



UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL MARKETING SERVICE  
DAIRY PROGRAMS

**Office Address:**  
1404 Carroll  
Carrollton, TX 75006-7245  
**Phone:** (972) 245-6060  
**Fax:** (972) 245-3211  
**Lab Fax:** (972) 389-0823

**Milk Market Administrator**  
**SOUTHWEST MILK MARKETING AREA**  
**Federal Order No. 126**

**Mailing Address:**  
P O Box 110939  
Carrollton, TX 75011-0939

**Home page:** [www.dallasma.com](http://www.dallasma.com)  
**E-mail:** [sw.order@dallasma.com](mailto:sw.order@dallasma.com)

**DATE:** March 21, 2014  
**TO:** Handlers, Cooperative Associations and Interested Parties  
**FROM:** Cary Hunter  
Market Administrator  
Southwest Federal Order No. 126  
Carrollton, Texas  
**SUBJECT:** Extension of Dairy Forward Pricing Program until September 30, 2018

The Dairy Forward Pricing Program, originally established under the 2008 Farm Bill, allowed forward price contracts between handlers and dairy farmers to be entered into through September 30, 2012. Legislation signed into law on January 2, 2013, renewed authority for the program through September 30, 2013. On February 7, 2014, President Obama signed the Agricultural Act of 2014, again renewing the program's authority through September 30, 2018. Handlers may now enter into new forward price contracts with producers or cooperative associations of producers through September 30, 2018. Contracts may extend through September 30, 2021. All other provisions of the Dairy Forward Price Program remain the same.

Please reference the included Federal Register Notice for additional information.

Please keep in mind:

- All new contracts must be signed by both parties prior to the effective month. The signed contract and disclosure statement must be received by the Market Administrator prior to the 15th of the applicable month. For example, to contract for April 2014 milk, the forward contract and disclosure statement must be signed prior to April 1, 2014, and received by the Market Administrator by April 15, 2014.
- The disclosure statement must be signed on the same date as the contract.
- Producer milk that has been forward contracted under the terms of the program is not subject to minimum payment to a producer or cooperative association under a Federal Order.
- For contracts signed between September 30, 2013, and April 1, 2014, if the market administrator has already received a copy of the contract and disclosure statement or receives them by April 15, 2014, and the contract includes April milk deliveries, the first "effective" month is April. This holds true even if contract deliveries began in a prior month. However, contracts cannot be included in the program if the disclosure statement has a date other than the date on which the contract was signed. In this case, if a handler and producer would like to have a valid contract applicable under the program, another contract must be negotiated.
- For contracts signed between September 30, 2013, and April 1, 2014, there will be no allowance for payments less than the Federal order minimum for pooled milk in October 2013 through March 2014.
- Forward Contracts established under this program may not extend past September 30, 2021.

Forward contracts established prior to October 1, 2013, are not impacted. Please call 972-245-6060, or e-mail [sw.order@dallasma.com](mailto:sw.order@dallasma.com) with any questions.

/s/ Cary Hunter  
Market Administrator



**Agricultural Marketing Service**

1400 Independence Ave., SW  
Washington, DC 20250 | Room 3933-S  
Voice 202.720.8998  
Web: <http://www.ams.usda.gov>

# News Release

Release No. 058-14

Contact:  
Hakim Fobia (202) 690-0488  
[hakim.fobia@ams.usda.gov](mailto:hakim.fobia@ams.usda.gov)

## **USDA Issues a Final Rule Extending the Dairy Forward Pricing Program**

Washington, D.C., March 20, 2014 -- The U.S. Department of Agriculture (USDA) today issued a final rule extending the Dairy Forward Pricing Program to allow producers and cooperative associations to enter into forward price contracts through Sept. 30, 2018. This final rule also extends all other requirements of the program until Sept. 30, 2021.

The Dairy Forward Pricing Program allows producers and producer cooperative associations to voluntarily enter into forward price contracts with handlers for milk under the Agricultural Marketing Agreement Act of 1937.

The program has not accepted new contracts since Sept. 30, 2013. The 2014 Farm Bill allows new contracts to be entered into until Sept. 30, 2018. Contracts may not extend beyond Sept. 30, 2021.

Information about the decision was published in the March 21, 2014, *Federal Register*. For additional information, contact:

Roger Cryan, Director, Economics Division  
USDA/AMS/Dairy Programs, Stop 0229-Room 2753-S  
1400 Independence Avenue, SW., Washington, DC 20250-0231  
(202) 720-7091, e-mail address: [roger.cryan@ams.usda.gov](mailto:roger.cryan@ams.usda.gov)

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