



FEDERAL MILK ORDER No. 1

Northeast Marketing Area

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June 16, 2017

TO: Pool Handlers

FROM: Erik F. Rasmussen, Market Administrator, Northeast Order

SUBJECT: Required Payment of Minimum Prices

It has come to our attention that the current environment of surplus milk in the Northeast region has resulted in milk being offered and sold to plants, pooled under the regulations of the Northeast Marketing Area, at less than the announced minimum price for the respective month. The purchase of milk supplied by cooperative handlers to pool plants at below minimum order prices has been and continues to be considered an underpayment. Section 1001.73 of the Order "*Payments to Producers and to Cooperative Associations*" specifies the minimum payment requirements of the Order. The issuance of "rebates", "credits", or some other instrument that serves to return to the Cooperative Handler less than the computed minimum order value for any pool milk delivered to a pool plant will be considered as underpayment for that milk.

The Market Administrator's audit program routinely verifies the payment of the minimum prices for milk sales by cooperative handlers to pool handlers and if an underpayment is determined, a calculation of the owed amount and notice of underpayment will be issued to any underpaying handlers.

Thank you for your cooperation in complying with this critical provision of the Federal Milk Order system.



Erik F. Rasmussen
Market Administrator