

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO**

AURORA ORGANIC DAIRY
CORPORATION,

Plaintiff,

v.

BROOKE C. ROLLINS, in her official
capacity as Secretary of Agriculture

AND

UNITED STATES DEPARTMENT OF
AGRICULTURE,

Defendants.

Civil Action No. 1:26-CV-01748

**COMPLAINT FOR DECLARATORY JUDGMENT, INJUNCTIVE RELIEF, AND JUST
COMPENSATION**

Plaintiff Aurora Organic Dairy Corp. (“Aurora” or “Plaintiff”) hereby files this suit against Defendants Brooke C. Rollins, in her official capacity as Secretary of Agriculture, and the United States Department of Agriculture (“USDA”) (collectively “Defendants”) and alleges as follows:

I. INTRODUCTION

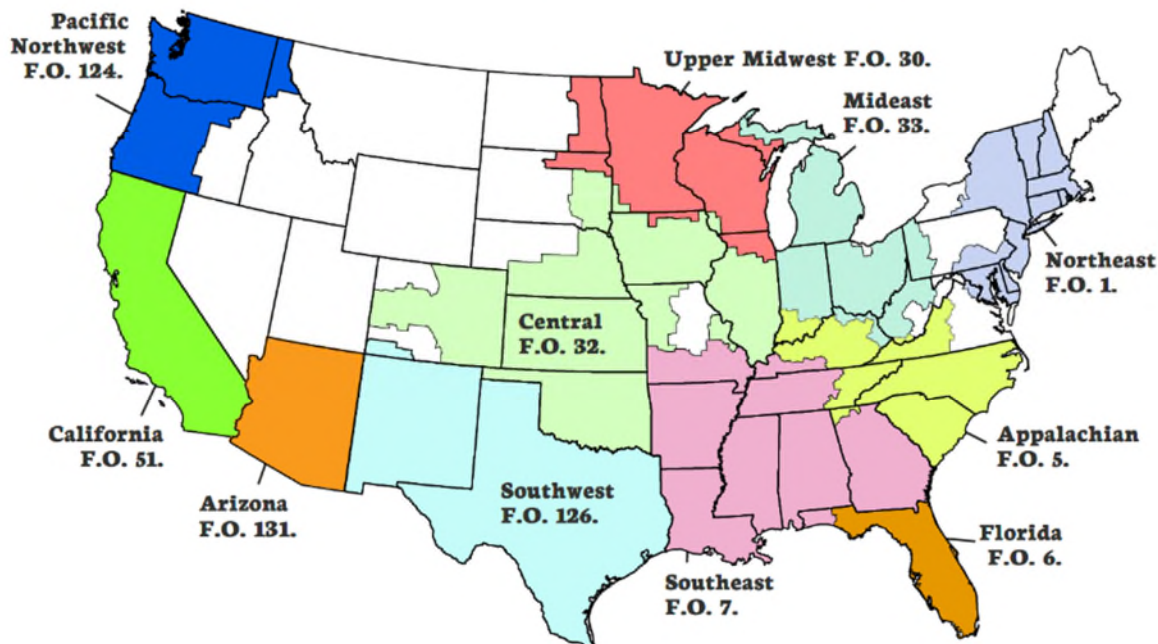
1. Aurora operates as an organic milk processor (called a “handler”) meaning that it purchases organic milk from cooperative associations and independent dairy farmers (both called “producers”), which it then processes and packages for sale to consumers.

2. Plaintiff challenges Defendant USDA’s Federal Milk Marketing Orders (“FMMOs”), 7 C.F.R. §1000 *et seq.*, issued pursuant to the Agricultural Marketing Agreement Act of 1937 (“AMAA”), 7 U.S.C. § 608c(5) as constituting an unlawful taking without compensation, violating Due Process, and violating the Nondelegation Doctrine with respect to USDA certified organic milk. The FMMOs provide no benefit to organic fluid milk processors like Plaintiff while compelling them to pay millions of dollars in subsidies for the benefit of other dairy product manufacturers and their dairy farmers. Plaintiff’s complaint pertains to the entirety of 7 C.F.R. Parts 1000 to 1131 (2025).

3. Under FMMOs, every time organic milk processors like Plaintiff purchase organic milk from organic farmers (called “producers”), USDA compels the processors to divert a portion of what would otherwise be paid to the farmer to USDA’s “producer settlement fund.” USDA then redistributes the producer settlement funds for the near-exclusive benefit of conventional (i.e., non-organic) handlers and farmers.

4. USDA has established eleven marketing areas for the purpose of regulating the sale of milk, as shown in the map below.¹ Each marketing area has its own producer settlement fund.

11 Federal Milk Marketing Order Areas



5. The unjust and discriminatory treatment Plaintiff faces is no accident. Under the structure created by the AMAA, proposed FMMOs must be approved by dairy farmers—but not by processors like Plaintiff—even though the FMMOs set both the minimum prices that processors must pay farmers for raw milk and the additional fees that they must pay to “producer settlement funds” for the benefit of farmers not supplying them milk. For an organic fluid milk processor like Plaintiff, the effect is even worse because USDA uses the payments demanded by FMMOs

¹ Found at <https://www.ams.usda.gov/sites/default/files/media/Federal%20Milk%20Marketing%20Orders%20Map.pdf>.

overwhelmingly to benefit *conventional* dairy farmers, particularly those producing milk used for manufacturing other dairy products like cheese, yogurt, butter, and nonfat dry milk.

6. Ostensibly, USDA defends the burdens this system imposes on processors like Plaintiff as justified under the authorizing statute to ensure uniform pricing designed to prevent “destructive competition” and provide an adequate supply of milk. In reality, the system creates disorderly marketing for organic handlers and does not provide an adequate supply of organic raw milk in direct contravention of the AMAA’s explicit directives.

7. Plaintiff receives no benefit from the FMMOs because the FMMOs only advance the interests of the numerically superior conventional dairy farmers who improperly exercise delegated regulatory power to benefit themselves at Plaintiff’s expense.

8. In short, the adoption and enforcement of the FMMOs violates Plaintiff’s Constitutional rights and represents unlawful agency action. The Court should therefore declare the FMMOs invalid and unenforceable as applied to Plaintiff.

II. JURISDICTION, VENUE, EXHAUSTION, AND FINAL AGENCY ACTION

9. This Court has jurisdiction pursuant to 7 U.S.C. § 608c(15)(B).

10. On April 29, 2025, Plaintiff individually filed a petition with USDA pursuant to 7 U.S.C. § 608c(15)(A) (the “Petition”). **Exhibit 1.** The Petition sought relief from the FMMOs applied to organic milk on multiple constitutional, Administrative Procedure Act (“APA”), and AMAA grounds.

11. The applicable § 608c(15)(A) administrative review process includes two levels of administrative review within USDA—first before an Administrative Law Judge (“ALJ”) and then before the Secretary, who has delegated such duties to the Judicial Officer for USDA (“J.O.”)

pursuant to the “Procedural Requirements Governing Proceedings on Petitions to Modify or To Be Exempted From Marketing Orders.” 7 C.F.R. § 900 Subpart D.

12. At the first level, by Order dated September 24, 2025 (**Exhibit 2**), the ALJ dismissed Plaintiff’s Takings (Claim One), Due Process (Claim Two), and Nondelegation Doctrine (Claim Four) claims as being incapable of review by or on behalf of the agency. Plaintiff timely appealed the ALJ’s Order (**Exhibit 3**), and the J.O. upheld the ALJ’s ruling by Order dated April 6, 2026 (**Exhibit 4**). Plaintiff’s AMAA, Administrative Procedure Act (“APA”) and Equal Protection claims are still being adjudicated before the ALJ. Plaintiff files this 7 U.S.C. § 608c(15)(B) action within the twenty days prescribed under the statute.

13. This Court also has jurisdiction pursuant to 28 U.S.C. § 1331 because this action arises under the APA, 5 U.S.C. §§ 701–06, and the United States Constitution.

14. Plaintiff’s prayers for a declaratory judgment and injunctive relief are authorized by the Declaratory Judgment Act, 28 U.S.C. §§ 2201–02, the APA, 5 U.S.C. §§ 701–06, and 28 U.S.C. § 1361.

15. Venue is proper in this District under 7 U.S.C. § 608c(15)(B), 28 U.S.C. § 1391(e), and 5 U.S.C. § 703 because Plaintiff resides and does business in the State and District of Colorado, and has its principal place of business there.

16. The FMMOs are also final agency action subject to judicial review under 5 U.S.C. § 704.

III. PARTIES

17. Aurora is a corporation incorporated and existing under the laws of the State of Delaware having its principal place of business at 1919 14th St., Suite 300, Boulder, CO 80302.

Aurora operates, and during the relevant period (beginning April 18, 2019, and ongoing) operated, milk distributing plants within the meaning of 7 C.F.R. §§ 1000.4 and 1000.5 of the General Rules applicable to Federal Milk Marketing Orders, located at 6788 Hwy 66, Platteville, CO 80651 and 4524 Waco Rd, Columbia, MO 65202.

18. Aurora is, and during the relevant time period was, a “handler” as defined by 7 C.F.R. § 1000.9(a) and (b).

19. Aurora is certified for its handling of multiple organic dairy products under the USDA’s NOP. 7 U.S.C. ch. 94, 7 C.F.R. pt. 205. Aurora’s NOP ID is number 5520029700 for the Platteville, Colorado plant and 5520432246 for the Columbia, Missouri plant.

20. During the relevant period, Plaintiff processed and packaged organic fluid milk for sale in intrastate and interstate commerce for human consumption either through its own plants or through co-manufacturers. As such, Plaintiff has incurred and continues to incur obligations to the various FMMO producer-settlement funds pursuant to 7 C.F.R. § 1000.70.

21. Defendant Brooke C. Rollins is the United States Secretary of Agriculture. Defendant Rollins is sued in her official capacity only. USDA is a duly organized agency of the United States. In this capacity, Secretary Rollins has ultimate responsibility for activities at USDA, including the actions complained of herein. Her governmental activities occur nationwide.

22. USDA is a Department of the United States. Its headquarters and principal place of business are at 1400 Independence Avenue, Washington, D.C. 20250. Its governmental activities occur nationwide. USDA, through the Agricultural Marketing Service, administers both the FMMOs and the NOP to which Plaintiff is subject.

IV. BACKGROUND

A. The Agricultural Marketing Agreement Act of 1937

23. The AMAA authorizes the Secretary of Agriculture to issue “marketing orders,” known as FMMOs, regulating the marketing and sale of agricultural commodities, including milk. 7 U.S.C. § 608c.

24. The principal purpose of FMMOs is to bring forth an adequate supply of milk for fluid use (that is. Packaged milk used for beverages). 7 U.S.C. § 608c(18).

25. To effectuate this goal, the AMAA further authorizes USDA to regulate raw milk prices under various FMMO regional milk marketing orders administered by a regional Marketing Administrator. USDA has established eleven marketing areas (see map, paragraph 4) for the purpose of regulating the sale of milk. For each area, USDA proposes the regulatory structure for the order, and then the dairy farmers (as noted above, called “producers”) in that region vote to either adopt or veto the proposed order.

26. Each marketing area is a geographic area where handlers compete for their sales, regardless of where the farm milk is produced. 7 U.S.C. § 608c(5); 7 C.F.R. pts. 1000–131 (2025). A handler is defined within the regulations generally as a processor of raw milk or a cooperative (an association of dairy farmers with full authority to market its members’ milk). Most dairy farmers market their raw milk to dairy handlers who process and/or manufacture the raw milk into dairy products.

27. The AMAA requires milk and milk products to be classified by use and that minimum prices are “uniform as to all handlers, subject only to adjustments for . . . (2) the grade or quality of the milk purchased.” 7 U.S.C. § 608c(5)(A).

28. USDA has developed four classes of milk products: bottled fluid milk (Class I), soft products (e.g., ice cream, cottage cheese, yogurt, etc., Class II), hard cheeses (Class III), and butter and powdered dry milk (Class IV). USDA has never made an adjustment in the minimum class or uniform prices for organic milk based on grade or quality, as permitted by the AMAA.

29. The FMMO regulations use end-product price formulas to compute the minimum class prices. USDA structures the formulas with the intent (and result) that the Class I price for fluid milk is almost always the highest price and the Class II, III, and IV prices are lower. The price structure is purportedly designed to incentivize the supply of farm milk to fluid milk handlers over other uses of producer farm milk.

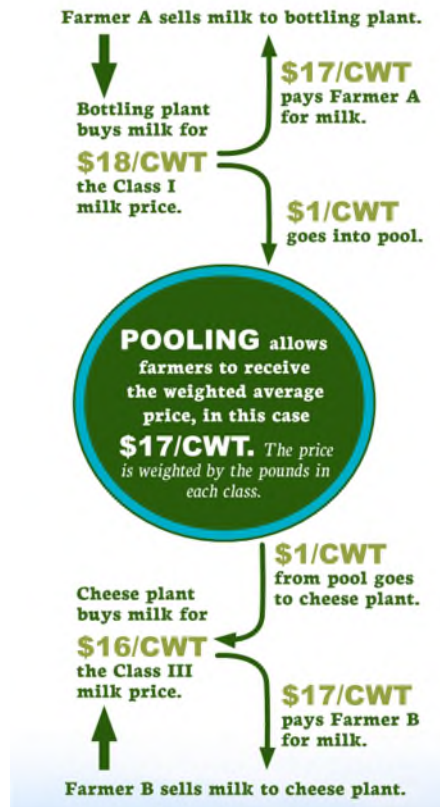
30. The FMMO regulations mandate that fluid milk handlers (beverage milk, Class I) always participate in the producer settlement funds. However, there is not a parallel mandate for manufacturing handlers (i.e., cheese, ice cream, butter, yogurt, nonfat dry milk, among others, Classes II, III, and IV) to participate in the producer settlement funds and they typically participate only when it is economically beneficial to do so. Thus, there are two types of FMMO handlers: fluid and manufacturing.

31. FMMOs purport to bring forth an adequate supply of milk for fluid use through two mechanisms: (1) mandatory pricing and pooling schemes described above; and (2) requiring dairy farmers who wish to be eligible to receive pool payments from the producer settlement funds to satisfy performance standards designed to encourage shipments of milk to Class I plants.

32. For example, the performance standards include tying a dairy farmer's participation in the producer settlement fund to commit to minimum shipments of milk to Class I handlers. The

purpose of the performance standards relevant to this lawsuit is to encourage supplying milk to the Class I market. The performance standards are not specific to organic versus conventional milk.

33. USDA provides an example of this class utilization and pooling process below. Agric. Mktg. Serv., U.S. Dep’t of Agric., *An Overview of the Federal Milk Marketing Order*



Program 5 (2025), <https://www.ams.usda.gov/sites/default/files/media/DairyFMMOBooklet.pdf>.

In this example, Plaintiff would be akin to the bottling plant that pays the \$1.00 that goes into the pool instead of to Plaintiff’s own supplier, “Farmer A.” USDA instead gives this money to a cheese plant for the benefit of the cheese plant’s supplier, “Farmer B.”

34. The above USDA example shows a simplified version of how pooling works. The table above extends the example to all four classes of milk.

35. For each regional FMMO, USDA calculates the value of all milk associated with that order to establish a per hundredweight (abbreviated “cwt”) uniform minimum price for producer farm milk. USDA establishes the minimum class price for each class (“FMMO Price”) and multiplies that by the total pounds of milk in that class. The uniform price is the weighted average price across the four classes (see table below). In this example, as is typical for most months and regional pools, only the Class I price (\$19.00) exceeds the uniform price (\$16.70). Thus, only Class I handlers pay into the pool, and then USDA redistributes that money to all other manufacturing handlers.

FMMO Pool Computation	Utilization (%)	Milk (million lb)	FMMO Price (\$/cwt)	FMMO Value (million \$)
Class I (Fluid Milk)	27%	270	\$19.00	\$51.3
Class II (Soft Products)	9%	90	\$16.20	\$14.6
Class III (Cheese)	54%	540	\$16.00	\$86.4
Class IV (Butter and Powder)	10%	100	\$15.50	\$15.5
FMMO Pool Total	100%	1,000		\$167.8
Uniform (Producer Milk)			\$16.78	

36. The table above demonstrates with more detail how USDA takes the Plaintiff’s property (primarily Class I dollars at \$19.00/cwt less uniform price of \$16.78/cwt, netting to \$2.22/cwt) and then how it is ultimately distributed to (primarily) conventional farmers through pooling.

37. Organic handlers suffer uniquely under this system for many reasons, but in particular because of the significant volume of organic milk in the Class I category compared to both conventional and FMMOs as a whole. As demonstrated in the table below, 55% of organic milk is used in Class I as compared to 26% of conventional milk, meaning that organic handlers

are paying into the producer settlement funds at a comparatively higher proportion than conventional milk handlers.

	Conventional FMMO Utilization (%)	Organic FMMO Utilization (%)	Total FMMO Utilization (%)
Class I (Fluid Milk)	26	55	27
Class II (Soft Products)	9	20	9
Class III (Cheese)	55	15	54
Class IV (Butter and Powder)	10	10	10
Total / Weighted Average	100	100	100

B. The Organic Dairy Sector

38. In 1990, as part of the 1990 Farm Bill, Congress established a separate USDA program for the certification of organic food production, including dairy products. Organic Food Production Act of 1990, 7 U.S.C. ch. 94 (“OFPA”). In December 2000, USDA published the regulations implementing OFPA and establishing the NOP, National Organic Program, 65 Fed. Reg. 80548 (Dec. 21, 2000); 7 C.F.R. pt. 205 (2025).

