



United States
Department of Agriculture
Agricultural Marketing Service
Dairy Program

CALIFORNIA MARKETING AREA FEDERAL MILK ORDER NO. 51

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TO: California Federal Order No. 51 Handlers

FROM: Cary Hunter, Interim Market Administrator, California Federal Order No. 51

SUBJECT: COVID-19 Federal Milk Marketing Order Provision Flexibilities

USDA is prepared to take the following actions within the FMMOs when requested due to changes in supply and demand based on impacts of COVID-19. Actions will initially be for the time period of March-May, as needed. Any requests should be made to the local Market Administrator.

- 1) USDA will provide maximum flexibility for the disposal of milk and limit the financial impact to producers. Milk historically associated with a FMMO will be allowed to be dumped at the farm and still priced and pooled on the FMMO. The pooling handler will need to notify the FMMO of any dumped milk.
- 2) Some pooling provisions, shipping and/or diversion limits, of individual orders may be adjusted to accommodate changes in supply/demand due to COVID-19 responses.
- 3) Some fully regulated plants are having difficulty meeting the increased demand at grocery stores and will be allowed to purchase milk from other source such as a partially regulated distributing plant provided the additional milk is pooled and priced on a FMMO.
- 4) If a Producer-Handler loses their markets due to COVID-19, the FMMO will allow these entities to become fully regulated and then revert to their Producer-Handler status once the market returns to normal.
- 5) If a Producer-Handler has the capacity to process additional fluid milk for consumers, the FMMOs will lift the limit on the amount of outside milk the Producer-Handler can purchase as long as the milk is pooled and priced on a FMMO. The Producer-Handler must still remain under the three-million pound production threshold in order to keep its Producer-Handler status.

PF
3/25/20