat for which a value was computed pursuant to § 1030.60(i) by the producer price differential as adjusted pursuant to § 1030.75 for the location of the plant from which received.

**§ 1030.72 Payments from the producer-settlement fund.**

No later than the 16th day after the end of each month (except as provided in § 1000.90), the market administrator shall pay to each handler the amount, if any, by which the amount computed pursuant to § 1030.71(b) exceeds the amount computed pursuant to § 1030.71(a). If, at such time, the balance in the producer-settlement fund is insufficient to make all payments

pursuant to this section, the market administrator shall reduce uniformly such payments and shall complete the payments as soon as the funds are available.

**§ 1030.73 Payments to producers and to cooperative associations.**

(a) Each handler shall pay each producer for producer milk for which payment is not made to a cooperative association pursuant to paragraph (b) of this section, as follows:

(1) *Partial payment.* For each producer who has not discontinued shipments as of the date of this partial payment, payment shall be made so that it is received by each producer on or before the 26th day of the month (except as provided in § 1000.90) for milk received during the first 15 days of the month from the producer at not less than the lowest announced class price for the preceding month, less proper deductions authorized in writing by the producer.

(2) *Final payment.* For milk received during the month, payment shall be made so that it is received by each producer no later than the 17th day after the end of the month (except as provided in § 1000.90) in an amount equal to not less than the sum of:

(i) The hundredweight of producer milk received times the producer price differential for the month as adjusted pursuant to § 1030.75;

(ii) The pounds of butterfat received times the butterfat price for the month;

(iii) The pounds of protein received times the protein price for the month;

(iv) The pounds of other solids received times the other solids price for the month;

(v) The hundredweight of milk received times the somatic cell adjustment for the month;

(vi) Less any payment made pursuant to paragraph (a)(1) of this section;

(vii) Less proper deductions authorized in writing by such producer, and plus or minus adjustments for errors in previous payments to such producer subject to approval by the market administrator; and

(viii) Less deductions for marketing services pursuant to § 1000.86.

(b) *Payments for milk received from cooperative association members.* On or before the day prior to the dates specified in paragraphs (a)(1) and (a)(2) of this section (except as provided in § 1000.90), each handler shall pay to a cooperative association for milk from producers who market their milk through the cooperative association and who have authorized the cooperative to collect such payments on their behalf an amount equal to the sum of the

individual payments otherwise payable for such producer milk pursuant to paragraphs (a)(1) and (a)(2) of this section.

(c) *Payment for milk received from cooperative association pool plants or from cooperatives as handlers pursuant to § 1000.9(c).* On or before the day prior to the dates specified in paragraphs (a)(1) and (a)(2) of this section (except as provided in § 1000.90), each handler who receives fluid milk products at its plant from a cooperative association in its capacity as the operator of a pool plant or who receives milk from a cooperative association in its capacity as a handler pursuant to § 1000.9(c), including the milk of producers who are not members of such association and who the market administrator determines have authorized the cooperative association to collect payment for their milk, shall pay the cooperative for such milk as follows:

(1) For bulk fluid milk products and bulk fluid cream products received from a cooperative association in its capacity as the operator of a pool plant and for milk received from a cooperative association in its capacity as a handler pursuant to § 1000.9(c) during the first 15 days of the month, at not less than the lowest announced class prices per hundredweight for the preceding month;

(2) For the total quantity of bulk fluid milk products and bulk fluid cream products received from a cooperative association in its capacity as the operator of a pool plant, at not less than the total value of such products received from the association's pool plants, as determined by multiplying the respective quantities assigned to each class under § 1000.44, as follows:

(i) The hundredweight of Class I skim milk times the Class I skim milk price for the month plus the pounds of Class I butterfat times the Class I butterfat price for the month. The Class I price to be used shall be that price effective at the location of the receiving plant;

(ii) The pounds of nonfat solids in Class II skim milk by the Class II nonfat solids price;

(iii) The pounds of butterfat in Class II times the Class II butterfat price;

(iv) The pounds of nonfat solids in Class IV times the nonfat solids price;

(v) The pounds of butterfat in Class III and Class IV milk times the butterfat price;

(vi) The pounds of protein in Class III milk times the protein price;

(vii) The pounds of other solids in Class III milk times the other solids price;

(viii) The hundredweight of Class II, Class III, and Class IV milk times the somatic cell adjustment; and

(ix) Add together the amounts computed in paragraphs (c)(2)(i) through (viii) of this section and from that sum deduct any payment made pursuant to paragraph (c)(1) of this section; and

(3) For the total quantity of milk received during the month from a cooperative association in its capacity as a handler under § 1000.9(c) as follows:

(i) The hundredweight of producer milk received times the producer price differential as adjusted pursuant to § 1030.75;

(ii) The pounds of butterfat received times the butterfat price for the month;

(iii) The pounds of protein received times the protein price for the month;

(iv) The pounds of other solids received times the other solids price for the month;

(v) The hundredweight of milk received times the somatic cell adjustment for the month; and

(vi) Add together the amounts computed in paragraphs (c)(3)(i) through (v) of this section and from that sum deduct any payment made pursuant to paragraph (c)(1) of this section.

(d) If a handler has not received full payment from the market administrator pursuant to § 1030.72 by the payment date specified in paragraph (a), (b) or (c) of this section, the handler may reduce pro rata its payments to producers or to the cooperative association (with respect to receipts described in paragraph (b) of this section, prorating the underpayment to the volume of milk received from the cooperative association in proportion to the total milk received from producers by the handler), but not by more than the amount of the underpayment. The payments shall be completed on the next scheduled payment date after receipt of the balance due from the market administrator.

(e) If a handler claims that a required payment to a producer cannot be made because the producer is deceased or cannot be located, or because the cooperative association or its lawful successor or assignee is no longer in existence, the payment shall be made to the producer-settlement fund, and in the event that the handler subsequently locates and pays the producer or a lawful claimant, or in the event that the handler no longer exists and a lawful claim is later established, the market administrator shall make the required payment from the producer-settlement fund to the handler or to the lawful claimant, as the case may be.

(f) In making payments to producers pursuant to this section, each handler shall furnish each producer, except a producer whose milk was received from a cooperative association handler described in § 1000.9(a) or (c), a supporting statement in a form that may be retained by the recipient which shall show:

(1) The name, address, Grade A identifier assigned by a duly constituted regulatory agency, and payroll number of the producer;

(2) The daily and total pounds, and the month and dates such milk was received from that producer;

(3) The total pounds of butterfat, protein, and other solids contained in the producer's milk;

(4) The somatic cell count of the producer's milk;

(5) The minimum rate or rates at which payment to the producer is required pursuant to the order in this part;

(6) The rate used in making payment if the rate is other than the applicable minimum rate;

(7) The amount, or rate per hundredweight, or rate per pound of component, and the nature of each deduction claimed by the handler; and

(8) The net amount of payment to the producer or cooperative association.

#### **§ 1030.74 [Reserved]**

#### **§ 1030.75 Plant location adjustments for producer milk and nonpool milk.**

For purposes of making payments for producer milk and nonpool milk, a plant location adjustment shall be determined by subtracting the Class I price specified in § 1030.51 from the Class I price at the plant's location. The difference, plus or minus as the case may be, shall be used to adjust the payments required pursuant to §§ 1030.73 and 1000.76.

#### **§ 1030.76 Payments by a handler operating a partially regulated distributing plant.**

See § 1000.76.

#### **§ 1030.77 Adjustment of accounts.**

See § 1000.77.

#### **§ 1030.78 Charges on overdue accounts.**

See § 1000.78.

#### **Administrative Assessment and Marketing Service Deduction**

#### **§ 1030.85 Assessment for order administration.**

See § 1000.85.

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See § 1000.86.

**PART 1032—MILK IN THE CENTRAL MARKETING AREA****Subpart—Order Regulating Handling****General Provisions**

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**Administrative Assessment and Marketing Service Deduction**

1032.85 Assessment for order administration.  
1032.86 Deduction for marketing services.  
**Authority:** 7 U.S.C. 601–674, and 7253.

**Subpart—Order Regulating Handling****General Provisions****§ 1032.1 General provisions.**

The terms, definitions, and provisions in part 1000 of this chapter apply to this part 1032. In this part 1032, all references to sections in part 1000 refer to part 1000 of this chapter.

**Definitions****§ 1032.2 Central marketing area.**

The marketing area means all territory within the bounds of the following states and political subdivisions, including all piers, docks, and wharves connected therewith and all craft moored thereat, and all territory occupied by government (municipal, State, or Federal) reservations, installations, institutions, or other similar establishments if any part thereof is within any of the listed states or political subdivisions:

**Colorado Counties**

Adams, Arapahoe, Baca, Bent, Boulder, Chaffee, Clear Creek, Cheyenne, Crowley, Custer, Delta, Denver, Douglas, Eagle, El Paso, Elbert, Fremont, Garfield, Gilpin, Gunnison, Huerfano, Jefferson, Kiowa, Kit Carson, Lake, Larimer, Las Animas, Lincoln, Logan, Mesa, Montrose, Morgan, Otero, Park, Phillips, Pitkin, Prowers, Pueblo, Sedgwick, Summit, Teller, Washington, Weld, and Yuma.

**Illinois Counties**

Adams, Alexander, Bond, Brown, Bureau, Calhoun, Cass, Champaign, Christian, Clark, Clay, Clinton, Coles, Crawford, Cumberland, De Witt, Douglas, Edgar, Edwards, Effingham, Fayette, Ford, Franklin, Fulton, Gallatin, Greene, Grundy, Hamilton, Hancock, Hardin, Henderson, Henry, Iroquois, Jackson, Jasper, Jefferson, Jersey, Johnson, Kankakee, Knox, La Salle, Lawrence, Livingston, Logan, McDonough, McLean, Macon, Macoupin, Madison, Marion, Marshall, Mason, Massac, Menard, Mercer, Monroe, Montgomery, Morgan, Moultrie, Peoria, Perry, Piatt, Pike, Pope, Pulaski, Putnam, Randolph, Richland, Rock Island, Saline, Sangamon, Schuyler, Scott, Shelby, St. Clair, Stark, Tazewell, Union, Vermilion, Wabash, Warren, Washington, Wayne, White, Whiteside, Williamson, and Woodford.

**Iowa Counties**

All Iowa counties except Howard, Kossuth, Mitchell, Winnebago, Winneshiek, and Worth.

**Kansas**

All of the State of Kansas.

**Minnesota Counties**

Lincoln, Nobles, Pipestone, and Rock.

**Missouri Counties and Cities**

The counties of Andrew, Atchison, Bates, Buchanan, Caldwell, Carroll, Cass, Clay, Clinton, Daviess, De Kalb, Franklin, Gentry, Grundy, Harrison, Henry, Hickory, Holt, Jackson, Jefferson, Johnson, Lafayette, Lincoln, Livingston, Mercer, Nodaway, Pettis, Platte, Putnam, Ray, Saline, Schuyler, St. Charles, St. Clair, Ste. Genevieve, St. Louis, Sullivan, Warren, and Worth; and the city of St. Louis.

**Nebraska Counties**

Adams, Antelope, Boone, Buffalo, Burt, Butler, Cass, Cedar, Chase, Clay, Colfax, Cuming, Custer, Dakota, Dawson, Dixon, Dodge, Douglas, Dundy, Fillmore, Franklin, Frontier, Furnas, Gage, Gosper, Greeley, Hall, Hamilton, Harlan, Hayes, Hitchcock, Howard, Jefferson, Johnson, Kearney, Keith, Knox, Lancaster, Lincoln, Madison, Merrick, Nance, Nemaha, Nuckolls, Otoe, Pawnee, Perkins, Phelps, Pierce, Platte, Polk, Red Willow, Richardson, Saline, Sarpy, Saunders, Seward, Sherman, Stanton, Thayer, Thurston, Valley, Washington, Wayne, Webster, and York.

**Oklahoma**

All of the State of Oklahoma.

**South Dakota Counties**

Aurora, Beadle, Bon Homme, Brookings, Clark, Clay, Codington, Davison, Deuel, Douglas, Hamlin, Hanson, Hutchinson, Jerauld, Kingsbury, Lake, Lincoln, McCook, Miner, Minnehaha, Moody, Sanborn, Spink, Turner, Union, and Yankton.

**Wisconsin Counties**

Crawford and Grant.

**§ 1032.3 Route disposition.**  
See § 1000.3.

**§ 1032.4 Plant.**  
See § 1000.4.

**§ 1032.5 Distributing plant.**  
See § 1000.5.

**§ 1032.6 Supply plant.**  
See § 1000.6.

**§ 1032.7 Pool plant.**  
*Pool plant* means a plant, unit of plants, or system of plants as specified in paragraphs (a) through (f) of this section, but excluding a plant specified in paragraph (h) of this section. The pooling standards described in paragraphs (c), (d), and (f) of this section are subject to modification pursuant to paragraph (g) of this section:  
(a) A distributing plant, other than a plant qualified as a pool plant pursuant to paragraph (b) of this section or \_\_\_\_\_.7(b) of any other Federal milk order, from which during the month 25

percent or more of the total quantity of fluid milk products physically received at the plant (excluding concentrated milk received from another plant by agreement for other than Class I use) are disposed of as route disposition or are transferred in the form of packaged fluid milk products to other distributing plants. At least 25 percent of such route disposition and transfers must be to outlets in the marketing area.

(b) Any distributing plant located in the marketing area which during the month processed at least 25 percent of the total quantity of fluid milk products physically received at the plant (excluding concentrated milk received from another plant by agreement for other than Class I use) into ultra-pasteurized or aseptically-processed fluid milk products.

(c) A supply plant from which the quantity of bulk fluid milk products transferred or diverted to plants described in paragraph (a) or (b) of this section during each of the months of September through November and January is 35 percent or more of the total Grade A milk received at the plant from dairy farmers (except dairy farmers described in § 1032.12(b)) and handlers described in § 1000.9(c), including milk diverted by the plant operator, and 25 percent for all other months, subject to the following conditions:

(1) A supply plant that has qualified as a pool plant during each of the immediately preceding months of August through April shall continue to so qualify in each of the following months of May through July, unless the plant operator files a written request with the market administrator that such plant not be a pool plant, such nonpool status to be effective the first month following such request and thereafter until the plant qualifies as a pool plant on the basis of milk shipments;

(2) A pool plant operator may include as qualifying shipments milk diverted to pool distributing plants pursuant to § 1032.13(c);

(3) Concentrated milk transferred from the supply plant to a distributing plant for an agreed-upon use other than Class I shall be excluded from the supply plant's shipments in computing the supply plant's shipping percentage;

(4) The operator of a supply plant may include as qualifying shipments transfers of fluid milk products to distributing plants regulated under any other Federal order, except that credit for such transfers shall be limited to the amount of milk, including milk shipped directly from producers' farms, delivered to distributing plants qualified as pool plants pursuant to paragraph (a) or (b) of this section; and

(5) No plant may qualify as a pool plant due to a reduction in the shipping percentage pursuant to paragraph (g) of this section unless it has been a pool supply plant during each of the immediately preceding 3 months.

(d) A plant located in the marketing area and operated by a cooperative association if, during the month or the immediately preceding 12-month period, 35 percent or more of the producer milk of members of the association (and any producer milk of nonmembers and members of another cooperative association which may be marketed by the cooperative association) is physically received in the form of bulk fluid milk products (excluding concentrated milk transferred to a distributing plant for an agreed-upon use other than Class I) at plants specified in paragraph (a) or (b) of this section either directly from farms or by transfer from supply plants operated by the cooperative association and from plants of the cooperative association for which pool plant status has been requested under this paragraph subject to the following conditions:

(1) The plant does not qualify as a pool plant under paragraph (a), (b) or (c) of this section or under comparable provisions of another Federal order; and

(2) The plant is approved by a duly constituted regulatory agency for the handling of milk approved for fluid consumption in the marketing area.

(e) Two or more plants operated by the same handler and located in the marketing area may qualify for pool status as a unit by meeting the total and in-area route disposition requirements of a pool distributing plant specified in paragraph (a) of this section subject to the following additional requirements:

(1) At least one of the plants in the unit must qualify as a pool plant pursuant to paragraph (a) of this section;

(2) Other plants in the unit must process Class I or Class II products, using 50 percent or more of the total Grade A fluid milk products received in bulk form at such plant or diverted therefrom by the plant operator in Class I or Class II products, and must be located in a pricing zone providing the same or a lower Class I price than the price applicable at the distributing plant included in the unit pursuant to paragraph (e)(1) of this section; and

(3) The operator of the unit has filed a written request with the market administrator prior to the first day of the month for which such status is desired to be effective. The unit shall continue from month to month thereafter without further notification. The handler shall notify the market administrator in writing prior to the first day of any

month for which termination or any change of the unit is desired.

(f) A system of supply plants may qualify for pooling if 2 or more plants operated by one or more handlers meet the applicable percentage requirements of paragraph (c) of this section in the same manner as a single plant, subject to the following additional requirements:

(1) Each plant in the system is located within the marketing area;

(2) The handler(s) establishing the system submits a written request to the market administrator on or before September 1 requesting that such plants qualify as a system for the period of September through August of the following year. Such request will contain a list of the plants participating in the system;

(3) Each plant included within a pool supply plant system shall continue each month as a plant in the system through the following August unless the handler(s) establishing the system submits a written request to the market administrator that the plant be deleted from the system or that the system be discontinued. Any plant that has been so deleted from a system, or that has failed to qualify in any month, will not be part of any system for the remaining months through August. No plant may be added in any subsequent month through the following August to a system that qualifies in September; and

(4) If a system fails to qualify under the requirements of this paragraph, the handler responsible for qualifying the system shall notify the market administrator which plant or plants will be deleted from the system so that the remaining plants may be pooled as a system. If the handler fails to do so, the market administrator shall exclude one or more plants, beginning at the bottom of the list of plants in the system and continuing up the list as necessary until the deliveries are sufficient to qualify the remaining plants in the system.

(g) The applicable shipping percentages of paragraphs (c), (d), and (f) of this section may be increased or decreased, for all or part of the marketing area, by the market administrator if the market administrator finds that such adjustment is necessary to encourage needed shipments or to prevent uneconomic shipments. Before making such a finding, the market administrator shall investigate the need for adjustment either on the market administrator's own initiative or at the request of interested parties if the request is made in writing at least 15 days prior to the month for which the requested revision is desired effective. If the investigation

shows that an adjustment of the shipping percentages might be appropriate, the market administrator shall issue a notice stating that an adjustment is being considered and invite data, views and arguments. Any decision to revise an applicable shipping percentage must be issued in writing at least one day before the effective date.

(h) The term pool plant shall not apply to the following plants:

(1) A producer-handler as defined under any Federal order;

(2) An exempt plant as defined in § 1000.8(e);

(3) A plant located within the marketing area and qualified pursuant to paragraph (a) of this section which meets the pooling requirements of another Federal order, and from which more than 50 percent of its route disposition has been in the other Federal order marketing area for 3 consecutive months. On the basis of a written application made by the plant operator at least 15 days prior to the date for which a determination of the market administrator is to be effective, the market administrator may determine that the route disposition in the respective marketing areas to be used for purposes of this paragraph shall exclude (for a specified period of time) route disposition made under limited term contracts to governmental bases and institutions;

(4) A plant located outside any Federal order marketing area and qualified pursuant to paragraph (a) of this section that meets the pooling requirements of another Federal order and has had greater route disposition in such other Federal order's marketing area for 3 consecutive months;

(5) A plant located in another Federal order marketing area and qualified pursuant to paragraph (a) of this section that meets the pooling requirements of such other Federal order and does not have a majority of its route distribution in this marketing area for 3 consecutive months or if the plant is required to be regulated under such other Federal order without regard to its route disposition in any other Federal order marketing area;

(6) A plant qualified pursuant to paragraph (c) of this section which also meets the pooling requirements of another Federal order and from which greater qualifying shipments are made to plants regulated under the other Federal order than are made to plants regulated under the order in this part, or the plant has automatic pooling status under the other Federal order; and

(7) That portion of a regulated plant designated as a nonpool plant that is

physically separate and operated separately from the pool portion of such plant. The designation of a portion of a regulated plant as a nonpool plant must be requested in advance and in writing by the handler and must be approved by the market administrator.

#### **§ 1032.8 Nonpool plant.**

See § 1000.8.

#### **§ 1032.9 Handler.**

See § 1000.9.

#### **§ 1032.10 Producer-handler.**

*Producer-handler* means a person who:

(a) Operates a dairy farm and a distributing plant from which there is route disposition in the marketing area during the month;

(b) Receives fluid milk from own farm production or milk that is fully subject to the pricing and pooling provisions of the order in this part or any other Federal order;

(c) Receives at its plant or acquires for route disposition no more than 150,000 pounds of fluid milk products from handlers fully regulated under any Federal order. This limitation shall not apply if the producer-handler's own farm production is less than 150,000 pounds during the month;

(d) Disposes of no other source milk as Class I milk except by increasing the nonfat milk solids content of the fluid milk products; and

(e) Provides proof satisfactory to the market administrator that the care and management of the dairy animals and other resources necessary to produce all Class I milk handled (excluding receipts from handlers fully regulated under any Federal order) and the processing and packaging operations are the producer-handler's own enterprise and at its own risk.

#### **§ 1032.11 [Reserved]**

#### **§ 1032.12 Producer.**

(a) Except as provided in paragraph (b) of this section, *producer* means any person who produces milk approved by a duly constituted regulatory agency for fluid consumption as Grade A milk and whose milk (or components of milk) is:

(1) Received at a pool plant directly from the producer or diverted by the plant operator in accordance with § 1032.13; or (2) Received by a handler described in § 1000.9(c).

(b) Producer shall not include:

(1) A producer-handler as defined in any Federal order;

(2) A dairy farmer whose milk is received at an exempt plant, excluding producer milk diverted to the exempt plant pursuant to § 1032.13(d);

(3) A dairy farmer whose milk is received by diversion at a pool plant from a handler regulated under another Federal order if the other Federal order designates the dairy farmer as a producer under that order and that milk is allocated by request to a utilization other than Class I; and

(4) A dairy farmer whose milk is reported as diverted to a plant fully regulated under another Federal order with respect to that portion of the milk so diverted that is assigned to Class I under the provisions of such other order.

#### **§ 1032.13 Producer milk.**

*Producer milk* means the skim milk (or the skim equivalent of components of skim milk), including nonfat components, and butterfat in milk of a producer that is:

(a) Received by the operator of a pool plant directly from a producer or a handler described in § 1000.9(c). All milk received pursuant to this paragraph shall be priced at the location of the plant where it is first physically received;

(b) Received by a handler described in § 1000.9(c) in excess of the quantity delivered to pool plants;

(c) Diverted by a pool plant operator to another pool plant. Milk so diverted shall be priced at the location of the plant to which diverted; or

(d) Diverted by the operator of a pool plant or a cooperative association described in § 1000.9(c) to a nonpool plant, subject to the following conditions:

(1) Milk of a dairy farmer shall not be eligible for diversion until at least one day's production of such dairy farmer has been physically received as producer milk at a pool plant and the dairy farmer has continuously retained producer status since that time. If a dairy farmer loses producer status under the order in this part (except as a result of a temporary loss of Grade A approval), the dairy farmer's milk shall not be eligible for diversion until milk of the dairy farmer has been physically received as producer milk at a pool plant;

(2) Of the quantity of producer milk received during the month (including diversions, but excluding the quantity of producer milk received from a handler described in § 1000.9(c)) the handler diverts to nonpool plants not more than 65 percent during the months of September through November and January, and not more than 75 percent during the months of February through April and December;

(3) Diverted milk shall be priced at the location of the plant to which diverted;

(4) Any milk diverted in excess of the limits prescribed in paragraph (d)(2) of this section shall not be producer milk. If the diverting handler or cooperative association fails to designate the dairy farmers' deliveries that are not to be producer milk, no milk diverted by the handler or cooperative association during the month to a nonpool plant shall be producer milk; and

(5) The applicable diversion limits in paragraph (d)(2) of this section may be increased or decreased by the market administrator if the market administrator finds that such revision is necessary to assure orderly marketing and efficient handling of milk in the marketing area. Before making such a finding, the market administrator shall investigate the need for the revision either on the market administrator's own initiative or at the request of interested persons if the request is made in writing at least 15 days prior to the month for which the requested revision is desired effective. If the investigation shows that a revision might be appropriate, the market administrator shall issue a notice stating that the revision is being considered and inviting written data, views, and arguments. Any decision to revise an applicable percentage must be issued in writing at least one day before the effective date.

**§ 1032.14 Other source milk.**

See § 1000.14.

**§ 1032.15 Fluid milk product.**

See § 1000.15.

**§ 1032.16 Fluid cream product.**

See § 1000.16.

**§ 1032.17 [Reserved]**

**§ 1032.18 Cooperative association.**

See § 1000.18.

**§ 1032.19 Commercial food processing establishment.**

See § 1000.19.

