

United States Department of Agriculture

Agricultural Marketing Service
Dairy Program

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To: All Interested Parties

From: Market Administrator, Louisville, Kentucky

Subject: **USDA Publishes Recommended Decision Proposing Amendments to the Appalachian, Florida, and Southeast Federal Milk Marketing Orders**

The U.S. Department of Agriculture (USDA) today published a [Recommended Decision](#) proposing to amend the inter-market transportation credits in the Appalachian and Southeast Federal milk marketing orders (FMMOs) and to establish distributing plant delivery credits in the Appalachian, Florida and Southeast FMMOs.

The Recommended Decision is a result of a hearing held Feb. 28 – March 2, 2023, in Franklin, Tenn., that addressed a long-standing milk deficit problem in the three southeastern orders and its impact on producers, cooperatives and handlers serving the markets. The Recommended Decision presents a package of proposals to address this chronic issue.

Specifically, this decision recommends amendments to the transportation credit balancing fund provisions in the Appalachian and Southeast FMMOs that would:

- Update the components of the mileage rate calculation.
- Revise the months of mandatory and discretionary payment.
- Revise the non-reimbursed mileage factor.
- Increase the maximum assessment rate on Class I milk.

This decision also recommends establishing distributing plant delivery credit provisions in the Appalachian, Florida and Southeast FMMOs to make marketwide service payments to qualifying handlers and cooperatives for milk shipments to pool distributing plants from farms that are year-round, consistent suppliers. This action is separate and distinct from the rulemaking proceeding under consideration by the Department to evaluate changes to the uniform pricing formulas applicable to all 11 FMMOs.

The Recommended Decision was published in the Federal Register on July 18, 2023. Copies of the hearing notice may be obtained from USDA/AMS/Dairy Program; STOP 0225 - Rm. 2530; 1400 Independence Avenue, S.W., Washington, D.C. 20250-0225. The Recommended Decision is also available at www.ams.usda.gov/rules-regulations/moa/dairy.

The decision invites public comments on the recommended proposals. Comments should be submitted at the Federal eRulemaking portal: <http://www.regulations.gov>. Comments may also be filed with the Hearing Clerk, U.S. Department of Agriculture, Room 1031-S, Washington, DC 20250-9200, fax number (202) 720-9976. All comments should reference the docket number and the date and page number of this issue of the Federal Register. All comments will be made available for public inspection in the Office of the Hearing Clerk during regular business hours, or can be viewed at: <http://www.regulations.gov>.