39. OFPA and the NOP create a system by which both the production and processing of organic milk is subject to rigorous certified production methods and segregation to prevent the co-mingling of organic and conventional (i.e. non-organic-certified) milk. Certified organic milk production costs for organic dairy farmers and also for organic processing plants are substantially higher than conventional milk production and processing costs.

40. These differing rules for organic versus conventional production all come with real and substantially increased costs for organic dairy farming versus conventional: (1) milk production per cow is substantially lower for organic than conventional; (2) feed and labor costs

are higher than conventional production; (3) operational costs are higher than conventional production; and (4) herd replacements are more expensive than conventional replacements.

41. These rules require organic cows to consume organic feed. Unlike conventional feed, organic feed requires: (1) land transition over three years from conventional to organic; (2) restricted use of synthetic fertilizers, and a prohibition on use of pesticides, herbicides or GMO seed; (3) distinct boundaries and buffer zones; and (4) crop rotation. 7 C.F.R. §§ 205.202, .204, and .205 (2025). The result of these requirements is higher upfront investment and operating costs to produce organic crops and lower crop yields per acre, all of which increase the cost of organic feed relative to conventional feed.

42. Unlike conventional dairy farms, the NOP also regulates the actual care of organic cows. The organic dairy herd health requirements include prohibiting the use of unapproved synthetic substances, as well as prohibiting hormones, pesticides, and antibiotics (similar to organic feed rules). The organic system plan must include the use of preventive health practices which may not restrict the use of prohibited substances in order to preserve organic status of the animal. An animal must be removed from the organic herd if treated with a prohibited substance. 7 C.F.R. § 205.238 (2025). Organic herd health care is more labor intensive than for conventional, increasing the cost of production.

43. Unlike conventional dairy farms, the NOP also mandates outdoor access for the organic herd, requires minimum time that organic cows are actually on pasture and minimum dry matter intake from pasture, provides housing requirements for cows, and proscribes physical alteration to cattle. 7 C.F.R. §§ 205.238–.239 (2025). These requirements further increase the cost of organic milk production relative to conventional.

44. In addition to increased production costs on the farm, organic milk also has a more costly supply chain as the farmers of organic milk consist largely of smaller farm operations, and organic farms are located at greater distances from organic handlers than their conventional counterparts. Additionally, organic milk must always be transported by haulers in segregated tankers, and organic milk must be segregated from conventional milk at the processing facility. FMMOs do not recognize these significant systemic differences between conventional and organic milk costs.

45. As a result, certified organic milk production costs for organic dairy farmers and organic processing plants are substantially higher than conventional milk production costs.

C. The FMMOs' Discriminatory Treatment of Organic Milk

46. USDA, through the Agricultural Marketing Service, administers both the FMMOs and the NOP. Notwithstanding that USDA administers both, the two programs are separate and distinct. The two programs operate pursuant to wholly separate enabling statutes (AMAA and OFPA) and regulations (7 C.F.R. pts. 205, 1000–131). However, the establishment of the NOP coincided with the adoption of major amendments and implemented revised FMMOs effective January 1, 2000, in a process known as Federal Milk Order Reform, as required by Congress in the 1996 Farm Bill. Order Amending the Orders, 64 Fed. Reg. 70868 (Dec. 17, 1999); 7 U.S.C. § 7253 (1996).

47. The FMMOs have never provided support for the organic dairy sector by bringing forth an adequate supply of certified organic milk. The FMMOs make no distinction between organic and conventional milk—even though federal law and USDA regulations prohibit organic milk processors from substituting or otherwise using conventional milk (i.e., non-organic certified

milk) in their organic milk products. 7 C.F.R. §§ 205.100, .305, and .310. General provisions that otherwise can encourage delivery of milk to handlers for fluid use (the performance standards summarized in paragraph 32 above) do not specifically apply for certified organic milk. *See, e.g.*, 7 C.F.R. §§ 1001.7 and .13.

48. There are now 11 FMMOs regulating the sales of milk. 7 C.F.R. pts. 1001, 1005, 1006, 1007, 1030, 1032, 1033, 1051, 1124, 1126, 1131.

49. As explained in paragraphs 27 to 37 above, the FMMO system requires that all fluid milk handlers (Class I handlers) settle with the producer settlement funds at the minimum prices for their milk. USDA then redistributes the proceeds of the producer settlement fund with voluntarily participating Class II, Class III, and Class IV handlers for the benefit of those handlers' supplying farmers. 7 C.F.R. §§ 1001.70, 1005.70, 1006.70, 1007.70, 1030.70, 1032.70, 1033. 70, 1051.70, 1124.70, 1126.70, and 1131.70.

50. Under federal law and USDA regulation, organic milk processors cannot substitute or otherwise use conventional milk (i.e., non-organic-certified milk) in their organic milk products. 7 C.F.R. §§ 205.100, .305, and .310.

51. Yet, FMMOs treat the products as interchangeable and make no distinction between organic and conventional milk to promote the availability of Class I milk packaged for use as beverages. For example, since the FMMOs do not have performance standards for organic milk, they are unable to assist when organic milk supplies are insufficient. As a result, the FMMOs do not, pursuant to the AMAA, bring forth an adequate supply of *certified organic milk* for fluid use, and moreover are not even intended to do so.

52. Given the higher costs of production for organic milk, organic dairy farmers sell their milk to organic handlers at one milk price regardless of class utilization, that is regardless of whether the organic milk is used for Class I beverage milk or for Class II, III or IV manufactured products. The lowest farmer pay price for organic milk is typically much greater than even the highest minimum class price set pursuant to the FMMOs.

53. Despite the higher prices organic handlers pay their own dairy farmer suppliers for organic fluid milk, organic handlers must also then pay a portion of what would otherwise be due to their dairy farmer suppliers into the producer settlement fund.

54. In addition to higher prices, organic milk gets utilized quite differently than all the milk as a whole subject to the FMMO program. A significantly larger portion of organic milk (approximately 55%) is utilized for fluid use (Class I) than the portion of conventional milk (approximately 26%) that goes to fluid use. This disparity means that a greater proportion of organic milk is subject to mandatory participation in the FMMO system (as Class I milk) than conventional milk.

55. Despite organic milk being disproportionately regulated in the FMMO system due to the high Class I utilization, it is a small share of overall farm milk production.

56. As a result, due to the high Class I utilization of organic milk relative to conventional, organic milk handlers necessarily pay more into producer settlement funds at a higher rate than conventional milk handlers. The payments made by organic handlers into the producer settlement fund are then distributed by USDA to other, mostly conventional, dairy handlers to benefit conventional dairy farmers.

57. For over a decade, USDA has ignored requests from organic milk handlers to correct these failures of the FMMO system. For example, in September 2015, an organic trade association (of which Plaintiff is a member) submitted a proposal requesting a hearing on the issue of relieving organic milk processors from some of the burdens of the FMMO system. Federal law requires the Secretary to promptly act on any such proposal. 7 U.S.C. § 608c(17)(C)(i). After requesting and receiving additional information supporting the request, USDA ignored its statutory obligations to either hold a hearing or deny the proposal, and failed to act for over 16 months. USDA never held a hearing on the proposal, let alone considered the FMMO amendments requested in the proposal. After many months of USDA responding with form letters that it was “continuing to review” the proposal in violation of 7 U.S.C. § 608c(17)(C)(i), the trade organization withdrew the proposal on January 12, 2017 as being futile. *See* <https://www.ams.usda.gov/rules-regulations/moa/dairy/organic-amendment>.

1. The 2024 Amendments to the FMMOs exacerbated the harm to organic fluid milk handlers.

58. USDA is authorized to amend the FMMOs pursuant to 7 U.S.C. § 608c(17), utilizing formal rulemaking procedures pursuant to 5 U.S.C. §§ 556 and 557 (hearing notice and on the record hearing proceeding). USDA can propose a marketing order or an amendment to the same in response to another person’s proposal or *sua sponte*. 7 C.F.R. § 900.3(a) (“A marketing agreement or a marketing order may be proposed by the Secretary or by any other person.”).

59. In fact, USDA cannot presume the ongoing utility of the FMMO program and all of its facets; rather, it must, at every hearing and routinely of its own independent accord, continually ask and establish that each order serves the purposes of the AMAA. If not, the AMAA requires that USDA terminate that order. Specifically, if the Secretary concludes that any order

“does not tend to effectuate the declared policy” of the AMAA, he or she “shall” terminate or suspend the order. 7 U.S.C. 608c(16)(A)(i) (emphasis added).

60. In the spring of 2023, USDA received proposals from three non-party entities with proposed amendments to the FMMOs nationwide. On June 1, 2023, USDA issued an invitation “providing the opportunity for interested parties to submit additional proposals regarding potential amendments to the current pricing provisions applicable to all FMMOs.” Dana H. Coale, Agric. Mktg. Serv., U.S. Dep’t of Agric., *Invitation to Submit Proposals for Consideration in a Rulemaking Proceeding that may be Initiated to Amend all Federal Milk Marketing Orders 1* (June 1, 2023), https://www.ams.usda.gov/sites/default/files/media/FMMOModernization_RequestforAdditionalProposals.pdf (emphasis added). The invitation instructed that “[e]ach pricing related proposal should be accompanied by a comprehensive explanation on the need for and potential impacts of the proposed change(s), how the proposed change(s) facilitates more orderly marketing, and any other relevant information.” *Id.*

61. In its Action Plan, issued on the same day, USDA stated it was “considering initiation of a rulemaking proceeding that would include a public hearing to collect evidence regarding proposed changes to pricing provisions effective in all eleven FMMOs.” *Action Plan on Proposed Amendments to the Pricing Provisions of all Federal Milk Marketing Orders*, Agric. Mktg. Serv., U.S. Dep’t of Agric. (June 1, 2023), https://www.ams.usda.gov/sites/default/files/media/FMMOModernizatino_ActionPlan.pdf (emphasis added).

62. Many in the dairy industry responded submitting numerous proposals. Aurora joined with a number of other fluid milk processors to form a group called the Milk Innovation Group (“MIG”).

63. MIG submitted a proposal to exempt organic milk from certain pricing provisions, entitled “MIG Proposal 6.” **Exhibit 5**. Specifically, MIG Proposal 6 sought to amend the pricing provisions so that they treat certified organic milk differently from conventional milk.

64. MIG Proposal 6 expressly amended pricing provisions—that is, under MIG Proposal 6, certified organic milk would have to meet specific pricing constraints on a non-classified basis (at base, ensuring organic farmers were still receiving at least the minimum uniform price under the regulated system) and then would be eligible for an exemption from pooling.

65. On July 24, 2023, USDA published the Hearing Notice, comprised of twenty-two proposals on various subjects including proposed amendments to all of the Class I, II, III and IV pricing formulas. But USDA did not include MIG Proposal 6 in the Hearing Notice. Notice of Hearing on Proposed Amendments to Marketing Agreements and Orders, 88 Fed. Reg. 47396 (July 24, 2023); Hearing Ex. 1 (USDA 1), *In re Milk in Ne. & Other Mktg. Areas*, Nos. 23-J-0067, AMS-DA-23-0031 (U.S.D.A. Aug. 23, 2023), available at <https://www.ams.usda.gov/rules-regulations/moa/dairy/hearings/national-fmmo-pricing-hearing/exhibits>.

66. That same day, USDA sent a response to MIG regarding its proposals. **Exhibit 6**. USDA based its refusal to consider Plaintiff’s organic milk exemption proposal on the claim that the organic exemption proposal “does not seek to amend the uniform FMMO pricing formulas” and therefore “does not fall within the scope of this hearing.” *Id.* at 2. USDA’s claim is facially

incorrect. MIG Proposal 6 sought, explicitly, to amend the same pricing provisions of 7 C.F.R. § 1000.50 USDA had deemed worth consideration at the hearing.

67. The hearing began on August 23, 2023. At the outset of the hearing, pursuant to 7 U.S.C. § 608c(15), MIG objected to USDA’s decision to exclude its pricing-related proposals regarding organic milk as being not in accordance with law. Hearing Ex. 60 (MIG 1), *In re Milk in Ne. & Other Mktg. Areas* (Aug. 23, 2023), https://www.ams.usda.gov/sites/default/files/media/FMMO_MIG_1.pdf.

68. The Administrative Law Judge (“ALJ”) not only denied MIG’s objection but refused to even engage with the substance of Plaintiff’s objections to USDA’s exclusion of the proposal: “The problem with the NAJ and MIG proposals were that the Secretary -- for me, is that the Secretary has already addressed those. And who am I, yeah, a lowly ALJ, to define that the Secretary’s wrong or the Secretary ought to reconsider something on that.” Hearing Tr. 2300:3–7, *In re Milk in the Ne. & Other Mktg. Areas* (Sept. 6, 2023), <https://www.ams.usda.gov/sites/default/files/media/FMMOtranscript090623.pdf>.

69. The ALJ reiterated this position in a subsequent written order, denying the objection on the basis that he lacked the authority to overrule the Secretary in this regard:

[T]he Deputy Administrator specifically determined that the MIG [proposal is] beyond the scope of the hearing I am charged with conducting.

. . . I find no basis for me to find that I have authority to make a ruling to the contrary to the Deputy Administrator’s determinations of the scope of this proceeding. Rather, it is my duty to enforce those determinations as made by the Administrator, via the Deputy Administrator, under authority delegated by the Secretary.

. . . I do not find a provision under which I am authorized to substitute my judgment for the clearly expressed judgments of the Secretary's delegates.

Order Denying Requests to Consider Additional Proposals at Hearing, *In re Milk in Ne. & Other Mktg. Areas*, at 7–9 (Dec. 12, 2023) https://www.ams.usda.gov/sites/default/files/media/2_23_J_0067_OrderDenyingRequeststoConsiderAdditionalProposalsatHearing.pdf.

70. Plaintiff, via MIG, presented evidence throughout the hearing that the FMMOs failed to meet the purposes of the AMAA with respect to organic milk.

71. The hearing concluded on January 30, 2024. Post-hearing briefs were submitted by April 1, 2024.

72. MIG continued to oppose the new rules during the formal rulemaking process and in briefing. MIG objected that the proposed rules did not effectuate the purposes of the AMAA.

73. USDA issued a Recommended Decision on July 1, 2024.

74. Hearing participants submitted comments on the Recommended Decision by September 13, 2024. Plaintiff, through MIG, timely submitted comments and exceptions to the Recommended Decision setting forth the due process, non-delegation, and APA arguments and claims made in this Complaint.

75. USDA issued the Final Decision and Proposed Rule on November 12, 2024, submitted the Proposed Rule to a farmer referendum (supported by conventional dairy farmers including bloc voting by conventional dairy farmer owned cooperatives) pursuant to 7 U.S.C. § 608c(19), and issued the Final Rule January 17, 2025, effective for milk delivered on and after June 1, 2025.

76. In the Final Rule, USDA ignored the organic milk-specific arguments made by Plaintiff, dismissing its submitted evidence and arguments in two sentences. “[O]pponents argued Class I prices cannot be amended until the FMMO system is modified to recognize the organic milk sector. However, potential amendments that would adopt disparate treatment of organic milk were not within the scope of this proceeding, as defined in the hearing notice.” Final Decision on Proposed Amendments to Marketing Agreements and Orders, 89 Fed. Reg. 95466, 95526 (Dec. 2, 2024)

77. As part of a new “modernization” package, the revised FMMO regulations will significantly increase the burden imposed on organic Class I handlers like Plaintiff. Uniform Pricing Formula Provisions, 90 Fed. Reg. 6600 (Jan. 17, 2025). The new rules simultaneously increase Class I prices while decreasing Class II, III, and IV prices. Mathematically, this significantly increases the producer settlement fund payments made by Plaintiff which in turn are redistributed from Plaintiff’s supplier farmers to other, mostly conventional dairy interests.

78. For the calendar years April 2019 to March 2025, Plaintiff (directly or through its co-manufacturers as 7 C.F.R. § 1000.9(a) or .9(b) handlers under the FMMOs) paid more than \$70 million into the producer settlement funds. None of these funds were repaid to Plaintiff. Nor were they paid in full (or even a significant portion) to organic farmers. Rather, USDA transferred those funds to other handlers mostly for the benefit of conventional dairy farmers. For 2025, accounting for the new higher pricing rules effective June 1, 2025, Plaintiff estimates that it will pay sixty to sixty-five percent more into the producer settlement funds—despite repeatedly requesting relief from the unfair and unreasonable burdens of the FMMO system for at least a decade.

79. Plaintiff is suffering or is likely to suffer irreparable harm in three forms. First, USDA continues to unlawfully take these monies from Plaintiff every month, compounding the losses without reprieve. Second, the recovery of unlawfully extracted payments are, in the first instance, recoverable from future producer settlement funds pursuant to 7 C.F.R. Section 1000.77 (“Adjustment of accounts”). Yet, the producer settlement funds pay out collected funds monthly and for the past two years have averaged a total unobligated balance of less than \$10,000,000 per month. This means Plaintiff’s damages will exceed the value of those funds for significant time periods, making full recovery more complicated if not impossible. Finally, the deprivation of Plaintiff’s U.S. Constitutional rights constitutes irreparable harm.