**Handler Reports**

**§ 1032.30 Reports of receipts and utilization.**

Each handler shall report monthly so that the market administrator's office receives the report on or before the 7th day after the end of the month, in the detail and on the prescribed forms, as follows:

(a) Each handler that operates a pool plant pursuant to § 1032.7 shall report for each of its operations the following information:

(1) Product pounds, pounds of butterfat, pounds of protein, pounds of solids-not-fat other than protein (other solids), and the value of the somatic cell adjustment pursuant to § 1000.50(p), contained in or represented by:

(i) Receipts of producer milk, including producer milk diverted by the reporting handler, from sources other than handlers described in § 1000.9(c); and

(ii) Receipts of milk from handlers described in § 1000.9(c);

(2) Product pounds and pounds of butterfat contained in:

(i) Receipts of fluid milk products and bulk fluid cream products from other pool plants;

(ii) Receipts of other source milk; and

(iii) Inventories at the beginning and end of the month of fluid milk products and bulk fluid cream products;

(3) The utilization or disposition of all milk and milk products required to be reported pursuant to this paragraph; and

(4) Such other information with respect to the receipts and utilization of skim milk, butterfat, milk protein, other nonfat solids, and somatic cell information, as the market administrator may prescribe.

(b) Each handler operating a partially regulated distributing plant shall report with respect to such plant in the same manner as prescribed for reports required by paragraph (a) of this section. Receipts of milk that would have been producer milk if the plant had been fully regulated shall be reported in lieu of producer milk. The report shall show also the quantity of any reconstituted skim milk in route disposition in the marketing area.

(c) Each handler described in § 1000.9(c) shall report:

(1) The product pounds, pounds of butterfat, pounds of protein, pounds of solids-not-fat other than protein (other solids), and the value of the somatic cell adjustment pursuant to § 1000.50(p), contained in receipts of milk from producers; and

(2) The utilization or disposition of such receipts.

(d) Each handler not specified in paragraphs (a) through (c) of this section shall report with respect to its receipts and utilization of milk and milk products in such manner as the market administrator may prescribe.

**§ 1032.31 Payroll reports.**

(a) On or before the 20th day after the end of each month, each handler that operates a pool plant pursuant to § 1032.7 and each handler described in § 1000.9(c) shall report to the market administrator its producer payroll for the month, in the detail prescribed by

the market administrator, showing for each producer the information described in § 1032.73(f).

(b) Each handler operating a partially regulated distributing plant who elects to make payment pursuant to § 1000.76(b) shall report for each dairy farmer who would have been a producer if the plant had been fully regulated in the same manner as prescribed for reports required by paragraph (a) of this section.

**§ 1032.32 Other reports.**

In addition to the reports required pursuant to §§ 1032.30 and 1032.31, each handler shall report any information the market administrator deems necessary to verify or establish each handler's obligation under the order.

**Classification of Milk**

**§ 1032.40 Classes of utilization.**

See § 1000.40.

**§ 1032.41 [Reserved]**

**§ 1032.42 Classification of transfers and diversions.**

See § 1000.42.

**§ 1032.43 General classification rules.**

See § 1000.43.

**§ 1032.44 Classification of producer milk.**

See § 1000.44.

**§ 1032.45 Market administrator's reports and announcements concerning classification.**

See § 1000.45.

**Class Prices**

**§ 1032.50 Class prices, component prices, and advanced pricing factors.**

See § 1000.50.

**§ 1032.51 Class I differential and price.**

The Class I differential shall be the differential established for Jackson County, Missouri, which is reported in § 1000.52. The Class I price shall be the price computed pursuant to § 1000.50(a) for Jackson County, Missouri.

**§ 1032.52 Adjusted Class I differentials.**

See § 1000.52.

**§ 1032.53 Announcement of class prices, component prices, and advanced pricing factors.**

See § 1000.53.

**§ 1032.54 Equivalent price.**

See § 1000.54.

**Producer Price Differential**

**§ 1032.60 Handler's value of milk.**

For the purpose of computing a handler's obligation for producer milk,

the market administrator shall determine for each month the value of milk of each handler with respect to each of the handler's pool plants and of each handler described in § 1000.9(c) with respect to milk that was not received at a pool plant by adding the amounts computed in paragraphs (a) through (i) of this section and subtracting from that total amount the value computed in paragraph (j) of this section. Unless otherwise specified, the skim milk, butterfat, and the combined pounds of skim milk and butterfat referred to in this section shall result from the steps set forth in § 1000.44(a), (b), and (c), respectively, and the nonfat components of producer milk in each class shall be based upon the proportion of such components in producer skim milk. Receipts of nonfluid milk products that are distributed as labeled reconstituted milk for which payments are made to the producer-settlement fund of another Federal order under § 1000.76(a)(4) or (d) shall be excluded from pricing under this section.

(a) *Class I value.* (1) Multiply the pounds of skim milk in Class I by the Class I skim milk price; and

(2) Add an amount obtained by multiplying the pounds of butterfat in Class I by the Class I butterfat price.

(b) *Class II value.* (1) Multiply the pounds of nonfat solids in Class II skim milk by the Class II nonfat solids price; and

(2) Add an amount obtained by multiplying the pounds of butterfat in Class II times the Class II butterfat price.

(c) *Class III value.* (1) Multiply the pounds of protein in Class III skim milk by the protein price;

(2) Add an amount obtained by multiplying the pounds of other solids in Class III skim milk by the other solids price; and

(3) Add an amount obtained by multiplying the pounds of butterfat in Class III by the butterfat price.

(d) *Class IV value.* (1) Multiply the pounds of nonfat solids in Class IV skim milk by the nonfat solids price; and

(2) Add an amount obtained by multiplying the pounds of butterfat in Class IV by the butterfat price.

(e) Compute an adjustment for the somatic cell content of producer milk by multiplying the values reported pursuant to § 1032.30(a)(1) and (c)(1) by the percentage of total producer milk allocated to Class II, Class III, and Class IV pursuant to § 1000.44(c);

(f) Multiply the pounds of skim milk and butterfat overage assigned to each class pursuant to § 1000.44(a)(11) and the corresponding step of § 1000.44(b) by the skim milk prices and butterfat prices applicable to each class.

(g) Multiply the difference between the current month's Class I, II, or III price, as the case may be, and the Class IV price for the preceding month by the hundredweight of skim milk and butterfat subtracted from Class I, II, or III, respectively, pursuant to § 1000.44(a)(7) and the corresponding step of § 1000.44(b);

(h) Multiply the difference between the Class I price applicable at the location of the pool plant and the Class IV price by the hundredweight of skim milk and butterfat assigned to Class I pursuant to § 1000.43(d) and the hundredweight of skim milk and butterfat subtracted from Class I pursuant to § 1000.44(a)(3)(i) through (vi) and the corresponding step of § 1000.44(b), excluding receipts of bulk fluid cream products from a plant regulated under other Federal orders and bulk concentrated fluid milk products from pool plants, plants regulated under other Federal orders, and unregulated supply plants.

(i) Multiply the difference between the Class I price applicable at the location of the nearest unregulated supply plants from which an equivalent volume was received and the Class III price by the pounds of skim milk and butterfat in receipts of concentrated fluid milk products assigned to Class I pursuant to § 1000.43(d) and § 1000.44(a)(3)(i) and the corresponding step of § 1000.44(b) and the pounds of skim milk and butterfat subtracted from Class I pursuant to § 1000.44(a)(8) and the corresponding step of § 1000.44(b), excluding such skim milk and butterfat in receipts of fluid milk products from an unregulated supply plant to the extent that an equivalent amount of skim milk or butterfat disposed of to such plant by handlers fully regulated under any Federal milk order is classified and priced as Class I milk and is not used as an offset for any other payment obligation under any order.

(j) For reconstituted milk made from receipts of nonfluid milk products, multiply \$1.00 (but not more than the difference between the Class I price applicable at the location of the pool plant and the Class IV price) by the hundredweight of skim milk and butterfat contained in receipts of nonfluid milk products that are allocated to Class I use pursuant to § 1000.43(d).

#### § 1032.61 Computation of producer price differential.

For each month the market administrator shall compute a producer price differential per hundredweight. The report of any handler who has not made payments required pursuant to

§ 1032.71 for the preceding month shall not be included in the computation of the producer price differential, and such handler's report shall not be included in the computation for succeeding months until the handler has made full payment of outstanding monthly obligations. Subject to the conditions of this paragraph, the market administrator shall compute the producer price differential in the following manner:

(a) Combine into one total the values computed pursuant to § 1032.60 for all handlers required to file reports prescribed in § 1032.30;

(b) Subtract the total values obtained by multiplying each handler's total pounds of protein, other solids, and butterfat contained in the milk for which an obligation was computed pursuant to § 1032.60 by the protein price, the other solids price, and the butterfat price, respectively, and the total value of the somatic cell adjustment pursuant to § 1032.30(a)(1) and (c)(1);

(c) Add an amount equal to the minus location adjustments and subtract an amount equal to the plus location adjustments computed pursuant to § 1032.75;

(d) Add an amount equal to not less than one-half of the unobligated balance in the producer-settlement fund;

(e) Divide the resulting amount by the sum of the following for all handlers included in these computations:

(1) The total hundredweight of producer milk; and

(2) The total hundredweight for which a value is computed pursuant to § 1032.60(i); and

(f) Subtract not less than 4 cents nor more than 5 cents from the price computed pursuant to paragraph (e) of this section. The result shall be known as the *producer price differential* for the month.

#### § 1032.62 Announcement of producer prices.

On or before the 11th day after the end of each month, the market administrator shall announce publicly the following prices and information:

(a) The producer price differential;  
(b) The protein price;  
(c) The nonfat solids price;  
(d) The other solids price;  
(e) The butterfat price;  
(f) The somatic cell adjustment rate;  
(g) The average butterfat, protein, nonfat solids, and other solids content of producer milk; and

(h) The statistical uniform price for milk containing 3.5 percent butterfat, computed by combining the Class III price and the producer price differential.



**Payments for Milk****§ 1032.70 Producer-settlement fund.**

See § 1000.70.

**§ 1032.71 Payments to the producer-settlement fund.**

Each handler shall make payment to the producer-settlement fund in a manner that provides receipt of the funds by the market administrator no later than the 14th day after the end of the month (except as provided in § 1000.90). Payment shall be the amount, if any, by which the amount specified in paragraph (a) of this section exceeds the amount specified in paragraph (b) of this section:

(a) The total value of milk to the handler for the month as determined pursuant to § 1032.60.

(b) The sum of:

(1) An amount obtained by multiplying the total hundredweight of producer milk as determined pursuant to § 1000.44(c) by the producer price differential as adjusted pursuant to § 1032.75;

(2) An amount obtained by multiplying the total pounds of protein, other solids, and butterfat contained in producer milk by the protein, other solids, and butterfat prices respectively;

(3) The total value of the somatic cell adjustment to producer milk; and

(4) An amount obtained by multiplying the pounds of skim milk and butterfat for which a value was computed pursuant to § 1032.60(i) by the producer price differential as adjusted pursuant to § 1032.75 for the location of the plant from which received.

**§ 1032.72 Payments from the producer-settlement fund.**

No later than the 15th day after the end of each month (except as provided in § 1000.90), the market administrator shall pay to each handler the amount, if any, by which the amount computed pursuant to § 1032.71(b) exceeds the amount computed pursuant to § 1032.71(a). If, at such time, the balance in the producer-settlement fund is insufficient to make all payments pursuant to this section, the market administrator shall reduce uniformly such payments and shall complete the payments as soon as the funds are available.

**§ 1032.73 Payments to producers and to cooperative associations.**

(a) Each handler shall pay each producer for producer milk for which payment is not made to a cooperative association pursuant to paragraph (b) of this section, as follows:

(1) *Partial payment.* For each producer who has not discontinued shipments as of the date of this partial payment, payment shall be made so that it is received by each producer on or before the 26th day of the month (except as provided in § 1000.90) for milk received during the first 15 days of the month from the producer at not less than the lowest announced class price for the preceding month, less proper deductions authorized in writing by the producer.

(2) *Final payment.* For milk received during the month, payment shall be made so that it is received by each producer no later than the 17th day after the end of the month (except as provided in § 1000.90) in an amount equal to not less than the sum of:

(i) The hundredweight of producer milk received times the producer price differential for the month as adjusted pursuant to § 1032.75;

(ii) The pounds of butterfat received times the butterfat price for the month;

(iii) The pounds of protein received times the protein price for the month;

(iv) The pounds of other solids received times the other solids price for the month;

(v) The hundredweight of milk received times the somatic cell adjustment for the month;

(vi) Less any payment made pursuant to paragraph (a)(1) of this section;

(vii) Less proper deductions authorized in writing by such producer and plus or minus adjustments for errors in previous payments to such producer; and

(viii) Less deductions for marketing services pursuant to § 1000.86.

(b) *Payments for milk received from cooperative association members.* On or before the day prior to the dates specified in paragraphs (a)(1) and (a)(2) of this section (except as provided in § 1000.90), each handler shall pay to a cooperative association for milk from producers who market their milk through the cooperative association and who have authorized the cooperative to collect such payments on their behalf an amount equal to the sum of the individual payments otherwise payable for such producer milk pursuant to paragraphs (a)(1) and (a)(2) of this section.

(c) *Payment for milk received from cooperative association pool plants or from cooperatives as handlers pursuant to § 1000.9(c).* On or before the day prior to the dates specified in paragraphs (a)(1) and (a)(2) of this section (except as provided in § 1000.90), each handler who receives fluid milk products at its plant from a cooperative association in its capacity as the operator of a pool

plant or who receives milk from a cooperative association in its capacity as a handler pursuant to § 1000.9(c), including the milk of producers who are not members of such association and who the market administrator determines have authorized the cooperative association to collect payment for their milk, shall pay the cooperative for such milk as follows:

(1) For bulk fluid milk products and bulk fluid cream products received from a cooperative association in its capacity as the operator of a pool plant and for milk received from a cooperative association in its capacity as a handler pursuant to § 1000.9(c) during the first 15 days of the month, at not less than the lowest announced class prices per hundredweight for the preceding month;

(2) For the total quantity of bulk fluid milk products and bulk fluid cream products received from a cooperative association in its capacity as the operator of a pool plant, at not less than the total value of such products received from the association's pool plants, as determined by multiplying the respective quantities assigned to each class under § 1000.44 as follows:

(i) The hundredweight of Class I skim milk times the Class I skim milk price for the month plus the pounds of Class I butterfat times the Class I butterfat price for the month. The Class I prices to be used shall be the prices effective at the location of the receiving plant;

(ii) The pounds of nonfat solids in Class II skim milk by the Class II nonfat solids price;

(iii) The pounds of butterfat in Class II times the Class II butterfat price;

(iv) The pounds of nonfat solids in Class IV times the nonfat solids price;

(v) The pounds of butterfat in Class III and Class IV milk times the butterfat price;

(vi) The pounds of protein in Class III milk times the protein price;

(vii) The pounds of other solids in Class III milk times the other solids price;

(viii) The hundredweight of Class II, Class III, and Class IV milk times the somatic cell adjustment; and

(ix) Add together the amounts computed in paragraphs (c)(2)(i) through (viii) of this section and from that sum deduct any payment made pursuant to paragraph (c)(1) of this section; and

(3) For the total quantity of milk received during the month from a cooperative association in its capacity as a handler under § 1000.9(c) as follows:

(i) The hundredweight of producer milk received times the producer price



differential as adjusted pursuant to § 1032.75;

(ii) The pounds of butterfat received times the butterfat price for the month;

(iii) The pounds of protein received times the protein price for the month;

(iv) The pounds of other solids received times the other solids price for the month;

(v) The hundredweight of milk received times the somatic cell adjustment for the month; and

(vi) Add together the amounts computed in paragraphs (c)(3)(i) through (v) of this section and from that sum deduct any payment made pursuant to paragraph (c)(1) of this section.

(d) If a handler has not received full payment from the market administrator pursuant to § 1032.72 by the payment date specified in paragraph (a), (b) or (c) of this section, the handler may reduce pro rata its payments to producers or to the cooperative association (with respect to receipts described in paragraph (b) of this section, prorating the underpayment to the volume of milk received from the cooperative association in proportion to the total milk received from producers by the handler), but not by more than the amount of the underpayment. The payments shall be completed on the next scheduled payment date after receipt of the balance due from the market administrator.

(e) If a handler claims that a required payment to a producer cannot be made because the producer is deceased or cannot be located, or because the cooperative association or its lawful successor or assignee is no longer in existence, the payment shall be made to the producer-settlement fund, and in the event that the handler subsequently locates and pays the producer or a lawful claimant, or in the event that the handler no longer exists and a lawful claim is later established, the market administrator shall make the required payment from the producer-settlement fund to the handler or to the lawful claimant, as the case may be.

(f) In making payments to producers pursuant to this section, each handler shall furnish each producer, except a producer whose milk was received from a cooperative association handler described in § 1000.9(a) or (c), a supporting statement in a form that may be retained by the recipient which shall show:

(1) The name, address, Grade A identifier assigned by a duly constituted regulatory agency, and payroll number of the producer;

(2) The daily and total pounds, and the month and dates such milk was received from that producer;

(3) The total pounds of butterfat, protein, and other solids contained in the producer's milk;

(4) The somatic cell count of the producer's milk;

(5) The minimum rate or rates at which payment to the producer is required pursuant to the order in this part;

(6) The rate used in making payment if the rate is other than the applicable minimum rate;

(7) The amount, or rate per hundredweight, or rate per pound of component, and the nature of each deduction claimed by the handler; and

(8) The net amount of payment to the producer or cooperative association.

#### § 1032.74 [Reserved]

#### § 1032.75 Plant location adjustments for producer milk and nonpool milk.

For purposes of making payments for producer milk and nonpool milk, a plant location adjustment shall be determined by subtracting the Class I price specified in § 1032.51 from the Class I price at the plant's location. The difference, plus or minus as the case may be, shall be used to adjust the payments required pursuant to §§ 1032.73 and 1000.76.

#### § 1032.76 Payments by a handler operating a partially regulated distributing plant.

See § 1000.76.

#### § 1032.77 Adjustment of accounts.

See § 1000.77.

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See § 1000.78.

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See § 1000.86.

## PART 1033—MILK IN THE MIDEAST MARKETING AREA

### Subpart—Order Regulating Handling

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1033.85 Assessment for order administration.

1033.86 Deduction for marketing services.

**Authority:** 7 U.S.C. 601–674, and 7253.

**Subpart—Order Regulating Handling****General Provisions****§ 1033.1 General provisions.**

The terms, definitions, and provisions in part 1000 of this chapter apply to this part 1033. In this part 1033, all references to sections in part 1000 refer to part 1000 of this chapter.

**Definitions****§ 1033.2 Mideast marketing area.**

The marketing area means all territory within the bounds of the following states and political subdivisions, including all piers, docks, and wharves connected therewith and all craft moored thereat, and all territory occupied by government (municipal, State, or Federal) reservations, installations, institutions, or other similar establishments if any part thereof is within any of the listed states or political subdivisions:

*Indiana Counties*

Adams, Allen, Bartholomew, Benton, Blackford, Boone, Brown, Carroll, Cass, Clay, Clinton, Dearborn, Decatur, De Kalb, Delaware, Elkhart, Fayette, Fountain, Franklin, Fulton, Grant, Hamilton, Hancock, Hendricks, Henry, Howard, Huntington, Jackson, Jasper, Jay, Jefferson, Jennings, Johnson, Kosciusko, Lagrange, Lake, La Porte, Lawrence, Madison, Marion, Marshall, Miami, Monroe, Montgomery, Morgan, Newton, Noble, Ohio, Owen, Parke, Porter, Pulaski, Putnam, Randolph, Ripley, Rush, Shelby, St. Joseph, Starke, Steuben, Switzerland, Tippecanoe, Tipton, Union, Vermillion, Vigo, Wabash, Warren, Wayne, Wells, White, and Whitley.

*Kentucky Counties*

Boone, Boyd, Bracken, Campbell, Floyd, Grant, Greenup, Harrison, Johnson, Kenton, Lawrence, Lewis, Magoffin, Martin, Mason, Pendleton, Pike, and Robertson.

*Michigan Counties*

All counties except Delta, Dickinson, Gogebic, Iron, Menominee, and Ontonagon.

*Ohio*

The townships of Woodville and Madison in Sandusky County and all other counties in Ohio except Erie, Huron, and Ottawa.

*Pennsylvania Counties*

Allegheny, Armstrong, Beaver, Butler, Crawford, Erie, Fayette, Greene, Lawrence, Mercer, Venango, and Washington.

In Clarion County only the townships of Ashland, Beaver, Licking, Madison, Perry, Piney, Richland, Salem, and Toby.

All of Westmoreland County except the townships of Cook, Donegal, Fairfield, Ligonier, and St. Clair, and the boroughs of Bolivar, Donegal, Ligonier, New Florence, and Seward.

*West Virginia Counties*

Barbour, Boone, Brooke, Cabell, Calhoun, Doddridge, Fayette, Gilmer, Hancock,

Harrison, Jackson, Kanawha, Lewis, Lincoln, Logan, Marion, Marshall, Mason, Mingo, Monongalia, Ohio, Pleasants, Preston, Putnam, Raleigh, Randolph, Ritchie, Roane, Taylor, Tucker, Tyler, Upshur, Wayne, Wetzell, Wirt, Wood, and Wyoming.

**§ 1033.3 Route disposition.**

See § 1000.3.

**§ 1033.4 Plant.**

See § 1000.4.

**§ 1033.5 Distributing plant.**

See § 1000.5.

**§ 1033.6 Supply plant.**

See § 1000.6.

**§ 1033.7 Pool plant.**

*Pool plant* means a plant, unit of plants, or a system of plants as specified in paragraphs (a) through (f) of this section, but excluding a plant specified in paragraph (h) of this section. The pooling standards described in paragraphs (c) through (f) of this section are subject to modification pursuant to paragraph (g) of this section:

(a) A distributing plant, other than a plant qualified as a pool plant pursuant to paragraph (b) of this section or § \_\_\_\_\_.7(b) of any other Federal milk order, from which during the month 30 percent or more of the total quantity of fluid milk products physically received at the plant (excluding concentrated milk received from another plant by agreement for other than Class I use) are disposed of as route disposition or are transferred in the form of packaged fluid milk products to other distributing plants. At least 25 percent of such route disposition and transfers must be to outlets in the marketing area.

(b) Any distributing plant located in the marketing area which during the month processed at least 30 percent of the total quantity of fluid milk products physically received at the plant (excluding concentrated milk received from another plant by agreement for other than Class I use) into ultra-pasteurized or aseptically-processed fluid milk products.

(c) A supply plant from which the quantity of bulk fluid milk products shipped to, received at, and physically unloaded into plants described in paragraph (a) or (b) of this section as a percent of the Grade A milk received at the plant from dairy farmers (except dairy farmers described in § 1033.12(b)) and handlers described in § 1033.9(c), as reported in § 1033.30(a), is not less than 30 percent of the milk received from dairy farmers, including milk diverted pursuant to § 1033.13, subject to the following conditions:

(1) Qualifying shipments pursuant to this paragraph may be made to the

following plants, except whenever the authority provided in paragraph (g) of this section is applied to increase the shipping requirements specified in this section, only shipments to pool plants described in § 1033.7(a) and (b), shall count as qualifying shipments for the purpose of meeting the increased shipments:

(i) Pool plants described in § 1033.7(a) and (b);

(ii) Plants of producer-handlers;

(iii) Partially regulated distributing plants, except that credit for such shipments shall be limited to the amount of such milk classified as Class I at the transferee plant; and

(iv) Distributing plants fully regulated under other Federal orders, except that credit for transfers to such plants shall be limited to the quantity shipped to pool distributing plants during the month. Qualifying transfers to other order plants shall not include transfers made on the basis of agreed-upon Class II, Class III, or Class IV utilization.

(2) The operator of a supply plant may include deliveries to pool distributing plants directly from farms of producers pursuant to § 1033.13(c) as up to 90 percent of the supply plant's qualifying shipments.

(3) Concentrated milk transferred from the supply plant to a distributing plant for an agreed-upon use other than Class I shall be excluded from the supply plant's shipments in computing the supply plant's shipping percentage.

(4) A supply plant that meets the shipping requirements of this paragraph during each of the immediately preceding months of September through February shall be a pool plant during the following months of March through August unless the milk received at the plant fails to meet the requirements of a duly constituted regulatory agency, the plant fails to meet a shipping requirement instituted pursuant to paragraph (g) of this section, or the plant operator requests nonpool status for the plant. Such nonpool status shall be effective on the first day of the month following the receipt of such request and thereafter until the plant again qualifies as a pool plant on the basis of its deliveries to a pool distributing plant(s). The automatic pool qualification of a plant can be waived if the handler or cooperative requests in writing to the market administrator the nonpool status of such plant. The request must be made prior to the beginning of any month during the March through August period. The plant shall be a nonpool plant for such month and thereafter until it requalifies under paragraph (c) of this section on the basis of actual shipments therefrom. To

requalify as a pool plant under paragraph (d), (e) or (f) of this section, such plant must first have met the percentage shipping requirements of paragraph (c) of this section for 6 consecutive months.

