



Agricultural Marketing Service
Dairy Programs

FEDERAL MILK ORDER No. 1 Northeast Marketing Area

30 Winter Street, Boston, MA 02108

Mailing Address:

P.O. Box 1478 (Fort Point Station)
Boston, MA 02205-1478

Tel.: (617) 542-8966 — Fax: (617) 542-0105

email: fmma@fedmilk1.com

website: www.fmmone.com

Albany:
One Columbia Circle
Albany, NY 12203-6379
Tel.: (518) 452-4410
Fax: (518) 464-6468

Alexandria:
P.O. Box 25828
Alexandria, VA 22313-5828
Tel.: (703) 549-7000
Fax: (703) 549-7003

December 23, 1999

To: Handlers Receiving Milk From Producers

From: Erik F. Rasmussen, Designated Market Administrator

Subject: Policy Regarding Milk Containing Antibiotics

Under the Northeast order, any load of producer milk testing positive for animal drug residue contamination that is rejected by a handler prior to receipt at a plant will be considered "Milk not approved by a duly constituted regulatory agency for fluid consumption" [Section 1001.12(a)]. As such, milk from the producer(s) identified as causing the contamination will not be pooled and will not be subject to the minimum payment provision of the Order. The milk from that producer will not be pooled until the producer's milk meets the Grade A requirements for fluid consumption. The pool status of commingled milk from other producers on the tanker load will not be affected. The milk from such producers will be considered to be a receipt at the plant at which the load was rejected. Handlers will be obligated to pay these producers the appropriate minimum order prices.

The offending producer may also be held responsible by the handler for damage done to other milk with which it may be commingled, subject to the following conditions:

1. The handler may not deduct the value of damage to such other milk from the producer's milk check without prior written authorization from the producer.
2. The handler documents the source of drug residue, and an appropriate regulatory agency has been notified of the incident.
3. Restitution to the handler by the responsible producer does not exceed the value of the load of milk (excluding the responsible producer's milk) at the lowest class price for the month, plus actual and reasonable disposal costs and net of any salvage value.

The treatment outlined above is limited to penicillin and other antibiotic contamination of a producer's milk. Handlers are required to keep laboratory and other records in support of their actions on antibiotic contaminated milk.