2. The AMAA improperly delegates to farmers the power to veto FMMOs.

80. The fact that the revised FMMOs will impose substantial harm on Plaintiff while providing no benefit to it is unsurprising given that the FMMOs are adopted through a farmer referendum. Pursuant to 7 U.S.C. § 608c(19), a proposed FMMO must be approved by either: (1) at least two-thirds of eligible farmers’ votes; or (2) by the vote of farmers representing at least two-thirds of milk volume. This allows farmers to approve or block USDA’s actions proposing to set the prices and enforce the continued redistribution of milk payments. Moreover, the numerical dominance of conventional farmers ensures that they can continue to force the minority group organic handlers like Plaintiff to subsidize their operations while USDA denies the intended benefits of the AMAA to organic handlers and farmers.

V. CLAIMS

CLAIM ONE
UNLAWFUL TAKING WITHOUT COMPENSATION
(U.S. Const. amend. V; 28 U.S.C. § 2201)

81. Plaintiff repeats and realleges each and every allegation set forth in the paragraphs 1 through 80 of this Complaint as if fully set forth at length herein.

82. The U.S. Supreme Court has expressly held that “there is no warrant for taking the property or money of one and transferring it to another without compensation.” *R.R. Ret. Bd. v. Alton R. Co.*, 295 U.S. 330, 357 (1935).

83. In 2015, the U.S. Supreme Court considered a similar situation involving raisin marketing orders. The Supreme Court reviewed the USDA’s California Handling Order’s raisin reserve-pool requirement whereby USDA sought a cash monetary penalty against a raisin handler due to the handler’s refusal to participate in raisin pools. The Supreme Court held this system effected a taking in violation of the Fifth Amendment’s Takings Clause for which just compensation was due. *Horne v. U.S. Dep’t of Agric.*, 576 U.S. 350, 361 (2015).

84. Just as in *Horne*, Plaintiff seeks to declare the FMMOs unlawful as to organic milk and recover just compensation for the taking of Plaintiff’s allocable and specific producer settlement funds resulting from certified organic milk production subsequently taken by the USDA pursuant to the FMMOs’ pooling provisions.

85. Plaintiff possessed full legal or equitable title to the specific funds it paid to the producer settlement funds for the certified organic milk it purchased from organic producers taken by USDA for the benefit of other, mostly conventional, dairy industry interests.

86. Plaintiff’s identifiable and specific interest in the producer settlement funds it paid were property protected by the Fifth Amendment Takings Clause.

87. Through operation of the applicable FMMOs pooling and producer settlement fund provisions issued and enforced by USDA, title to Plaintiff’s specific funds it paid to the producer

settlement funds passed to USDA for the benefit of other, mostly conventional, dairy handlers and producers.

88. These title transfers deprived Plaintiff of all property rights in the specific producer settlement funds paid by Plaintiff.

89. The Market Administrators for each FMMO acted at all relevant times on behalf of the USDA.

90. The Market Administrators provided Plaintiff no compensation when the market administrators appropriated for others Plaintiff's interest in the specific funds it paid to the producer settlement funds.

91. The Market Administrators' appropriation of Plaintiff's interest in the specific funds it paid into the producer settlement funds without recoupment, constitutes a per se taking without just compensation and thereby violates the Fifth Amendment's Takings clause.

92. Plaintiff is entitled to receive just compensation for the identifiable and specific producer settlement funds taken for certified organic milk purchased by it but held for and paid to other handlers for the benefit of other producers based upon the payments made by Plaintiff, as taken during the applicable statute of limitations period dating back from the date Plaintiff filed its 7 U.S.C. § 608c(15)(A) petition.

CLAIM TWO
VIOLATION OF DUE PROCESS
(U.S. Const. amend. V; 28 U.S.C. § 2201)

93. Plaintiff repeats and realleges each and every allegation set forth in the paragraphs 1 through 80 of this Complaint as if fully set forth at length herein.

94. The Due Process Clause of the Fifth Amendment to the U.S. Constitution prohibits the federal government from depriving a person of “life, liberty, or property, without due process of law.”

95. Plaintiff possessed full legal and equitable title to all amounts it has been and continues to be compelled to pay (either directly or through its co-manufacturers) into the producer settlement fund under the FMMOs, and all such monies constituted property protected by the Due Process Clause of the Fifth Amendment.

96. The AMAA delegates authority to farmers to adopt FMMOs requiring payment into the producer settlement fund.

97. The AMAA delegates this authority “uncontrolled by any standard or rule prescribed by legislative action.” *Washington ex rel. Seattle Title Tr. Co. v. Roberge*, 278 U.S. 116, 122 (1928); *see also Eubank v. City of Richmond*, 226 U.S. 137, 143–44 (1912).

98. USDA interprets the AMAA to permit farmers of conventional dairy products to vote on FMMOs with binding impacts on organic dairy farmers and organic handlers.

99. Conventional dairy cooperatives and dairy farmers are motivated to adopt FMMOs imposing costs on organic handlers because of their own self-interest. Conventional cooperatives and farmers receive funds from the organic handlers’ contributions via conventional handlers’ draws from the producer settlement fund.

100. Given the higher Class I utilization of organic milk, conventional dairy farmers are further incentivized to vote to include organic milk in the FMMOs as organic milk contributes to the producer settlement funds at a higher rate than conventional handlers.

101. The FMMOs' pooling and producer settlement fund provisions deprived (and continue to deprive) Plaintiff of title to those monies and passed that title through USDA and ultimately to the same farmers who adopted the FMMOs through the referendum process. As such, biased private parties exercised government regulatory power to deprives Plaintiff of its protected property interests and transfer that property to the biased private parties.

102. After farmers approve the FMMOs, USDA enforces their provisions and USDA's Market Administrators acted on behalf of USDA at all relevant times when effecting the deprivation and transfer of Plaintiff's property to farmers.

103. By allowing conventional farmers to vote to approve USDA's fixing of prices, establish payment obligations, and impose burdens on Plaintiff and other handlers through the FMMO referendum process, USDA violated the Due Process Clause of the Fifth Amendment to the United States Constitution. *See Roberge*, 278 U.S. 116; *Eubank*, 226 U.S. 137.

104. Plaintiff therefore is entitled to a declaration that the FMMOs' pooling and producer settlement fund provisions are unconstitutional and unenforceable both as mandated by the AMAA and as applied to Plaintiff.

CLAIM THREE
VIOLATION OF NONDELEGATION DOCTRINE
(U.S. Const. art. I, § 1; 28 U.S.C. § 2201)

105. Plaintiff repeats and realleges each and every allegation set forth in the paragraphs 1 through 80 of this Complaint as if fully set forth at length herein.

106. Article I, section 1, of the United States Constitution vests the federal government's legislative power with Congress, and the nondelegation doctrine limits the extent of the authority that Congress can delegate to other branches of government or to private parties.

107. Here, the AMAA’s farmer referendum provision grants a favored category of market participants—conventional farmers—veto power over each FMMO and the resulting obligations that federal law imposes on a disfavored category of market participants—handlers and organic farmers. Granting veto power to conventional farmers improperly transfers the government’s discretion to unaccountable and self-interested members of the public and permits them to exercise that power to the detriment of other members of the public with directly adverse interests. As a result of this delegation, USDA’s residual regulatory authority is limited to offering proposals that can muster the support of two-thirds of farmers regardless of the harm those proposed rules inflict on handlers like Plaintiff.

108. However, in *United States v. Rock Royal Co-op, Inc.*, 307 U.S. 533, 577 (1939) (“*Rock Royal*”) the Supreme Court held that the AMAA’s referendum provision did not violate the nondelegation doctrine because granting regulatory veto power to private parties did not constitute a delegation of legislative power.

109. But even when it was decided, *Rock Royal* was inconsistent with existing precedent. Although the Court cited *Currin v. Wallace*, 306 U.S. 1, 5–6 (1939), that case only affirmed the constitutionality of a referendum process permitting tobacco growers in a particular region to vote to opt into a regulatory regime that would apply uniformly to all growers. The provision did not grant veto power over specific regulations, nor did it delegate authority to one group of favored market participants to approve policies that compelled disfavored market participants to make payments to the former—indeed, *Currin* distinguished earlier enactments that had been held unconstitutional on precisely those grounds:

This is not a case where a group of producers may make the law and force it upon a minority (see *Carter v. Carter Coal Co.*, 298 U.S.

238, 310, []) or where a prohibition of an inoffensive and legitimate use of property is imposed not by the legislature but by other property owners (see *Washington ex rel. Seattle Trust Co. v. Roberge*, 278 U.S. 116, 122, []).

Id. at 15–16. Thus, the *Rock Royal* Court’s reliance on *Currin* was misplaced, and it should have struck down the AMAA’s referendum provision under *Carter* and *Roberge*.

110. Moreover, *Rock Royal* is inconsistent with more recent Supreme Court decisions—and multiple justices have called for the decision to be revisited. Indeed, Justice Thomas described *Rock Royal* as “discredited and lack[ing] any force as precedent[.]” because it is inconsistent with modern decisions “holding that a discretionary ‘veto’ necessarily involves an exercise of legislative power.” *Dep’t of Transp. v. Ass’n of Am. R.R.s*, 575 U.S. 43, 90 (2015) (Thomas, J., concurring) (citing *INS v. Chadha*, 462 U.S. 919, 952–53 (1983)); see also *Chadha*, 462 U.S. at 987 (White, J., dissenting) (objecting that majority’s view meant Congress could not grant itself the same “‘veto’ power” that private parties are allowed to wield under *Rock Royal*, “[a]ssuming *Currin* and *Rock Royal Co-operative* remain sound law”). Now that the Supreme Court recognizes the power to veto regulation constitutes an exercise of legislative power, the holding in *Rock Royal* is no longer tenable. *Rock Royal* should be overruled and the AMAA’s referendum provision should be declared to be an unconstitutional delegation to private parties.

111. Finally, OFPA had not been adopted by Congress at the time of the *Rock Royal* decision. Thus, there was no meaningful context within which the Court could consider materially differently situated farmers of a commodity product like milk.

112. Plaintiff is therefore entitled to a declaration that the FMMOs’ pooling and producer settlement fund provisions are unconstitutional under the nondelegation doctrine and unenforceable as applied to Plaintiff.

VI. PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests that the Court enter judgment:

1. On all claims, declaring that the FMMOs violate the United States Constitution and are unlawful and unenforceable as applied to Plaintiff;
2. An award to Plaintiff of just compensation for the payments unlawfully required by USDA to be made to the producer settlement funds during the applicable statute of limitations period dating back from the date the Plaintiff's 7 U.S.C. § 608c(15)(A) was filed with USDA.
3. Awarding Plaintiff its reasonable attorneys' fees, costs, expenses, and disbursements; and
4. Granting any further and additional relief the Court deems just and proper.

Dated: April 24, 2026

/s/ Chris Swift

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2025 APR 29 11:07 AM

UNITED STATES DEPARTMENT OF AGRICULTURE
BEFORE THE SECRETARY OF AGRICULTURE

AURORA ORGANIC DAIRY CORP.,
PETITIONER,

Docket No. 25-J-0061

v.

BROOKE ROLLINS, SECRETARY OF
AGRICULTURE, UNITED STATES
DEPARTMENT OF AGRICULTURE,
RESPONDENT.

**PETITION CONTESTING APPLICATION OF CERTAIN FEDERAL MILK
MARKETING ORDER REGULATIONS AND OF OBLIGATIONS ASSESSED TO
PETITIONER THEREUNDER**

[7 U.S.C. § 608C(15)(A) AND 5 U.S.C. § 551, ET AL.]

Pursuant to 7 U.S.C. § 608c(15)(A), the above-named petitioner respectfully represents that:

1. Petitioner, Aurora Organic Dairy Corp. (“Aurora” or “Petitioner”) is a corporation incorporated and existing under the laws of the State of Delaware having its principal place of business at 1919 14th St., Suite 300, Boulder, CO 80302. Petitioner was incorporated on August 26, 2003 and has transacted business in Colorado since August 28, 2003. The names of its officers, their addresses, and the positions which they hold are shown on **Exhibit 1** attached hereto.

2. Petitioner’s complaint pertains to the entirety of 7 C.F.R. Parts 1000 – 1131, namely, the ongoing regulation of Petitioner under the Federal Milk Marketing Order system (“FMMOs”). Complaint is made of the monthly charges paid by Petitioner as incurred directly by Petitioner or indirectly via its co-manufacturers for payments due to the various USDA producer settlement funds under the FMMOs.

3. Attached as **Exhibit 2** is an affidavit by an officer of the Petitioner having knowledge of the facts stated in the petition. The affidavit verifies the petition and that this petition is filed in good faith and not for purposes of delay.

I. BACKGROUND

A. Petitioner

4. Petitioner operates, and during the relevant period (beginning April 18, 2019, and ongoing) operated, milk distributing plants within the meaning of 7 C.F.R. §§ 1000.4 and 1000.5 of the General Rules applicable to Federal Milk Marketing Orders, located at 6788 Hwy 66, Platteville, CO 80651 and 4524 Waco Rd, Columbia, MO 65202. Petitioner is, and during the relevant time period was, a “handler” as defined by 7 C.F.R. §§ 1000.9(a) and 9(b).

5. Petitioner purchases its organic milk from dairy farms owned by its affiliate and other trusted certified organic dairy farms. Specifically, Petitioner purchases organic milk from farms in the states of Colorado, Texas, Indiana, Idaho, New Mexico, Louisiana, Mississippi, Georgia, and Florida.

6. Petitioner owns and operates dairy processing plants in Platteville, Colorado and Columbia, Missouri. Petitioner receives organic milk at its plant in Colorado or Missouri or directs organic milk to be received at its co-manufacturers’ plants from both cooperative associations and independent dairy farmers.

7. Petitioner handles, processes, packages, markets and sells its fluid milk products to retail customers in all fifty states.

8. During the relevant period, Petitioner processed and packaged organic fluid milk for sale in intrastate, interstate, and foreign commerce for human consumption. Petitioner did so at its own plants in Colorado or Missouri or through co-manufacturers. As such, Petitioner has incurred and continues to incur obligations to the various Federal Milk Marketing Order producer-settlement funds pursuant to 7 C.F.R. § 1000.70.

9. Petitioner is a certified organic handler. Petitioner is certified for its handling scope under the United States Department of Agriculture (“USDA”) National Organic Program (“NOP”). 7 U.S.C. ch. 94, 7 C.F.R. pt. 205 (2025).

10. Petitioner’s NOP ID is number 5520029700 for the Platteville, Colorado plant and 5520432246 for the Columbia, Missouri plant.

B. The Agricultural Marketing Agreement Act of 1937

11. The Agricultural Marketing Agreement Act of 1937 (“AMAA”) authorizes the Secretary of Agriculture to issue “marketing orders” regulating the marketing and sale of agricultural commodities, including milk. 7 U.S.C. § 608c.

12. A principal purpose of FMMOs is to bring forth an adequate supply of milk for fluid use. 7 U.S.C. § 608c(18).

13. To effectuate this goal, the AMAA further authorizes USDA to regulate raw milk prices under various FMMO regional milk marketing orders administered by a regional Marketing Administrator. USDA has established 11 marketing areas for the purposes of regulating the sale of milk. For each area, USDA proposes the regulatory structure for the order, and then the dairy farmers (called “producers”) in that region vote to either adopt the proposed order or not.

14. Most dairy producers market their raw milk to dairy processors (called “handlers”) who process the raw milk for dairy products.

15. Each marketing area is a geographic area where handlers compete for their sales, regardless of where the milk was produced. 7 U.S.C. § 608c(5); 7 C.F.R. pts. 1000–1131 (2025). A handler is defined within the regulations generally as a processor of raw milk or a cooperative (an association of dairy farmers with full authority to market its members’ milk). Handlers do not get to vote to adopt or reject a marketing order.

16. The AMAA requires milk and its products to be classified by use and that minimum prices are “uniform as to all handlers, subject only to adjustments for . . . (2) the grade or quality of the milk purchased.” 7 U.S.C. § 608c(5)(A).

17. USDA has developed four classes of milk products: bottled fluid milk (Class I), soft products (e.g. ice cream, cottage cheese, yogurt, etc., Class II), hard cheeses (Class III), and butter and powdered dry milk (Class IV).

18. The FMMO mandates the regulation of fluid milk handlers while manufacturing handlers typically participate when it is economically beneficial to do so. Thus, there are two categories: fluid (beverage milk, Class I) and manufacturing (i.e., cheese, ice cream, butter, yogurt, nonfat dry milk, among others, Classes II, III, and IV).

19. FMMOs establish minimum uniform prices paid for raw milk by handlers to dairy producers, first establishing multiple classes of handler prices based upon end-use (as described above) and then providing for the pooling of the different classified regulated minimum prices paid for milk using regional producer settlement funds operated for each marketing area. For each regional FMMO, USDA then calculates the value of all milk associated with that order to establish a per hundredweight uniform minimum price. Handlers whose plant class utilization value exceeds the uniform value, must contribute the difference to the regional producer settlement fund; handlers whose plant value is less the uniform value receive the difference in order to pay their producers the uniform price.