(5) A supply plant that does not meet the minimum delivery requirements specified in this paragraph to qualify for pool status in the current month because a distributing plant to which the supply plant delivered its fluid milk products during such month failed to qualify as a pool plant pursuant to paragraph (a) or (b) of this section shall continue to be a pool plant for the current month if such supply plant qualified as a pool plant in the 3 immediately preceding months.

(d) A plant operated by a cooperative association if, during the month, 30 percent or more of the producer milk of members of the association is delivered to a distributing pool plant(s) or to a nonpool plant(s), and classification other than Class I is not requested. Deliveries for qualification purposes may be made directly from the farm or by transfer from such association's plant, subject to the following conditions:

(1) The cooperative requests pool status for such plant;

(2) The 30-percent delivery requirement may be met for the current month or it may be met on the basis of deliveries during the preceding 12-month period ending with the current month;

(3) The plant is approved by a duly constituted regulatory authority to handle milk for fluid consumption; and

(4) The plant does not qualify as a pool plant under paragraph (a), (b), or (c) of this section or under the similar provisions of another Federal order applicable to a distributing plant or supply plant.

(e) A plant located inside the marketing area which has been a pool plant under this order or its predecessor orders for twelve consecutive months, but is not otherwise qualified under this paragraph, if it has a marketing agreement with a cooperative association and it fulfills the following conditions:

(1) The aggregate monthly quantity supplied by all parties to such an agreement as a percentage of the producer milk receipts included in the unit during the month is not less than 35 percent; and

(2) Shipments for qualification purposes shall include both transfers from supply plants to plants described in paragraph (c)(1) of this section, and deliveries made direct from the farm to

plants qualified under paragraph (a) of this section.

(f) A system of supply plants may qualify for pooling if 2 or more plants operated by one or more handlers meet the applicable percentage requirements of paragraph (c) of this section in the same manner as a single plant subject to the following additional requirements:

(1) Each plant in the system is located within the marketing area, or was a pool supply plant for each of the 3 months immediately preceding the effective date of this paragraph so long as it continues to maintain pool status. Cooperative associations may not use shipments pursuant to § 1033.9(c) to qualify plants located outside the marketing area;

(2) A written notification to the market administrator listing the plants to be included in the system and the handler that is responsible for meeting the performance requirements of this paragraph under a marketing agreement certified to the market administrator by the designated handler and any others included in the system, and the period during which such consideration shall apply. Such notice, and notice of any change in designation, shall be furnished on or before the 5th working day following the month to which the notice applies. The listed plants included in the system shall also be in the sequence in which they shall qualify for pool plant status based on the minimum deliveries required. If the deliveries made are insufficient to qualify the entire system for pooling, the last listed plant shall be excluded from the system, followed by the plant next-to-last on the list, and continuing in this sequence until remaining listed plants have met the minimum shipping requirements; and

(3) Each plant that qualifies as a pool plant within a system shall continue each month as a plant in the system unless the plant subsequently fails to qualify for pooling, or the responsible handler submits a written notification to the market administrator prior to the first day of the month that the plant is to be deleted from the system, or that the system is to be discontinued. In any month of March through August, a system shall not contain any plant which was not qualified under this paragraph, either individually or as a member of a system, during the previous September through February.

(g) The applicable shipping percentages of paragraphs (c) through (f) of this section may be increased or decreased by the market administrator if the market administrator finds that such adjustment is necessary to encourage needed shipments or to prevent

uneconomic shipments. Before making such a finding, the market administrator shall investigate the need for adjustment either on the market administrator's own initiative or at the request of interested parties if the request is made in writing at least 15 days prior to the month for which the requested revision is desired effective. If the investigation shows that an adjustment of the shipping percentages might be appropriate, the market administrator shall issue a notice stating that an adjustment is being considered and invite data, views and arguments. Any decision to revise an applicable shipping percentage must be issued in writing at least one day before the effective date.

(h) The term pool plant shall not apply to the following plants:

(1) A producer-handler as defined under any Federal order;

(2) An exempt plant as defined in § 1000.8(e);

(3) A plant located within the marketing area and qualified pursuant to paragraph (a) of this section that meets the pooling requirements of another Federal order, and from which more than 50 percent of its route disposition has been in the other Federal order marketing area for 3 consecutive months;

(4) A plant located outside any Federal order marketing area and qualified pursuant to paragraph (a) of this section that meets the pooling requirements of another Federal order and has had greater route disposition in such other Federal order's marketing area for 3 consecutive months;

(5) A plant located in another Federal order marketing area and qualified pursuant to paragraph (a) of this section that meets the pooling requirements of such other Federal order and does not have a majority of its route distribution in this marketing area for 3 consecutive months or if the plant is required to be regulated under such other Federal order without regard to its route disposition in any other Federal order marketing area;

(6) A plant qualified pursuant to paragraph (c) of this section that also meets the pooling requirements of another Federal order and from which greater qualifying shipments are made to plants regulated under the other Federal order than are made to plants regulated under the order in this part, or the plant has automatic pooling status under the other Federal order; and

(7) That portion of a regulated plant designated as a nonpool plant that is physically separate and operated separately from the pool portion of such plant. The designation of a portion of a

regulated plant as a nonpool plant must be requested in advance and in writing by the handler and must be approved by the market administrator.

(i) Any plant that qualifies as a pool plant in each of the immediately preceding 3 months pursuant to paragraph (a) of this section or the shipping percentages in paragraph (c) of this section that is unable to meet such performance standards for the current month because of unavoidable circumstances determined by the market administrator to be beyond the control of the handler operating the plant, such as a natural disaster (ice storm, wind storm, flood), fire, breakdown of equipment, or work stoppage, shall be considered to have met the minimum performance standards during the period of such unavoidable circumstances, but such relief shall not be granted for more than 2 consecutive months.

#### **§ 1033.8 Nonpool plant.**

See § 1000.8.

#### **§ 1033.9 Handler.**

See § 1000.9.

#### **§ 1033.10 Producer-handler.**

*Producer-handler* means a person who:

(a) Operates a dairy farm and a distributing plant from which there is route disposition in the marketing area during the month;

(b) Receives fluid milk from own farm production or that is fully subject to the pricing and pooling provisions of the order in this part or any other Federal order;

(c) Receives at its plant or acquires for route disposition no more than 150,000 pounds of fluid milk products from handlers fully regulated under any Federal order. This limitation shall not apply if the producer-handler's own farm production is less than 150,000 pounds during the month;

(d) Disposes of no other source milk as Class I milk except by increasing the nonfat milk solids content of the fluid milk products; and

(e) Provides proof satisfactory to the market administrator that the care and management of the dairy animals and other resources necessary to produce all Class I milk handled (excluding receipts from handlers fully regulated under any Federal order) and the processing and packaging operations are the producer-handler's own enterprise and at its own risk.

#### **§ 1033.11 [Reserved]**

#### **§ 1033.12 Producer.**

(a) Except as provided in paragraph (b) of this section, *producer* means any person who produces milk approved by a duly constituted regulatory agency for fluid consumption as Grade A milk and whose milk is:

(1) Received at a pool plant directly from the producer or diverted by the plant operator in accordance with § 1033.13; or

(2) Received by a handler described in § 1033.9(c).

(b) Producer shall not include:

(1) A producer-handler as defined in any Federal order;

(2) A dairy farmer whose milk is received at an exempt plant, excluding producer milk diverted to the exempt plant pursuant to § 1033.13(d);

(3) A dairy farmer whose milk is received by diversion at a pool plant from a handler regulated under another Federal order if the other Federal order designates the dairy farmer as a producer under that order and that milk is allocated by request to a utilization other than Class I; and

(4) A dairy farmer whose milk is reported as diverted to a plant fully regulated under another Federal order with respect to that portion of the milk so diverted that is assigned to Class I under the provisions of such other order.

#### **§ 1033.13 Producer milk.**

*Producer milk* means the skim milk (or the skim equivalent of components of skim milk), including nonfat components, and butterfat in milk of a producer that is:

(a) Received by the operator of a pool plant directly from a producer or a handler described in § 1000.9(c). All milk received pursuant to this paragraph shall be priced at the location of the plant where it is first physically received;

(b) Received by a handler described in § 1000.9(c) in excess of the quantity delivered to pool plants;

(c) Diverted by a pool plant operator to another pool plant. Milk so diverted shall be priced at the location of the plant to which diverted; or

(d) Diverted by the operator of a pool plant or by a cooperative association described in § 1000.9(c) to a nonpool plant, subject to the following conditions:

(1) Milk of a dairy farmer shall not be eligible for diversion until milk of such dairy farmer has been physically received as producer milk at a pool plant and the dairy farmer has continuously retained producer status

since that time. If a dairy farmer loses producer status under the order in this part (except as a result of a temporary loss of Grade A approval), the dairy farmer's milk shall not be eligible for diversion until milk of the dairy farmer has been physically received as producer milk at a pool plant;

(2) The equivalent of at least one day's production is caused by the handler to be physically received at a pool plant in each of the months of September through November;

(3) Of the total quantity of producer milk received during the month (including diversions but excluding the quantity of producer milk received from a handler described in § 1000.9(c)), the handler diverted to nonpool plants not more than 60 percent during the months of September through February;

(4) Diverted milk shall be priced at the location of the plant to which diverted;

(5) Any milk diverted in excess of the limits set forth in paragraph (d)(3) of this section shall not be producer milk. The diverting handler shall designate the dairy farmer deliveries that shall not be producer milk. If the handler fails to designate the dairy farmer deliveries which are ineligible, producer milk status shall be forfeited with respect to all milk diverted to nonpool plants by such handler; and

(6) The delivery day requirements and the diversion percentages in paragraphs (d)(2) and (d)(3) of this section may be increased or decreased by the market administrator if the market administrator finds that such revision is necessary to assure orderly marketing and efficient handling of milk in the marketing area. Before making such a finding, the market administrator shall investigate the need for the revision either on the market administrator's own initiative or at the request of interested persons if the request is made in writing at least 15 days prior to the month for which the requested revision is desired effective. If the investigation shows that a revision might be appropriate, the market administrator shall issue a notice stating that the revision is being considered and inviting written data, views, and arguments. Any decision to revise an applicable percentage must be issued in writing at least one day before the effective date.

#### **§ 1033.14 Other source milk.**

See § 1000.14.

#### **§ 1033.15 Fluid milk products.**

See § 1000.15.

#### **§ 1033.16 Fluid cream product.**

See § 1000.16.

**§ 1033.17 [Reserved]****§ 1033.18 Cooperative association.**

See § 1000.18.

**§ 1033.19 Commercial food processing establishment.**

See § 1000.19.

**Handler Reports****§ 1033.30 Reports of receipts and utilization.**

Each handler shall report monthly so that the market administrator's office receives the report on or before the 7th day after the end of the month, in the detail and on the prescribed forms, as follows:

(a) Each handler that operates a pool plant pursuant to § 1033.7 shall report for each of its operations the following information:

(1) Product pounds, pounds of butterfat, pounds of protein, pounds of solids-not-fat other than protein (other solids), and the value of the somatic cell adjustment pursuant to § 1000.50(p), contained in or represented by:

(i) Receipts of producer milk, including producer milk diverted by the reporting handler, from sources other than handlers described in § 1000.9(c); and

(ii) Receipts of milk from handlers described in § 1000.9(c);

(2) Product pounds and pounds of butterfat contained in:

(i) Receipts of fluid milk products and bulk fluid cream products from other pool plants;

(ii) Receipts of other source milk; and

(iii) Inventories at the beginning and end of the month of fluid milk products and bulk fluid cream products;

(3) The utilization or disposition of all milk and milk products required to be reported pursuant to this paragraph; and

(4) Such other information with respect to the receipts and utilization of skim milk, butterfat, milk protein, other nonfat solids, and somatic cell information as the market administrator may prescribe.

(b) Each handler operating a partially regulated distributing plant shall report with respect to such plant in the same manner as prescribed for reports required by paragraph (a) of this section. Receipts of milk that would have been producer milk if the plant had been fully regulated shall be reported in lieu of producer milk. The report shall show also the quantity of any reconstituted skim milk in route disposition in the marketing area.

(c) Each handler described in § 1000.9(c) shall report:

(1) The product pounds, pounds of butterfat, pounds of protein, pounds of

solids-not-fat other than protein (other solids), and the value of the somatic cell adjustment pursuant to § 1000.50(p), contained in receipts of milk from producers; and

(2) The utilization or disposition of such receipts.

(d) Each handler not specified in paragraphs (a) through (c) of this section shall report with respect to its receipts and utilization of milk and milk products in such manner as the market administrator may prescribe.

**§ 1033.31 Payroll reports.**

(a) On or before the 22nd day after the end of each month, each handler that operates a pool plant pursuant to § 1033.7 and each handler described in § 1000.9(c) shall report to the market administrator its producer payroll for the month, in the detail prescribed by the market administrator, showing for each producer the information described in § 1033.73(e).

(b) Each handler operating a partially regulated distributing plant who elects to make payment pursuant to § 1000.76(b) shall report for each dairy farmer who would have been a producer if the plant had been fully regulated in the same manner as prescribed for reports required by paragraph (a) of this section.

**§ 1033.32 Other reports.**

In addition to the reports required pursuant to §§ 1033.30 and 1033.31, each handler shall report any information the market administrator deems necessary to verify or establish each handler's obligation under the order.

**Classification of Milk****§ 1033.40 Classes of utilization.**

See § 1000.40.

**§ 1033.41 [Reserved]****§ 1033.42 Classification of transfers and diversions.**

See § 1000.42.

**§ 1033.43 General classification rules.**

See § 1000.43.

**§ 1033.44 Classification of producer milk.**

See § 1000.44.

**§ 1033.45 Market administrator's reports and announcements concerning classification.**

See § 1000.45.

**Class Prices****§ 1033.50 Class prices, component prices, and advanced pricing factors.**

See § 1000.50.

**§ 1033.51 Class I differential and price.**

The Class I differential shall be the differential established for Cuyahoga County, Ohio which is reported in § 1000.52. The Class I price shall be the price computed pursuant to § 1000.50(a) for Cuyahoga County, Ohio.

**§ 1033.52 Adjusted Class I differentials.**

See § 1000.52.

**§ 1033.53 Announcement of class prices, component prices, and advanced pricing factors.**

See § 1000.53.

**§ 1033.54 Equivalent price.**

See § 1000.54.

**Producer Price Differential****§ 1033.60 Handler's value of milk.**

For the purpose of computing a handler's obligation for producer milk, the market administrator shall determine for each month the value of milk of each handler with respect to each of the handler's pool plants and of each handler described in § 1000.9(c) with respect to milk that was not received at a pool plant by adding the amounts computed in paragraphs (a) through (i) of this section and subtracting from that total amount the value computed in paragraph (j) of this section. Unless otherwise specified, the skim milk, butterfat, and the combined pounds of skim milk and butterfat referred to in this section shall result from the steps set forth in § 1000.44(a), (b), and (c), respectively, and the nonfat components of producer milk in each class shall be based upon the proportion of such components in producer skim milk. Receipts of nonfluid milk products that are distributed as labeled reconstituted milk for which payments are made to the producer-settlement fund of another Federal order under § 1000.76(a)(4) or (d) shall be excluded from pricing under this section.

(a) Class I value.

(1) Multiply the pounds of skim milk in Class I by the Class I skim milk price; and

(2) Add an amount obtained by multiplying the pounds of butterfat in Class I by the Class I butterfat price.

(b) Class II value.

(1) Multiply the pounds of nonfat solids in Class II skim milk by the Class II nonfat solids price; and

(2) Add an amount obtained by multiplying the pounds of butterfat in Class II times the Class II butterfat price.

(c) Class III value.

(1) Multiply the pounds of protein in Class III skim milk by the protein price;

(2) Add an amount obtained by multiplying the pounds of other solids

in Class III skim milk by the other solids price; and

(3) Add an amount obtained by multiplying the pounds of butterfat in Class III by the butterfat price.

(d) Class IV value.

(1) Multiply the pounds of nonfat solids in Class IV skim milk by the nonfat solids price; and

(2) Add an amount obtained by multiplying the pounds of butterfat in Class IV by the butterfat price.

(e) Compute an adjustment for the somatic cell content of producer milk by multiplying the values reported pursuant to § 1033.30(a)(1) and (c)(1) by the percentage of total producer milk allocated to Class II, Class III, and Class IV pursuant to § 1000.44(c);

(f) Multiply the pounds of skim milk and butterfat overage assigned to each class pursuant to § 1000.44(a)(11) and the corresponding step of § 1000.44(b) by the skim milk prices and butterfat prices applicable to each class.

(g) Multiply the difference between the current month's Class I, II, or III price, as the case may be, and the Class IV price for the preceding month by the hundredweight of skim milk and butterfat subtracted from Class I, II, or III, respectively, pursuant to § 1000.44(a)(7) and the corresponding step of § 1000.44(b);

(h) Multiply the difference between the Class I price applicable at the location of the pool plant and the Class IV price by the hundredweight of skim milk and butterfat assigned to Class I pursuant to § 1000.43(d) and the hundredweight of skim milk and butterfat subtracted from Class I pursuant to § 1000.44(a)(3)(i) through (vi) and the corresponding step of § 1000.44(b), excluding receipts of bulk fluid cream products from a plant regulated under other Federal orders and bulk concentrated fluid milk products from pool plants, plants regulated under other Federal orders, and unregulated supply plants.

(i) Multiply the difference between the Class I price applicable at the location of the nearest unregulated supply plants from which an equivalent volume was received and the Class III price by the pounds of skim milk and butterfat in receipts of concentrated fluid milk products assigned to Class I pursuant to § 1000.43(d) and § 1000.44(a)(3)(i) and the corresponding step of § 1000.44(b) and the pounds of skim milk and butterfat subtracted from Class I pursuant to § 1000.44(a)(8) and the corresponding step of § 1000.44(b), excluding such skim milk and butterfat in receipts of fluid milk products from an unregulated supply plant to the extent that an equivalent amount of

skim milk or butterfat disposed of to such plant by handlers fully regulated under any Federal milk order is classified and priced as Class I milk and is not used as an offset for any other payment obligation under any order.

(j) For reconstituted milk made from receipts of nonfluid milk products, multiply \$1.00 (but not more than the difference between the Class I price applicable at the location of the pool plant and the Class IV price) by the hundredweight of skim milk and butterfat contained in receipts of nonfluid milk products that are allocated to Class I use pursuant to § 1000.43(d).

#### **§ 1033.61 Computation of producer price differential.**

For each month the market administrator shall compute a producer price differential per hundredweight. The report of any handler who has not made payments required pursuant to § 1033.71 for the preceding month shall not be included in the computation of the producer price differential, and such handler's report shall not be included in the computation for succeeding months until the handler has made full payment of outstanding monthly obligations. Subject to the conditions of this paragraph, the market administrator shall compute the producer price differential in the following manner:

(a) Combine into one total the values computed pursuant to § 1033.60 for all handlers required to file reports prescribed in § 1033.30;

(b) Subtract the total values obtained by multiplying each handler's total pounds of protein, other solids, and butterfat contained in the milk for which an obligation was computed pursuant to § 1033.60 by the protein price, the other solids price, and the butterfat price, respectively, and the total value of the somatic cell adjustment pursuant to § 1033.30(a)(1) and (c)(1);

(c) Add an amount equal to the minus location adjustments and subtract an amount equal to the plus location adjustments computed pursuant to § 1033.75;

(d) Add an amount equal to not less than one-half of the unobligated balance in the producer-settlement fund;

(e) Divide the resulting amount by the sum of the following for all handlers included in these computations:

(1) The total hundredweight of producer milk; and

(2) The total hundredweight for which a value is computed pursuant to § 1033.60(i); and

(f) Subtract not less than 4 cents nor more than 5 cents from the price

computed pursuant to paragraph (e) of this section. The result shall be known as the *producer price differential* for the month.

#### **§ 1033.62 Announcement of producer prices.**

On or before the 13th day after the end of each month, the market administrator shall announce publicly the following prices and information:

(a) The producer price differential;

(b) The protein price;

(c) The nonfat solids price;

(d) The other solids price;

(e) The butterfat price;

(f) The somatic cell adjustment rate;

(g) The average butterfat, protein, nonfat solids, and other solids content of producer milk; and

(h) The statistical uniform price for milk containing 3.5 percent butterfat, computed by combining the Class III price and the producer price differential.

#### **Payments for Milk**

##### **§ 1033.70 Producer-settlement fund.**

See § 1000.70.

##### **§ 1033.71 Payments to the producer-settlement fund.**

Each handler shall make payment to the producer-settlement fund in a manner that provides receipt of the funds by the market administrator no later than the 15th day after the end of the month (except as provided in § 1000.90). Payment shall be the amount, if any, by which the amount specified in paragraph (a) of this section exceeds the amount specified in paragraph (b) of this section:

(a) The total value of milk to the handler for the month as determined pursuant to § 1033.60.

(b) The sum of:

(1) An amount obtained by multiplying the total hundredweight of producer milk as determined pursuant to § 1000.44(c) by the producer price differential as adjusted pursuant to § 1033.75;

(2) An amount obtained by multiplying the total pounds of protein, other solids, and butterfat contained in producer milk by the protein, other solids, and butterfat prices, respectively;

(3) The total value of the somatic cell adjustment to producer milk; and

(4) An amount obtained by multiplying the pounds of skim milk and butterfat for which a value was computed pursuant to § 1033.60(i) by the producer price differential as adjusted pursuant to § 1033.75 for the location of the plant from which received.

**§ 1033.72 Payments from the producer-settlement fund.**

No later than the 16th day after the end of each month (except as provided in § 1000.90), the market administrator shall pay to each handler the amount, if any, by which the amount computed pursuant to § 1033.71(b) exceeds the amount computed pursuant to § 1033.71(a). If, at such time, the balance in the producer-settlement fund is insufficient to make all payments pursuant to this section, the market administrator shall reduce uniformly such payments and shall complete the payments as soon as the funds are available.

**§ 1033.73 Payments to producers and to cooperative associations.**

(a) Each handler shall pay each producer for producer milk for which payment is not made to a cooperative association pursuant to paragraph (b) of this section, as follows:

(1) *Partial payment.* For each producer who has not discontinued shipments as of the date of this partial payment, payment shall be made so that it is received by each producer on or before the 26th day of the month (except as provided in § 1000.90) for milk received during the first 15 days of the month from the producer at not less than the lowest announced class price for the preceding month, less proper deductions authorized in writing by the producer.

(2) *Final payment.* For milk received during the month, payment shall be made so that it is received by each producer no later than the 17th day after the end of the month (except as provided in § 1000.90) in an amount equal to not less than the sum of:

- (i) The hundredweight of producer milk received times the producer price differential for the month as adjusted pursuant to § 1033.75;
- (ii) The pounds of butterfat received times the butterfat price for the month;
- (iii) The pounds of protein received times the protein price for the month;
- (iv) The pounds of other solids received times the other solids price for the month;
- (v) The hundredweight of milk received times the somatic cell adjustment for the month;
- (vi) Less any payment made pursuant to paragraph (a)(1) of this section;
- (vii) Less proper deductions authorized in writing by such producer and plus or minus adjustments for errors in previous payments to such producer; and
- (viii) Less deductions for marketing services pursuant to § 1000.86.

(b) *Payments for milk received from cooperative associations.* On or before

the day prior to the dates specified in paragraphs (a)(1) and (a)(2) of this section (except as provided in § 1000.90), each handler shall pay to a cooperative association for milk received as follows:

(1) *Partial payment to a cooperative association.* For bulk fluid milk/skimmed milk received during the first 15 days of the month from a cooperative association in any capacity, except as the operator of a pool plant, the partial payment shall be equal to the hundredweight of milk received multiplied by the lowest announced class price for the preceding month.

(2) *Partial payment to a cooperative association for milk transferred from its pool plant.* For bulk fluid milk/skimmed milk products received during the first 15 days of the month from a cooperative association in its capacity as the operator of a pool plant, the partial payment shall be at the pool plant operator's estimated use value of the milk using the most recent class prices available at the receiving plant's location.

(3) *Final payment to a cooperative association for milk transferred from its pool plant.* Following the classification of bulk fluid milk products and bulk fluid cream products received during the month from a cooperative association in its capacity as the operator of a pool plant, the final payment for such receipts shall be determined as follows:

- (i) The hundredweight of Class I skim milk times the Class I skim milk price for the month plus the pounds of Class I butterfat times the Class I butterfat price for the month. The Class I prices to be used shall be the prices effective at the location of the receiving plant;
- (ii) The pounds of nonfat solids in Class II skim milk by the Class II nonfat solids price;
- (iii) The pounds of butterfat in Class II times the Class II butterfat price;
- (iv) The pounds of nonfat solids in Class IV times the nonfat solids price;
- (v) The pounds of butterfat in Class III and Class IV milk times the butterfat price;
- (vi) The pounds of protein in Class III milk times the protein price;
- (vii) The pounds of other solids in Class III milk times the other solids price;
- (viii) The hundredweight of Class II, Class III, and Class IV milk times the somatic cell adjustment; and
- (ix) Add together the amounts computed in paragraphs (b)(3)(i) through (viii) of this section and from that sum deduct any payment made pursuant to paragraph (b)(2) of this section; and

(4) *Final payment to a cooperative association for bulk milk received directly from producers' farms.* For bulk milk received from a cooperative association during the month, including the milk of producers who are not members of such association and who the market administrator determines have authorized the cooperative association to collect payment for their milk, the final payment for such milk shall be an amount equal to the sum of the individual payments otherwise payable for such milk pursuant to paragraph (a)(2) of this section.

