



United States
Department of Agriculture
Agricultural Marketing Service
Dairy Program

**CALIFORNIA MARKETING AREA
FEDERAL MILK ORDER NO. 51**

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Sent VIA: Email

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TO: Pool Handlers
FROM: Cary Hunter, Interim Market Administrator
SUBJECT: Timely Payments to Cooperatives for Purchases of Pool Milk

This is a reminder that Federal Orders require timely payments by handlers for purchases of pooled milk from cooperative association handlers. Section 1051.73(b) of the Order specifies that *on or before the day prior to payments to producers specified under Section 1051.73(a), each handler shall pay a cooperative association for milk from producers who market their milk through a cooperative association.* Payments must be received on the date specified and must be useable funds. The monthly schedule for partial and final payments can be found on the Order 51 www.cafmmo.com webpage, under the heading **Reporting and Payment Dates**. Additionally, the required date for final payment to cooperatives is announced on page 2 the monthly handler obligation sent to handlers following the calculation of the monthly statistical uniform price (SUP). The required final payment date also is reported on page 2 of the SUP announcement.

Timely payment to cooperatives is required so that the cooperative is able to pay producers on a timely basis. In accordance with Section 1051.78 of the Order, any unpaid obligation due to a *cooperative association from a handler shall be increased one percent each month beginning with the day following the date such obligation was due under the order.* Any remaining amount due will be increased at the rate of one percent on the corresponding day of each month until the obligation is paid in full. All charges on late payments to cooperatives will be added to a future month's pool settlement obligation. The Order 51 audit program verifies timely payments to cooperative handlers and will assess late fees where appropriate.

Please contact Cary Hunter at (530) 662-2037, or Susan Smith at (916) 857-8567, if you have questions.