

tions 3602 and 7272 of this title. Subtitle E enacted subchapter IV (§8771 et seq.) of this chapter and amended sections 450f, 608c, 1637b, 4502, 4504, and 4531 of this title and section 713a-14 of Title 15, Commerce and Trade. For complete classification of subtitles B, D, and E to the Code, see Tables.

CODIFICATION

Pub. L. 110-234 and Pub. L. 110-246 enacted identical sections. Pub. L. 110-234 was repealed by section 4(a) of Pub. L. 110-246.

SUBCHAPTER IV—DAIRY

§ 8771. Dairy product price support program

(a) Definition of net removals

In this section, the term “net removals” means—

(1) the sum of—

(A) the quantity of a product described in subsection (b) purchased by the Commodity Credit Corporation under this section; and

(B) the quantity of the product exported under section 713a-14 of title 15; less

(2) the quantity of the product sold for unrestricted use by the Commodity Credit Corporation.

(b) Support activities

During the period beginning on January 1, 2008, and ending December 31, 2012, the Secretary shall support the price of cheddar cheese, butter, and nonfat dry milk through the purchase of such products made from milk produced in the United States.

(c) Purchase price

To carry out subsection (b) during the period specified in that subsection, the Secretary shall purchase—

(1) cheddar cheese in blocks at not less than \$1.13 per pound;

(2) cheddar cheese in barrels at not less than \$1.10 per pound;

(3) butter at not less than \$1.05 per pound; and

(4) nonfat dry milk at not less than \$0.80 per pound.

(d) Temporary price adjustment to avoid excess inventories

(1) Adjustments authorized

The Secretary may adjust the minimum purchase prices established under subsection (c) only as permitted under this subsection.

(2) Cheese inventories in excess of 200,000,000 pounds

If net removals for a period of 12 consecutive months exceed 200,000,000 pounds of cheese, but do not exceed 400,000,000 pounds, the Secretary may reduce the purchase prices under paragraphs (1) and (2) of subsection (c) during the immediately following month by not more than 10 cents per pound.

(3) Cheese inventories in excess of 400,000,000 pounds

If net removals for a period of 12 consecutive months exceed 400,000,000 pounds of cheese, the Secretary may reduce the purchase prices under paragraphs (1) and (2) of subsection (c)

during the immediately following month by not more than 20 cents per pound.

(4) Butter inventories in excess of 450,000,000 pounds

If net removals for a period of 12 consecutive months exceed 450,000,000 pounds of butter, but do not exceed 650,000,000 pounds, the Secretary may reduce the purchase price under subsection (c)(3) during the immediately following month by not more than 10 cents per pound.

(5) Butter inventories in excess of 650,000,000 pounds

If net removals for a period of 12 consecutive months exceed 650,000,000 pounds of butter, the Secretary may reduce the purchase price under subsection (c)(3) during the immediately following month by not more than 20 cents per pound.

(6) Nonfat dry milk inventories in excess of 600,000,000 pounds

If net removals for a period of 12 consecutive months exceed 600,000,000 pounds of nonfat dry milk, but do not exceed 800,000,000 pounds, the Secretary may reduce the purchase price under subsection (c)(4) during the immediately following month by not more than 5 cents per pound.

(7) Nonfat dry milk inventories in excess of 800,000,000 pounds

If net removals for a period of 12 consecutive months exceed 800,000,000 pounds of nonfat dry milk, the Secretary may reduce the purchase price under subsection (c)(4) during the immediately following month by not more than 10 cents per pound.

(e) Uniform purchase price

The prices that the Secretary pays for cheese, butter, or nonfat dry milk, respectively, under subsection (b) shall be uniform for all regions of the United States.

(f) Sales from inventories

In the case of each commodity specified in subsection (c) that is available for unrestricted use in the inventory of the Commodity Credit Corporation, the Secretary may sell the commodity at the market prices prevailing for that commodity at the time of sale, except that the sale price may not be less than 110 percent of the minimum purchase price specified in subsection (c) for that commodity.

(Pub. L. 110-234, title I, §1501, May 22, 2008, 122 Stat. 990; Pub. L. 110-246, §4(a), title I, §1501, June 18, 2008, 122 Stat. 1664, 1718.)