(c) If a handler has not received full payment from the market administrator pursuant to § 1033.72 by the payment date specified in paragraph (a) or (b) of this section, the handler may reduce payments pursuant to paragraphs (a) and (b) of this section, but not by more than the amount of the underpayment. The payments shall be completed on the next scheduled payment date after receipt of the balance due from the market administrator.

(d) If a handler claims that a required payment to a producer cannot be made because the producer is deceased or cannot be located, or because the cooperative association or its lawful successor or assignee is no longer in existence, the payment shall be made to the producer-settlement fund, and in the event that the handler subsequently locates and pays the producer or a lawful claimant, or in the event that the handler no longer exists and a lawful claim is later established, the market administrator shall make the required payment from the producer-settlement fund to the handler or to the lawful claimant, as the case may be.

(e) In making payments to producers pursuant to this section, each handler shall furnish each producer, except a producer whose milk was received from a cooperative association handler described in § 1000.9(a) or (c), a supporting statement in a form that may be retained by the recipient which shall show:

- (1) The name, address, Grade A identifier assigned by a duly constituted regulatory agency, and payroll number of the producer;
- (2) The daily and total pounds, and the month and dates such milk was received from that producer;
- (3) The total pounds of butterfat, protein, and other solids contained in the producer's milk;
- (4) The somatic cell count of the producer's milk;
- (5) The minimum rate or rates at which payment to the producer is required pursuant to the order in this part;



(6) The rate used in making payment if the rate is other than the applicable minimum rate;

(7) The amount, or rate per hundredweight, or rate per pound of component, and the nature of each deduction claimed by the handler; and

(8) The net amount of payment to the producer or cooperative association.

#### **§ 1033.74 [Reserved]**

#### **§ 1033.75 Plant location adjustments for producer milk and nonpool milk.**

For purposes of making payments for producer milk and nonpool milk, a plant location adjustment shall be determined by subtracting the Class I price specified in § 1033.51 from the Class I price at the plant's location. The difference, plus or minus as the case may be, shall be used to adjust the payments required pursuant to §§ 1033.73 and 1000.76.

#### **§ 1033.76 Payments by a handler operating a partially regulated distributing plant.**

See § 1000.76.

#### **§ 1033.77 Adjustment of accounts.**

See § 1000.77.

#### **§ 1033.78 Charges on overdue accounts.**

See § 1000.78.

### **Administrative Assessment and Marketing Service Deduction**

#### **§ 1033.85 Assessment for order administration.**

See § 1000.85.

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See § 1000.86.

## **PART 1124—MILK IN THE PACIFIC NORTHWEST MARKETING AREA**

### **Subpart—Order Regulating Handling**

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1124.85 Assessment for order administration.  
1124.86 Deduction for marketing services.  
**Authority:** 7 U.S.C. 601–674, and 7253.

### **Subpart—Order Regulating Handling**

#### **General Provisions**

##### **§ 1124.1 General provisions.**

The terms, definitions, and provisions in part 1000 of this chapter apply to this part 1124. In this part 1124, all references to sections in part 1000 refer to part 1000 of this chapter.

#### **Definitions**

##### **§ 1124.2 Pacific Northwest marketing area.**

The marketing area means all territory within the bounds of the following states and political subdivisions, including all piers, docks, and wharves

connected therewith and all craft moored thereat, and all territory occupied by government (municipal, State, or Federal) reservations, installations, institutions, or other similar establishments if any part thereof is within any of the listed states or political subdivisions:

#### *Idaho Counties*

Benewah, Bonner, Boundary, Kootenai, Latah, and Shoshone.

#### *Oregon Counties*

Benton, Clackamas, Clatsop, Columbia, Coos, Crook, Curry, Deschutes, Douglas, Gilliam, Hood River, Jackson, Jefferson, Josephine, Klamath, Lake, Lane, Lincoln, Linn, Marion, Morrow, Multnomah, Polk, Sherman, Tillamook, Umatilla, Wasco, Washington, Wheeler, and Yamhill.

#### *Washington*

All of the State of Washington.

#### **§ 1124.3 Route disposition.**

See § 1000.3.

#### **§ 1124.4 Plant.**

See § 1000.4.

#### **§ 1124.5 Distributing plant.**

See § 1000.5.

#### **§ 1124.6 Supply plant.**

See § 1000.6.

#### **§ 1124.7 Pool plant.**

*Pool plant* means a plant, unit of plants, or a system of plants as specified in paragraphs (a) through (f) of this section, but excluding a plant specified in paragraph (h) of this section. The pooling standards described in paragraph (c) of this section are subject to modification pursuant to paragraph (g) of this section:

(a) A distributing plant, other than a plant qualified as a pool plant pursuant to paragraph (b) of this section or § \_\_\_\_\_.7(b) of any other Federal milk order, from which during the month 25 percent or more of the total quantity of fluid milk products physically received at the plant (excluding concentrated milk received from another plant by agreement for other than Class I use) are disposed of as route disposition or are transferred in the form of packaged fluid milk products to other distributing plants. At least 25 percent of such route disposition and transfers must be to outlets in the marketing area.

(b) Any distributing plant located in the marketing area which during the month processed at least 25 percent of the total quantity of fluid milk products physically received at the plant (excluding concentrated milk received from another plant by agreement for other than Class I use) into ultra-



pasteurized or aseptically-processed fluid milk products.

(c) A supply plant from which during any month not less than 20 percent of the total quantity of milk that is physically received at such plant from dairy farmers eligible to be producers pursuant to § 1124.12 (excluding milk received at such plant as diverted milk from another plant, which milk is classified other than Class I under the order in this part and is subject to the pricing and pooling provisions of this or another order issued pursuant to the Act) or diverted as producer milk to another plant pursuant to § 1124.13, is shipped in the form of a fluid milk product (excluding concentrated milk transferred by agreement for other than Class I use) to a pool distributing plant or is a route disposition in the marketing area of fluid milk products processed and packaged at such plant;

(1) A supply plant that has qualified as a pool plant during each of the immediately preceding months of September through February shall continue to so qualify in each of the following months of March through August, unless the plant operator files a written request with the market administrator that such plant not be a pool plant, such nonpool status to be effective the first month following such request and thereafter until the plant qualifies as a pool plant on the basis of milk shipments;

(2) A cooperative association that operates a supply plant may include as qualifying shipments its deliveries to pool distributing plants directly from farms of producers pursuant to § 1000.9(c);

(3) A pool plant operator may include as qualifying shipments milk diverted to pool distributing plants pursuant to § 1124.13(d);

(4) No plant may qualify as a pool plant due to a reduction in the shipping percentage pursuant to paragraph (g) of this section unless it has been a pool supply plant during each of the immediately preceding 3 months.

(d)-(f) [Reserved]

(g) The applicable shipping percentage of paragraph (c) of this section may be increased or decreased by the market administrator if the market administrator finds that such adjustment is necessary to encourage needed shipments or to prevent uneconomic shipments. Before making such a finding, the market administrator shall investigate the need for adjustment either on the market administrator's own initiative or at the request of interested parties if the request is made in writing at least 15 days prior to the month for which the requested revision

is desired effective. If the investigation shows that an adjustment of the shipping percentages might be appropriate, the market administrator shall issue a notice stating that an adjustment is being considered and invite data, views and arguments. Any decision to revise an applicable shipping percentage must be issued in writing at least one day before the effective date.

(h) The term pool plant shall not apply to the following plants:

(1) A producer-handler as defined under any Federal order;

(2) An exempt plant as defined in § 1000.8(e);

(3) A plant located within the marketing area and qualified pursuant to paragraph (a) of this section which meets the pooling requirements of another Federal order, and from which more than 50 percent of its route disposition has been in the other Federal order marketing area for 3 consecutive months;

(4) A plant located outside any Federal order marketing area and qualified pursuant to paragraph (a) of this section that meets the pooling requirements of another Federal order and has had greater route disposition in such other Federal order's marketing area for 3 consecutive months;

(5) A plant located in another Federal order marketing area and qualified pursuant to paragraph (a) of this section that meets the pooling requirements of such other Federal order and does not have a majority of its route distribution in this marketing area for 3 consecutive months or if the plant is required to be regulated under such other Federal order without regard to its route disposition in any other Federal order marketing area; and

(6) A plant qualified pursuant to paragraph (c) of this section which also meets the pooling requirements of another Federal order and from which greater qualifying shipments are made to plants regulated under the other Federal order than are made to plants regulated under the order in this part, or the plant has automatic pooling status under the other Federal order.

#### **§ 1124.8 Nonpool plant.**

See § 1000.8.

#### **§ 1124.9 Handler.**

See § 1000.9.

#### **§ 1124.10 Producer-handler.**

*Producer-handler* means a person who operates a dairy farm and a distributing plant from which there is route disposition within the marketing area during the month and who the

market administrator has designated a producer-handler after determining that all of the requirements of this section have been met.

(a) *Requirements for designation.* Designation of any person as a producer-handler by the market administrator shall be contingent upon meeting the conditions set forth in paragraphs (a)(1) through (4) of this section. Following the cancellation of a previous producer-handler designation, a person seeking to have his/her producer-handler designation reinstated must demonstrate that these conditions have been met for the preceding month.

(1) The care and management of the dairy animals and other resources and facilities designated in paragraph (b)(1) of this section necessary to produce all Class I milk handled (excluding receipts from handlers fully regulated under any Federal order) are under the complete and exclusive control and management of the producer-handler and are operated as the producer-handler's own enterprise and at its own risk.

(2) The plant operation designated in paragraph (b)(2) of this section at which the producer-handler processes and packages, and from which it distributes, its own milk production is under the complete and exclusive control and management of the producer-handler and is operated as the producer-handler's own enterprise and at its sole risk.

(3) The producer-handler neither receives at its designated milk production resources and facilities nor receives, handles, processes, or distributes at or through any of its designated milk handling, processing, or distributing resources and facilities other source milk products for reconstitution into fluid milk products or fluid milk products derived from any source other than:

(i) Its designated milk production resources and facilities (own farm production);

(ii) Pool handlers and plants regulated under any Federal order within the limitation specified in paragraph (c)(2) of this section; or

(iii) Nonfat milk solids which are used to fortify fluid milk products.

(4) The producer-handler is neither directly nor indirectly associated with the business control or management of, nor has a financial interest in, another handler's operation; nor is any other handler so associated with the producer-handler's operation.

(b) *Designation of resources and facilities.* Designation of a person as a producer-handler shall include the determination of what shall constitute the person's milk production, handling,

processing, and distribution resources and facilities, all of which shall be considered an integrated operation.

(1) Milk production resources and facilities shall include all resources and facilities (milking herd(s), buildings housing such herd(s), and the land on which such buildings are located) used for the production of milk which are directly or indirectly, solely or partially, owned, operated, or controlled by the producer-handler, in which the producer-handler in any way has an interest, including any contractual arrangement, or which are directly, indirectly, or partially owned, operated, or controlled by any partner or stockholder of the producer-handler. However, for purposes of this paragraph, any such milk production resources and facilities which do not constitute an actual or potential source of milk supply for the producer-handler's operation shall not be considered a part of the producer-handler's milk production resources and facilities.

(2) Milk handling, processing, and distribution resources and facilities shall include all resources and facilities (including store outlets) used for handling, processing, and distributing fluid milk products which are solely or partially owned by, and directly or indirectly operated or controlled by, the producer-handler or in which the producer-handler in any way has an interest, including any contractual arrangement, or over which the producer-handler directly or indirectly exercises any degree of management or control.

(3) All designations shall remain in effect until canceled pursuant to paragraph (c) of this section.

(c) *Cancellation.* The designation as a producer-handler shall be canceled upon determination by the market administrator that any of the requirements of paragraphs (a)(1) through (4) of this section are not continuing to be met, or under any of the conditions described in paragraphs (c)(1) and (2) of this section.

Cancellation of a producer-handler's status pursuant to this paragraph shall be effective on the first day of the month following the month in which the requirements were not met or the conditions for cancellation occurred.

(1) Milk from the milk production resources and facilities of the producer-handler, designated in paragraph (b)(1) of this section, is delivered in the name of another person as producer milk to another handler.

(2) The producer-handler handles fluid milk products derived from sources other than the milk production

facilities and resources designated in paragraph (b)(1) of this section, except that it may receive at its plant, or acquire for route disposition, fluid milk products from fully regulated plants and handlers under any Federal order if such receipts do not exceed 150,000 pounds monthly. This limitation shall not apply if the producer-handler's own farm production is less than 150,000 pounds during the month.

(d) *Public announcement.* The market administrator shall publicly announce:

(1) The name, plant location(s), and farm location(s) of persons designated as producer-handlers;

(2) The names of those persons whose designations have been canceled; and

(3) The effective dates of producer-handler status or loss of producer-handler status for each. Such announcements shall be controlling with respect to the accounting at plants of other handlers for fluid milk products received from any producer-handler.

(e) *Burden of establishing and maintaining producer-handler status.* The burden rests upon the handler who is designated as a producer-handler to establish through records required pursuant to § 1000.27 that the requirements set forth in paragraph (a) of this section have been and are continuing to be met, and that the conditions set forth in paragraph (c) of this section for cancellation of designation do not exist.

#### § 1124.11 Cooperative reserve supply unit.

Cooperative reserve supply unit means any cooperative association or its agent that is a handler pursuant to § 1000.9(c) that does not own or operate a plant, if such cooperative has been qualified to receive payments pursuant to § 1124.73 and has been a handler of producer milk under the order in this part or its predecessor order during each of the 12 previous months, and if a majority of the cooperative's member producers are located within 125 miles of a plant described in § 1124.7(a). A cooperative reserve supply unit shall be subject to the following conditions:

(a) The cooperative shall file a request with the market administrator for cooperative reserve supply unit status at least 15 days prior to the first day of the month in which such status is desired to be effective. Once qualified as a cooperative reserve supply unit pursuant to this paragraph, such status shall continue to be effective unless the cooperative requests termination prior to the first day of the month that change of status is requested, or the cooperative fails to meet all of the conditions of this section.

(b) The cooperative reserve supply unit supplies fluid milk products to pool distributing plants located within 125 miles of a majority of the cooperative's member producers in compliance with any announcement by the market administrator requesting a minimum level of shipments as follows:

(1) The market administrator may require such supplies of bulk fluid milk from cooperative reserve supply units whenever the market administrator finds that milk supplies for Class I use are needed for plants defined in § 1124.7(a) or (b). Before making such a finding, the market administrator shall investigate the need for such shipments either on the market administrator's own initiative or at the request of interested persons if the request is made in writing at least 15 days prior to the month for which the requested revision is desired effective. If the market administrator's investigation shows that such shipments might be appropriate, the market administrator shall issue a notice stating that a shipping announcement is being considered and inviting data, views and arguments with respect to the proposed shipping announcement. Any decision on the required shipment of bulk fluid milk from cooperative reserve supply units must be made in writing at least one day before the effective date.

(2) Failure of a cooperative reserve supply unit to comply with any announced shipping requirements, including making any significant change in the unit's marketing operation that the market administrator determines has the impact of evading or forcing such an announcement, shall result in immediate loss of cooperative reserve supply unit status until such time as the unit has been a handler pursuant to § 1000.9(c) for at least 12 consecutive months.

#### § 1124.12 Producer.

(a) Except as provided in paragraph (b) of this section, *producer* means any person who produces milk approved by a duly constituted regulatory agency for fluid consumption as Grade A milk and whose milk (or components of milk) is:

(1) Received at a pool plant directly from the producer or diverted by the plant operator in accordance with § 1124.13; or

(2) Received by a handler described in § 1000.9(c).

(b) Producer shall not include:

(1) A producer-handler as defined in any Federal order;

(2) A dairy farmer whose milk is received at an exempt plant, excluding producer milk diverted to the exempt plant pursuant to § 1124.13(e);

(3) A dairy farmer whose milk is received by diversion at a pool plant from a handler regulated under another Federal order if the other Federal order designates the dairy farmer as a producer under that order and that milk is allocated by request to a utilization other than Class I;

(4) A dairy farmer whose milk is reported as diverted to a plant fully regulated under another Federal order with respect to that portion of the milk so diverted that is assigned to Class I under the provisions of such other order; and

(5) A dairy farmer whose milk was received at a nonpool plant during the month from the same farm as other than producer milk under the order in this part or any other Federal order. Such a dairy farmer shall be known as a *dairy farmer for other markets*.

#### § 1124.13 Producer milk.

*Producer milk* means the skim milk (or the skim equivalent of components of skim milk), including nonfat components, and butterfat in milk of a producer that is:

(a) Received by the operator of a pool plant directly from a producer or a handler described in § 1000.9(c). All milk received pursuant to this paragraph shall be priced at the location of the plant where it is first physically received;

(b) Received by a cooperative reserve supply unit described in § 1124.11. All milk received pursuant to this paragraph shall be priced at the location of the plant where it is first physically received and shall not be subject to the conditions specified in paragraph (e) of this section;

(c) Received by a handler described in § 1000.9(c) in excess of the quantity delivered to pool plants;

(d) Diverted by a pool plant operator to another pool plant. Milk so diverted shall be priced at the location of the plant to which diverted; or

(e) Diverted by the operator of a pool plant or a cooperative association described in § 1000.9(c), excluding a cooperative reserve supply unit described in § 1124.11, to a nonpool plant, subject to the following conditions:

(1) Of the quantity of producer milk received during the month (including diversions, but excluding the quantity of producer milk received from a handler described in § 1000.9(c)) the handler diverts to nonpool plants not more than 80 percent during the months of September through February, and not more than 99 percent during the months of March through August;

(2) Two or more handlers described in § 1000.9(c) may have their allowable diversions computed on the basis of their combined deliveries of producer milk which they caused to be delivered to pool plants or diverted during the month if each has filed a request in writing with the market administrator before the first day of the month the agreement is to be effective. The request shall specify the basis for assigning overdiverted milk to the producer deliveries of each according to a method approved by the market administrator.

(3) Diverted milk shall be priced at the location of the plant to which diverted;

(4) Any milk diverted in excess of the limits prescribed in paragraph (e)(1) of this section shall not be producer milk. If the diverting handler or cooperative association fails to designate the dairy farmers' deliveries that are not to be producer milk, no milk diverted by the handler or cooperative association during the month to a nonpool plant shall be producer milk. In the event some of the milk of any producer is determined not to be producer milk pursuant to this paragraph, other milk delivered by such producer as producer milk during the month will not be subject to § 1124.12(b)(5); and

(5) The applicable diversion limits in paragraph (e)(1) of this section may be increased or decreased by the market administrator if the market administrator finds that such revision is necessary to assure orderly marketing and efficient handling of milk in the marketing area. Before making such a finding, the market administrator shall investigate the need for the revision either on the market administrator's own initiative or at the request of interested persons if the request is made at least 15 days prior to the month for which the requested revision is desired effective. If the investigation shows that a revision might be appropriate, the market administrator shall issue a notice stating that the revision is being considered and inviting written data, views, and arguments. Any decision to revise an applicable percentage must be issued in writing at least one day before the effective date.

#### § 1124.14 Other source milk.

See § 1000.14.

#### § 1124.15 Fluid milk product.

See § 1000.15.

#### § 1124.16 Fluid cream product.

See § 1000.16.

#### § 1124.17 [Reserved]

#### § 1124.18 Cooperative association.

See § 1000.18.

#### § 1124.19 Commercial food processing establishment.

See § 1000.19.

#### Handler Reports

#### § 1124.30 Reports of receipts and utilization.

Each handler shall report monthly so that the market administrator's office receives the report on or before the 9th day after the end of the month, in the detail and on the prescribed forms, as follows:

(a) Each handler that operates a pool plant pursuant to § 1124.7 shall report for each of its operations the following information:

(1) Product pounds, pounds of butterfat, pounds of protein, and pounds of solids-not-fat other than protein (other solids) contained in or represented by:

(i) Receipts of producer milk, including producer milk diverted by the reporting handler, from sources other than handlers described in § 1000.9(c); and

(ii) Receipts of milk from handlers described in § 1000.9(c);

(2) Product pounds and pounds of butterfat contained in:

(i) Receipts of fluid milk products and bulk fluid cream products from other pool plants;

(ii) Receipts of other source milk; and

(iii) Inventories at the beginning and end of the month of fluid milk products and bulk fluid cream products;

(3) The utilization or disposition of all milk and milk products required to be reported pursuant to this paragraph; and

(4) Such other information with respect to the receipts and utilization of skim milk, butterfat, milk protein, and other nonfat solids, as the market administrator may prescribe.

(b) Each handler operating a partially regulated distributing plant shall report with respect to such plant in the same manner as prescribed for reports required by paragraph (a) of this section. Receipts of milk that would have been producer milk if the plant had been fully regulated shall be reported in lieu of producer milk. The report shall show also the quantity of any reconstituted skim milk in route disposition in the marketing area.

(c) Each handler described in § 1000.9(c) shall report:

(1) The product pounds, pounds of butterfat, pounds of protein, and the pounds of solids-not-fat other than protein (other solids) contained in receipts of milk from producers; and

(2) The utilization or disposition of such receipts.

(d) Each handler not specified in paragraphs (a) through (c) of this section shall report with respect to its receipts and utilization of milk and milk products in such manner as the market administrator may prescribe.

#### **§ 1124.31 Payroll reports.**

(a) On or before the 20th day after the end of each month, each handler that operates a pool plant pursuant to § 1124.7 and each handler described in § 1000.9(c) shall report to the market administrator its producer payroll for the month, in the detail prescribed by the market administrator, showing for each producer the information described in § 1124.73(f).

(b) Each handler operating a partially regulated distributing plant who elects to make payment pursuant to § 1000.76(b) shall report for each dairy farmer who would have been a producer if the plant had been fully regulated in the same manner as prescribed for reports required by paragraph (a) of this section.

#### **§ 1124.32 Other reports.**

In addition to the reports required pursuant to §§ 1124.30 and 1124.31, each handler shall report any information the market administrator deems necessary to verify or establish each handler's obligation under the order.

### **Classification of Milk**

#### **§ 1124.40 Classes of utilization.**

See § 1000.40.

#### **§ 1124.41 [Reserved]**

#### **§ 1124.42 Classification of transfers and diversions.**

See § 1000.42.

#### **§ 1124.43 General classification rules.**

See § 1000.43.

#### **§ 1124.44 Classification of producer milk.**

In addition to the provisions provided in § 1000.44, for purposes of this part 1124, § 1000.44(a)(3)(iv) applies to fluid milk products and bulk fluid cream products received or acquired for distribution from a producer-handler.

#### **§ 1124.45 Market administrator's reports and announcements concerning classification.**

See § 1000.45.

### **Class Prices**

#### **§ 1124.50 Class prices, component prices, and advanced pricing factors.**

See § 1000.50.

#### **§ 1124.51 Class I differential and price.**

The Class I differential shall be the differential established for King County, Washington, which is reported in § 1000.52. The Class I price shall be the price computed pursuant to § 1000.50(a) for King County, Washington.

#### **§ 1124.52 Adjusted Class I differentials.**

See § 1000.52.

#### **§ 1124.53 Announcement of class prices, component prices, and advanced pricing factors.**

See § 1000.53.

#### **§ 1124.54 Equivalent price.**

See § 1000.54.

### **Producer Price Differential**

#### **§ 1124.60 Handler's value of milk.**

For the purpose of computing a handler's obligation for producer milk, the market administrator shall determine for each month the value of milk of each handler with respect to each of the handler's pool plants and of each handler described in § 1000.9(c) with respect to milk that was not received at a pool plant by adding the amounts computed in paragraphs (a) through (h) of this section and subtracting from that total amount the value computed in paragraph (i) of this section. Unless otherwise specified, the skim milk, butterfat, and the combined pounds of skim milk and butterfat referred to in this section shall result from the steps set forth in § 1000.44 (a), (b), and (c), respectively, and the nonfat components of producer milk in each class shall be based upon the proportion of such components in producer skim milk. Receipts of nonfluid milk products that are distributed as labeled reconstituted milk for which payments are made to the producer-settlement fund of another Federal order under § 1000.76 (a)(4) or (d) shall be excluded from pricing under this section.

(a) Class I value.

(1) Multiply the hundredweight of skim milk in Class I by the Class I skim milk price; and

(2) Add an amount obtained by multiplying the pounds of butterfat in Class I by the Class I butterfat price.

