

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE
DAIRY PROGRAMS
MILK MARKET ADMINISTRATOR

APPALACHIAN MARKETING AREA
Federal Order No. 5
Phone: 502-499-0040
Fax: 502-499-8749
E-Mail: friedly@malouisville.com

10301 Brookridge Village Blvd.
Louisville, Kentucky 40291-4467
(Mail) P. O. Box 18030
Louisville, Kentucky 40261-0030
<http://www.malouisville.com>

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To: Interested Parties, Appalachian Marketing Area

From: Market Administrator, Louisville, Kentucky

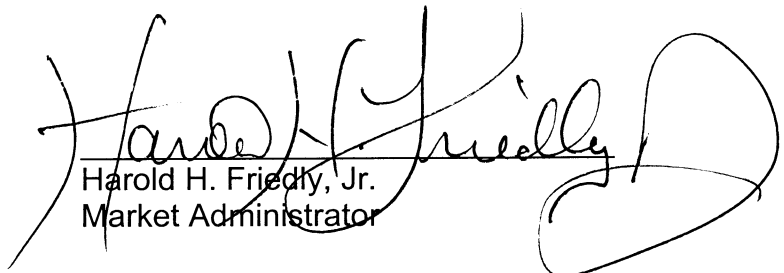
Subject: **USDA Announces Final Rule to Establish a Dairy Forward Pricing Program**

On October 31, 2008, the U.S. Department of Agriculture announced a final rule establishing the Dairy Forward Pricing Program as directed by the Food, Conservation and Energy Act of 2008. This program will allow milk producers and cooperative associations to voluntarily enter into forward price contracts with milk handlers for milk used for non-fluid purposes. The program exempts handlers regulated under the federal milk order program from paying producers and cooperative associations the minimum federal order price for milk under forward contract.

The final rule was published in the October 31 Federal Register.

For additional information contact: John R. Mengel, Chief Economist, USDA/AMS/Dairy Programs, Office of the Chief Economist, STOP 0229-Room 2753, 1400 Independence Ave., SW, Washington, DC 20250-0229, (202) 720-4664, e-mail address: john.mengel@usda.gov.

Additional information may also be obtained from this office by calling (502) 499-0040, or e-mail friedly@malouisville.com.



Harold H. Friedly, Jr.
Market Administrator