CODIFICATION

Pub. L. 110-234 and Pub. L. 110-246 enacted identical sections. Pub. L. 110-234 was repealed by section 4(a) of Pub. L. 110-246.

§ 8772. Dairy forward pricing program

(a) Program required

The Secretary shall establish a program under which milk producers and cooperative associations of producers are authorized to voluntarily enter into forward price contracts with milk handlers.

(b) Minimum milk price requirements

Payments made by milk handlers to milk producers and cooperative associations of producers, and prices received by milk producers and cooperative associations, in accordance with the terms of a forward price contract authorized by subsection (a), shall be treated as satisfying—

- (1) all uniform and minimum milk price requirements of subparagraphs (B) and (F) of paragraph (5) of section 608c of this title; and
- (2) the total payment requirement of subparagraph (C) of that paragraph.

(c) Milk covered by program**(1) Covered milk**

The program shall apply only with respect to the marketing of federally regulated milk that—

- (A) is not classified as Class I milk or otherwise intended for fluid use; and
- (B) is in the current of interstate or foreign commerce or directly burdens, obstructs, or affects interstate or foreign commerce in federally regulated milk.

(2) Relation to Class I milk

To assist milk handlers in complying with paragraph (1)(A) without having to segregate or otherwise individually track the source and disposition of milk, a milk handler may allocate milk receipts from producers, cooperatives, and other sources that are not subject to a forward contract to satisfy the obligations of the handler with regard to Class I milk usage.

(d) Voluntary program**(1) In general**

A milk handler may not require participation in a forward pricing contract as a condition of the handler receiving milk from a producer or cooperative association of producers.

(2) Pricing

A producer or cooperative association described in paragraph (1) may continue to have their¹ milk priced in accordance with the minimum payment provisions of the Federal milk marketing order.

(3) Complaints**(A) In general**

The Secretary shall investigate complaints made by producers or cooperative associations of coercion by handlers to enter into forward contracts.

(B) Action

If the Secretary finds evidence of coercion, the Secretary shall take appropriate action.

(e) Duration**(1) New contracts**

No forward price contract may be entered into under the program established under this section after September 30, 2012.

(2) Application

No forward contract entered into under the program may extend beyond September 30, 2015.

(Pub. L. 110-234, title I, §1502, May 22, 2008, 122 Stat. 991; Pub. L. 110-246, §4(a), title I, §1502, June 18, 2008, 122 Stat. 1664, 1720.)

CODIFICATION

Pub. L. 110-234 and Pub. L. 110-246 enacted identical sections. Pub. L. 110-234 was repealed by section 4(a) of Pub. L. 110-246.

§ 8773. Milk income loss contract program**(a) Definitions**

In this section:

(1) Class I milk

The term “Class I milk” means milk (including milk components) classified as Class I milk under a Federal milk marketing order.

(2) Eligible production

The term “eligible production” means milk produced by a producer in a participating State.

(3) Federal milk marketing order

The term “Federal milk marketing order” means an order issued under section 608c of this title.

(4) Participating State

The term “participating State” means each State.

(5) Producer

The term “producer” means an individual or entity that directly or indirectly (as determined by the Secretary)—

- (A) shares in the risk of producing milk; and
- (B) makes contributions (including land, labor, management, equipment, or capital) to the dairy farming operation of the individual or entity that are at least commensurate with the share of the individual or entity of the proceeds of the operation.

(b) Payments

The Secretary shall offer to enter into contracts with producers on a dairy farm located in a participating State under which the producers receive payments on eligible production.

(c) Amount

Payments to a producer under this section shall be calculated by multiplying (as determined by the Secretary)—

- (1) the payment quantity for the producer during the applicable month established under subsection (e);
- (2) the amount equal to—
 - (A) \$16.94 per hundredweight, as adjusted under subsection (d); less
 - (B) the Class I milk price per hundredweight in Boston under the applicable Federal milk marketing order; by

(3)(A) for the period beginning October 1, 2007, and ending September 30, 2008, 34 percent;

(B) for the period beginning October 1, 2008, and ending August 31, 2012, 45 percent; and

(C) for the period beginning September 1, 2012, and thereafter, 34 percent.

(d) Payment rate adjustment for feed prices**(1) Initial adjustment authority**

During the period beginning on January 1, 2008, and ending on August 31, 2012, if the Na-

¹ So in original. Probably should be “its”.