(b) Class II value.

(1) Multiply the pounds of nonfat solids in Class II skim milk by the Class II nonfat solids price; and

(2) Add an amount obtained by multiplying the pounds of butterfat in Class II times the Class II butterfat price.

(c) Class III value.

(1) Multiply the pounds of protein in Class III skim milk by the protein price;

(2) Add an amount obtained by multiplying the pounds of other solids

in Class III skim milk by the other solids price; and

(3) Add an amount obtained by multiplying the pounds of butterfat in Class III by the butterfat price.

(d) Class IV value.

(1) Multiply the pounds of nonfat solids in Class IV skim milk by the nonfat solids price; and

(2) Add an amount obtained by multiplying the pounds of butterfat in Class IV by the butterfat price.

(e) Multiply the pounds of skim milk and butterfat overage assigned to each class pursuant to § 1000.44(a)(11) and the corresponding steps of § 1000.44(b) by the skim milk prices and butterfat prices applicable to each class.

(f) Multiply the difference between the current month's Class I, II, or III price, as the case may be, and the Class IV price for the preceding month by the hundredweight of skim milk and butterfat subtracted from Class I, II, or III, respectively, pursuant to § 1000.44(a)(7) and the corresponding step of § 1000.44(b);

(g) Multiply the difference between the Class I price applicable at the location of the pool plant and the Class IV price by the hundredweight of skim milk and butterfat assigned to Class I pursuant to § 1000.43(d) and the hundredweight of skim milk and butterfat subtracted from Class I pursuant to § 1000.44(a)(3) (i) through (vi) and the corresponding step of § 1000.44(b), excluding receipts of bulk fluid cream products from plants regulated under other Federal orders and bulk concentrated fluid milk products from pool plants, plants regulated under other Federal orders, and unregulated supply plants.

(h) Multiply the difference between the Class I price applicable at the location of the nearest unregulated supply plants from which an equivalent volume was received and the Class III price by the pounds of skim milk and butterfat in receipts of concentrated fluid milk products assigned to Class I pursuant to § 1000.43(d) and § 1000.44(a)(3)(i) and the corresponding step of § 1000.44(b) and the pounds of skim milk and butterfat subtracted from Class I pursuant to § 1000.44(a)(8) and the corresponding step of § 1000.44(b), excluding such skim milk and butterfat in receipts of fluid milk products from an unregulated supply plant to the extent that an equivalent amount of skim milk or butterfat disposed of to such plant by handlers fully regulated under any Federal milk order is classified and priced as Class I milk and is not used as an offset for any other payment obligation under any order.

(i) For reconstituted milk made from receipts of nonfluid milk products, multiply \$1.00 (but not more than the difference between the Class I price applicable at the location of the pool plant and the Class IV price) by the hundredweight of skim milk and butterfat contained in receipts of nonfluid milk products that are allocated to Class I use pursuant to § 1000.43(d).

**§ 1124.61 Computation of producer price differential.**

For each month the market administrator shall compute a producer price differential per hundredweight. The report of any handler who has not made payments required pursuant to § 1124.71 for the preceding month shall not be included in the computation of the producer price differential, and such handler's report shall not be included in the computation for succeeding months until the handler has made full payment of outstanding monthly obligations. Subject to the conditions of this paragraph, the market administrator shall compute the producer price differential in the following manner:

(a) Combine into one total the values computed pursuant to § 1124.60 for all handlers required to file reports prescribed in § 1124.30;

(b) Subtract the total values obtained by multiplying each handler's total pounds of protein, other solids, and butterfat contained in the milk for which an obligation was computed pursuant to § 1124.60 by the protein price, the other solids price, and the butterfat price, respectively;

(c) Add an amount equal to the minus location adjustments and subtract an amount equal to the plus location adjustments computed pursuant to § 1124.75;

(d) Add an amount equal to not less than one-half of the unobligated balance in the producer-settlement fund;

(e) Divide the resulting amount by the sum of the following for all handlers included in these computations:

(1) The total hundredweight of producer milk; and

(2) The total hundredweight for which a value is computed pursuant to § 1124.60(h); and

(f) Subtract not less than 4 cents nor more than 5 cents from the price computed pursuant to paragraph (e) of this section. The result shall be known as the *producer price differential* for the month.

**§ 1124.62 Announcement of producer prices.**

On or before the 14th day after the end of each month, the market

administrator shall announce publicly the following prices and information:

(a) The producer price differential;

(b) The protein price;

(c) The nonfat solids price;

(d) The other solids price;

(e) The butterfat price;

(f) The average butterfat, protein, nonfat solids, and other solids content of producer milk; and

(g) The statistical uniform price for milk containing 3.5 percent butterfat, computed by combining the Class III price and the producer price differential.

**Payments for Milk**

**§ 1124.70 Producer-settlement fund.**

See § 1000.70.

**§ 1124.71 Payments to the producer-settlement fund.**

Each handler shall make payment to the producer-settlement fund in a manner that provides receipt of the funds by the market administrator no later than the 16th day after the end of the month (except as provided in § 1000.90). Payment shall be the amount, if any, by which the amount specified in paragraph (a) of this section exceeds the amount specified in paragraph (b) of this section:

(a) The total value of milk to the handler for the month as determined pursuant to § 1124.60.

(b) The sum of:

(1) An amount obtained by multiplying the total hundredweight of producer milk as determined pursuant to § 1000.44(c) by the producer price differential as adjusted pursuant to § 1124.75;

(2) An amount obtained by multiplying the total pounds of protein, other solids, and butterfat contained in producer milk by the protein, other solids, and butterfat prices, respectively; and

(3) An amount obtained by multiplying the pounds of skim milk and butterfat for which a value was computed pursuant to § 1124.60(h) by the producer price differential as adjusted pursuant to § 1124.75 for the location of the plant from which received.

**§ 1124.72 Payments from the producer-settlement fund.**

No later than the 18th day after the end of each month (except as provided in § 1000.90), the market administrator shall pay to each handler the amount, if any, by which the amount computed pursuant to § 1124.71(b) exceeds the amount computed pursuant to § 1124.71(a). If, at such time, the balance in the producer-settlement fund is

insufficient to make all payments pursuant to this section, the market administrator shall reduce uniformly such payments and shall complete the payments as soon as the funds are available.

**§ 1124.73 Payments to producers and to cooperative associations.**

(a) Each handler shall pay each producer for producer milk for which payment is not made to a cooperative association pursuant to paragraph (b) of this section, as follows:

(1) *Partial payment.* For each producer who has not discontinued shipments as of the 18th day of the month, partial payment shall be made so that it is received by each producer on or before the last day of the month (except as provided in § 1000.90) for milk received during the first 15 days of the month from the producer at not less than the lowest announced class price for the preceding month, less proper deductions authorized in writing by the producer.

(2) *Final payment.* For milk received during the month, payment shall be made so that it is received by each producer no later than the 19th day after the end of the month (except as provided in § 1000.90) in an amount equal to not less than the sum of:

(i) The hundredweight of producer milk received times the producer price differential for the month as adjusted pursuant to § 1124.75;

(ii) The pounds of butterfat received times the butterfat price for the month;

(iii) The pounds of protein received times the protein price for the month;

(iv) The pounds of other solids received times the other solids price for the month;

(v) Less any payment made pursuant to paragraph (a)(1) of this section;

(vi) Less proper deductions authorized in writing by such producer and plus or minus adjustments for errors in previous payments to such producer subject to approval by the market administrator; and

(vii) Less deductions for marketing services pursuant to § 1000.86.

(b) *Payments for milk received from cooperative association members.* On or before the 2nd day prior to the dates specified in paragraphs (a)(1) and (a)(2) of this section (except as provided in § 1000.90), each handler shall pay to a cooperative association for milk from producers who market their milk through the cooperative association and who have authorized the cooperative to collect such payments on their behalf an amount equal to the sum of the individual payments otherwise payable for such producer milk pursuant to

paragraphs (a)(1) and (a)(2) of this section.

(c) *Payment for milk received from cooperative association pool plants or from cooperatives as handlers pursuant to § 1000.9(c).* On or before the 2nd day prior to the dates specified in paragraphs (a)(1) and (a)(2) of this section (except as provided in § 1000.90), each handler who receives fluid milk products at its plant from a cooperative association in its capacity as the operator of a pool plant or who receives milk from a cooperative association in its capacity as a handler pursuant to § 1000.9(c), including the milk of producers who are not members of such association and who the market administrator determines have authorized the cooperative association to collect payment for their milk, shall pay the cooperative for such milk as follows:

(1) For bulk fluid milk products and bulk fluid cream products received from a cooperative association in its capacity as the operator of a pool plant and for milk received from a cooperative association in its capacity as a handler pursuant to § 1000.9(c) during the first 15 days of the month, at not less than the lowest announced class price per hundredweight for the preceding month.

(2) For the total quantity of bulk fluid milk products and bulk fluid cream products received from a cooperative association in its capacity as the operator of a pool plant, at not less than the total value of such products received from the association's pool plants, as determined by multiplying the respective quantities assigned to each class under § 1000.44, as follows:

(i) The hundredweight of Class I skim milk times the Class I skim milk price for the month plus the pounds of Class I butterfat times the Class I butterfat price for the month. The Class I prices to be used shall be the prices effective at the location of the receiving plant;

(ii) The pounds of nonfat solids in Class II skim milk by the Class II nonfat solids price;

(iii) The pounds of butterfat in Class II times the Class II butterfat price;

(iv) The pounds of nonfat solids in Class IV times the nonfat solids price;

(v) The pounds of butterfat in Class III and Class IV milk times the butterfat price;

(vi) The pounds of protein in Class III milk times the protein price;

(vii) The pounds of other solids in Class III milk times the other solids price; and

(viii) Add together the amounts computed in paragraphs (c)(2)(i) through (vii) of this section and from

that sum deduct any payment made pursuant to paragraph (c)(1) of this section; and

(3) For the total quantity of milk received during the month from a cooperative association in its capacity as a handler under § 1000.9(c) as follows:

(i) The hundredweight of producer milk received times the producer price differential as adjusted pursuant to § 1124.75;

(ii) The pounds of butterfat received times the butterfat price for the month;

(iii) The pounds of protein received times the protein price for the month;

(iv) The pounds of other solids received times the other solids price for the month; and

(v) Add together the amounts computed in paragraphs (c)(3)(i) through (iv) of this section and from that sum deduct any payment made pursuant to paragraph (c)(1) of this section.

(d) If a handler has not received full payment from the market administrator pursuant to § 1124.72 by the payment date specified in paragraph (a), (b) or (c) of this section, the handler may reduce pro rata its payments to producers or to the cooperative association (with respect to receipts described in paragraph (b) of this section, prorating the underpayment to the volume of milk received from the cooperative association in proportion to the total milk received from producers by the handler), but not by more than the amount of the underpayment. The payments shall be completed on the next scheduled payment date after receipt of the balance due from the market administrator.

(e) If a handler claims that a required payment to a producer cannot be made because the producer is deceased or cannot be located, or because the cooperative association or its lawful successor or assignee is no longer in existence, the payment shall be made to the producer-settlement fund, and in the event that the handler subsequently locates and pays the producer or a lawful claimant, or in the event that the handler no longer exists and a lawful claim is later established, the market administrator shall make the required payment from the producer-settlement fund to the handler or to the lawful claimant, as the case may be.

(f) In making payments to producers pursuant to this section, each handler shall furnish each producer, except a producer whose milk was received from a cooperative association handler described in § 1000.9(a) or (c), a supporting statement in a form that may be retained by the recipient which shall show:

(1) The name, address, Grade A identifier assigned by a duly constituted regulatory agency, and payroll number of the producer;

(2) The daily and total pounds, and the month and dates such milk was received from that producer;

(3) The total pounds of butterfat, protein, and other solids contained in the producer's milk;

(4) The minimum rate or rates at which payment to the producer is required pursuant to the order in this part;

(5) The rate used in making payment if the rate is other than the applicable minimum rate;

(6) The amount, or rate per hundredweight, or rate per pound of component, and the nature of each deduction claimed by the handler; and

(7) The net amount of payment to the producer or cooperative association.

#### **§ 1124.74 [Reserved]**

#### **§ 1124.75 Plant location adjustments for producer milk and nonpool milk.**

For purposes of making payments for producer milk and nonpool milk, a plant location adjustment shall be determined by subtracting the Class I price specified in § 1124.51 from the Class I price at the plant's location. The difference, plus or minus as the case may be, shall be used to adjust the payments required pursuant to §§ 1124.73 and 1000.76.

#### **§ 1124.76 Payments by a handler operating a partially regulated distributing plant.**

See § 1000.76.

#### **§ 1124.77 Adjustment of accounts.**

See § 1000.77.

#### **§ 1124.78 Charges on overdue accounts.**

See § 1000.78.

#### **Administrative Assessment and Marketing Service Deduction**

#### **§ 1124.85 Assessment for order administration.**

See § 1000.85.

#### **§ 1124.86 Deduction for marketing services.**

See § 1000.86.

### **PART 1126—MILK IN THE SOUTHWEST MARKETING AREA**

#### **Subpart—Order Regulating Handling**

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- 1126.85 Assessment for order administration.
- 1126.86 Deduction for marketing services.

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

### Subpart—Order Regulating Handling

#### General Provisions

##### § 1126.1 General provisions.

The terms, definitions, and provisions in part 1000 of this chapter apply to this part 1126. In this part 1126, all references to sections in part 1000 refer to part 1000 of this chapter.

#### Definitions

##### § 1126.2 Southwest marketing area.

The marketing area means all territory within the bounds of the following states and political subdivisions, including all piers, docks and wharves connected therewith and all craft moored thereat, and all territory occupied by government (municipal, State or Federal) reservations, installations, institutions, or other similar establishments if any part thereof is within any of the listed states or political subdivisions:

##### *Colorado Counties*

Archuleta, LaPlata, and Montezuma.

##### *New Mexico and Texas*

All of the States of New Mexico and Texas.

##### § 1126.3 Route disposition.

See § 1000.3.

##### § 1126.4 Plant.

See § 1000.4.

##### § 1126.5 Distributing plant.

See § 1000.5.

##### § 1126.6 Supply plant.

See § 1000.6.

##### § 1126.7 Pool plant.

*Pool plant* means a plant specified in paragraphs (a) through (d) of this section, or a unit of plants as specified in paragraph (e) of this section, but excluding a plant specified in paragraph (g) of this section. The pooling standards described in paragraphs (c) and (d) of this section are subject to modification pursuant to paragraph (f) of this section:

(a) A distributing plant, other than a plant qualified as a pool plant pursuant to paragraph (b) of this section or § \_\_\_\_\_.7(b) of any other Federal milk order, from which during the month 25 percent or more of the total quantity of fluid milk products physically received at the plant (excluding concentrated milk received from another plant by agreement for other than Class I use) are disposed of as route disposition or are transferred in the form of packaged fluid milk products to other distributing plants. At least 25 percent of such route disposition and transfers must be to outlets in the marketing area.

(b) Any distributing plant located in the marketing area which during the month processed at least 25 percent of the total quantity of fluid milk products physically received at the plant (excluding concentrated milk received from another plant by agreement for other than Class I use) into ultra-pasteurized or aseptically-processed fluid milk products.

(c) A supply plant from which 50 percent or more of the total quantity of milk that is physically received during the month from dairy farmers and handlers described in § 1000.9(c), including milk that is diverted as producer milk to other plants, is transferred to pool distributing plants. Concentrated milk transferred from the supply plant to a distributing plant for an agreed-upon use other than Class I shall be excluded from the supply plant's shipments in computing the plant's shipping percentage.

(d) A plant located within the marketing area that is operated by a cooperative association if pool plant status under this paragraph is requested for such plant by the cooperative association and during the month at least 30 percent of the producer milk of members of such cooperative association is delivered directly from farms to pool distributing plants or is transferred to such plants as a fluid milk product (excluding concentrated milk transferred to a distributing plant for an agreed-upon use other than Class I) from the cooperative's plant.

(e) Two or more plants operated by the same handler and located within the marketing area may qualify for pool status as a unit by meeting the total and in-area route disposition requirements specified in paragraph (a) of this section and the following additional requirements:

(1) At least one of the plants in the unit must qualify as a pool plant pursuant to paragraph (a) of this section;

(2) Other plants in the unit must process only Class I or Class II products and must be located in a pricing zone providing the same or a lower Class I price than the price applicable at the distributing plant included in the unit pursuant to paragraph (e)(1) of this section; and

(3) A written request to form a unit, or to add or remove plants from a unit, must be filed with the market administrator prior to the first day of the month for which it is to be effective.

(f) The applicable shipping percentages of paragraphs (c) and (d) of this section may be increased or decreased by the market administrator if the market administrator finds that such adjustment is necessary to encourage



needed shipments or to prevent uneconomic shipments. Before making such a finding, the market administrator shall investigate the need for adjustment either on the market administrator's own initiative or at the request of interested parties if the request is made in writing at least 15 days prior to the month for which the requested revision is desired effective. If the investigation shows that an adjustment of the shipping percentages might be appropriate, the market administrator shall issue a notice stating that an adjustment is being considered and invite data, views and arguments. Any decision to revise an applicable shipping percentage must be issued in writing at least one day before the effective date.

(g) The term pool plant shall not apply to the following plants:

- (1) A producer-handler plant;
- (2) An exempt plant as defined in § 1000.8(e);

(3) A plant qualified pursuant to paragraph (a) of this section that is located within the marketing area if the plant also meets the pooling requirements of another Federal order, and more than 50 percent of its route distribution has been in such other Federal order marketing area for 3 consecutive months;

(4) A plant qualified pursuant to paragraph (a) of this section which is not located within any Federal order marketing area that meets the pooling requirements of another Federal order and has had greater route disposition in such other Federal order's marketing area for 3 consecutive months;

(5) A plant qualified pursuant to paragraph (a) of this section that is located in another Federal order marketing area if the plant meets the pooling requirements of such other Federal order and does not have a majority of its route distribution in this marketing area for 3 consecutive months or if the plant is required to be regulated under such other Federal order without regard to its route disposition in any other Federal order marketing area;

(6) A plant qualified pursuant to paragraph (c) or (d) of this section which also meets the pooling requirements of another Federal order and from which greater qualifying shipments are made to plants regulated under the other Federal order than are made to plants regulated under the order in this part, or the plant has automatic pooling status under the other Federal order; and

(7) That portion of a pool plant designated as a nonpool plant that is physically separate and operated separately from the pool portion of such

plant. The designation of a portion of a regulated plant as a nonpool plant must be requested in writing by the handler and must be approved by the market administrator.

#### **§ 1126.8 Nonpool plant.**

See § 1000.8.

#### **§ 1126.9 Handler.**

See § 1000.9.

#### **§ 1126.10 Producer-handler.**

*Producer-handler* means a person who:

(a) Operates a dairy farm and a distributing plant from which there is route disposition in the marketing area during the month;

(b) Receives fluid milk products from own farm production or milk that is fully subject to the pricing and pooling provisions of the order in this part or another Federal order;

(c) Receives no more than 150,000 pounds of fluid milk products from handlers fully regulated under any Federal order, including such products received at a location other than the producer-handler's processing plant for distribution on routes. This limitation shall not apply if the producer-handler's own farm production is less than 150,000 pounds during the month;

(d) Disposes of no other source milk as Class I milk except by increasing the nonfat milk solids content of the fluid milk products; and

(e) Provides proof satisfactory to the market administrator that the care and management of the dairy animals and other resources necessary to produce all Class I milk handled (excluding receipts from handlers fully regulated under any Federal order) and the processing and packaging operations are the producer-handler's own enterprise and at its own risk.

#### **§ 1126.11 [Reserved]**

#### **§ 1126.12 Producer.**

(a) Except as provided in paragraph (b) of this section, *producer* means any person who produces milk approved by a duly constituted regulatory agency for fluid consumption as Grade A milk and whose milk (or components of milk) is:

(1) Received at a pool plant directly from the producer or diverted by the plant operator in accordance with § 1126.13; or

(2) Received by a handler described in § 1000.9(c).

(b) Producer shall not include:

(1) A producer-handler as defined in any Federal order;

(2) A dairy farmer whose milk is received at an exempt plant, excluding producer milk diverted to the exempt plant pursuant to § 1126.13(d);

(3) A dairy farmer whose milk is received by diversion at a pool plant from a handler regulated under another Federal order if the other Federal order designates the dairy farmer as a producer under that order and the milk is allocated by request to a utilization other than Class I; and

(4) A dairy farmer whose milk is reported as diverted to a plant fully regulated under another Federal order with respect to that portion of the milk so diverted that is assigned to Class I under the provisions of such other order.

#### **§ 1126.13 Producer milk.**

*Producer milk* means the skim milk (or the skim equivalent of components of skim milk), including nonfat components, and butterfat contained in milk of a producer that is:

(a) Received by the operator of a pool plant directly from a producer or a handler described in § 1000.9(c). All milk received pursuant to this paragraph shall be priced at the location of the plant where it is first physically received;

(b) Received by a handler described in § 1000.9(c) in excess of the quantity delivered to pool plants;

(c) Diverted by a pool plant operator for the account of the handler operating such plant to another pool plant. Milk so diverted shall be priced at the location of the plant to which diverted; or

(d) Diverted by the operator of a pool plant or a handler described in § 1000.9(c) to a nonpool plant, subject to the following conditions:

(1) Milk of a dairy farmer shall not be eligible for diversion unless a delivery of at least 40,000 pounds or one day's milk production, whichever is less, of such dairy farmer has been physically received as producer milk at a pool plant and the dairy farmer has continuously retained producer status since that time;

(2) The total quantity of milk diverted during the month by a cooperative association shall not exceed 50 percent of the total quantity of producer milk that the cooperative association caused to be received at pool plants and diverted;

(3) The operator of a pool plant that is not a cooperative association may divert any milk that is not under the control of a cooperative association that diverts milk during the month pursuant to this paragraph. The total quantity of milk so diverted during the month shall not exceed 50 percent of the total quantity of the producer milk physically received at such plant (or such unit of plants in the case of plants that pool as



a unit pursuant to § 1126.7(e)) and diverted;

(4) Any milk diverted in excess of the limits prescribed in paragraphs (d)(2) and (3) of this section shall not be producer milk. If the diverting handler or cooperative association fails to designate the dairy farmers' deliveries that will not be producer milk, no milk diverted by the handler or cooperative association shall be producer milk;

(5) Diverted milk shall be priced at the location of the plant to which diverted; and

(6) The delivery requirement in paragraph (d)(1) and the diversion percentages in paragraphs (d)(2) and (3) of this section may be increased or decreased by the market administrator if there is a finding that such revision is necessary to assure orderly marketing and efficient handling of milk in the marketing area. Before making such a finding, the market administrator shall investigate the need for the revision either on the market administrator's own initiative or at the request of interested persons if the request is made in writing at least 15 days prior to the month for which the requested revision is desired effective. If the investigation shows that a revision might be appropriate, the market administrator shall issue a notice stating that the revision is being considered and inviting written data, views, and arguments. Any decision to revise the delivery day requirement or any diversion percentage must be issued in writing at least one day before the effective date.

**§ 1126.14 Other source milk.**

See § 1000.14.

**§ 1126.15 Fluid milk product.**

See § 1000.15.

**§ 1126.16 Fluid cream product.**

See § 1000.16.

**§ 1126.17 [Reserved]**

**§ 1126.18 Cooperative association.**

See § 1000.18.

**§ 1126.19 Commercial food processing establishment.**

See § 1000.19.

**Handler Reports**

**§ 1126.30 Reports of receipts and utilization.**

Each handler shall report monthly so that the market administrator's office receives the report on or before the 8th day after the end of the month, in the detail and on prescribed forms, as follows:

(a) Each pool plant operator shall report for each of its operations the following information:

(1) Product pounds, pounds of butterfat, pounds of protein, pounds of nonfat solids other than protein (other solids), and the value of the somatic cell adjustment pursuant to § 1000.50(p) contained in or represented by:

(i) Receipts of producer milk, including producer milk diverted by the reporting handler, from sources other than handlers described in § 1000.9(c); and

(ii) Receipts of milk from handlers described in § 1000.9(c);

(2) Product pounds and pounds of butterfat contained in:

(i) Receipts of fluid milk products and bulk fluid cream products from other pool plants;

(ii) Receipts of other source milk; and

(iii) Inventories at the beginning and end of the month of fluid milk products and bulk fluid cream products;

(3) The utilization or disposition of all milk and milk products required to be reported pursuant to this paragraph; and

(4) Such other information with respect to the receipts and utilization of skim milk, butterfat, milk protein, other nonfat solids, and somatic cell information, as the market administrator may prescribe.

(b) Each handler operating a partially regulated distributing plant shall report with respect to such plant in the same manner as prescribed for reports required by paragraph (a) of this section. Receipts of milk that would have been producer milk if the plant had been fully regulated shall be reported in lieu of producer milk. The report shall show also the quantity of any reconstituted skim milk in route disposition in the marketing area.