20. FMMOs purport to bring forth an adequate supply of milk for fluid use through both the pricing and pooling schemes and by tying participation in the FMMO regional pools to performance standards. For example, performance standards include minimum Class I shipping requirements. The purpose of the performance standards relevant to this petition is to encourage service to the Class I market.

C. The National Organic Program

21. In 1990, as part of the 1990 Farm Bill, Congress established a separate USDA program for the certification of organic food production including dairy products. Organic Food Production Act of 1990, 7 U.S.C. ch. 94 (“OFPA”). In December 2000, USDA published the

regulations implementing OFPA and establishing the National Organic Program (“NOP”). National Organic Program, 65 Fed. Reg. 80548 (Dec. 21, 2000); 7 C.F.R. pt. 205 (2025).

22. OFPA and the NOP created a system by which both the production and processing of organic milk is subject to rigorous certified production methods and segregation to prevent the co-mingling of organic and conventional (i.e., non-organic-certified) milk. Certified organic milk production costs for organic dairy producers and also for organic processing plants are substantially higher than conventional milk production costs.

23. These rules for organic versus conventional production all come with real and substantial cost differences for organic dairy farming versus conventional: (1) milk production per cow is substantially lower for organic than conventional; (2) feed and labor costs are higher than conventional production; (3) operational costs are higher than conventional production; and (4) herd replacements are more expensive than conventional replacements.

24. Unlike conventional feed, organic feed requires: (a) land transition over three years from conventional to organic; (b) restricted use of synthetic fertilizers, and a prohibition on use of pesticides, herbicides, or GMO seed; (c) distinct boundaries and buffer zones; and (d) crop rotation. 7 C.F.R. §§ 205.202, .204, .205 (2025). These requirements result in higher upfront investment costs to produce organic crops and lower crop yields per acre, all of which increase the cost of organic feed relative to conventional feed.

25. Unlike conventional dairy, organic producers must meet specific on-farm grazing requirements. For organic dairy herds, cows must graze a minimum of 120 days during a defined grazing season, and at least 30 percent of the Dry Matter Intake Demand must come from that grazing, and all animals older than 6 months of age must graze. 7 C.F.R. § 205.237 (2025). Milk production is lower during the grazing season, increasing the cost of milk.

26. Unlike conventional dairy farms, the NOP also regulates the actual care of organic cows. The organic dairy herd health requirements include a prohibition of unapproved synthetic substances, no hormones, no pesticides, and no antibiotics (similar to organic feed rules). The

organic system plan must include use of preventive health practices which may not restrict the use of a prohibited substance in order to preserve organic status of the animal. An animal must be removed from the organic herd if treated with a prohibited substance. 7 C.F.R. § 205.238 (2025). Organic herd healthcare is more labor intensive than for conventional, increasing the cost of production.

27. Unlike conventional dairy farms, the NOP also mandates outdoor access for the organic herd, provides housing requirements for cows, and proscribes physical alteration to cattle. 7 C.F.R. §§ 205.238–.239 (2025). These requirements further increase the cost of organic milk production relative to conventional.

28. In addition to increased production costs on the farm, organic milk also has a more costly supply chain as the producers of organic milk consist largely of smaller farm operations, and organic farms are located at greater distances from organic handlers than their conventional counterparts. Additionally, organic milk must always be transported by haulers in segregated tankers, and organic milk must be segregated from conventional milk at the processing facility. FMMOs do not recognize these systemic significant differences between conventional and organic milk costs.

D. The Interaction of FMMOs and the National Organic Program

29. USDA, through the Agricultural Marketing Service, administers both the FMMOs and the NOP.

30. Despite this fact, the FMMOs have never met their statutory mandate to bring forth an adequate supply of *certified organic milk* for fluid use.

31. Under federal law and USDA regulation, organic milk processors cannot substitute or otherwise use conventional milk (i.e., non-organic-certified milk) in their organic milk products. 7 C.F.R. §§ 205.100, .305, .310.

32. Yet FMMOs treat the products as interchangeable and make no distinction between organic and conventional milk. The general performance standards (*e.g.*, a minimum shipping

percentage of milk) that otherwise can encourage delivery of milk to handlers for fluid use (known as performance standards) do not specifically apply to or differentiate certified organic milk from conventional milk. *See, e.g.*, 7 C.F.R. §§ 1001.7, .13.

33. Unlike the performance standards for conventional milk, FMMOs do not have any performance standards or other incentives to encourage the delivery of organic milk when needed by organic processors. For pricing and pooling purposes, FMMOs regulate organic handlers without distinction from conventional handlers.

34. Given the higher costs of production for organic milk, organic dairy producers sell their milk to organic handlers at one milk price regardless of class utilization well above FMMO minimum prices. For example, the Pennsylvania Monthly Organic Dairy Report for January 2025 reported a milk price range of \$35.83 to \$46.12 with a weighted average price of \$40.37. *Pennsylvania Monthly Organic Dairy Report - January 2025*, Agricultural Marketing Service (Apr. 4, 2025), https://mymarketnews.ams.usda.gov/filerepo/sites/default/files/3800/2025-04-04/1233932/ams_3800_00008.pdf.

35. Yet despite the higher prices organic handlers pay their own suppliers for organic fluid milk, organic handlers must also then pay into the producer settlement fund.

36. The payments made by organic handlers into the producer settlement fund are then distributed mostly to other, mostly conventional dairy handlers to benefit conventional dairy producers.

37. Organic milk utilization is quite different from that of the FMMOs as a whole; a larger portion of organic milk is utilized for fluid use (Class I) than the portion of conventional milk that goes to fluid use. This disparity means that a greater proportion of organic milk is subject to mandatory participation in the FMMO system (as Class I milk) than conventional milk.

38. Despite organic milk being disproportionately regulated in the FMMO system due to the high Class I utilization, it is a small share of overall farm milk production. USDA's Economic Research Service report that there are about 225 billion pounds of milk produced in the

United States annually, with only 2.3% of that total organic. While USDA's Estimated Fluid Milk Products Sales Report for February 2025 shows that 7.1% of fluid milk products are organic.

39. As a result, due to the high Class I utilization of organic milk relative to conventional, organic milk handlers necessarily pay into producer settlement funds at a higher rate than conventional milk handlers.

40. In summary, organic milk producers sell milk at a higher price than that of conventional milk. So, for every sale of organic milk, organic handlers must pay the already high price to purchase organic milk in addition to making payments into the producer settlement fund. On top of that, more organic farm milk is used as fluid milk compared to conventional, meaning that organic handlers are paying into the producer settlement fund at a higher rate than conventional handlers. As a result, organic milk handlers are contributing disproportionately high amounts to the producer settlement fund.

41. While USDA cannot provide an adequate supply of organic certified milk for organic fluid (Class I) processing, it nonetheless takes funds from organic handlers. The portion of that producer settlement fund paid by Petitioner and attributable to organic dairy producer milk is diverted from organic dairy producers and instead paid to conventional dairy producers for the benefit of conventional dairy producers and processors (e.g., conventional cheese and conventional nonfat dried milk manufacturers).

42. As a simple example, for a given month assume the organic producer milk price is \$40.00 per hundredweight. Each month, USDA announces the Class I – IV prices using economic formulas established in the FMMO regulations at 7 C.F.R. § 1000.50. Assume that the month's announced FMMO Class I price is \$22.00, the Class II price is \$19.70, the Class III price is \$18.00, and the Class IV price is \$19.00. For each regional FMMO, USDA will announce a single "uniform price" for all of this milk based upon the total pool volumes of each class. Assuming for this example that the uniform price is \$20.00 per hundredweight and that Petitioner only purchased milk used for fluid milk that month, Petitioner then must not only pay its suppliers the agreed-

upon \$40.00 per hundredweight but then pay into the pool an additional \$2.00 per hundredweight (\$22.00 Class I price minus the \$20.00 uniform price). Then the Class II, III, and IV handlers (who are primarily conventional) get to collect from the pool the difference between \$20.00 and their announced price from the pool (*e.g.*, \$0.30, \$1.00, or \$2.00).

43. Petitioner initially pays the agreed price for the milk received from organic producers. USDA then takes additional specific funds paid by the Petitioner into the producer settlement fund.

44. Each FMMO producer settlement fund for each month has an identifiable and monetarily ascertainable specific amount taken from Petitioner that USDA diverts from Petitioner and instead pays it to other, mostly conventional dairy industry interests. Petitioner has a legal and equitable interest in its portion of the producer settlement funds that are taken by USDA for the benefit of other dairy handlers and producers.

45. For the calendar years April 2019 – March 2025, Petitioner, directly or through its co-manufacturers as a 7 C.F.R. § 1000.9(a) or 9(b) handler under the FMMOs paid at least \$70 million into the producer settlement funds. No one repaid or will repay these amounts to Petitioner.

46. USDA paid Petitioner nothing for the producer settlement funds when USDA transferred those funds primarily to other handlers for the benefit of conventional dairy producers. Except in unusual circumstances (*e.g.* when class prices are inverted, as they were in May 2020 resulting from COVID market disruption), USDA never returned any of the net proceeds from the producer settlement funds to Petitioner.

47. The pool obligation paid by Petitioner is money that cannot be paid to organic producers and instead is shared in a pool where the majority of participants are conventional producers whose milk is not interchangeable with organic milk.

II. HEARING AND AMENDMENTS TO FMMOS

48. If the Secretary concludes that any order “does not tend to effectuate the declared policy” of the AMAA, he or she “shall” terminate or suspend the order. 7 U.S.C. § 608c(16)(A)(i).

USDA is authorized to amend the FMMOs pursuant to 7 U.S.C. § 608c, utilizing formal rulemaking procedures pursuant to 5 U.S.C. §§ 556 and 557 (hearing notice and on the record hearing proceeding). USDA cannot presume the ongoing utility of the FMMO program and all of its facets; it must rather, at every hearing and routinely of its own independent accord, continually make inquiry and establish that each order serves the purposes of the AMAA.

49. In the spring of 2023, USDA received proposals from three parties with proposed amendments to the FMMOs nationwide. On June 1, 2023, USDA issued an invitation “providing the opportunity for interested parties to submit additional proposals regarding potential amendments to the current pricing provisions applicable to all FMMOs.” Dana H. Coale, *Invitation to Submit Proposals for Consideration in a Rulemaking Proceeding that may be Initiated to Amend all Federal Milk Marketing Orders*, Agricultural Marketing Service (June 1, 2023), https://www.ams.usda.gov/sites/default/files/media/FMMOModernization_RequestforAdditionalProposals.pdf (emphasis added). The invitation instructed that “[e]ach pricing related proposal should be accompanied by a comprehensive explanation on the need for and potential impacts of the proposed change(s), how the proposed change(s) facilitates more orderly marketing, and any other relevant information.” *Id.*

50. In its Action Plan, issued on the same day, USDA stated it was “considering initiation of a rulemaking proceeding that would include a public hearing to collect evidence regarding proposed changes to pricing provisions effective in all eleven FMMOs.” *Action Plan on Proposed Amendments to the Pricing Provisions of all Federal Milk Marketing Orders*, Agricultural Marketing Service (June 1, 2023), https://www.ams.usda.gov/sites/default/files/media/FMMOModernization_ActionPlan.pdf (emphasis added).

51. Many in the industry responded, submitting numerous proposals. Petitioner (via its predecessor) joined with a number of other fluid milk processors to form a group called the Milk

Innovation Group (“MIG”). MIG submitted a proposal to exempt organic milk from certain pricing provisions, entitled MIG Proposal 6. **Exhibit 3.**

52. Specifically, MIG Proposal 6 sought to amend the pricing provisions so that they treat certified organic milk differently from conventional milk. Proposal 6 expressly tied to pricing—that is, under MIG Proposal 6, certified organic milk would have to meet specific pricing constraints on a non-classified basis (at base, ensuring organic producers were still receiving the at least the minimum blend price under the regulated system) and then would be eligible for an exemption from pooling.

53. On July 24, 2023, USDA published the Hearing Notice, including 22 proposals on various subjects. USDA accepted for consideration proposed amendments to all of the Class I, II, III, and IV pricing formulas. But USDA did not include MIG’s organic pricing exemption Proposal 6 in the Hearing Notice. Milk in the Northeast and Other Marketing Areas; Notice of Hearing on Proposed Amendments to Marketing Agreements and Orders, 88 Fed. Reg. 47396 (July 24, 2023); Hearing Exhibit 1 (USDA 1).

54. That same day, USDA sent a response to MIG regarding its proposals. **Exhibit 4.** USDA based its refusal to hear Petitioner’s organic milk exemption proposal on the claim that the organic exemption proposal “does not seek to amend the uniform FMMO pricing formulas” and therefore “does not fall within the scope of this hearing.” USDA’s claim is facially incorrect. MIG’s Proposal 6 sought, explicitly, to amend the same pricing provisions of 7 C.F.R. § 1000.50 USDA had deemed worth consideration at the hearing.

55. The hearing began on August 23, 2023. At the outset of the hearing, pursuant to 7 U.S.C. § 608c(15), MIG objected to USDA’s decision to exclude its pricing-related proposals regarding organic milk as being not in accordance with law. Hearing Ex. 60 (MIG Ex. 1).

56. The Administrative Law Judge (“ALJ”) not only denied MIG’s objection but refused to even engage with the substance of Petitioner’s objections to USDA’s exclusion of the proposal: “The problem with the NAJ and MIG proposals were that the Secretary -- for me, is that

the Secretary has already addressed those. And who am I, yeah, a lowly ALJ, to define that the Secretary's wrong or the Secretary ought to reconsider something on that." Hearing Tr. 2300:3-7 (September 6, 2023).

57. The ALJ reiterated this position in a subsequent written order, denying the objection on the basis that he lacked the authority to overrule the Secretary in this regard:

[T]he Deputy Administrator specifically determined that the MIG [proposal is] beyond the scope of the hearing I am charged with conducting.

... I find no basis for me to find that I have authority to make a ruling to the contrary to the Deputy Administrator's determinations of the scope of this proceeding. Rather, it is my duty to enforce those determinations as made by the Administrator, via the Deputy Administrator, under authority delegated by the Secretary.
... I do not find a provision under which I am authorized to substitute my judgment for the clearly expressed judgments of the Secretary's delegates.

Order Denying Requests by Chief Administrative Law Judge Channing D. Strother, *In re Milk in the Ne. & Other Mktg. Areas*, Docket Nos. 23-J-0067, AMS-DA-23-0031, at 7-9 (Dec. 12, 2023).

58. Petitioner, via its group MIG, presented evidence throughout the hearing that the FMMOs failed to meet the purposes of the AMAA in regard to organic milk.

59. The hearing concluded on January 30, 2024.

60. Post-hearing briefs were submitted by April 1, 2024.

61. MIG continued to oppose the new rules during the formal rulemaking process and in briefing. MIG objected that the proposed rules did not effectuate the purposes of the AMAA; MIG also raised a takings argument.

62. USDA issued a Recommended Decision on July 1, 2024.

63. Industry submitted comments on the Recommended Decision by September 13, 2024. Petitioner, through MIG, timely submitted comments and exceptions to the Recommended Decision setting forth the takings, due process, non-delegation, and APA arguments and claims made in this Petition.

64. USDA issued the Final Decision and Proposed Rule on November 12, 2024, submitted the Proposed Rule to a producer referendum pursuant to 7 U.S.C. § 608c(19), and issued the Final Rule on January 17, 2025, effective for milk delivered on and after June 1, 2025. USDA’s Final Decision continues its unlawful regulation of organic milk under the FMMO system.

65. In the Final Rule, USDA ignored the organic milk-specific arguments made by Petitioner. *Milk in the Northeast and Other Marketing Areas; Final Decision on Proposed Amendments to Marketing Agreements and Orders*, 89 Fed. Reg. 95466, 95526 (Dec. 2, 2024) (“[O]pponents argued Class I prices cannot be amended until the FMMO system is modified to recognize the organic milk sector. However, potential amendments that would adopt disparate treatment of organic milk were not within the scope of this proceeding, as defined in the hearing notice.”).

66. In the Final Rule, USDA ignored the takings arguments made by Petitioner. *See Milk in the Northeast and Other Marketing Areas*, 89 Fed. Reg. at 95537 (“To the extent that the suggested findings and conclusions filed by interested parties are inconsistent with the findings and conclusions set forth herein, the claims to make such findings or reach such conclusions are denied for the reasons previously stated in this decision.”).

67. The revised FMMO regulations will significantly increase the burden imposed on organic Class I handlers like Petitioner. *Milk in the Northeast and Other Marketing Areas; Uniform Pricing Formula Provisions*, 90 Fed. Reg. 6600 (Jan. 17, 2025). USDA is implementing rules which will simultaneously increase Class I prices while decreasing Class II, III, and IV prices. Mathematically this will significantly increase the specific producer settlement fund payments made by Petitioner which will in turn be diverted from Petitioner’s suppliers to other, mostly conventional dairy interests.

68. Accounting for the new, higher pricing formulas effective June 1, 2025 and December 1, 2025, Petitioner estimates that its payments into the producer settlement funds will increase approximately by 65% percent annually over 2024.

69. Petitioner now files this petition, asserting that its obligations under the current FMMO system and future obligations under the Final Rule are not in accordance with the law and seeks modification and/or exemption therefrom. 7 U.S.C. § 608c(15)(A) (“Any handler subject to an order may file a written petition with the Secretary of Agriculture, stating that any such order or any provision of any such order or any obligation imposed in connection therewith is not in accordance with law and praying for a modification thereof or to be exempted therefrom.”).

