

United States Department of Agriculture
Agricultural Marketing Service
Dairy Program

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To: Interested Parties

From: Market Administrator, Louisville, Kentucky

Subject: USDA Issues Final Decision on Amendments to all Eleven Federal Milk Marketing Orders

Today, the U.S. Department of Agriculture (USDA) Agricultural Marketing Service (AMS) issued a final decision [on its website](#) proposing to amend the uniform pricing formulas applicable in all 11 Federal milk marketing orders (FMMOs). This rulemaking proceeding was requested by the dairy industry to evaluate changes to the uniform pricing formulas applicable to all 11 FMMOs. The proposed changes are based on substantial input and must be approved by eligible producers in each marketing order via a producer referendum before they take effect.

Consistent with the recommended decision published in the Federal Register July 15, 2024, the final decision puts forth a package of amendments to update formulas and factors based on the evidentiary record of the proceeding. It also makes certain limited changes from the recommended decision based on public comments and reevaluation of record evidence, as follows:

1. Reduction in the delayed implementation of the revised skim milk composition factors from 12 months to 6 months;
2. Inclusion of a \$0.0015 marketing cost factor in all make allowances;
3. A modification to the methodology used to determine the nonfat dry milk make allowance; and
4. Limited changes to certain county-specific Class I differentials.

The final decision will publish in the Federal Register soon.

Following the publication of the final decision and before any changes take effect, AMS will conduct producer referendums in each of the 11 FMMOs. Producers whose milk was pooled on an FMMO in January 2024 are eligible to participate in the referendum. They will have the opportunity to vote in favor of or opposition to the FMMOs as proposed to be amended in the final decision.

AMS will mail ballots to eligible independent producers and qualified cooperative associations. Ballots must be postmarked by Dec. 31, 2024, and returned by Jan. 15, 2025, to be counted. The

referendum process is administered and overseen by AMS. Information about the referendum process has been posted to the hearing website.

Additionally, AMS will host three public webinars to further inform stakeholders of the proposed amendments and producer referendum process. These webinars will take place November 19 and November 25 at 11 a.m. ET and November 21 at 3 p.m. ET. A link to access the webinars will be provided in advance on [the AMS hearing website](#). In addition, AMS supplementary educational documents have been posted on the hearing website.

The final decision follows a 49-day national hearing held from Aug. 23, 2023, to Jan. 30, 2024, in Carmel, Indiana, where AMS heard testimony and received evidence on 21 proposals from the dairy industry. AMS issued a recommended decision on July 1, 2024, followed by its publication in the Federal Register on July 15, 2024, which began a 60-day public comment period. The public comment period ended Sept. 13, 2024, with 128 comments received and reviewed by AMS.

Copies of the final decision, information on the producer referendum process, and the entire hearing record can be found on the [hearing website](#) or obtained from USDA/AMS/Dairy Program; STOP 0225 - Rm. 2530; 1400 Independence Avenue SW, Washington, DC 20250-0225. Procedural questions can be submitted to fmnohearing@usda.gov.

AMS administers programs that create domestic and international marketing opportunities for U.S. producers of food, fiber, and specialty crops. AMS also provides the agriculture industry with valuable services to ensure the quality and availability of wholesome food for consumers across the country and globally. AMS services and its significant grant investments create opportunities by supporting American farmers, ranchers and businesses across the supply chain, and drive economic development in small towns and rural communities.