(c) Each handler described in § 1000.9(c) shall report:

(1) The product pounds, pounds of butterfat, pounds of protein, pounds of solids-not-fat other than protein (other solids), and the value of the somatic cell adjustment pursuant to § 1000.50(p), contained in receipts of milk from producers; and

(2) The utilization or disposition of such receipts.

(d) Each handler not specified in paragraphs (a) through (c) of this section shall report with respect to its receipts and utilization of milk and milk products in such manner as the market administrator may prescribe.

**§ 1126.31 Payroll reports.**

(a) On or before the 20th day after the end of each month, each handler that operates a pool plant pursuant to § 1126.7 and each handler described in

§ 1000.9(c) shall report to the market administrator its producer payroll for the month, in the detail prescribed by the market administrator, showing for each producer the information specified in § 1126.73(e).

(b) Each handler operating a partially regulated distributing plant who elects to make payment pursuant to § 1000.76(b) shall report for each dairy farmer who would have been a producer if the plant had been fully regulated in the same manner as prescribed for reports required by paragraph (a) of this section.

**§ 1126.32 Other reports.**

In addition to the reports required pursuant to §§ 1126.30 and 1126.31, each handler shall report any information the market administrator deems necessary to verify or establish each handler's obligation under the order.

**Classification of Milk**

**§ 1126.40 Classes of utilization.**

See § 1000.40.

**§ 1126.41 [Reserved]**

**§ 1126.42 Classification of transfers and diversions.**

See § 1000.42.

**§ 1126.43 General classification rules.**

See § 1000.43.

**§ 1126.44 Classification of producer milk.**

See § 1000.44.

**§ 1126.45 Market administrator's reports and announcements concerning classification.**

See § 1000.45.

**Class Prices**

**§ 1126.50 Class prices, component prices, and advanced pricing factors.**

See § 1000.50.

**§ 1126.51 Class I differential and price.**

The Class I differential shall be the differential established for Dallas County, Texas, which is reported in § 1000.52. The Class I price shall be the price computed pursuant to § 1000.50(a) for Dallas County, Texas.

**§ 1126.52 Adjusted Class I differentials.**

See § 1000.52.

**§ 1126.53 Announcement of class prices, component prices, and advanced pricing factors.**

See § 1000.53.

**§ 1126.54 Equivalent price.**

See § 1000.54.

**Producer Price Differential****§ 1126.60 Handler's value of milk.**

For the purpose of computing a handler's obligation for producer milk, the market administrator shall determine for each month the value of milk of each handler with respect to each of the handler's pool plants and of each handler described in § 1000.9(c) with respect to milk that was not received at a pool plant by adding the amounts computed in paragraphs (a) through (i) of this section and subtracting from that total amount the value computed in paragraph (j) of this section. Unless otherwise specified, the skim milk, butterfat, and the combined pounds of skim milk and butterfat referred to in this section shall result from the steps set forth in § 1000.44(a), (b), and (c), respectively, and the nonfat components of producer milk in each class shall be based upon the proportion of such components in producer skim milk. Receipts of nonfluid milk products that are distributed as labeled reconstituted milk for which payments are made to the producer-settlement fund of another Federal order under § 1000.76(a)(4) or (d) shall be excluded from pricing under this section.

**(a) Class I value.**

(1) Multiply the pounds of skim milk in Class I by the Class I skim milk price; and

(2) Add an amount obtained by multiplying the pounds of butterfat in Class I by the Class I butterfat price.

**(b) Class II value.**

(1) Multiply the pounds of nonfat solids in Class II skim milk by the Class II nonfat solids price; and

(2) Add an amount obtained by multiplying the pounds of butterfat in Class II times the Class II butterfat price.

**(c) Class III value.**

(1) Multiply the pounds of protein in Class III skim milk by the protein price;

(2) Add an amount obtained by multiplying the pounds of other solids in Class III skim milk by the other solids price; and

(3) Add an amount obtained by multiplying the pounds of butterfat in Class III by the butterfat price.

**(d) Class IV value.**

(1) Multiply the pounds of nonfat solids in Class IV skim milk by the nonfat solids price; and

(2) Add an amount obtained by multiplying the pounds of butterfat in Class IV by the butterfat price.

(e) Compute an adjustment for the somatic cell content of producer milk by multiplying the values reported pursuant to § 1126.30(a)(1) and (c)(1) by the percentage of total producer milk allocated to Class II, Class III, and Class IV pursuant to § 1000.44(c);

(f) Multiply the pounds of skim milk and butterfat overage assigned to each class pursuant to § 1000.44(a)(11) and the corresponding step of § 1000.44(b) by the skim milk prices and butterfat prices applicable to each class.

(g) Multiply the difference between the current month's Class I, II, or III price, as the case may be, and the Class IV price for the preceding month by the hundredweight of skim milk and butterfat subtracted from Class I, II, or III, respectively, pursuant to § 1000.44(a)(7) and the corresponding step of § 1000.44(b);

(h) Multiply the difference between the Class I price applicable at the location of the pool plant and the Class IV price by the hundredweight of skim milk and butterfat assigned to Class I pursuant to § 1000.43(d) and the hundredweight of skim milk and butterfat subtracted from Class I pursuant to § 1000.44(a)(3)(i) through (vi) and the corresponding step of § 1000.44(b), excluding receipts of bulk fluid cream products from plants regulated under other Federal orders and bulk concentrated fluid milk products from pool plants, plants regulated under other Federal orders, and unregulated supply plants.

(i) Multiply the difference between the Class I price applicable at the location of the nearest unregulated supply plants from which an equivalent volume was received and the Class III price by the pounds of skim milk and butterfat in receipts of concentrated fluid milk products assigned to Class I pursuant to § 1000.43(d) and § 1000.44(a)(3)(i) and the corresponding step of § 1000.44(b) and the pounds of skim milk and butterfat subtracted from Class I pursuant to § 1000.44(a)(8) and the corresponding step of § 1000.44(b), excluding such skim milk and butterfat in receipts of fluid milk products from an unregulated supply plant to the extent that an equivalent amount of skim milk or butterfat disposed of to such plant by handlers fully regulated under any Federal milk order is classified and priced as Class I milk and is not used as an offset for any other payment obligation under any order.

(j) For reconstituted milk made from receipts of nonfluid milk products, multiply \$1.00 (but not more than the difference between the Class I price applicable at the location of the pool plant and the Class IV price) by the hundredweight of skim milk and butterfat contained in receipts of nonfluid milk products that are allocated to Class I use pursuant to § 1000.43(d).

**§ 1126.61 Computation of producer price differential.**

For each month the market administrator shall compute a producer price differential per hundredweight. The report of any handler who has not made payments required pursuant to § 1126.71 for the preceding month shall not be included in the computation of the producer price differential, and such handler's report shall not be included in the computation for succeeding months until the handler has made full payment of outstanding monthly obligations. Subject to the conditions of this paragraph, the market administrator shall compute the producer price differential in the following manner:

(a) Combine into one total the values computed pursuant to § 1126.60 for all handlers required to file reports prescribed in § 1126.30;

(b) Subtract the total of the values obtained by multiplying each handler's total pounds of protein, other solids, and butterfat contained in the milk for which an obligation was computed pursuant to § 1126.60 by the protein price, other solids price, and the butterfat price, respectively, and the total value of the somatic cell adjustment pursuant to § 1126.30(a)(1) and (c)(1);

(c) Add an amount equal to the minus location adjustments and subtract an amount equal to the plus location adjustments computed pursuant to § 1126.75;

(d) Add an amount equal to not less than one-half of the unobligated balance in the producer-settlement fund;

(e) Divide the resulting amount by the sum of the following for all handlers included in these computations:

(1) The total hundredweight of producer milk; and

(2) The total hundredweight for which a value is computed pursuant to § 1126.60(i); and

(f) Subtract not less than 4 cents nor more than 5 cents from the price computed pursuant to paragraph (e) of this section. The result shall be known as the *producer price differential* for the month.

**§ 1126.62 Announcement of producer prices.**

On or before the 13th day after the end of each month, the market administrator shall announce the following prices and information:

(a) The producer price differential;

(b) The protein price;

(c) The nonfat solids price;

(d) The other solids price;

(e) The butterfat price;

(f) The somatic cell adjustment rate;

(g) The average butterfat, protein, nonfat solids, and other solids content of producer milk; and

(h) The statistical uniform price for milk containing 3.5 percent butterfat, computed by combining the Class III price and the producer price differential.

#### Payments for Milk

##### § 1126.70 Producer-settlement fund.

See § 1000.70.

##### § 1126.71 Payments to the producer-settlement fund.

Each handler shall make payment to the producer-settlement fund in a manner that provides receipt of the funds by the market administrator no later than the 16th day after the end of the month (except as provided in § 1000.90). Payment shall be the amount, if any, by which the amount specified in paragraph (a) of this section exceeds the amount specified in paragraph (b) of this section:

(a) The total value of milk to the handler for the month as determined pursuant to § 1126.60.

(b) The sum of:

(1) An amount obtained by multiplying the total hundredweight of producer milk as determined pursuant to § 1000.44(c) by the producer price differential as adjusted pursuant to § 1126.75;

(2) An amount obtained by multiplying the total pounds of protein, other solids, and butterfat contained in producer milk by the protein, other solids, and butterfat prices respectively;

(3) The total value of the somatic cell adjustment to producer milk; and

(4) An amount obtained by multiplying the pounds of skim milk and butterfat for which a value was computed pursuant to § 1126.60(i) by the producer price differential as adjusted pursuant to § 1126.75 for the location of the plant from which received.

##### § 1126.72 Payments from the producer-settlement fund.

No later than the 17th day after the end of each month (except as provided in § 1000.90), the market administrator shall pay to each handler the amount, if any, by which the amount computed pursuant to § 1126.71(b) exceeds the amount computed pursuant to § 1126.71(a). If, at such time, the balance in the producer-settlement fund is insufficient to make all payments pursuant to this section, the market administrator shall reduce uniformly such payments and shall complete the payments as soon as the funds are available.

##### § 1126.73 Payments to producers and to cooperative associations.

(a) Each handler shall pay each producer for producer milk for which payment is not made to a cooperative association pursuant to paragraph (b) of this section, as follows:

(1) *Partial payment.* For each producer who has not discontinued shipments as of the 23rd day of the month, payment shall be made so that it is received by the producer on or before the 26th day of the month (except as provided in § 1000.90) for milk received during the first 15 days of the month at not less than the lowest announced class price for the preceding month, less proper deductions authorized in writing by the producer.

(2) *Final payment.* For milk received during the month, payment shall be made so that it is received by each producer no later than the 18th day after the end of the month (except as provided in § 1000.90) in an amount computed as follows:

(i) Multiply the hundredweight of producer milk received times the producer price differential for the month as adjusted pursuant to § 1126.75;

(ii) Multiply the pounds of butterfat received times the butterfat price for the month;

(iii) Multiply the pounds of protein received times the protein price for the month;

(iv) Multiply the pounds of other solids received times the other solids price for the month;

(v) Multiply the hundredweight of milk received times the somatic cell adjustment for the month;

(vi) Add the amounts computed in paragraphs (a)(2)(i) through (v) of this section, and from that sum:

(A) Subtract the partial payment made pursuant to paragraph (a)(1) of this section;

(B) Subtract the deduction for marketing services pursuant to § 1000.86;

(C) Add or subtract for errors made in previous payments to the producer subject to approval by the market administrator; and

(D) Subtract proper deductions authorized in writing by the producer.

(b) On or before the day prior to the dates specified for partial and final payments pursuant to paragraph (a) of this section (except as provided in § 1000.90), each pool plant operator shall pay a cooperative association for milk received as follows:

(1) *Partial payment to a cooperative association for bulk milk received directly from producers' farms.* For bulk milk (including the milk of producers

who are not members of such association and who the market administrator determines have authorized the cooperative association to collect payment for their milk) received during the first 15 days of the month from a cooperative association in any capacity, except as the operator of a pool plant, the payment shall be equal to the hundredweight of milk received multiplied by the lowest announced class price for the preceding month.

(2) *Partial payment to a cooperative association for milk transferred from its pool plant.* For bulk milk/skimmed milk products received during the first 15 days of the month from a cooperative association in its capacity as the operator of a pool plant, the partial payment shall be at the pool plant operator's estimated use value of the milk using the most recent class prices available at the receiving plant's location.

(3) *Final payment to a cooperative association for milk transferred from its pool plant.* Following the classification of bulk fluid milk products and bulk fluid cream products received during the month from a cooperative association in its capacity as the operator of a pool plant, the final payment for such receipts shall be determined as follows:

(i) The hundredweight of Class I skim milk times the Class I skim milk price for the month plus the pounds of Class I butterfat times the Class I butterfat price for the month. The Class I prices to be used shall be the prices effective at the location of the receiving plant;

(ii) The pounds of nonfat solids in Class II skim milk by the Class II nonfat solids price;

(iii) The pounds of butterfat in Class II times the Class II butterfat price;

(iv) The pounds of nonfat solids in Class IV times the nonfat solids price;

(v) The pounds of butterfat in Class III and Class IV milk times the butterfat price;

(vi) The pounds of protein in Class III milk times the protein price;

(vii) The pounds of other solids in Class III milk times the other solids price;

(viii) The hundredweight of Class II, Class III, and Class IV milk times the somatic cell adjustment; and

(ix) Add together the amounts computed in paragraphs (b)(3)(i) through (viii) of this section and from that sum deduct any payments made pursuant to paragraph (b)(2) of this section.

(4) *Final payment to a cooperative association for bulk milk received directly from producers' farms.* For bulk milk received from a cooperative

association during the month, including the milk of producers who are not members of such association and who the market administrator determines have authorized the cooperative association to collect payment for their milk, the final payment for such milk shall be an amount equal to the sum of the individual payments otherwise payable for such milk pursuant to paragraph (a)(2) of this section.

(c) If a handler has not received full payment from the market administrator pursuant to § 1126.72 by the payment date specified in paragraph (a) or (b) of this section, the handler may reduce pro rata its payments to producers or to cooperative associations pursuant to paragraphs (a) and (b) of this section, but by not more than the amount of the underpayment. The payments shall be completed on the next scheduled payment date after receipt of the balance due from the market administrator.

(d) If a handler claims that a required payment to a producer cannot be made because the producer is deceased or cannot be located, or because the cooperative association or its lawful successor or assignee is no longer in existence, the payment shall be made to the producer-settlement fund, and in the event that the handler subsequently locates and pays the producer or a lawful claimant, or in the event that the handler no longer exists and a lawful claim is later established, the market administrator shall make the required payment from the producer-settlement fund to the handler or to the lawful claimant as the case may be.

(e) In making payments to producers pursuant to this section, each pool plant operator shall furnish each producer, except a producer whose milk was received from a cooperative association handler described in § 1000.9(a) or (c), a supporting statement in a form that may be retained by the recipient which shall show:

(1) The name, address, Grade A identifier assigned by a duly constituted regulatory agency, and the payroll number of the producer;

(2) The month and dates that milk was received from the producer, including the daily and total pounds of milk received;

(3) The total pounds of butterfat, protein, and other solids contained in the producer's milk;

(4) The somatic cell count of the producer's milk;

(5) The minimum rate or rates at which payment to the producer is required pursuant to the order in this part;

(6) The rate used in making payment if the rate is other than the applicable minimum rate;

(7) The amount, or rate per hundredweight, or rate per pound of component, and the nature of each deduction claimed by the handler; and

(8) The net amount of payment to the producer or cooperative association.

#### **§ 1126.74 [Reserved]**

#### **§ 1126.75 Plant location adjustments for producer milk and nonpool milk.**

For purposes of making payments for producer milk and nonpool milk, a plant location adjustment shall be determined by subtracting the Class I price specified in § 1126.51 from the Class I price at the plant's location. The difference, plus or minus as the case may be, shall be used to adjust the payments required pursuant to §§ 1126.73 and 1000.76.

#### **§ 1126.76 Payments by a handler operating a partially regulated distributing plant.**

See § 1000.76.

#### **§ 1126.77 Adjustment of accounts.**

See § 1000.77.

#### **§ 1126.78 Charges on overdue accounts.**

See § 1000.78.

### **Administrative Assessment and Marketing Service Deduction**

#### **§ 1126.85 Assessment for order administration.**

See § 1000.85.

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See § 1000.86.

## **PART 1131—MILK IN ARIZONA-LAS VEGAS MARKETING AREA**

### **Subpart—Order Regulating Handling**

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1131.86 Deduction for marketing services.

**Authority:** 7 U.S.C. 601–674, and 7253.

### **Subpart—Order Regulating Handling**

#### **General Provisions**

##### **§ 1131.1 General provisions.**

The terms, definitions, and provisions in part 1000 of this chapter apply to this part 1131. In this part 1131, all references to sections in part 1000 refer to part 1000 of this chapter.

#### **Definitions**

##### **§ 1131.2 Arizona-Las Vegas marketing area.**

The marketing area means all territory within the bounds of the following states and political subdivisions, including all piers, docks and wharves

connected therewith and all craft moored thereat, and all territory occupied by government (municipal, State or Federal) reservations, installations, institutions, or other similar establishments if any part thereof is within any of the listed states or political subdivisions:

*Arizona*

All of the State of Arizona.

*Nevada Counties*

Clark.

**§ 1131.3 Route disposition.**

See § 1000.3.

**§ 1131.4 Plant.**

See § 1000.4.

**§ 1131.5 Distributing plant.**

See § 1000.5.

**§ 1131.6 Supply plant.**

See § 1000.6.

**§ 1131.7 Pool plant.**

*Pool Plant* means a plant or unit of plants specified in paragraphs (a) through (e) of this section, but excluding a plant specified in paragraph (g) of this section. The pooling standards described in paragraphs (c) and (d) of this section are subject to modification pursuant to paragraph (f) of this section.

(a) A distributing plant, other than a plant qualified as a pool plant pursuant to paragraph (b) of this § \_\_\_\_\_. 7(b) of any other Federal milk order, from which during the month 25 percent or more of the total quantity of fluid milk products physically received at the plant (excluding concentrated milk received from another plant by agreement for other than Class I use) are disposed of as route disposition or are transferred in the form of packaged fluid milk products to other distributing plants. At least 25 percent of such route disposition and transfers must be to outlets in the marketing area.

(b) Any distributing plant located in the marketing area which during the month processed at least 25 percent of the total quantity of fluid milk products physically received at the plant (excluding concentrated milk received from another plant by agreement for other than Class I use) into ultra-pasteurized or aseptically-processed fluid milk products.

(c) A supply plant from which 50 percent or more of the total quantity of milk that is physically received at such plant from dairy farmers and handlers described in § 1000.9(c), including milk that is diverted as producer milk to other plants, is transferred to pool distributing plants. Concentrated milk

transferred from the supply plant to a distributing plant for an agreed-upon use other than Class I shall be excluded from the supply plant's shipments in computing the plant's shipping percentage.

(d) A plant located within the marketing area and operated by a cooperative association if, during the month, or the immediately preceding 12-month period ending with the current month, 35 percent or more of the producer milk of members of the association (and any producer milk of nonmembers and members of another cooperative association which may be marketed by the cooperative association) is physically received in the form of bulk fluid milk products (excluding concentrated milk transferred to a distributing plant for an agreed-upon use other than Class I) at plants specified in paragraph (a) or (b) of this section either directly from farms or by transfer from supply plants operated by the cooperative association and from plants of the cooperative association for which pool plant status has been requested under this paragraph subject to the following conditions:

(1) The plant does not qualify as a pool plant under paragraph (a), (b) or (c) of this section or under comparable provisions of another Federal order; and

(2) The plant is approved by a duly constituted regulatory agency for the handling of milk approved for fluid consumption in the marketing area.

(e) Two or more plants operated by the same handler and located in the marketing area may qualify for pool plant status as a unit by together meeting the requirements specified in paragraph (a) of this section and subject to all of the following additional requirements:

(1) At least one of the plants in the unit must qualify as a pool plant pursuant to paragraph (a) of this section;

(2) Other plants in the unit must process Class I or Class II products, using 50 percent or more of the total Grade A fluid milk products received in bulk form at such plant or diverted therefrom by the plant operator in Class I or Class II products, and must be located in a pricing zone providing the same or lower Class I price than the price applicable at the distributing plant included in the unit pursuant to paragraph (e)(1) of this section; and

(3) A written request to form a unit must be filed by the handler with the market administrator prior to the first day of the month for which such status is desired to be effective. The unit shall continue from month to month thereafter without further notification. The handler shall notify the market

administrator in writing prior to the first day of any month for which termination or any change of the unit is desired.

(f) The applicable shipping percentages of paragraphs (c) and (d) of this section may be increased or decreased by the market administrator if the market administrator finds that such adjustment is necessary to encourage needed shipments or to prevent uneconomic shipments. Before making such a finding, the market administrator shall investigate the need for adjustment either on the market administrator's own initiative or at the request of interested parties if the request is made in writing at least 15 days prior to the month for which the requested revision is desired effective. If the investigation shows that an adjustment of the shipping percentages might be appropriate, the market administrator shall issue a notice stating that an adjustment is being considered and invite data, views and arguments. Any decision to revise an applicable shipping percentage must be issued in writing at least one day before the effective date.

(g) The term pool plant shall not apply to the following plants:

(1) A producer-handler as defined under any Federal order;

(2) An exempt plant as defined in § 1000.8(e);

(3) A plant located within the marketing area and qualified pursuant to paragraph (a) of this section which meets the pooling requirements of another Federal order, and from which more than 50 percent of its route disposition has been in the other Federal order marketing area for 3 consecutive months;

(4) A plant located outside any Federal order marketing area and qualified pursuant to paragraph (a) of this section that meets the pooling requirements of another Federal order and has had greater route disposition in such other Federal order's marketing area for 3 consecutive months;

(5) A plant located in another Federal order marketing area and qualified pursuant to paragraph (a) of this section that meets the pooling requirements of such other Federal order and does not have a majority of its route distribution in this marketing area for 3 consecutive months or if the plant is required to be regulated under such other Federal order without regard to its route disposition in any other Federal order marketing area;

(6) A plant qualified pursuant to paragraph (c) of this section which also meets the pooling requirements of another Federal order and from which greater qualifying shipments are made

to plants regulated under the other Federal order than are made to plants regulated under the order in this part, or the plant has automatic pooling status under the other Federal order; and

(7) That portion of a regulated plant designated as a nonpool plant that is physically separate and operated separately from the pool portion of such plant. The designation of a portion of a regulated plant as a nonpool plant must be requested in advance and in writing by the handler and must be approved by the market administrator.

#### **§ 1131.8 Nonpool plant.**

See § 1000.8.

#### **§ 1131.9 Handler.**

See § 1000.9.

#### **§ 1131.10 Producer-handler.**

*Producer-handler* means a person who:

(a) Operates a dairy farm and a distributing plant from which there is route disposition in the marketing area during the month;

(b) Receives fluid milk products from own farm production or milk that is fully subject to the pricing and pooling provisions of the order in this part or another Federal order;

(c) Receives at its plant or acquires for route disposition no more than 150,000 pounds of fluid milk products from handlers fully regulated under any Federal order. This limitation shall not apply if the producer-handler's own farm production is less than 150,000 pounds during the month;

(d) Disposes of no other source milk as Class I milk except by increasing the nonfat milk solids content of the fluid milk products;

(e) Does not distribute fluid milk products to a wholesale customer who also is serviced by a plant described in § 1131.7(a), (b), or (e), or a handler described in § 1000.8(c) that supplied the same product in the same-sized package with a similar label to the wholesale customer during the month; and

(f) Provides proof satisfactory to the market administrator that the care and management of the dairy animals and other resources necessary to produce all Class I milk handled (excluding receipts from handlers fully regulated under any Federal order) and the operation of the distributing plant are the personal enterprise of, and at the personal risk of, such person in his/her capacity as a producer-handler.

#### **§ 1131.11 [Reserved]**

#### **§ 1131.12 Producer.**

(a) Except as provided in paragraph (b) of this section, *producer* means any person who produces milk approved by a duly constituted regulatory agency for fluid consumption as Grade A milk and whose milk (or components of milk) is:

(1) Received at a pool plant directly from the producer or diverted by the plant operator in accordance with § 1131.13; or

(2) Received by a handler described in § 1000.9(c).

(b) Producer shall not include:

(1) A producer-handler as defined in any Federal order;

(2) A dairy farmer whose milk is received at an exempt plant, excluding producer milk diverted to the exempt plant pursuant to § 1131.13(d);

(3) A dairy farmer whose milk is received by diversion at a pool plant from a handler regulated under another Federal order if the other Federal order designates the dairy farmer as a producer under that order and that milk is allocated by request to a utilization other than Class I;

(4) A dairy farmer whose milk is reported as diverted to a plant fully regulated under another Federal order with respect to that portion of the milk so diverted that is assigned to Class I under the provisions of such other order; and

(5) A dairy farmer whose milk is received at a pool plant if during the month milk from the same farm is received at a nonpool plant (except a nonpool plant that has no utilization of milk products in any class other than Class III or Class IV) other than as producer milk under the order in this part or some other Federal order. Such a dairy farmer shall be known as a *dairy farmer for other markets*.