CLAIM ONE
UNLAWFUL TAKING WITHOUT COMPENSATION
(U.S. CONST. AMEND. V; 28 U.S.C. § 2201)

70. Petitioner repeats and realleges each and every allegation set forth in the above and following paragraphs of this Petition as if fully set forth at length herein.

71. The U.S. Supreme Court has expressly held that “there is no warrant for taking the property or money of one and transferring it to another without compensation.” *R.R. Ret. Bd. v. Alton R. Co.*, 295 U.S. 330, 357 (1935).

72. In 2015, the U.S. Supreme Court considered a similar situation involving raisin marketing orders and held that the California Handling Order’s raisin reserve-pool requirement upon which USDA relied in seeking a cash monetary penalty in lieu of raisins held back by a raisin handler effected a taking in violation of the Fifth Amendment’s Takings Clause for which just compensation was due. *Horne v. U.S. Dep’t of Agric.*, 576 U.S. 350, 361 (2015).

73. Just as in *Horne*, Petitioner seeks to declare the FMMOs unlawful as to organic milk and recover just compensation for the taking of Petitioner’s allocable and specific producer settlement funds resulting from certified organic milk production subsequently taken by the USDA pursuant to the FMMOs’ pooling provisions.

74. Petitioner possessed full legal or equitable title to the specific funds it paid to the producer settlement funds for the certified organic milk it purchased from organic producers taken by USDA for the benefit of other, mostly conventional, dairy industry interests.

75. Petitioner's identifiable and specific interest in the producer settlement funds it paid were property protected by the Fifth Amendment Takings Clause.

76. Through operation of the applicable FMMOs pooling and producer settlement fund provisions issued and enforced by USDA, title to Petitioner's specific funds it paid to the producer settlement funds passed to USDA for the benefit of other, mostly conventional, dairy handlers and producers.

77. These title transfers deprived Petitioner of all property rights in the specific producer settlement funds paid by Petitioner.

78. The Market Administrators for each FMMO acted at all relevant times on behalf of the USDA.

79. The Market Administrators provided Petitioner no compensation when the market administrators appropriated for others, Petitioner's interest in the specific funds it paid to the producer settlement funds.

80. The Market Administrators appropriation of Petitioner's interest in the specific funds it paid, and pays the producer settlement funds without payment, constitutes a per se taking without just compensation and thereby violates the Fifth Amendment's Takings clause.

81. Petitioner is entitled to receive just compensation for the identifiable and specific producer settlement funds taken for certified organic milk purchased by it but held for and paid to other handlers for the benefit of other producers based upon the payments made by Petitioner.

CLAIM TWO
VIOLATION OF DUE PROCESS
(U.S. CONST. AMEND. V; 28 U.S.C. § 2201)

82. Petitioner repeats and realleges each and every allegation set forth in the above and following paragraphs of this Petition as if fully set forth at length herein.

83. The Due Process Clause of the Fifth Amendment to the U.S. Constitution prohibits the federal government from depriving a person of “life, liberty, or property, without due process of law.”

84. Petitioner possessed full legal and equitable title to all amounts it has been and continues to be compelled to pay (either directly or through its co-manufacturers) into the producer settlement fund under the FMMOs, and all such monies constituted property protected by the Due Process Clause of the Fifth Amendment.

85. The AMAA delegates authority to producers to adopt FMMOs requiring payment into the producer settlement fund.

86. The AMAA delegates this authority “uncontrolled by any standard or rule prescribed by legislative action.” *State of Washington ex rel. Seattle Title Tr. Co. v. Roberge*, 278 U.S. 116, 122 (1928); *see also Eubank v. City of Richmond*, 226 U.S. 137, 143-44 (1912).

87. USDA interprets the AMAA to permit producers of conventional dairy products to vote on FMMOs with binding impacts on organic dairy producers and organic handlers.

88. Conventional dairy cooperatives and dairy producers are motivated to adopt FMMOs imposing costs on organic handlers because of their own self-interest in receiving funds from conventional handlers benefitting from the organic handlers’ contributions to the producer settlement fund.

89. Given the higher Class I utilization of organic milk, conventional dairy producers are further incentivized to vote to include organic milk in the FMMOs as organic milk contributes to the producer settlement funds at a higher rate than conventional handlers.

90. The FMMOs’ pooling and producer settlement fund provisions deprived (and continue to deprive) Petitioner of title to those monies and passed that title through USDA and ultimately to the same producers who adopted the FMMOs through the referendum process. As such, biased private parties exercised government regulatory power to deprive Petitioner of its protected property interests and transfer that property to the biased private parties.

91. After producers approve the FMMOs, USDA enforces their provisions and USDA’s Market Administrators acted on behalf of USDA at all relevant times when effecting the deprivation and transfer of Petitioner’s property to producers.

92. By allowing conventional producers to vote to approve USDA’s fixing of prices, establish payment obligations, and impose burdens on Petitioner and other handlers through the FMMO referendum process, USDA violated the Due Process Clause of the Fifth Amendment to the United States Constitution. *See Roberge*, 278 U.S. 116; *Eubank*, 226 U.S. 137 (----).

93. Petitioner therefore is entitled to a declaration that the FMMOs’ pooling and producer settlement fund provisions are unconstitutional and unenforceable as applied to Petitioner.

**CLAIM THREE
VIOLATION OF EQUAL PROTECTION
(U.S. CONST. AMEND. V; 28 U.S.C. § 2201)**

94. Petitioner repeats and realleges each and every allegation set forth in the above and following paragraphs of this Petition as if fully set forth at length herein.

95. The Fifth Amendment to the U.S. Constitution prohibits the government from denying any person the equal protection of the laws. The requirement of equal protection is “essentially a direction that all persons similarly situated should be treated alike.” *City of Cleburne, Tex. v. Cleburne Living Ctr.*, 473 U.S. 432, 439 (1985). Where “social or economic legislation is at issue,” the law must be “rationally related to a legitimate state interest.” *Id.* at 440. This means governments “may not rely on a classification whose relationship to an asserted goal is so attenuated as to render the distinction arbitrary or irrational.” *Id.* at 446. Thus, where the law imposes burdens on a particular group but not on others who are similarly situated, those burdens must rationally address activities that “threaten legitimate interests of the [government] in a way that other permitted uses . . . would not.” *Id.* at 448 (holding zoning ordinance violated Equal Protection Clause where it lacked a rational basis).

96. USDA refuses to recognize the market and production differences of organic milk, and the FMMOs therefore impose burdens on Class I milk handlers—and Class I organic milk handlers in particular—without any rational basis.

97. The intended purposes of FMMOs are to ensure uniform pricing to producers subject to permitted “adjustments” (e.g., quality or market and production differentials) and to bring forth an adequate supply for fluid use. 7 U.S.C. § 608c(5)(A)-(18). Yet, the FMMOs’ failure to account for the differences between organic and conventional milk *undermines* these required goals. The FMMOs discriminatory treatment of certain disfavored handlers therefore has no rational relationship to a legitimate government interest.

98. First, USDA fails to account for differences between market and production cost issues between conventional and organic milk, depriving organic Class I producers and handlers of genuine uniform pricing adjusted for statutorily permitted adjustments for market and production differentials customarily applied by handlers.

99. Second, and most fundamentally, organic handlers like Petitioner cannot receive the intended benefit of the bargain for the payment of minimum prices since the FMMOs cannot and do not bring forth a supply of organic milk. Thus, the FMMOs deny Petitioner both the statutory bargain intended by Congress and the equal protection required by the United States Constitution.

**CLAIM FOUR
VIOLATION OF NONDELEGATION DOCTRINE
(U.S. CONST. ART. I, § 1; 28 U.S.C. § 2201)**

100. Petitioner repeats and realleges each and every allegation set forth in the above and following paragraphs of this Petition as if fully set forth at length herein.

101. Article I, section 1, of the United States Constitution vests the federal government’s legislative power with Congress, and the nondelegation doctrine limits the extent of the authority that Congress can delegate to other branches of government or to private parties.

102. Here, the AMAA’s producer referendum provision grants a favored category of market participants—conventional producers—veto power over each FMMO and the resulting obligations that federal law imposes on a disfavored category of market participants—handlers and organic producers. Granting veto power to conventional producers improperly transfers the government’s discretion to unaccountable and self-interested members of the public and permits them to exercise that power to the detriment of other members of the public with directly adverse interests. As a result of this delegation, USDA’s residual regulatory authority is limited to offering proposals that can muster the support of two-thirds of producers regardless of the harm those proposed rules inflict on handlers like Petitioner.

103. Petitioner acknowledges that in *United States v. Rock Royal Co-op, Inc.*, 307 U.S. 533, 577 (1939), the Supreme Court held that the AMAA’s referendum provision did not violate the nondelegation doctrine because granting regulatory veto power to private parties did not constitute a delegation of legislative power.

104. However, even when it was decided, *Rock Royal* was inconsistent with existing precedent. Although the Court cited *Currin v. Wallace*, 306 U.S. 1, 5–6 (1939), that case only affirmed the constitutionality of a referendum process permitting tobacco growers in a particular region to vote to opt into a regulatory regime that would apply uniformly to all growers. The provision did not grant veto power over specific regulations, nor did it delegate authority to one group of favored market participants to approve policies that compelled disfavored market participants to make payments to the former—indeed, *Currin* distinguished earlier enactments that had been held unconstitutional on precisely those grounds:

This is not a case where a group of producers may make the law and force it upon a minority (see *Carter v. Carter Coal Co.*, 298 U.S. 238, 310, []) or where a prohibition of an inoffensive and legitimate use of property is imposed not by the legislature but by other property owners (see *Washington ex rel. Seattle Trust Co. v. Roberge*, 278 U.S. 116, 122, []).

Id. at 15–16. Thus, the *Rock Royal* Court’s reliance on *Currin* was misplaced, and it should have struck down the AMAA’s referendum provision under *Carter* and *Roberge*.

105. Moreover, *Rock Royal* is inconsistent with more recent Supreme Court decisions—and multiple justices have called for the decision to be revisited. Indeed, Justice Thomas described *Rock Royal* as “discredited and lacking any force as precedent[.]” because it is inconsistent with modern decisions “holding that a discretionary ‘veto’ necessarily involves an exercise of legislative power.” *Dep’t of Transp. v. Ass’n of Am. R.R.s*, 575 U.S. 43, 90, (2015) (Thomas, J., concurring) (citing *INS v. Chadha*, 462 U.S. 919, 952–53 (1983)); *see also Chadha*, 462 U.S. at 987 (White, J., dissenting) (objecting that majority’s view meant Congress could not grant itself the same “‘veto’ power” that private parties are allowed to wield under *Rock Royal*, “[a]ssuming *Currin* and *Rock Royal Co-operative* remain sound law”). Now that the Supreme Court recognizes the power to veto regulation constitutes an exercise of legislative power, the holding in *Rock Royal* is no longer tenable. *Rock Royal* should be overturned and the AMAA’s referendum provision should be declared to be an unconstitutional delegation to private parties.

106. Petitioner is therefore entitled to a declaration that the FMMOs’ pooling and producer settlement fund provisions are unconstitutional under the nondelegation doctrine and unenforceable as applied to Petitioner.

**CLAIM FIVE
VIOLATION OF APA AND AMAA
(USDA’S ONGOING REGULATION OF ORGANIC HANDLERS)
(7 U.S.C. § 608C, ET SEQ.; 7 U.S.C. § 602)**

107. Petitioner repeats and realleges each and every allegation set forth in the above and following paragraphs of this Petition as if fully set forth at length herein.

108. As opposed to assuring a fluid milk supply, the FMMO system is a burden on organic Class I processors’ ability to obtain fluid milk; in order to meet the AMAA’s requirements, USDA must exempt organic milk from regulation under the FMMOs.

109. The AMAA requires that orders be adopted if necessary to “insure a sufficient quantity of pure and wholesome milk.” 7 U.S.C. § 608c(18).

110. USDA has consistently interpreted this mandate to apply to fluid packaged milk for packaged milk sales (“fluid milk”). Milk in the New England and Other Marketing Areas; Decision on Proposed Amendments to Marketing Agreements and to Orders, 64 Fed. Reg. 16026, 16070 (Apr. 2, 1999); Milk in the New England and Other Marketing Areas; Proposed Rule and Opportunity To File Comments, Including Written Exceptions, on Proposed Amendments to Marketing Agreements and Orders, 63 Fed. Reg. 4802, 4891–900, 4907–08, 4912 (Jan. 30, 1998).

111. This Declared Policy of the AMAA— “to insure a sufficient quantity of pure and wholesome milk”—has become a USDA term of art after 80 years of agency application and interpretation. Milk in the Chicago Marketing Area; Emergency Partial Decision on Proposed Amendments to Marketing Agreement and to Order, 52 Fed. Reg. 38235, 38240 (Oct. 15, 1987) (“[A] major purpose of the order program is to assure an adequate supply of pure and wholesome milk for the fluid market . . .”). In the 1998 Proposed Rule during FMMO Reform, USDA expressly tied this concept to the legislative language of the “AMAA mandate.” Milk in the New England and Other Marketing Areas, 63 Fed. Reg. at 4892 (“the AMAA mandate ‘to provide an adequate supply of milk’ for fluid use”); *see also* Milk in the New England and Other Marketing Areas, 64 Fed. Reg. at 16070 (“[M]arketing order provisions for both markets must provide for attracting an adequate supply of milk for fluid use.”); Milk in California; Proposal To Establish a Federal Milk Marketing Order, 83 Fed. Reg. 14110, 14133, 14135 (Apr. 2, 2018) (discussing California FMMO provisions necessary or unnecessary “to ensure an adequate supply of milk for Class I use”);

112. Under the AMAA, the Class I differential’s purpose must be ensuring service to the Class I marketplace and supporting orderly marketing conditions. *See* 7 U.S.C. § 602(4).

113. The AMAA’s Declared Policy also mandates that FMMOs be both in the public interest and the interests of producers and consumers. 7 U.S.C. § 602(2)-(4).

114. The APA’s agency action requirements are found in 5 U.S.C. § 706(2). For the formal rulemaking required under the AMAA, the APA directs courts to declare unlawful any agency action, findings, or conclusions either found to be arbitrary and capricious or not based on substantial evidence (in addition to other criteria). *Id.* (“The reviewing court shall . . . (2) hold unlawful and set aside agency action, findings, and conclusions found to be-- (A) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law; . . . (E) unsupported by substantial evidence . . .”). USDA’s regulation of organic milk is arbitrary and capricious because its regulation does not move organic milk to markets in need or serve any purpose in ensuring a sufficient supply of organic milk for fluid use.

115. USDA’s FMMO regulation of organic milk is arbitrary and capricious because it fails to acknowledge that under the NOP handlers cannot substitute conventional milk for organic milk. By treating the conventional and organic milk identically under FMMOs, USDA fails to achieve the AMMA statutory goal as applied to organic milk.

116. USDA’s regulation of organic milk under FMMOs is arbitrary and capricious because it does not serve the interests of consumers or producers because it artificially inflates the costs of organic milk production.

117. USDA has and continues to disregard the distinct status of organic milk in its regulation of organic milk under the FMMO system.

CLAIM SIX
VIOLATION OF APA AND AMAA
(USDA’S REFUSAL TO CONSIDER THE ORGANIC EXEMPTION PROPOSAL)
(7 U.S.C. § 608C ET SEQ.; 7 U.S.C. § 602)

118. Petitioner repeats and realleges each and every allegation set forth in the above and following paragraphs of this Petition as if fully set forth at length herein.

119. USDA’s refusal to hear MIG Proposal 6 on the organic exemption violated both the APA and the AMAA.

120. In the first instance, USDA violated the AMAA by refusing to consider a relevant proposal to the pricing regulations at issue in the hearing. Pursuant to 7 U.S.C. § 608c(15), MIG objected to USDA’s decision to exclude its pricing-related proposals regarding organic milk as being not in accordance with law. Hearing Ex. 60 (MIG Ex. 1).

121. Second, the ALJ exacerbated the violations by refusing to consider Petitioner’s objection on the merits. USDA must meet both the requirements of the AMAA and also follow the APA’s agency action requirements found in 5 U.S.C. § 706(2). The APA for formal rulemaking, such as under the AMAA, directs courts to declare unlawful any agency action, findings, or conclusions either found to be arbitrary and capricious or not based on substantial evidence (in addition to other criteria). *Id.* (“The reviewing court shall . . . (2) hold unlawful and set aside agency action, findings, and conclusions found to be-- (A) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law; . . . (E) unsupported by substantial evidence . . .”).

122. USDA’s decision to exclude the organic exemption proposal was both arbitrary and capricious and unsupported by substantial evidence.

123. MIG’s Proposal 6 was related to pricing provisions and had clear bearing on the issues relevant to the hearing. USDA’s refusal to consider MIG’s relevant proposal, but to willingly consider every single one of the proposals submitted by other groups (like the National Milk Producers Federation proposals) was arbitrary and capricious. USDA’s refusal to consider the proposal also led to the circular reasoning that it could dismiss the relevance of the unfair impact of the FMMOs on the organic milk industry on the basis that MIG Proposal 6 was not part of the hearing notice. *Milk in the Northeast and Other Marketing Areas*, 89 Fed. Reg. at 95526 (“[O]pponents argued Class I prices cannot be amended until the FMMO system is modified to recognize the organic milk sector. However, potential amendments that would adopt disparate treatment of organic milk were not within the scope of this proceeding, as defined in the hearing notice.”).

