



USDA Announces Producer Approval of California Federal Milk Marketing Order

Press Release

Release No. 0123.18

Contact: USDA Press

Email: press@oc.usda.gov

WASHINGTON, June 7, 2018 – The U.S. Department of Agriculture (USDA) announced today that California dairy producers have voted to approve a Federal Milk Marketing Order (FMMO) for the entire State of California. As a result of this favorable vote, USDA today published a final rule in the Federal Register indicating that approval. The new California FMMO will be implemented October 17, 2018, with publication of the Announcement of Advanced Prices and Pricing Factors, and affected parties must comply with all provisions beginning November 1, 2018. USDA will work over the next few months to educate handlers who will become regulated by the new FMMO.

California represents over 18 percent of all U.S. milk production and is currently regulated by a state milk marketing order administered by California Department of Agriculture (CDFA). Once this new FMMO is established, over 80 percent of the U.S. milk supply would fall under the FMMO regulatory framework.

FMMOs are legal instruments that regulate the sale of milk between dairy farmers and the first buyer. Where appropriate, the California FMMO adopts the uniform order provisions contained in the 10 current FMMOs in the national system. These uniform provisions include, but are not limited to, dairy product classification, end-product price formulas, and the producer-handler definition. The new FMMO recognizes the unique market structure of the California dairy industry through tailored, performance-based

standards to determine eligibility for pool participation. The order also provides for the recognition of producer quota as administered by the CDFA.

The entire record of the rulemaking is available at www.ams.usda.gov/caorder. Today's Federal Register notice is available at:

www.federalregister.gov/documents/2018/06/08/2018-12245/marketing-orders-milk-in-california.

#

USDA is an equal opportunity provider, employer and lender.