#### **§ 1131.13 Producer milk.**

*Producer milk* means the skim milk (or the skim equivalent of components of skim milk) and butterfat in milk of a producer that is:

(a) Received by the operator of a pool plant directly from a producer or a handler described in § 1000.9(c). All milk received pursuant to this paragraph shall be priced at the location of the plant where it is first physically received;

(b) Received by a handler described in § 1000.9(c) in excess of the quantity delivered to pool plants;

(c) Diverted by a pool plant operator to another pool plant. Milk so diverted shall be priced at the location of the plant to which diverted; or

(d) Diverted by the operator of a pool plant or a cooperative association

described in § 1000.9(c) to a nonpool plant, subject to the following conditions:

(1) Milk of a dairy farmer shall not be eligible for diversion unless at least one day's production of such dairy farmer is physically received at a pool plant during the month;

(2) The total quantity of milk diverted by a handler in any month shall not exceed 50 percent of the total producer milk caused by the handler to be received at pool plants and diverted;

(3) Diverted milk shall be priced at the location of the plant to which diverted;

(4) Any milk diverted in excess of the limits prescribed in paragraph (d)(2) of this section shall not be producer milk. If the diverting handler or cooperative association fails to designate the dairy farmers' deliveries that are not to be producer milk, no milk diverted by the handler or cooperative association during the month to a nonpool plant shall be producer milk. In the event some of the milk of any producer is determined not to be producer milk pursuant to this paragraph, other milk delivered by such producer as producer milk during the month will not be subject to § 1131.12(b)(5); and

(5) The delivery day requirement in paragraph (d)(1) of this section and diversion percentage in paragraph (d)(2) of this section may be increased or decreased by the market administrator if the market administrator finds that such revision is necessary to assure orderly marketing and efficient handling of milk in the marketing area. Before making such a finding, the market administrator shall investigate the need for the revision either on the market administrator's own initiative or at the request of interested persons if the request is made in writing at least 15 days prior to the month for which the requested revision is desired effective. If the investigation shows that a revision might be appropriate, the market administrator shall issue a notice stating that the revision is being considered and inviting written data, views, and arguments. Any decision to revise the delivery day requirement or the diversion percentage must be issued in writing at least one day before the effective date.

#### **§ 1131.14 Other source milk.**

See § 1000.14.

#### **§ 1131.15 Fluid milk product.**

See § 1000.15.

#### **§ 1131.16 Fluid cream product.**

See § 1000.16.

**§ 1131.17 [Reserved]****§ 1131.18 Cooperative association.**

See § 1000.18.

**§ 1131.19 Commercial food processing establishment.**

See § 1000.19.

**Handler Reports****§ 1131.30 Reports of receipts and utilization.**

Each handler shall report monthly so that the market administrator's office receives the report on or before the 7th day after the end of the month, in the detail and on the forms prescribed by the market administrator, as follows:

(a) With respect to each of its pool plants, the quantities of skim milk and butterfat contained in or represented by:

(1) Receipts of producer milk, including producer milk diverted by the reporting handler, from sources other than handlers described in § 1000.9(c);

(2) Receipts of milk from handlers described in § 1000.9(c);

(3) Receipts of fluid milk products and bulk fluid cream products from other pool plants;

(4) Receipts of other source milk;

(5) Inventories at the beginning and end of the month of fluid milk products and bulk fluid cream products; and

(6) The utilization or disposition of all milk and milk products required to be reported pursuant to this paragraph.

(b) Each handler operating a partially regulated distributing plant shall report with respect to such plant in the same manner as prescribed for reports required by paragraph (a) of this section. Receipts of milk that would have been producer milk if the plant had been fully regulated shall be reported in lieu of producer milk. Such report shall show also the quantity of any reconstituted skim milk in route disposition in the marketing area.

(c) Each handler described in § 1000.9(c) shall report:

(1) The quantities of all skim milk and butterfat contained in receipts of milk from producers; and

(2) The utilization or disposition of all such receipts.

(d) Each handler described in § 1131.10 shall report:

(1) The pounds of milk received from each of the handler's own-farm production units, showing separately the production of each farm unit and the number of dairy cows in production at each farm unit;

(2) Fluid milk products and bulk fluid cream products received at its plant or acquired for route disposition from pool plants, other order plants, and handlers described in § 1000.9(c);

(3) Receipts of other source milk not reported pursuant to paragraph (d)(2) of this section;

(4) Inventories at the beginning and end of the month of fluid milk products and fluid cream products; and

(5) The utilization or disposition of all milk and milk products required to be reported pursuant to this paragraph.

(e) Each handler not specified in paragraphs (a) through (d) of this section shall report with respect to its receipts and utilization of milk and milk products in such manner as the market administrator may prescribe.

**§ 1131.31 Payroll reports.**

(a) On or before the 20th day after the end of each month, each handler that operates a pool plant pursuant to § 1131.7 and each handler described in § 1000.9(c) shall report to the market administrator its producer payroll for such month, in the detail prescribed by the market administrator, showing for each producer:

(1) The month;

(2) The producer's name and address;

(3) The daily and total pounds of milk received from the producer;

(4) The total butterfat content of such milk; and

(5) The price per hundredweight, the gross amount due, the amount and nature of any deductions, and the net amount paid.

(b) Each handler operating a partially regulated distributing plant who elects to make payment pursuant to § 1000.76(b) shall report for each dairy farmer who would have been a producer if the plant had been fully regulated in the same manner as prescribed for reports required by paragraph (a) of this section.

**§ 1131.32 Other reports.**

In addition to the reports required pursuant to § 1131.30 and § 1131.31, each handler shall report any information the market administrator deems necessary to verify or establish each handler's obligation under the order.

**Classification of Milk****§ 1131.40 Classes of utilization.**

See § 1000.40.

**§ 1131.41 [Reserved]****§ 1131.42 Classification of transfers and diversions.**

See § 1000.42.

**§ 1131.43 General classification rules.**

See § 1000.43.

**§ 1131.44 Classification of producer milk.**

See § 1000.44.

**§ 1131.45 Market administrator's reports and announcements concerning classification.**

See § 1000.45.

**Class Prices****§ 1131.50 Class prices, component prices, and advanced pricing factors.**

See § 1000.50.

**§ 1131.51 Class I differential and price.**

The Class I differential shall be the differential established for Maricopa County, Arizona, which is reported in § 1000.52. The Class I price shall be the price computed pursuant to § 1000.50(a) for Maricopa County, Arizona.

**§ 1131.52 Adjusted Class I differentials.**

See § 1000.52.

**§ 1131.53 Announcement of class prices, component prices, and advanced pricing factors.**

See § 1000.53.

**§ 1131.54 Equivalent price.**

See § 1000.54.

**Uniform Prices****§ 1131.60 Handler's value of milk.**

For the purpose of computing a handler's obligation for producer milk, the market administrator shall determine for each month the value of milk of each handler with respect to each of the handler's pool plants and of each handler described in § 1000.9(c) with respect to milk that was not received at a pool plant by adding the amounts computed in paragraphs (a) through (e) of this section and subtracting from that total amount the value computed in paragraph (f) of this section. Receipts of nonfluid milk products that are distributed as labeled reconstituted milk for which payments are made to the producer-settlement fund of another Federal order under § 1000.76(a)(4) or (d) shall be excluded from pricing under this section.

(a) Multiply the pounds of skim milk and butterfat in producer milk that were classified in each class pursuant to § 1000.44(c) by the applicable skim milk and butterfat prices, and add the resulting amounts;

(b) Multiply the pounds of skim milk and butterfat overage assigned to each class pursuant to § 1000.44(a)(11) and the corresponding steps of § 1000.44(b) by the respective skim milk and butterfat prices applicable at the location of the pool plant;

(c) Multiply the difference between the current month's Class I, II, or III price, as the case may be, and the Class IV price for the preceding month by the hundredweight of skim milk and



butterfat subtracted from Class I, II, or III, respectively, pursuant to § 1000.44(a)(7) and the corresponding step of § 1000.44(b);

(d) Multiply the difference between the Class I price applicable at the location of the pool plant and the Class IV price by the hundredweight of skim milk and butterfat assigned to Class I pursuant to § 1000.43(d) and the hundredweight of skim milk and butterfat subtracted from Class I pursuant to § 1000.44(a)(3)(i) through (vi) and the corresponding step of § 1000.44(b), excluding receipts of bulk fluid cream products from plants regulated under other Federal orders and bulk concentrated fluid milk products from pool plants, plants regulated under other Federal orders, and unregulated supply plants;

(e) Multiply the Class I price applicable at the location of the nearest unregulated supply plants from which an equivalent volume was received by the pounds of skim milk and butterfat in receipts of concentrated fluid milk products assigned to Class I pursuant to § 1000.43(d) and § 1000.44(a)(3)(i) and the corresponding steps of § 1000.44(b) and the pounds of skim milk and butterfat subtracted from Class I pursuant to § 1000.44(a)(8) and the corresponding step of § 1000.44(b), excluding such skim milk and butterfat in receipts of fluid milk products from an unregulated supply plant to the extent that an equivalent amount of skim milk or butterfat disposed of to such plant by handlers fully regulated under any Federal milk order is classified and priced as Class I milk and is not used as an offset for any other payment obligation under any order; and

(f) For reconstituted milk made from receipts of nonfluid milk products, multiply \$1.00 (but not more than the difference between the Class I price applicable at the location of the pool plant and the Class IV price) by the hundredweight of skim milk and butterfat contained in receipts of nonfluid milk products that are allocated to Class I use pursuant to § 1000.43(d).

#### § 1131.61 Computation of uniform prices.

On or before the 11th day of each month, the market administrator shall compute a uniform butterfat price, a uniform skim milk price, and a uniform price for producer milk receipts reported for the prior month. The report of any handler who has not made payments required pursuant to § 1131.71 for the preceding month shall not be included in the computation of these prices, and such handler's report

shall not be included in the computation for succeeding months until the handler has made full payment of outstanding monthly obligations.

(a) *Uniform butterfat price.* The uniform butterfat price per pound, rounded to the nearest one-hundredth cent, shall be computed by multiplying the pounds of butterfat in producer milk allocated to each class pursuant to § 1000.44(b) by the respective class butterfat prices and dividing the sum of such values by the total pounds of such butterfat.

(b) *Uniform skim milk price.* The uniform skim milk price per hundredweight, rounded to the nearest cent, shall be computed as follows:

(1) Combine into one total the values computed pursuant to § 1131.60 for all handlers;

(2) Add an amount equal to the minus location adjustments and subtract an amount equal to the plus location adjustments computed pursuant to § 1131.75;

(3) Add an amount equal to not less than one-half of the unobligated balance in the producer-settlement fund;

(4) Subtract the value of the total pounds of butterfat for all handlers. The butterfat value shall be computed by multiplying the pounds of butterfat by the butterfat price computed in paragraph (a) of this section;

(5) Divide the resulting amount by the sum of the following for all handlers included in these computations:

(i) The total skim pounds of producer milk; and

(ii) The total skim pounds for which a value is computed pursuant to § 1131.60(e); and

(6) Subtract not less than 4 cents and not more than 5 cents.

(c) *Uniform price.* The uniform price per hundredweight, rounded to the nearest cent, shall be the sum of the following:

(1) Multiply the uniform butterfat price for the month pursuant to paragraph (a) of this section times 3.5 pounds of butterfat; and

(2) Multiply the uniform skim milk price for the month pursuant to paragraph (b) of this section times .965.

#### § 1131.62 Announcement of uniform prices.

On or before the 11th day after the end of the month, the market administrator shall announce the uniform prices for the month computed pursuant to § 1131.61.

#### Payments for Milk

##### § 1131.70 Producer-settlement fund.

See § 1000.70.

##### § 1131.71 Payments to the producer-settlement fund.

Each handler shall make payment to the producer-settlement fund in a manner that provides receipt of the funds by the market administrator no later than the 13th day after the end of the month (except as provided in § 1000.90). Payments due the market administrator shall be deemed not to have been made until the money owed has been received at the market administrator's office, or deposited into the market administrator's bank account. Payment shall be the amount, if any, by which the amount specified in paragraph (a) of this section exceeds the amount specified in paragraph (b) of this section:

(a) The total value of milk to the handler for the month as determined pursuant to § 1131.60.

(b) The sum of:

(1) The value at the uniform prices for skim milk and butterfat, adjusted for plant location, of the handler's receipts of producer milk; and

(2) The value at the uniform price as adjusted pursuant to § 1131.75 applicable at the location of the plant from which received of other source milk for which a value is computed pursuant to § 1131.60(e).

##### § 1131.72 Payments from the producer-settlement fund.

No later than the 14th day after the end of each month (except as provided in § 1000.90), the market administrator shall pay to each handler the amount, if any, by which the amount computed pursuant to § 1131.71(b) exceeds the amount computed pursuant to § 1131.71(a). If, at such time, the balance in the producer-settlement fund is insufficient to make all payments pursuant to this section, the market administrator shall reduce uniformly such payments and shall complete the payments as soon as the funds are available.

##### § 1131.73 Payments to producers and to cooperative associations.

(a) Except as provided in paragraphs (b) and (c) of this section, each handler shall make payment to each producer from whom milk is received during the month as follows:

(1) *Partial Payment.* For each producer who has not discontinued shipments as of the 25th day of the month, payment shall be made so that it is received by the producer on or before the 27th day of each month (except as provided in § 1000.90) for milk received from such producer during the first 15 days of the month at not less than 1.3 times the lowest class



price for the preceding month less proper deductions authorized in writing by the producer.

(2) *Final payment.* For milk received during the month, a payment computed as follows shall be made so that it is received by each producer one day after the payment date required in § 1131.72:

(i) Multiply the hundredweight of producer skim milk received times the uniform skim milk price for the month;

(ii) Multiply the pounds of producer butterfat received times the uniform butterfat price for the month;

(iii) Multiply the hundredweight of producer milk received times the plant location adjustment pursuant to § 1131.75; and

(iv) Add the amounts computed in paragraph (a)(2)(i), (ii), and (iii) of this section, and from that sum:

(A) Subtract the partial payment made pursuant to paragraph (a)(1) of this section;

(B) Subtract the deduction for marketing services pursuant to § 1000.86;

(C) Add or subtract for errors made in previous payments to the producer, subject to approval by the market administrator; and

(D) Subtract proper deductions authorized in writing by the producer.

(b) Two days prior to the dates on which partial and final payments are due pursuant to paragraph (a) of this section, each pool plant operator shall pay a cooperative association for milk received as follows:

(1) *Partial payment to a cooperative association for bulk milk received directly from producers' farms.* For bulk milk (including the milk of producers who are not members of such association and who the market administrator determines have authorized the cooperative association to collect payment for their milk) received during the first 15 days of the month from a cooperative association in any capacity except as the operator of a pool plant, the payment shall be an amount not less than 1.3 times the lowest class price for the preceding month multiplied by the hundredweight of milk.

(2) *Partial payment to a cooperative association for milk transferred from its pool plant.* For bulk fluid milk products and bulk fluid cream products received during the first 15 days of the month from a cooperative association in its capacity as the operator of a pool plant, the partial payment shall be at the pool plant operator's estimated use value of the milk using the most recent class prices available for skim milk and butterfat at the receiving plant's location.

(3) *Final payment to a cooperative association for milk transferred from its pool plant.* For bulk fluid milk products and bulk fluid cream products received during the month from a cooperative association in its capacity as the operator of a pool plant, the final payment shall be the classified value of such milk as determined by multiplying the pounds of skim milk and butterfat assigned to each class pursuant to § 1000.44 by the class prices for the month at the receiving plant's location, and subtracting from this sum the partial payment made pursuant to paragraph (b)(2) of this section.

(4) *Final payment to a cooperative association for bulk milk received directly from producers' farms.* For bulk milk received from a cooperative association during the month, including the milk of producers who are not members of such association and who the market administrator determines have authorized the cooperative association to collect payment for their milk, the final payment for such milk shall be an amount equal to the sum of the individual payments otherwise payable for such milk pursuant to paragraph (a)(2) of this section.

(c) If a handler has not received full payment from the market administrator pursuant to § 1131.72 by the payment date specified in paragraph (a) or (b) of this section, the handler may reduce pro rata his payments pursuant to such paragraphs, but by not more than the amount of such underpayment. Payments to producers shall be completed on the next scheduled payment date after receipt of the balance due from the market administrator.

(d) If a handler claims that a required payment to a producer cannot be made because the producer is deceased or cannot be located, or because the cooperative association or its lawful successor or assignee is no longer in existence, the payment shall be made to the producer-settlement fund. In the event the handler subsequently locates and pays the producer or a lawful claimant, or in the event that the handler no longer exists and a lawful claim is later established, the market administrator shall make the required payment from the producer-settlement fund to the handler or the lawful claimant, as the case may be.

(e) In making payments to producers pursuant to this section, each pool plant operator shall furnish each producer, except a producer whose milk was received from a cooperative association described in § 1000.9(a) or (c), a supporting statement in such form that it may be retained by the recipient which shall show:

(1) The month, and identity of the producer;

(2) The daily and total pounds and the total pounds of butterfat content of producer milk;

(3) The minimum rate at which payment to the producer is required pursuant to the order in this part;

(4) The rate used in making payments if the rate is other than the applicable minimum rate;

(5) The amount, rate per hundredweight, and nature of each deduction claimed by the handler; and

(6) The net amount of payment to the producer or cooperative association.

#### § 1131.74 [Reserved]

#### § 1131.75 Plant location adjustments for producers and nonpool milk.

For purposes of making payments for producer milk and nonpool milk, a plant location adjustment shall be determined by subtracting the Class I price specified in § 1131.51 from the Class I price at the plant's location. The difference, plus or minus as the case may be, shall be used to adjust the payments required pursuant to §§ 1131.73 and 1000.76.

#### § 1131.76 Payments by handler operating a partially regulated distributing plant.

See § 1000.76.

#### § 1131.77 Adjustment of accounts.

See § 1000.77.

#### § 1131.78 Charges on overdue accounts.

See § 1000.78.

### Administrative Assessment and Marketing Service Deduction

#### § 1131.85 Assessment for order administration.

See § 1000.85.

#### § 1131.86 Deduction for marketing services.

See § 1000.86.

## PART 1135—MILK IN THE WESTERN MARKETING AREA

### Subpart—Order Regulating Handling

#### General Provisions

Sec.

1135.1 General provisions.

#### Definitions

1135.2 Western marketing area.

1135.3 Route disposition.

1135.4 Plant.

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1135.9 Handler.

1135.10 Producer-handler.

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- 1135.13 Producer milk.
- 1135.14 Other source milk.
- 1135.15 Fluid milk product.
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- 1135.17 [Reserved]
- 1135.18 Cooperative association.
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**Handler Reports**

- 1135.30 Reports of receipts and utilization.
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**Classification of Milk**

- 1135.40 Classes of utilization.
- 1135.41 [Reserved]
- 1135.42 Classification of transfers and diversions.
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**Class Prices**

- 1135.50 Class prices, component prices, and advanced pricing factors.
- 1135.51 Class I differential and price.
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**Producer Price Differential**

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**Payments for Milk**

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- 1135.77 Adjustment of accounts.
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**Administrative Assessment and Marketing Service Deduction**

- 1135.85 Assessment for order administration.
- 1135.86 Deduction for marketing services.

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

**Subpart—Order Regulating Handling****General Provisions****§ 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.

**Definitions****§ 1135.2 Western marketing area.**

The marketing area means all territory within the bounds of the following states and political subdivisions, including all piers, docks and wharves connected therewith and all craft moored thereat, and all territory occupied by government (municipal, State or Federal) reservations, installations, institutions, or other similar establishments if any part thereof is within any of the listed states or political subdivisions:

*Idaho Counties*

Ada, Adams, Bannock, Bear Lake, Bingham, Blaine, Boise, Bonneville, Camas, Canyon, Caribou, Cassia, Elmore, Franklin, Gem, Gooding, Jefferson, Jerome, Lincoln, Madison, Minidoka, Oneida, Owyhee, Payette, Power, Twin Falls, Valley, and Washington.

*Nevada Counties*

Elko, Lincoln, and White Pine.

*Oregon Counties*

Baker, Grant, Harney, Malheur, and Union.

*Utah*

All of the state of Utah.

*Wyoming Counties*

Lincoln and Uinta.

**§ 1135.3 Route disposition.**

See § 1000.3.

**§ 1135.4 Plant.**

See § 1000.4.

**§ 1135.5 Distributing plant.**

See § 1000.5.

**§ 1135.6 Supply plant.**

See § 1000.6.

**§ 1135.7 Pool plant.**

*Pool Plant* means a plant or unit of plants specified in paragraphs (a) through (e) of this section, but excluding a plant specified in paragraph (g) of this section. The pooling standards described in paragraphs (c) and (d) of this section are subject to modification pursuant to paragraph (f) of this section.

(a) A distributing plant, other than a plant qualified as a pool plant pursuant to paragraph (b) of this section or § \_\_\_\_\_.7(b) of any other Federal milk order, from which during the month 25 percent or more of the total quantity of fluid milk products physically received at the plant (excluding concentrated milk received from another plant by agreement for other than Class I use) are disposed of as route disposition or are transferred in the form of packaged fluid milk products to other distributing plants. At least 25 percent of such route

disposition and transfers must be to outlets in the marketing area.

(b) Any distributing plant located in the marketing area which during the month processed at least 25 percent of the total quantity of fluid milk products physically received at the plant (excluding concentrated milk received from another plant by agreement for other than Class I use) into ultra-pasteurized or aseptically-processed fluid milk products.

(c) A supply plant from which during the month the quantity of bulk fluid milk products transferred or diverted to plants described in paragraph (a) or (b) of this section is 35 percent or more of the total Grade A milk received at the plant from dairy farmers (except dairy farmers described in § 1135.12(b)) and handlers described in § 1000.9(c) and § 1135.11, including milk diverted by the plant operator, subject to the following conditions:

(1) A supply plant that has qualified as a pool plant during each of the immediately preceding months of September through February shall continue to so qualify in each of the following months of March through August unless the plant operator files a written request with the market administrator that such plant not be a pool plant, such nonpool status to be effective the first month following such request. A plant withdrawn from pool supply plant status may not be reinstated for any subsequent month of the March through July period unless it qualifies as a pool plant on the basis of milk shipments;

(2) A pool plant operator may include as qualifying shipments milk diverted to pool distributing plants pursuant to § 1135.13(c);

(3) Concentrated milk transferred from the supply plant to a distributing plant for an agreed-upon use other than Class I shall be excluded from the supply plant's shipments in computing the plant's shipping percentage; and

(4) No plant may qualify as a pool plant due to a reduction in the shipping percentage pursuant to paragraph (f) of this section unless it has been a pool supply plant during each of the immediately preceding 3 months.

(d) A milk manufacturing plant located within the marketing area that is operated by a cooperative association if, during the month or the immediately preceding 12-month period ending with the current month, 35% or more of such cooperative's member producer milk (and any producer milk of nonmembers and members of another cooperative association which may be marketed by the cooperative association) is physically received in the form of bulk

fluid milk products (excluding concentrated milk transferred to a distributing plant from an agreed-upon use other than Class I) at plants specified in paragraph (a) or (b) of this section either directly from farms or by transfer from supply plants operated by the cooperative association and from plants of the cooperative association for which pool plant status has been requested under this paragraph subject to the following conditions:

(1) The plant does not qualify as a pool plant under paragraph (a), (b) or (c) of this section or under comparable provisions of another Federal order; and

(2) The plant is approved by a duly constituted regulatory agency for the handling of milk approved for fluid consumption in the marketing area.

(e) Two or more plants located in the marketing area and operated by the same handler may qualify for pool plant status as a unit by together meeting the requirements specified in paragraph (a) of this section and subject to the following additional requirements:

(1) At least one of the plants in the unit must individually qualify as a pool plant pursuant to paragraph (a) of this section;

(2) Other plants in the unit must process Class I or Class II products, using 50 percent or more of the total Grade A fluid milk products received in bulk form at such plant or diverted therefrom by the plant operator in Class I or Class II products, and must be located in a pricing zone providing the same or a lower Class I price than the price applicable at the distributing plant included in the unit pursuant to paragraph (e)(1) of this section; and

(3) A written request to form a unit must be filed by the handler with the market administrator prior to the first day of the month for which such status is to be effective. The unit shall continue from month to month thereafter without further notification. The handler shall notify the market administrator in writing prior to the first day of any month for which termination or any change of the unit is desired.

(f) The applicable shipping percentages of paragraphs (c) and (d) of this section may be increased or decreased by the market administrator if the market administrator finds that such adjustment is necessary to encourage needed shipments or to prevent uneconomic shipments. Before making such a finding, the market administrator shall investigate the need for adjustment either on the market administrator's own initiative or at the request of interested parties if the request is made in writing at least 15 days prior to the month for which the requested revision

is desired effective. If the investigation shows that an adjustment of the shipping percentages might be appropriate, the market administrator shall issue a notice stating that an adjustment is being considered and invite data, views and arguments. Any decision to revise an applicable shipping percentage must be issued in writing at least one day before the effective date.