124. USDA’s decision to exclude MIG’s price-related proposals is not in accordance with the Agricultural Marketing Agreement Act, 7 U.S.C. § 601 et seq., or USDA’s obligations under the Administrative Procedure Act.

**CLAIM SEVEN
VIOLATION OF APA AND AMAA
(USDA’S FINAL ORDER FOUND AT 89 FED. REG. 95466 RAISING CLASS I PRICES)
(7 U.S.C. § 608C ET SEQ.; 7 U.S.C. § 602)**

125. Petitioner repeats and realleges each and every allegation set forth in the above and following paragraphs of this Petition as if fully set forth at length herein.

126. The Final Rule fails to fulfill the purposes of the AMAA for the same reasons that USDA’s prior regulation of organic milk is unlawful.

127. USDA’s Final Order further violates the APA because USDA failed to identify substantial evidence to support its ongoing regulation of organic milk. Under the substantial evidence test, USDA cannot ignore evidence or discount evidence without providing an explanation of why it chose some evidence over other evidence.

128. The Final Rule is arbitrary and capricious because it dismisses, ignores, or otherwise treats as irrelevant compelling evidence on the FMMO systems’ failures in regard to organic milk.

129. Additionally, the Proposed Rule fails to meet the APA’s “substantial evidence” requirement because it fails to consider and reconcile all the evidence (rather than just the evidence that might support the decision), relies on speculative evidence, relies on evidence or expertise not recounted in the record, and opts to rely upon less persuasive, incomplete, or less compelling evidence in an effort to reach a certain conclusion. Specifically:

- a. The FMMO system does nothing to incentivize the production or delivery of organic milk.

- b. The FMMO system sends inaccurate and disruptive supply and demand signals to the marketplace, including under-incentivizing the production of organic milk and over-incentivizing the production of conventional milk.
- c. The FMMOs do nothing to incentivize the service of the organic Class I marketplace.
- d. Organic milk markets are disconnected from the conventional market and yet organic milk pays into the FMMO pools without drawing any benefit (especially no ability to raise shipping percentages to get more organic milk).
- e. Organic milk's payments to the pools increases the blend price paid to non-organic producers. By increasing the conventional price, organic producers' pool payments promote increased production of conventional milk, while that very milk cannot be used for organic dairy products. This unfairly burdens organic producers.

130. One of the proposals that USDA adopted in large part was determined to create a **30 percent increase** in one organic milk handler's annual pooling obligations. Hearing Exhibit 474 (MIG 22A), at 9 (Shawna Nelson) (emphasis added).

131. Increases to Class I prices for organic handlers (with no certainty that organic dairy producers would benefit and, if they did, the benefits would be very small compared to the industry and consumer costs) runs counter to USDA's AMAA mandate to act in the "public interest". 7 U.S.C. § 602.

132. USDA did not and cannot reasonably explain how its proposed regulations will impact organic producers and processors going forward, nor justify any negative impacts. By ignoring the disadvantages of its decision, USDA fails to account for evidence presented by Petitioner and others to the contrary or justify why the Final Rule still fulfills the statutory mandate even in light of those enormous negative consequences.

III. CONCLUSION

133. Petitioner has exhausted its remedies short of filing this action under Section 15(A) of the Agricultural Marketing Agreements Act.

134. Payment of the pool obligation by Petitioner would result in significant irreparable harm to Petitioner because monies paid for the pool obligation cannot be readily recovered as it is paid out in full each month to Class II, III, and IV handlers for the benefit of qualifying producers.

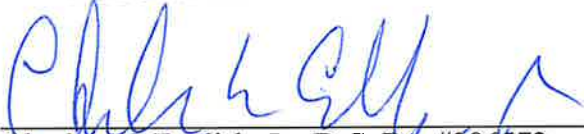
135. This Petition is filed in good faith and not for the purpose of delay.

136. Petitioner requests immediate relief and an expedited hearing.

WHEREFORE, Petitioner respectfully prays that the Secretary exempt certified organic processors, like Petitioner, from regulation under the FMMO system, compensate Petitioner for the Taking of its identifiable and specific settlement funds paid during the applicable statute of limitations period, and, in addition, grant such other relief as is just and equitable under the circumstances.

DATED this 28th of April, 2025.

DAVIS WRIGHT TREMAINE LLP

By 

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Attorneys for Petitioner
Aurora Organic Dairy Corp.

EXHIBIT 1

Name: Aurora Organic Dairy Corp.
Business Structure: Corporation
State of incorp./org.: Delaware
Trade Names/DBAs: "Aurora Organic Dairy" and "Aurora Dairy Corporation"
Date of Formation/Registration: 08/28/03

Executives:	
Scott McGinty Chief Executive Officer	1919 14th Street, Suite 300 Boulder, CO 80302
Cammie Garofolo Chief Financial Officer and Secretary	1919 14th Street, Suite 300 Boulder, CO 80302
Gary Sebek Chief Operating Officer	1919 14th Street, Suite 300 Boulder, CO 80302
Jason Lee Chief Customer Officer	1919 14th Street, Suite 300 Boulder, CO 80302
Jennifer Harnish Chief People Officer	1919 14th Street, Suite 300 Boulder, CO 80302

EXHIBIT 2

UNITED STATES DEPARTMENT OF AGRICULTURE
BEFORE THE SECRETARY OF AGRICULTURE

AURORA ORGANIC DAIRY CORP.,

Docket No. _____

PETITIONER,

v.

**BROOKE ROLLINS, SECRETARY OF
AGRICULTURE, UNITED STATES
DEPARTMENT OF AGRICULTURE,**

RESPONDENT.

PETITIONER’S VERIFICATION OF PETITION

UNSWORN DECLARATION PURSUANT TO 28 U.S.C. §1746

I, Cammie Garofolo, being duly sworn according to law, depose and say that I am the Chief Financial Officer and Secretary of Aurora Organic Dairy Corp. that I am duly authorized to make this affidavit, that the foregoing Petition filed by Aurora Organic Dairy Corp. is undertaken in good faith and not for the purposes of delay, and that the facts set forth therein concerning Petitioner are true and correct and based upon my personal knowledge, information, and belief.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 18 of April, 2025.

AURORA ORGANIC DAIRY CORP.

By  _____

EXHIBIT 3



STAMP & RETURN

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June 14, 2023

Via US Mail and Email
Dana.Coale@usda.gov
FMMOhearing@usda.gov

Margaret Cox
6-14-23
12:21 pm

Ms. Dana Coale, Deputy Administrator
USDA – AMS – Dairy Programs
1400 Independence Avenue, SW
Washington, D.C. 20250-0225

Re: Petition of the Milk Innovation Group (“MIG”) For a Hearing to Amend Federal Milk Marketing Orders

Dear Deputy Administrator Coale:

In response to USDA’s Action Plan announced on June 1, 2023, prompted by the recent hearing petitions from the International Dairy Foods Association (“IDFA”) and the Wisconsin Cheese Makers Association (“WCMA”), and National Milk Producers Federation (“NMPF”), the Milk Innovation Group (“MIG”)¹ hereby petitions the Secretary of Agriculture to consider its additional proposals (the “Petition”) to amend all current Federal Milk Market Orders (“FMMOs”), 7 C.F.R. Parts 1000–1135.

A. Introduction and Summary

Fluid milk companies’ (“Class I processors”) ability to compete, invest and innovate suffers from antiquated rules in today’s modern beverage market. This adversely affects the entire dairy industry as falling Class I sales result in lower prices paid to dairy producers. The fluid milk segment of the dairy industry has declined for decades, continues to decline dramatically, and

¹ The members of MIG are: Anderson Erickson Dairy Co., Inc.; Aurora Organic Dairy; Crystal Creamery; Danone North America; Fairlife; HP Hood LLC; Organic Valley/CROPP Cooperative; Shamrock Foods Company; Shehadey Family Foods, LLC (Producers Dairy Foods, Inc.); Model Dairy, LLC; Umpqua Dairy Products Co.; and Turner Dairy Farms.

DWT.COM

Ms. Dana Coale, Deputy Administrator
USDA – AMS – Dairy Programs
June 14, 2023
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struggles to compete on grocery store shelves today.² Failure to update federal pricing regulations risks not just the success of the fluid milk industry, but the viability of regulated minimum classified pricing.

This Petition to consider additional proposals seeks to relieve the economic burdens on fluid milk processors resulting from the disproportionate and unsustainable burden on these processors under the current FMMO regulations. Pursuant to 7 C.F.R § 900.22, MIG’s proposals provide positive change for Class I by helping especially dairy farmers who serve the Class I market and limiting barriers to fluid milk innovation and investment. MIG’s proposals, which are consistent with current USDA legal authority and policy, aim to update the regulations to reflect the reality of the current industry and consumer marketplace.

At the outset MIG acknowledges and recognizes that, like other dairy industry participants, producers have faced significant challenges in recent years. However, the solution to those challenges is not to be found in ignoring economic realities by raising Class I prices.

B. History of Regulations

Ever since the U.S. Department of Agriculture established a fluid milk dependent FMMO pricing system, FMMOs have always relied on the theory that differentiated and higher prices charged on fluid milk could and would generate additional and increasing revenue for all dairy farmers under the FMMO minimum pricing and pooling system. This system depends on theories about inelastic demand for fluid milk, lack of substitutes for beverage milk, perishability, and implicitly the idea that bottled milk is more valuable than milk used in other dairy products.

MIG believes that at a hearing, it can and will demonstrate that these theories are in 2023 significantly attenuated or wrong. Far from being robust, fluid milk sales declines mean that Class I pricing is misaligned with the purpose of FMMOs; it is past time to address this economic reality. Even today, USDA has already received, and will likely continue to receive, proposals, not to appropriately price Class I or encourage innovation and investment, but to raise Class I prices relative to other classes of milk just for the sake of maintaining or increasing prices. MIG understands the desire by producers for only “revenue neutral” or revenue enhancing changes to FMMOs, but the system does not, and in fact cannot, recognize this motivation (particularly when contrary to the economic realities underpinning FMMOs). This effort for “revenue neutrality” is often coupled with a false argument that Class I processors can and should simply pass on Class I price increases to retailers and thus consumers. But USDA also owes a statutory duty to consumers under the AMAA, and the FMMO system is not, and cannot, be a price enhancement or cost-covering system—it is a regulated minimum price program with a narrow purpose. USDA must

² See, for example, Kim Severson, *Got Milk? Not This Generation.*, N.Y. Times, Apr. 4, 2023, <https://www.nytimes.com/2023/04/04/dining/milk-dairy-industry-gen-z.html>.

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reject proposals contrary to its standard, discussed below, which is to set the Class I price at the lowest value necessary to bring forth an adequate supply of milk. These other parties seek to extract every last penny from the declining Class I market to the risk and detriment of the dairy industry as a whole.

1. Establishment of the Class I Differential

During FMMO reform, USDA established the Class I differential at \$1.60, along with county-level price surface adjustments based on location. Prior to that time, Class I prices were determined by individual orders. Thus, during FMMO reform about 25 years ago, USDA developed and implemented the current Class I pricing structure. Except for “temporary” price increases in the Southeast, USDA has not made significant revisions to the Class I pricing structure since FMMO reform.

USDA aimed to establish the Class I price differential at the “*lowest value necessary*” to ensure sufficient milk supply for fluid use. USDA acknowledged the concern that setting the Class I differential at too high of a level would “be an incentive to overproduce for fluid needs.” Specifically:

The \$1.60 minimum differential level proposed is perceived to be the lowest value necessary under present supply and demand conditions to maintain stable and viable pools of milk for Class I use in markets that are predominantly manufacturing oriented. Applying this minimum differential to each of the three low pricing areas will ensure that low utilization and surplus markets will have similar differentials. However, having a larger portion of Class I value pooled could mute price signals to producers more than prices determined strictly by market forces. If the blend price exceeds the marginal value of milk in manufacturing, there would be an incentive to overproduce for fluid needs.

Milk in the New England and Other Marketing Areas, 63 Fed. Reg. 4802, 4909 (Jan. 30, 1998).

Of this \$1.60 in the Class I Differential, USDA concluded that \$0.40 reflected the costs to producers of maintaining Grade A milk status:

A review of current marketing practices has revealed that the \$1.04 per hundredweight base zone differential may not be established at a level high enough to ensure adequate milk supplies for fluid use. First, a portion of the Class I differential must reflect the value associated with maintaining Grade A milk supplies since this is the

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only milk available for fluid use. Originally the differential needed to be established at a level that would encourage conversion from Grade B to Grade A status. With approximately 96 percent of all milk already converted to Grade A, this value now needs to reflect the cost of maintaining Grade A milk supplies. Although it may be difficult to quantify the cost to maintain Grade A status, there are specific associated costs, as described below.

....
... Often, this will require additional labor, resource, and utility expenses. It has been estimated that this value may be worth approximately \$0.40 per hundredweight.

Id. at 4907–08.

USDA also found that this \$1.60 included \$0.60 for the marketing/balancing costs incurred in supplying the Class I market:

Traditionally, the additional portion of the Class I differential reflects the marketing costs incurred in supplying the Class I market. These marketing costs include such things as seasonal and daily reserve balancing of milk supplies, transportation to more distant processing plants, shrinkage, administrative costs, and opportunity or “give-up” charges at manufacturing milk plants that service the fluid Class I markets. This value has typically represented approximately \$0.60 per hundredweight.

Id.

Finally, USDA determined the remaining \$0.60 constitutes necessary compensation to incentivize producers to supply milk for fluid use, rather than manufacturing purposes.

Option 1A presumes that the \$1.04 per hundredweight minimum Class I differential is no longer adequate to ensure a sufficient supply of milk due to the competitive nature of the manufacturing facilities in this region. Thus, Option 1A establishes an additional competitive factor into the development of the base zone Class I differential. Option 1A values this competitive factor to be worth about \$0.60 per hundredweight. This value reflects approximately

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two-thirds of the actual competitive costs incurred by fluid plants to simply compete with manufacturing plants for a supply of milk.

Id. at 4909.

This base Class I \$1.60 differential is the starting point of the adjusted Class I differentials found in 7 C.F.R. § 1000.52, with county location adjustments (the “price surface”) applied atop.

Since Federal Order reform, except in the Southeast (location price changes only), USDA has not made meaningful updates to the underlying structure of Class I prices despite radical changes in the market. This basic breakdown of the Class I differential has been affirmed since its establishment, including impliedly with USDA’s adoption of the California FMMO, 7 C.F.R. pt. 51. *See also* Hr’g on Promulgation of a Federal Milk Marketing Order in California, Ex. 70 (“Testimony of Dennis Schad”), at 30–32. However, affirmation was driven by a desire for national uniformity, not from careful reconsideration of the components of the Class I differential. Current market evidence (discussed in more detail below) demonstrates that fluid milk prices are not inelastic—meaning they cannot continue to be increased without the consequence of decreasing volume. It is far past the time for the base Class I differential to be reconsidered in light of market changes, including the exploding growth of dairy beverage alternatives, the ongoing precipitous decreases in both absolute volume and per capita fluid milk consumption, and the exponential growth of non-fluid milk products often sold in the export market.

2. Assembly Credits

Historically, the Chicago Marketing Area adopted assembly credits for the purpose of compensating handlers and by extension the dairy producers supplying the Class I market for the cost of assembling milk to supply Class I handlers and ensuring an adequate supply of fluid milk. USDA justified this proposal as necessary for servicing Class I needs:

The Act, in 608c(5)(J)(i), delineates ‘providing facilities to furnish additional supplies of milk needed by handlers...’ as a service of marketwide benefit. The operation of supply plant facilities is a service of marketwide benefit because it is a function involved in moving milk from one location to another for the purpose of fulfilling requirements for milk of a higher classification. Before milk can be transported from a supply plant to a distributing plant, it must be assembled and perhaps cooled and stored, then reloaded onto a truck. The costs incurred in performing these functions are not currently recognized in the order.

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Since servicing the Class I milk needs of fluid milk handlers is recognized as a service of marketwide benefit, it is appropriate that all producers share in the cost of providing that service. This will be realized by providing an assembly credit, and is consistent with a major purpose of the Act to assure an adequate supply of pure and wholesome milk for the fluid milk market and to maintain orderly marketing conditions.

Milk in the Chicago Regional Marketing Area; Emergency Partial Decision on Proposed Amendments to Marketing Agreement and to Order; 52 Fed. Reg. 38235, 38242 (Oct. 15, 1987).

These assembly credits were then later adopted as part of the Order 30 FMMO during Federal Order Reform. 7 C.F.R. § 1030.55. They have been successful in ensuring that the Class I supplying handlers and the dairy producers shipping to those facilities in Order 30 are fairly, if only partially as they have not been updated, compensated for the costs of servicing that market.

3. Organic Milk

Since the 1930s, minimum price and pooling requirements of orders have evolved over time, but the scope of mandatory participants have not essentially changed (except for the elimination of individual handler pools in isolated orders) in that time. The concept of USDA certified organic milk, as distinguished from such milk that is not so certified (“conventional milk”) was completely unknown until the adoption of the Organic Foods Production Act of 1990 (“OFPA”), so it has not been a part of the evolution of FMMOs.

The adoption of OFPA and the creation of implementing regulations that established the National Organic Program (“NOP”) set in motion the creation of a vibrant stream of USDA certified organic agricultural products. Since 2003, the organic dairy category has grown 563%, and ended 2022 at nearly \$8 billion in annual sales.³ AMS data shows that organic fluid milk volume was about 7% of total fluid milk volume in 2022. In 2006, the first year for which AMS data is available, organic fluid milk was about 2% of the total.⁴ USDA certified organic milk is thus a relatively new product category that is entirely distinguished from conventional milk by AMS. However, the FMMOs were not designed to address this distinction, or the challenges presented by this dynamic growth for organic dairy farmers, processors or consumers.

³ *2023 Organic Industry Survey*, Organic Trade Association, https://ota.com/sites/default/files/indexed_files/OTA_Report_2023.pdf (last visited June 13, 2023).

⁴ *Estimated Fluid Milk Products Sales Report*, U.S. Dep’t of Agric., Agric. Mktg. Serv., <https://www.ams.usda.gov/resources/marketing-order-statistics/estimated-fluid-milk-sales> (last visited June 13, 2023).

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FMMOs do not distinguish (except in some information collection activities) conventional and USDA certified organic milk. USDA certified organic milk is treated precisely the same as conventional milk for minimum price and pooling regulatory purposes by AMS Dairy Programs. But by regulation enforced by AMS NOP, USDA certified organic milk and conventional milk are not and cannot be interchangeable products. Co-mingling USDA certified organic milk with conventional milk in any fashion causes the certified organic milk to lose its organic status. 7 C.F.R. § 205.301.

A producer and handler's commitment to USDA certified organic milk is not undertaken lightly, and USDA certification cannot be obtained overnight. A USDA-accredited certifying agent must certify organic milk production and processing facilities. It takes at least three years to convert an existing conventional farm and herd to organic milk production. Under the OFPA and its implementing regulations, organic production is defined as "a production system that is managed to respond to site-specific conditions by integrating cultural, biological, and mechanical practices that foster cycling of resources, promote ecological balance, and conserve biodiversity." 7 C.F.R. § 205.2. Organic cows are fed a specific organic diet of organic foodstuffs and are required to be out on pasture during the grazing season, which shall not be less than 120 days per calendar year. 7 C.F.R. §§ 205.237–205.240. Once certified, organic cows can never be treated with antibiotics or supplemented with any growth hormones. 7 C.F.R. § 205.238.

Though defined differently and not interchangeable by law, organic and conventional Grade A milk has been and remains treated identically for minimum price and pooling purposes by FMMOs. As a result, the mechanisms of the FMMOs include organic volume, but only affect the conventional marketplace, while organic handlers cannot benefit from one of the few rights given to mandatory Class I processor participants—the ability to "command" milk via a first priority for supply. Given the lack of interchangeability of conventional milk for USDA certified organic milk, if an organic milk processor is short of organic milk, it cannot just supplement with conventional milk from the FMMO supply because that milk may not be sold as organic or co-mingled with organic milk. Since organic farm milk conversion takes three or more years and since nearly all USDA certified organic milk is subject to long-term forward priced contracts on an all-milk basis (i.e., organic milk is not subject to classified pricing except by the FMMOs), organic processors cannot easily make up for product shortages outside the FMMO either. Regardless, the Class I differential and FMMO shipping requirements are meaningless when it comes to an organic processor obtaining milk. Thus, FMMOs presently fail to "insure a sufficient quantity of pure and wholesome milk" of USDA certified organic milk. *See* 7 U.S.C. § 608c(18). This is a significant disorderly marketing condition that is made worse, not better, by FMMOs.

Even though organic processors cannot use FMMOs to obtain additional supplies of USDA certified organic milk, most organic processors must still contribute to the FMMO producer

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settlement funds. This result is not fair. Further, pooling certified organic and conventional milk together in the FMMO pools signals to the market higher demand for Class I milk than exists in the conventional market. As approximately 55% of organic milk is processed into organic fluid milk (Class I) products, organic processors generally pay into the FMMO producer settlement funds each month. These monies are shared with conventional dairy farmers even though those conventional farmers cannot, by law, make their milk available to organic dairy processors as needed. These payments to the producer settlement fund cost organic dairy (farmers and processors alike) tens of millions of dollars a year; money that could be spent on further developing the organic milk supply desired by consumers. It must also be noted that since organic processors pay a premium fixed price no matter the classified utilization for all USDA certified organic milk, they have an incentive to balance their organic milk supplies by manufacturing other organic dairy products that can command a higher consumer price, rather than using the FMMOs to balance their supplies.

C. The current Class I pricing system creates disorderly marketing.⁵

Currently, the dairy industry is suffering from disorderly marketing. The terms “orderly” and “disorderly” marketing, both historically and in USDA’s application of the same, are based on the conditions of the fluid milk market. Despite Class I being the only captive class in FMMOs, Class I sales of fluid milk have been in precipitous decline and are continuing to fall. Yet at the same time, farmers are receiving record mailbox prices, encouraging the production of more milk, and consumers are suffering from inflationary pressures that not only prevent passing through additional costs to consumers, but threaten sales even at current prices. Industry cannot wait any longer to face the fact that the system as designed misaligns with current economic realities in a way that puts all sectors of the dairy industry at risk.

1. Fluid milk sales have been in unequivocal decline in recent decades.

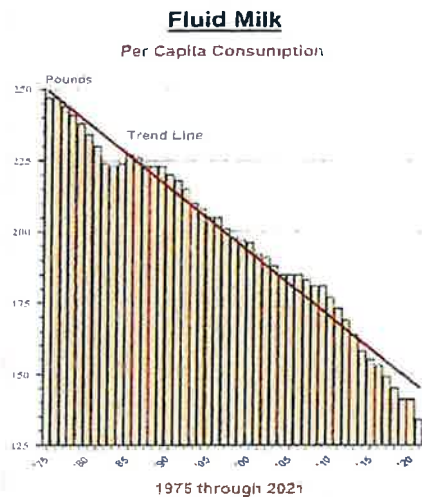
As demonstrated by USDA’s own data, Class I (fluid milk) has been on a steep downward trajectory since the 1970’s. (See chart from the Central Marketing Area, below).⁶ Class I handlers are hamstrung by outdated regulations that fail to provide in any way for returns on investment, preventing them from innovating and growing the Class I market for the benefit of the entire dairy industry. In fact, looking at just the last 25 years, ERS found that total *fluid milk consumption has dropped about 20%; per capita consumption is down 30%.*⁷

⁵ Addressing 7 CFR § 900.22(a).

⁶ See USDA, *Per Capita Consumption of Selected Dairy Products*, Cent. Mktg. Area Mktg. Serv. Bull. (Oct. 2022), <https://www.fmmacentral.com/PDFdata/msb202210.pdf>.

⁷ See *Dairy Data*, U.S. Dep’t of Agric. Econ. Res. Serv. (June 13, 2023), <https://www.ers.usda.gov/data-products/dairy-data/dairy-data/>; *Dairy Products: Per capita consumption, United States (Annual)*,

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USDA’s Economic Research Service confirmed that, in the past two decades, “individuals of all ages significantly decreased their consumption” of fluid milk.⁸ Industry publications echo this conclusion, that per capita consumption of fluid milk “fell at a faster rate than it did during each of the previous six decades.”⁹ Fluid milk sales since 2021¹⁰ have similarly fallen into the long-term declining trends.¹¹

https://www.ers.usda.gov/webdocs/DataFiles/48685/peconsp_1.xlsx?v=7161.8 (last accessed June 13, 2023); *Fluid beverage milk sales quantities by product (Annual)*, <https://www.ers.usda.gov/webdocs/DataFiles/48685/fluidmilk.xlsx?v=1083.2> (last accessed June 13, 2023).

⁸ USDA Economic Research Service examined dietary intake studies cooperatively planned and conducted by USDA and the National Center for Health Statistics to investigate U.S. fluid milk consumption trends among age groups; this decrease “includes plain and flavored milk as well as malted milk, eggnog, and hot chocolate, among other milk-based beverages.” Hayden Stewart and Fred Kuchler, *Fluid Milk Consumption Continues Downward Trend, Proving Difficult to Reverse*, U.S. Dep’t of Agric. Econ. Res. Serv., Jun. 21, 2022, <https://www.ers.usda.gov/amber-waves/2022/june/fluid-milk-consumption-continues-downward-trend-proving-difficult-to-reverse/>.

⁹ *Report examines decline in consumption of milk*, Wis. State Farmer (Nov. 2, 2021), <https://www.wisfarmer.com/story/news/2021/11/02/report-examines-decline-consumption-milk/6249045001/> (citing Hayden Stewart, Fred Kuchler, Diansheng Dong, and Jerry Cessna, *Examining the Decline in U.S. Per Capita Consumption of Fluid Cow’s Milk, 2003-18*, U.S. Dep’t of Agric. Econ. Res. Serv. (October 2021)).

¹⁰ *How are Fluid Milk Sales Going? DOWN!*, The Bullvine (Jan. 5, 2022), <https://www.thebullvine.com/news/how-are-fluid-milk-sales-going-down/>.

¹¹ From February 2022 to February 2023, sales of both conventional and organic milk products decreased. Dairy Product Trends – Fluid Milk, PennState Extension (last updated May 18, 2023), <https://extension.psu.edu/dairy->

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The media is awash with articles laying bare this unprecedented challenge for Class I processors.¹² *The New York Times* claims that last year, members of Generation Z bought 20 percent less milk than the national average.¹³ This decreased consumption led U.S. Representative Glenn Thompson (R-PA) to speculate that “[w]e lost almost an entire generation of milk drinkers.”¹⁴

Key to this decline is Class I’s ability to compete with fluid milk alternatives. In fact, the decrease in Class I sales “appears to reflect changes in the competitiveness of cow’s milk compared to other beverages at retail stores”.¹⁵ As even USDA itself has noted, “[e]very decade brings a wider selection of beverage choices at supermarkets, restaurants, and other food outlets” and “[c]ompetition among these products is based in part on price.”¹⁶ Consumers now have a “multitude of other options available like sports drinks, energy drinks, and plant-based drinks” at retail stores, continually expanding and creating competition for fluid milk.¹⁷ Even if competition between milk and other beverage options is not so direct as to effect fluid milk sales, plant-based milk alternatives directly compete with fluid milk. But unlike these alternatives, fluid milk processors are locked into an antiquated and rigid price-enhancement system that limits their ability to innovate and to provide customers with the long-term stable pricing of competitive options.

Thus, fluid milk handlers and consumers continue to bear almost the entire burden of pricing regulations, despite making up an increasingly shrinking portion of the marketplace.

[product-trends-fluid-milk#:~:text=The%20of%2Dreported%20decline%20in,decrease%20of%20approximately%2046%20percent](#) (citing USDA Agricultural Marketing Service).

¹² See, e.g., Laura Reiley, *Milk shake-up: High school student sues school district over dairy flap*, Wash. Post (May 12, 2023 8:59 AM) <https://www.washingtonpost.com/business/2023/05/12/dairy-milk-lawsuit-school-lunch/>; Kristina Peterson, *School Cafeterias Might Serve Whole Milk Again*, Wall St. J. (June 6, 2023 3:30 PM) <https://www.wsj.com/articles/school-cafeterias-might-serve-whole-milk-again-b5876a94> (an article which includes statements from NMPF chief economist Peter Vitaliano confirming that sales of drinking milk are declining).

¹³ See *supra* note 2.

¹⁴ Tom Venesky, *USDA Decision to Keep 1% Milk in Schools Seen as Positive Step*, Lancaster Farming (last updated Dec. 7, 2022), https://www.lancasterfarming.com/farming-news/news/usda-decision-to-keep-1-milk-in-schools-seen-as-positive-step/article_9c2d1d28-8b59-11ec-a761-97e876f2262b.html.

¹⁵ See *supra* note 9.

¹⁶ See *supra* note 8.

¹⁷ Zach Myers, *Dairy Markets & Management Update*, Center for Dairy Excellence (Jan. 19, 2021), <https://www.centerfordairvexcellence.org/wp-content/uploads/MM-Update-012221-Fluid-Milk-in-Households.pdf>.

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2. Food inflation is a major industry hurdle, and a failure to give economically-justified price relief to consumers risks further market share loss.

While Class I sales are already declining, food inflation is rampant. USDA predicts in 2023 that consumer dairy products prices will increase 4.5%, which is over and above the 2023 dairy product price increase of 12.0%.¹⁸ The AMAA requires that prices be in the “public interest” and the “interests of . . . consumers.” 7 U.S.C. § 602. This statutory language must be given real meaning, and not just lip service by industry and USDA. Consumers are legally entitled to a pricing system that does not simply always foist all producer pricing “needs” onto the fluid market.

3. Even in the face of significant economic obstacles, milk supplies remain robust.

Despite this decline in sales and inflation, milk supply remains high. The explanation—prices paid dairy farmers are encouraging ever more milk production over and above that which economic conditions call for. As acknowledged by USDA’s own publications, “It is possible therefore for certain regulations to raise prices beyond the level which the public interest requires. This would tend to encourage excessive production, discourage consumption, and add to surplus.” *Regulations affecting the movement and merchandising of milk*, U.S. Dep’t of Agric., Agric. Mktg. Serv. Marketing Research Report No. 98 (June 1955).

USDA’s own data demonstrates that there is a concerning over-supply of conventional milk in the marketplace due to a failed pricing structure. First, producers have dumped (and are dumping even now¹⁹) significant volumes of milk. Pre-pandemic, during 2015 to 2019, 400 to 500 million pounds of pooled milk was dumped annually demonstrating significant excess production.²⁰ Then in 2020, this grew to over 780 million pounds with 350 million pounds dumped in April 2020 alone.

¹⁸ *Summary Findings: Food Price Outlook, 2023*, U.S. Dep’t of Agric. Econ. Res. Serv., <https://www.ers.usda.gov/data-products/food-price-outlook/summary-findings/#:~:text=In%202023%2C%20all%20food%20prices,of%204.5%20to%208.1%20percent>.

¹⁹ Karen Bohnert, *Midwest Dairy Producers Forced to Dump Milk*, Dairy Herd Mgmt. (June 7, 2023), https://www.dairyherd.com/news/business/midwest-dairy-producers-forced-dump-milk?mkt_tok=ODQzLVlHQi03OTMAAAGMOWxzKgatXlvKQvtewx9-l5o6t3fGerxjkDrtW_FAw80GthK3KBKWG-L9wi7K0kZGhWvvlZzlfMqecPkzhTylvW5vquaCPcxcFwT5HV_UD9SbBOsuw.

²⁰ USDA’s Response to MIG Data Request, 2021 Info Request Excel File 03 – FMMO Other Uses Milk January 2015 - YTD 2021.xlsx

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Second, not only is milk being dumped at alarming rates, but many times in recent years FMMO Market Administrators have suspended or lowered performance standards because there is far more milk available than needed for fluid use. For example, in FMMO 1 (Northeast) there have been shipping percentage reductions approved for each year in the 2013 to 2023 period as well as routine authorizations for the “temporary dumping of surplus milk.”²¹

These facts demonstrate that there is more than enough fluid milk on the market to meet USDA’s adequate supply of milk standard, and that FMMOs are stimulating an oversupply of milk by setting prices out of line with the marketplace. This oversupply is so significant it has grown from a niche-industry issue to one of general consumer concern.²²

Additionally, USDA reported that in 2022 the mailbox milk price dairy farmers received (the actual milk check) was the highest level ever.²³ In 2021, USDA established the Pandemic Market Volatility Assistance Program (PMVAP) to provide assistance payments to dairy farmers who received a lower value for their milk due to market abnormalities caused by the pandemic. The first round of USDA’s pandemic volatility assistance program paid eligible dairy farmers dairy producers over \$250 million. In January 2023, announced a second round of PMVAP payments of \$100 million this year for a total of \$350 million.²⁴

These disparate market signals are resulting in an oversupply of milk in an economic environment not calling for the same.

4. Certain assumptions built into Class I pricing no longer hold

Despite the FMMO’s reliance on robust Class I demand as the cornerstone of pricing, USDA has not evaluated the elasticity of Class I products. Critically, USDA has not conducted and has no recent studies demonstrating that fluid milk demand is inelastic and can support unfettered price

²¹ *Policy Statements for Northeast Marketing Area's Handlers*, U.S. Dep’t of Agric., Agric. Mktg. Serv., https://www.fmmone.com/Policy_Statement_Handlers.htm

²² Meredith Lee, *Got Milk? Yes, actually, U.S. has too much.*, Politico (Nov. 6, 2021 7:00 AM), <https://www.politico.com/news/2021/11/06/got-milk-yes-actually-too-much-519775>; Hope Kirwan, *Coming together: Dairy Farmers debate plans for overseeing US milk supply*, Wis. Pub. Radio (Mar. 26, 2022 5:00 AM), <https://www.wpr.org/coming-together-dairy-farmers-debate-plans-overseeing-us-milk-supply>; Shaun Gallagher, *Down the drain: Wisconsin dairy farmers told to dump milk because of an oversupply in the market*, TMJ4 (Apr. 2, 2020), <https://www.tmj4.com/news/coronavirus/down-the-drain-wisconsin-dairy-farmers-told-to-dump-milk-because-of-an-oversupply-in-the-market>.