(g) The term pool plant shall not apply to the following plants:

(1) A producer-handler as defined under any Federal order;

(2) An exempt plant as defined in 1000.8(e);

(3) A plant located within the marketing area and qualified pursuant to paragraph (a) of this section which meets the pooling requirements of another Federal order, and from which more than 50 percent of its route disposition has been in the other Federal order marketing area for 3 consecutive months;

(4) A plant located outside any Federal order marketing area and qualified pursuant to paragraph (a) of this section that meets the pooling requirements of another Federal order and has had greater route disposition in such other Federal order's marketing area for 3 consecutive months;

(5) A plant located in another Federal order marketing area and qualified pursuant to paragraph (a) of this section that meets the pooling requirements of such other Federal order and does not have a majority of its route distribution in this marketing area for 3 consecutive months or if the plant is required to be regulated under such other Federal order without regard to its route disposition in any other Federal order marketing area;

(6) A plant qualified pursuant to paragraph (c) of this section which also meets the pooling requirements of another Federal order and from which greater qualifying shipments are made to plants regulated under the other Federal order than are made to plants regulated under the order in this part, or the plant has automatic pooling status under the other Federal order; and

(7) That portion of a regulated plant designated as a nonpool plant that is physically separate and operated separately from the pool portion of such plant. The designation of a portion of a regulated plant as a nonpool plant must be requested in advance and in writing by the handler and must be approved by the market administrator.

#### **§ 1135.8 Nonpool plant.**

See § 1000.8.

#### **§ 1135.9 Handler.**

In addition to the handlers defined in § 1000.9, handler shall include a person meeting the standards set forth in § 1135.11.

#### **§ 1135.10 Producer-handler.**

*Producer-handler* means a person who:

(a) Operates a dairy farm and a distributing plant from which there is route disposition in the marketing area during the month;

(b) Receives fluid milk products from own farm production or milk that is fully subject to the pricing and pooling provisions of the order in this part or another Federal order;

(c) Receives at its plant or acquires for route disposition no more than 150,000 pounds of fluid milk products from handlers fully regulated under any Federal order. This limitation shall not apply if the producer-handler's own farm production is less than 150,000 pounds during the month;

(d) Disposes of no other source milk as Class I milk except by increasing the nonfat milk solids content of the fluid milk products; and

(e) Provides proof satisfactory to the market administrator that the care and management of the dairy animals and other resources necessary to produce all Class I milk handled (excluding receipts from handlers fully regulated under any Federal order) and the processing and packaging operations are the producer-handler's own enterprise and are operated at its own risk.

#### **§ 1135.11 Proprietary bulk tank handler.**

Any person, except a cooperative association, with respect to milk that it receives for its account from the farm of a producer in a tank truck owned and operated by, or under the control of, such person and which is delivered during the month for the account of such person to the pool plant of another handler or diverted pursuant to § 1135.13, subject to the following conditions:

(a) Such person must operate a plant located in the marketing area at which milk is processed only into Class II, Class III, or Class IV products; and

(b) Prior to operating as a handler pursuant to this paragraph, such person must submit to the market administrator a statement signed by the applicant and the operator of the pool plant to which the milk will be delivered specifying that the applicant will be the responsible handler for the milk.

#### **§ 1135.12 Producer.**

(a) Except as provided in paragraph (b) of this section, *producer* means any

person who produces milk approved by a duly constituted regulatory agency for fluid consumption as Grade A milk and whose milk (or components of milk) is:

(1) Received at a pool plant directly from the producer or diverted by the plant operator in accordance with § 1135.13; or

(2) Received by a handler described in § 1000.9(c) or § 1135.11.

(b) Producer shall not include:

(1) A producer-handler as defined in any Federal order;

(2) A dairy farmer whose milk is delivered to an exempt plant, excluding producer milk diverted to the exempt plant pursuant to § 1135.13(d);

(3) A dairy farmer whose milk is diverted to a pool plant by a handler regulated under another Federal order if the other Federal order designates the dairy farmer as a producer under that order and that milk is allocated by request to a utilization other than Class I;

(4) A dairy farmer whose milk is reported as diverted to a plant fully regulated under another Federal order with respect to that portion of the milk so diverted that is assigned to Class I under the provisions of such other order; and

(5) A dairy farmer whose milk was received at a nonpool plant during the month from the same farm (except a nonpool plant that has no utilization of milk products in any Class other than Class III or Class IV) as other than producer milk under the order in this part or any other Federal order. Such a dairy farmer shall be known as a *dairy farmer for other markets*.

#### § 1135.13 Producer milk.

*Producer milk* means the skim milk (or the skim equivalent of components of skim milk), including nonfat components, and butterfat in milk of a producer that is:

(a) Received by the operator of a pool plant directly from a producer, a handler described in § 1000.9(c), or a handler described in § 1135.11. All milk received pursuant to this paragraph shall be priced at the location of the plant where it is first physically received;

(b) Received by a handler described in § 1000.9(c) or in § 1135.11 in excess of the quantity delivered to pool plants;

(c) Diverted by a pool plant operator to another pool plant. Milk so diverted shall be priced at the location of the plant to which diverted; or

(d) Diverted by the operator of a pool plant, a cooperative association described in § 1000.9(c), or a proprietary bulk tank handler described in § 1135.11, to a nonpool plant, subject to the following conditions:

(1) Milk of a dairy farmer shall not be eligible for diversion unless at least one day's milk production of such dairy farmer has been physically received as producer milk at a pool plant and the dairy farmer has continuously retained producer status since that time. If a dairy farmer loses producer status under the order in this part (except as a result of a temporary loss of Grade A approval), the dairy farmer's milk shall not be eligible for diversion until one day's milk production has been physically received as producer milk at a pool plant;

(2) Of the quantity of producer milk received during the month (including diversions) the handler diverts to nonpool plants not more than 90 percent;

(3) Two or more handlers described in § 1000.9(c) may have their allowable diversions computed on the basis of their combined deliveries of producer milk which they caused to be delivered to pool plants or diverted during the month if each has filed a request in writing with the market administrator before the first day of the month the agreement is to be effective. The request shall specify the basis for assigning overdiverted milk to the producer deliveries of each according to a method approved by the market administrator.

(4) Diverted milk shall be priced at the location of the plant to which diverted;

(5) Any milk diverted in excess of the limits prescribed in paragraph (d)(2) of this section shall not be producer milk. If the diverting handler, cooperative association, or proprietary bulk tank handler fails to designate the dairy farmers' deliveries that are not to be producer milk, no milk diverted by the handler, cooperative association, or proprietary bulk tank handler during the month to a nonpool plant shall be producer milk. In the event some of the milk of any producer is determined not to be producer milk pursuant to this paragraph, other milk delivered by such producer as producer milk during the month will not be subject to § 1135.12(b)(5); and

(6) The delivery day requirement in paragraph (d)(1) and the diversion percentage in paragraph (d)(2) of this section may be increased or decreased by the market administrator if the market administrator finds that such revision is necessary to assure orderly marketing and efficient handling of milk in the marketing area. Before making such a finding, the market administrator shall investigate the need for the revision either on the market administrator's own initiative or at the request of interested persons if the

request is made in writing at least 15 days prior to the month for which the requested revision is desired effective. If the investigation shows that a revision might be appropriate, the market administrator shall issue a notice stating that the revision is being considered and inviting written data, views, and arguments. Any decision to revise the delivery day requirement or the diversion percentage must be issued in writing at least one day before the effective date.

#### § 1135.14 Other source milk.

See § 1000.14.

#### § 1135.15 Fluid milk product.

See § 1000.15.

#### § 1135.16 Fluid cream product.

See § 1000.16.

#### § 1135.17 [Reserved]

#### § 1135.18 Cooperative association.

See § 1000.18.

#### § 1135.19 Commercial food processing establishment.

See § 1000.19.

### Handler Reports

#### § 1135.30 Reports of receipts and utilization.

Each handler shall report monthly so that the market administrator receives the report on or before the 7th day after the end of each month, in the detail and on the forms prescribed by the market administrator, as follows:

(a) Each handler that operates a pool plant pursuant to § 1135.7 shall report for each of its operations the following information:

(1) Product pounds, pounds of butterfat, pounds of protein, and pounds of solids-not-fat other than protein (other solids), contained in or represented by:

(i) Receipts of producer milk, including producer milk diverted by the reporting handler, from sources other than handlers described in § 1000.9(c) and § 1135.11; and

(ii) Receipts of milk from handlers described in § 1000.9(c) and § 1135.11;

(2) Product pounds and pounds of butterfat contained in:

(i) Receipts of fluid milk products and bulk fluid cream products from other pool plants;

(ii) Receipts of other source milk; and

(iii) Inventories at the beginning and end of the month of fluid milk products and bulk fluid cream products;

(3) The utilization or disposition of all milk and milk products required to be reported pursuant to this paragraph; and

(4) Such other information with respect to the receipts and utilization of

skim milk, butterfat, milk protein, and other nonfat solids, as the market administrator may prescribe.

(b) Each handler operating a partially regulated distributing plant shall report with respect to such plant in the same manner as prescribed for reports required by paragraph (a) of this section. Receipts of milk that would have been producer milk if the plant had been fully regulated shall be reported in lieu of producer milk. The report shall show also the quantity of any reconstituted skim milk in route disposition in the marketing area.

(c) Each handler described in §§ 1000.9(c) or 1135.11 shall report:

(1) The product pounds, pounds of butterfat, pounds of protein, and the pounds of solids-not-fat other than protein (other solids) contained in receipts of milk from producers; and

(2) The utilization or disposition of such receipts.

(d) Each handler not specified in paragraphs (a) through (c) of this section shall report with respect to its receipts and utilization of milk and milk products in such manner as the market administrator may prescribe.

#### **§ 1135.31 Payroll reports.**

(a) On or before the 21st day after the end of each month, each handler that operates a pool plant pursuant to § 1135.7 and each handler described in § 1000.9(c) and in § 1135.11 shall report to the market administrator its producer payroll for the month, in the detail prescribed by the market administrator, showing for each producer the information described in § 1135.73(e).

(b) Each handler operating a partially regulated distributing plant who elects to make payment pursuant to § 1000.76(b) shall report for each dairy farmer who would have been a producer if the plant had been fully regulated in the same manner as prescribed for reports required by paragraph (a) of this section.

#### **§ 1135.32 Other reports.**

In addition to the reports required pursuant to §§ 1135.30 and 1135.31, each handler shall report any information the market administrator deems necessary to verify or establish each handler's obligation under the order.

#### **Classification of Milk**

##### **§ 1135.40 Classes of utilization.**

See § 1000.40.

##### **§ 1135.41 [Reserved]**

##### **§ 1135.42 Classification of transfers and diversions.**

See § 1000.42.

##### **§ 1135.43 General classification rules.**

See § 1000.43.

##### **§ 1135.44 Classification of producer milk.**

See § 1000.44.

##### **§ 1135.45 Market administrator's reports and announcements concerning classification.**

See § 1000.45.

#### **Class Prices**

##### **§ 1135.50 Class prices, component prices, and advanced pricing factors.**

See § 1000.50.

##### **§ 1135.51 Class I differential and price.**

The Class I differential shall be the differential established at Salt Lake County, Utah, which is reported in § 1000.52. The Class I price shall be the price computed pursuant to § 1000.50(a) for Salt Lake County, Utah.

##### **§ 1135.52 Adjusted Class I differentials.**

See § 1000.52.

##### **§ 1135.53 Announcement of class prices, component prices, and advanced pricing factors.**

See § 1000.53.

##### **§ 1135.54 Equivalent price.**

See § 1000.54.

#### **Producer Price Differential**

##### **§ 1135.60 Handler's value of milk.**

For the purpose of computing a handler's obligation for producer milk, the market administrator shall determine for each month the value of milk of each handler with respect to each of the handler's pool plants, and of each handler described in § 1000.9(c) and each handler described in § 1135.11, with respect to milk that was not received at a pool plant, by adding the amounts computed in paragraphs (a) through (h) of this section and subtracting from that total amount the value computed in paragraph (i) of this section. Unless otherwise specified, the skim milk, butterfat, and the combined pounds of skim milk and butterfat referred to in this section shall result from the steps set forth in § 1000.44 (a), (b), and (c), respectively, and the nonfat components of producer milk in each class shall be based upon the proportion of such nonfat components in producer skim milk. Receipts of nonfluid milk products that are distributed as labeled reconstituted milk for which payments are made to the producer-settlement fund of another Federal order under § 1000.76 (a)(4) or (d) shall be excluded from pricing under this section.

(a) Class I value.

(1) Multiply the hundredweight of skim milk in Class I by the Class I skim milk price; and

(2) Add an amount obtained by multiplying the pounds of butterfat in Class I by the Class I butterfat price.

(b) Class II value.

(1) Multiply the pounds of nonfat solids in Class II skim milk by the Class II nonfat solids price; and

(2) Add an amount obtained by multiplying the pounds of butterfat in Class II times the Class II butterfat price.

(c) Class III value.

(1) Multiply the pounds of protein in Class III skim milk by the protein price;

(2) Add an amount obtained by multiplying the pounds of other solids in Class III skim milk by the other solids price; and

(3) Add an amount obtained by multiplying the pounds of butterfat in Class III by the butterfat price.

(d) Class IV value.

(1) Multiply the pounds of nonfat solids in Class IV skim milk by the nonfat solids price; and

(2) Add an amount obtained by multiplying the pounds of butterfat in Class IV by the butterfat price.

(e) Multiply the pounds of skim milk and butterfat overage assigned to each class pursuant to § 1000.44(a)(11) and the corresponding step of § 1000.44(b) by the skim milk prices and butterfat prices applicable to each class.

(f) Multiply the difference between the current month's Class I, II, or III price, as the case may be, and the Class IV price for the preceding month by the hundredweight of skim milk and butterfat subtracted from Class I, II, or III, respectively, pursuant to § 1000.44(a)(7) and the corresponding step of § 1000.44(b);

(g) Multiply the difference between the Class I price applicable at the location of the pool plant and the Class IV price by the hundredweight of skim milk and butterfat assigned to Class I pursuant to § 1000.43(d) and the hundredweight of skim milk and butterfat subtracted from Class I pursuant to § 1000.44(a)(3) (i) through (vi) and the corresponding step of § 1000.44(b), excluding receipts of bulk fluid cream products from plants regulated under other Federal orders and bulk concentrated fluid milk products from pool plants, plants regulated under other Federal orders, and unregulated supply plants.

(h) Multiply the difference between the Class I price applicable at the location of the nearest unregulated supply plants from which an equivalent volume was received and the Class III price by the pounds of skim milk and butterfat in receipts of concentrated

fluid milk products assigned to Class I pursuant to § 1000.43(d) and § 1000.44(a)(3)(i) and the corresponding step of § 1000.44(b) and the pounds of skim milk and butterfat subtracted from Class I pursuant to § 1000.44(a)(8) and the corresponding step of § 1000.44(b), excluding such skim milk and butterfat in receipts of fluid milk products from an unregulated supply plant to the extent that an equivalent amount of skim milk or butterfat disposed of to such plant by handlers fully regulated under any Federal milk order is classified and priced as Class I milk and is not used as an offset for any other payment obligation under any order.

(i) For reconstituted milk made from receipts of nonfluid milk products, multiply \$1.00 (but not more than the difference between the Class I price applicable at the location of the pool plant and the Class IV price) by the hundredweight of skim milk and butterfat contained in receipts of nonfluid milk products that are allocated to Class I use pursuant to § 1000.43(d).

#### **§ 1135.61 Computation of producer price differential.**

For each month the market administrator shall compute a producer price differential per hundredweight. The report of any handler who has not made payments required pursuant to § 1135.71 for the preceding month shall not be included in the computation of the producer price differential, and such handler's report shall not be included in the computation for succeeding months until the handler has made full payment of outstanding monthly obligations. Subject to the conditions of this paragraph, the market administrator shall compute the producer price differential in the following manner:

(a) Combine into one total the values computed pursuant to § 1135.60 for all handlers required to file reports prescribed in § 1135.30;

(b) Subtract the total values obtained by multiplying each handler's total pounds of protein, other solids, and butterfat contained in the milk for which an obligation was computed pursuant to § 1135.60 by the protein price, the other solids price, and the butterfat price, respectively;

(c) Add an amount equal to the minus location adjustments and subtract an amount equal to the plus location adjustments computed pursuant to § 1135.75;

(d) Add an amount equal to not less than one-half of the unobligated balance in the producer-settlement fund;

(e) Divide the resulting amount by the sum of the following for all handlers included in these computations:

(1) The total hundredweight of producer milk; and

(2) The total hundredweight for which a value is computed pursuant to § 1135.60(h); and

(f) Subtract not less than 4 cents nor more than 5 cents from the price computed pursuant to paragraph (e) of this section. The result shall be known as the *producer price differential* for the month.

#### **§ 1135.62 Announcement of producer prices.**

On or before the 12th day after the end of each month, the market administrator shall announce publicly the following prices and information:

(a) The producer price differential;

(b) The protein price;

(c) The nonfat solids price;

(d) The other solids price;

(e) The butterfat price;

(f) [Reserved]

(g) The average butterfat, protein, nonfat solids, and other solids content of producer milk; and

(h) The statistical uniform price for milk containing 3.5 percent butterfat, computed by combining the Class III price and the producer price differential.

#### **Payments for Milk**

##### **§ 1135.70 Producer-settlement fund.**

See § 1000.70.

##### **§ 1135.71 Payments to the producer-settlement fund.**

Each handler shall make payment to the producer-settlement fund in a manner that provides receipt of the funds by the market administrator no later than the 14th day after the end of the month (except as provided in § 1000.90). Payment shall be the amount, if any, by which the amount specified in paragraph (a) of this section exceeds the amount specified in paragraph (b) of this section:

(a) The total value of milk to the handler for the month as determined pursuant to § 1135.60.

(b) The sum of:

(1) An amount obtained by multiplying the total hundredweight of producer milk as determined pursuant to § 1000.44(c) by the producer price differential as adjusted pursuant to § 1135.75;

(2) An amount obtained by multiplying the total pounds of protein, other solids, and butterfat contained in producer milk by the protein, other solids, and butterfat prices respectively;

(3) [Reserved]

(4) An amount obtained by multiplying the pounds of skim milk and butterfat for which a value was computed pursuant to § 1135.60(h) by the producer price differential as adjusted pursuant to § 1135.75 for the location of the plant from which received.

##### **§ 1135.72 Payments from the producer-settlement fund.**

No later than the 15th day after the end of each month (except as provided in § 1000.90), the market administrator shall pay to each handler the amount, if any, by which the amount computed pursuant to § 1135.71(b) exceeds the amount computed pursuant to § 1135.71(a). If, at such time, the balance in the producer-settlement fund is insufficient to make all payments pursuant to this section, the market administrator shall reduce uniformly such payments and shall complete the payments as soon as the funds are available.

##### **§ 1135.73 Payments to producers and to cooperative associations.**

(a) Except as provided in paragraph (b) of this section, each handler shall make payment to each producer from whom milk is received during the month as follows:

(1) *Partial payment.* On or before the 25th day of each month (except as provided in § 1000.90) to each producer an amount not less than 1.2 times the lowest class price for the preceding month multiplied by the hundredweight of milk received from such producer during the first 15 days of the month, less proper deductions authorized in writing by such producer to be made from payments due pursuant to this paragraph.

(2) *Final payment.* On or before the 17th day of the following month (except as provided in § 1000.90), not less than an amount computed by the sum of the following:

(i) The hundredweight of producer milk received times the producer price differential for the month as adjusted pursuant to § 1135.75;

(ii) The pounds of butterfat in producer milk received times the butterfat price for the month;

(iii) The pounds of protein in producer milk received times the protein price for the month;

(iv) The pounds of other solids in producer milk received times the other solids price for the month;

(v) [Reserved]

(vi) Less any payments made pursuant to paragraph (a)(1) of this section;

(vii) Less proper deductions authorized in writing by such producer

and plus or minus adjustments for errors in previous payments to such producer subject to approval by the market administrator; and

(viii) Less deductions made for marketing service pursuant to § 1000.86.

(b) One day prior to the dates on which partial and final payments are due pursuant to paragraph (a) of this section, each pool plant operator shall pay a cooperative association for milk received as follows:

(1) *Partial payment to a cooperative association for bulk milk received directly from producers' farms.* For bulk milk (including the milk of producers who are not members of such association and who the market administrator determines have authorized the cooperative association to collect payment for their milk) received during the first 15 days of the month from a cooperative association in any capacity, except as the operator of a pool plant, the payment shall be an amount not less than 1.2 times the lowest class price for the preceding month multiplied by the hundredweight of milk.

(2) *Partial payment to a cooperative association for milk transferred from its pool plant.* For bulk fluid milk products and bulk fluid cream products received during the first 15 days of the month from a cooperative association in its capacity as the operator of a pool plant, the partial payment shall be at the pool plant operator's estimated use value of the milk using the most recent class prices available at the receiving plant's location.

(3) *Final payment to a cooperative association for milk transferred from its pool plant.* For the total quantity of bulk fluid milk products and bulk fluid cream products received from a cooperative association in its capacity as the operator of a pool plant, the final payment shall be at not less than the total value of such products received from the association's pool plants, as determined by multiplying the respective quantities assigned to each class under § 1000.44, as follows:

(i) The hundredweight of Class I skim milk times the Class I skim milk price for the month plus the pounds of Class I butterfat times the Class I butterfat price for the month. The Class I prices to be used shall be the prices effective at the location of the receiving plant;

(ii) The pounds of nonfat solids in Class II skim milk by the Class II nonfat solids price;

(iii) The pounds of butterfat in Class II times the Class II butterfat price;

(iv) The pounds of nonfat solids in Class IV times the nonfat solids price;

(v) The pounds of butterfat in Class III and Class IV milk times the butterfat price;

(vi) The pounds of protein in Class III milk times the protein price;

(vii) The pounds of other solids in Class III milk times the other solids price; and

(viii) Add together the amounts computed in paragraphs (b)(3)(i) through (vii) of this section and from that sum deduct any payment made pursuant to paragraph (b)(1) of this section.

(4) *Final payment to a cooperative association for bulk milk received directly from producers' farms.* For bulk milk received from a cooperative association during the month, including the milk of producers who are not members of such association and who the market administrator determines have authorized the cooperative association to collect payment for their milk, the final payment for such milk shall be an amount equal to the sum of the individual payments otherwise payable for such milk pursuant to paragraph (a)(2) of this section.

(c) If a handler has not received full payment from the market administrator pursuant to § 1135.72 by the payment date specified in paragraph (a) or (b) of this section, the handler may reduce pro rata its payments to producers or to the cooperative association by not more than the amount of such underpayment. The payments shall be completed on the next scheduled payment date after receipt of the balance due from the market administrator.

(d) If a handler claims that a required payment to a producer cannot be made because the producer is deceased or cannot be located, or because the cooperative association or its lawful successor or assignee is no longer in existence, the payment shall be made to the producer settlement fund, and in the event the handler subsequently locates and pays the producer or a lawful claimant, or in the event that the handler no longer exists and a lawful claim is later established, the market administrator shall make the required payment from the producer-settlement fund to the handler or to the lawful claimant, as the case may be.

(e) In making payments to producers pursuant to this section, each handler shall furnish each producer, except a producer whose milk was received from a cooperative association handler described in § 1000.9(a) or (c), a supporting statement in a form that may be retained by the recipient which shall show:

(1) The name, address, Grade A identifier assigned by a duly constituted regulatory agency, and payroll number of the producer;

(2) The daily and total pounds, and the month and dates such milk was received from that producer;

(3) The total pounds of butterfat, protein, and other solids contained in the producer's milk;

(4) [Reserved]

(5) The minimum rate or rates at which payment to the producer is required pursuant to the order in this part;

(6) The rate used in making payment if the rate is other than the applicable minimum rate;

(7) The amount, or rate per hundredweight, or rate per pounds of component, and the nature of each deduction claimed by the handler; and

(8) The net amount of payment to the producer or cooperative association.

#### § 1135.74 [Reserved]

#### § 1135.75 Plant location adjustments for producer milk and nonpool milk.

For purposes of making payments for producer milk and nonpool milk, a plant location adjustment shall be determined by subtracting the Class I price specified in § 1135.51 from the Class I price at the plant's location. The difference, plus or minus as the case may be, shall be used to adjust the payments required pursuant to §§ 1135.73 and 1000.76.

#### § 1135.76 Payments by a handler operating a partially regulated distributing plant.

See § 1000.76.

#### § 1135.77 Adjustment of accounts.

See § 1000.77.

#### § 1135.78 Charges on overdue accounts.

See § 1000.78.

### Administrative Assessment and Marketing Service Deduction

#### § 1135.85 Assessment for order administration.

See § 1000.85.

#### § 1135.86 Deduction for marketing services.

See § 1000.86.

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