²³ Corey Geiger, *Mailbox milk prices reached a new record*, Hoard’s Dairyman (Apr. 3, 2023), <https://hoards.com/print-article-33422-permanent.html>

²⁴ *Pandemic Market Volatility Assistance Program*, U.S. Dep’t of Agric., Agric. Mktg. Serv., <https://www.ams.usda.gov/services/pandemic-market-volatility-assistance-program> (last visited June 13, 2023).

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increases to prop up the FMMO system. In response to data requests from this group to USDA in 2021, USDA asserted the following:

[MIG Request 16]. Any studies that USDA has conducted regarding whether or not the current FMMOs and their pricing formulas bring forth an adequate supply of fluid milk in total and with a breakdown between conventional and organic.

[USDA Response:] None have been conducted.

Additionally, perishability concerns are no longer the same as in the past and the reality for significant volumes of fluid milk is that products can be produced and stored for long periods (not just for ESL, but also HTST products). Similar to the issue above, in response to data requests from this group, USDA asserted it has conducted no recent studies regarding perishability of fluid milk.

[MIG Request 14.] Any studies that USDA has conducted regarding the perishability of fluid milk as related to or in support of a Class I differential.

[USDA Response:] No studies have been conducted.

Thus, the idea that fluid milk is “price inelastic” fails to be supported based on the current data developed by USDA.

In March 2023, Drs. Ishdorj and Capps completed a study of milk price elasticity. It showed that while milk is a relatively price inelastic product, price increases decrease volume by 0.24% to 0.40%. Additionally, specialty and value-added milk items were more price elastic than traditional white milk. For example, a 1% price increase is associated with 1.44% and 2.02% volume decreases for organic and lactose-free milk, respectively.²⁵

D. Current Federal Order Requirements or Industry Practices Relative to the Proposals²⁶

At present, the Class I price is the USDA regulated minimum price for fluid milk. It contains a base Class I differential of \$1.60, but ultimately is variable and changes monthly with the commodity prices for butter, powder, and cheese. The Class I price is also geographically variable

²⁵ Dr. Ariun Ishdorj and Dr. Oral Capps, Jr., *A Deeper Look at Milk and Competing Beverage Price Elasticities*, Int’l Dairy Foods Ass’n (Mar. 23, 2023).

²⁶ Addressing 7 CFR § 900.22(c).

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with county location adjustments. The Class I price formula includes a “skim mover,” which is determined via an average of Class III and Class IV skim milk prices. Finally, for fluid milk processors, milk received from producers but “lost” during the manufacturing process is priced at the lowest price class for the first 2% of pool plant “shrinkage,” and any shrinkage that exceeds 2% is priced at Class I.

The Class I price is a minimum price, with processors routinely paying prices above the minimum (“over-order premiums”). Organic milk is treated the same as conventional milk by FMMOs, despite conventional milk not being a substitute for organic milk and organic milk routinely commanding premiums far above conventional milk.

The “Class I price” generated by the Class I pricing formula is not the price dairy farmers are paid, nor is it the price milk processors ultimately pay; rather, the Class I price is used to determine both the minimum regulated uniform price and handler pool obligation. Generally, the higher the Class I price relative to other class prices, the higher the pool obligation for fluid milk processors. This pool obligation can also vary greatly based upon after-the-fact decisions made by Class III and IV handlers whether and how much milk to associate with the individual order pools every month. The intention for advance pricing for Class I milk is often a mirage when large negative producer-price differentials are announced in the middle of the following month after Class I processors have sold their milk based upon prices set to their customers in advance.

E. USDA’s Call for Additional Proposals

On June 1, 2023, USDA issued an Action Plan and Call for Proposals. MIG understands that USDA will be considering all proposals both in direct response to NMPF’s proposals, as well as those proposals related to pricing.

- “Based on the information submitted, USDA is considering initiation of a rulemaking proceeding that would include a public hearing to collect evidence regarding proposed changes to pricing provisions effective in all eleven FMMOs.” (Action Plan, emphasis added).
- “Before deciding whether a hearing will be held, USDA is providing the opportunity for interested parties to submit additional proposals regarding potential amendments to the current pricing provisions applicable to all FMMOs.” (Call for Proposals, emphasis added).

In response, MIG submits for USDA’s consideration the following proposals on pricing provisions applicable to all FMMOs. Each of MIG’s proposals not only relates to pricing provisions, but responds to some specific aspect of the proposals put forth by NMPF. Should the agency accept any of NMPF’s proposals for a hearing, MIG maintains that basic fairness and due process would

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require equal consideration of MIG’s proposals that respond to and advocate for alternatives to NMPF’s proposals.

F. Explanation and Purpose of Proposals²⁷

Long-term and continuing declines in Class I volume are in large part due to the consistent innovation of competing beverages that are more attractive to both consumers and businesses. The current FMMO pricing structure limits the ability of Class I to invest in improvements that can respond to its changing market, extending fluid milk share losses. The purpose of these proposals is to modernize Class I structure to address the inhibitors to innovation: price volatility, relatively higher prices, recognition of differentiation, and fewer risk management tools.

MIG respectfully requests that USDA promptly issue a Notice of Hearing on the below requested changes to Class I FMMO price formulas. The specific proposed language for each of these proposals can be found in **Exhibits A–F**, attached hereto. Those proposals are summarized here and then explained in detail below:

- 1) MIG Proposal 1 – Average of Plus Rolling Adjuster for “Class I Skim Milk Price Mover”
- 2) MIG Proposal 2 – Update the Base Class I Differential from \$1.60 to \$0.00
- 3) MIG Proposal 3 – Establish a \$0.55 Assembly Credit for Handlers
- 4) MIG Proposal 4 – Establish a \$0.60 Balancing Credit for Specialty Milk Producers
- 5) MIG Proposal 5 – Establish ESL Shrinkage Level
- 6) MIG Proposal 6 – Organic Exemption to Pooling Requirements

Note, Proposal 6 and Proposals 2, 3, and 4 all contain language designed to (a) credit dairy producers or 9(c) cooperatives for the costs of serving the Class I market and/or (b) designed to address the unique nature of balancing for specialty milks including certified organic milk. As such there would be overlapping language that would need to be coordinated if USDA includes multiple MIG proposals in its Proposed Rule. The language attached to this letter is drafted as if only each individual proposal is adopted, although the Milk Innovation Group supports adoption of all its proposals.

²⁷ Addressing 7 CFR § 900.22(a), (b), and (d)

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1. MIG PROPOSAL 1 – Average of Plus Rolling Adjuster for Base Class I Skim Milk Price

Risk management, no matter the FMMO class, is important to both producers and processors. There is a reason the industry united behind the current “average of plus adjuster” formula—it is “hedge-able” for Class I processors. The old “higher of” formula was not. There are Class I handlers participating in Class I hedging today, and MIG will present direct testimony at any hearing of handlers who utilize hedging under the current system. Additionally, more would do so if there was regulatory certainty that this agricultural industry standard practice would remain in place despite NMPF’s proposal to revoke it without justification. Thus, MIG submits this proposal in direct response and as an alternative to NMPF Proposal 3.

In spite of NMPF’s claims to the contrary, the current approach does not only benefit processors. The current formula also offers a more general benefit of lower price volatility throughout the market from farmer to consumer. This reduced volatility helps support the growth of the dairy industry as a whole, as it makes the cost of milk more stable and consistent for retailers and consumers.

Routinely updating the adjuster with a rolling average, instead of the current fixed \$0.74 adjuster, ensures that it continues to reflect current market conditions. Likewise, using a Rolling Adjuster, as opposed to a monthly “higher of” calculation, allows Class I risk management opportunities.

Thus, instead of reverting to the “higher of,” we propose an approach that would preserve risk management opportunities for both processors and producers: an “average of” formula with the adjuster updated monthly using a 24 month look back period with a 12-month lag. Specifically, one would:

- A. For each of the preceding months, calculate the “higher of” the advanced Class III or IV skim price (in other words, the pre-May 2019 method).
- B. For each of the preceding months, calculate the “average of” the advanced Class III and IV skim price (in other words, the post-May 2019 method, without the \$0.74).
- C. Calculate the difference between (A) and (B).
- D. Monthly, calculate the adjuster by averaging (C) for the preceding 24 months with a 12-month lag (this is the “Rolling Adjuster”). For example, if this were in place now, the Rolling Adjuster for January 2023 would have been average of (C) for January 2020 to December 2021. And then the Rolling Adjuster for February 2023 would be the average of (C) for February 2020 to January 2022. And so on.
- E. Monthly, average the Class III and IV skim prices for that month and add (D) (the Rolling Adjuster).

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MIG’s proposal aligns with other elements of the Class I price formula that also change monthly and fulfills the key policy goals of the “mover.” The 12-month lag is critical for processors to be able to stake their positions and hedge the market. The 24-month lookback stabilizes the price, a benefit to the entire industry as it makes dairy a more reliable and “safe” purchase for retailers (particularly restaurants). Finally, the rolling adjuster gives updated market signals to producers to produce milk at the appropriate rates. It also makes it easier for a processor to absorb that level of month-to-month volatility since it dampens the overall impact of the changes in any given fiscal quarter/year versus the prior year.

Like NMPF’s Class I skim price proposal, this would require modification of 7 CFR § 1000.50(b). The regulatory language for this proposal is in **Exhibit A**. Critically, MIG’s proposal is estimated to have a negligible immediate impact on producer and processor’s prices, and a negligible immediate impact on consumer prices. In fact, **in MIG’s initial analysis MIG’s proposal returns roughly equal to or higher than what the “higher of” would have returned for producers in recent years.** However, MIG’s proposal may have long-term positive impacts (i.e., lower costs) for processors and retailers given the ability to hedge and decreased variability in customer pricing.

2. MIG PROPOSAL 2 – Update the base Class I differential from \$1.60 to \$0.00.

This proposal eliminates the base Class I differential on the basis that the economic justifications for it no longer exist. USDA developed the base Class I differential during Federal Order reform, determining producers must be compensated: (1) \$0.40 for maintaining Grade A status; (2) \$0.60 for bearing balancing and marketing costs; and (3) \$0.60 to incentivize service to the Class I market. However, as explained in the three subparts of this proposal, none of these justifications exist any longer. Thus, the base Class I differential must be set at zero.

MIG submits this proposal in direct response and as an alternative to NMPF Proposal 5. When considering the base Class I differential underlying both NMPF’s proposals and the current \$1.60 base differential, MIG concluded that the justifications for the \$1.60 base no longer hold true. The fundamental idea of FMMOs that fluid milk is both the problem and the solution to the problem does not hold in today’s world.

The regulatory language to implement this proposal amends 7 CFR § 1000.52, the Class I differential for each county in the continental 48 states. The regulatory language for this proposal is in **Exhibit B**.

MIG’s proposal does not include revising the current price surface adjustments (which MIG opposes). MIG does not dispute there is a location value for milk and that the Act requires the Secretary to bring forth an adequate supply of milk for fluid use. But setting the Class I differentials at too high a level does indeed “result in artificially-induced overproduction . . . [and]

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reduc[es] fluid milk consumption by consumers.”²⁸ It is also not in the public interest. Thus, MIG proposes the appropriate and economically-justified base Class I differential of \$0.00, adjusted for location value at the current price surface adjustments.

MIG’s proposal will reduce processor costs by \$1.60/cwt and reduce the pool contribution by Class I handlers by \$1.60/cwt (thereby reducing the uniform producer price by a lesser amount, but that has to be determined by consideration of the pool calculation as a whole). There is no indication that MIG’s Proposal 2 would increase prices for consumers.

a. Proposal 2A – Eliminate the Grade A compensation portion of the Class I differential.

The \$1.60 Base Class I Differential is made up of, in part, \$0.40 as compensation to producers for producing Grade A milk. Milk in the New England and Other Marketing Areas, 63 Fed. Reg. 4802, 4907–08, (Jan. 30, 1998) (“It has been estimated that this value may be worth approximately \$0.40 per hundredweight.”). MIG proposes eliminating this compensation and reducing the Class I Differential by \$0.40.

Historically, this \$0.40 Grade A compensation mattered given that the cost of maintaining Grade A status was unique to producers supplying Class I processors. Decades ago, there were significant amounts of Grade B milk on the market, and Class III and Class IV products were oftentimes made with Grade B milk. But now nearly all (at least 99.5% of milk)²⁹ is Grade A, and Class III and IV products are made with Grade A milk. Given that Class III and IV prices (including make allowances) are intended to be market clearing, they account for this cost of Grade A status. The Class I price is built upon the Class III price, so including \$0.40 as compensation on top of the Class III price is a “double dip” for Grade A milk.

The Grade A compensation portion of the Class I differential is antiquated and discriminatory now that virtually all milk is Grade A, and USDA should eliminate this double compensation for producers.

²⁸ Milk in the New England and Other Marketing Areas; Decision on Proposed Amendments to Marketing Agreements and to Orders, 64 Fed. Reg. 16026, 16116 (Apr. 2, 1999).

²⁹ *Milk Production, Disposition, and Income 2022 Summary*, U.S. Dep’t of Agric. Nat’l Agric. Statistics Serv. (Apr. 2023), <https://downloads.usda.library.cornell.edu/usda-esmis/files/4b29b597479409c30t/6w925r29k/mlkpd23.pdf>.

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b. Proposal 2B – Eliminate the balancing compensation portion of the Class I differential.

In proposing and ultimately adopting Option 1A during Federal Order Reform in 1999, USDA stated that \$0.60/cwt “reflects the marketing costs incurred in supplying the Class I market.” These are primarily market balancing costs for “seasonal and daily reserve balancing of milk supplies . . . and opportunity or “give-up” charges at manufacturing milk plants that service the fluid Class I markets.” 63 Fed. Reg. at 4908. In other words, the Class I differential compensates farmers \$0.60 for costs supposedly borne at the farm level to balance the market.

Things have changed over the last 25 years. Market balancing costs do not belong in the regulated minimum price. Sometimes these costs are borne by producers/cooperatives, but other times by processors. For example, longer storage time for extended shelf-life products allows processors to manage supplies and inventory to balance the market (at a cost to the processor). In other scenarios, the processor may accept even day receiving and remain open to receiving milk on weekends or holidays. Balancing arrangements can also vary regionally. The myriad of situations in which a processor (and note the farmer) can provide and bear the costs of balancing proves it does not belong in the minimum price. In any event, the market can, should, and does price balancing services.

The market balancing costs of \$0.60 in the \$1.60 base Class I differential should be eliminated.

c. Proposal 2C – Eliminate the \$0.60 amount allegedly “necessary” to incentivize service of the fluid market.

A recent report by the Congressional Research Service notes that one of the main objectives of FMMOs are to “promote orderly marketing conditions in fluid milk markets.”³⁰ The Federal Orders were conceived at a time when the fluid use of milk represented about two-thirds of the utilization in FMMOs, and both the problems and the solutions were built around fluid regulations. Today, less than one-third of FMMO utilization is Class I and less than 20% of all usage (regulated and unregulated) is fluid milk. Manufactured dairy products are the primary use of farm milk today.

When developing the proposed rule on the base Class I differential under Federal Order Reform, USDA determined that the remaining \$0.60 constitutes necessary compensation to incentivize producers to supply milk for fluid use, rather than manufacturing purposes. USDA considered this

³⁰ *Federal Milk Marketing Orders: An Overview*, Congressional Res. Serv. (June 15, 2022), <https://crsreports.congress.gov/product/pdf/R/R45044/5>

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amount the necessary addition to the then-current \$1.04 to attract sufficient supplies of milk for fluid use, as opposed to manufacturing use.

Option 1A presumes that the \$1.04 per hundredweight minimum Class I differential is no longer adequate to ensure a sufficient supply of milk due to the competitive nature of the manufacturing facilities in this region. Thus, Option 1A establishes an additional competitive factor into the development of the base zone Class I differential. Option 1A values this competitive factor to be worth about \$0.60 per hundredweight. This value reflects approximately two-thirds of the actual competitive costs incurred by fluid plants to simply compete with manufacturing plants for a supply of milk.

63 Fed. Reg. at 4907–08.

MIG now proposes a reexamination of this component, based on data from economic programs long utilized by USDA in setting dairy pricing systems. The U.S. Dairy Sector Simulator (USDSS) is a spatial model of the U.S. dairy industry that has been used by the USDA to help understand the relative relationships of milk values across the 48 contiguous states.³¹ This model takes milk and its components at the county level and then is tasked to assemble farm milk for fluid and manufacturing plants and distribute the finished products in the most cost efficient way possible. Actual road mileages with estimates of transportation costs are calculated. Milk components must move to existing U.S. plants to be made into 21 dairy products for final demand in domestic consumption and for export. USDA used this USDSS model during Federal Order Reform to determine the price surface for the Class I price. 64 Fed. Reg. at 16037 (Apr. 2, 1999) (“The adopted Class I pricing structure establishes a price surface that utilizes USDSS model results adjusted for all known plant locations and establishes differential levels that will result in prices that generate sufficient revenue to assure an adequate supply of milk.”)

In the USDSS, the raw milk flows from farm to dairy plants, and finished products to consumers, representing the “primal solution” of the model. The model can also be used to generate the “dual solution” which is an indication of the marginal value of milk in any location and for any product. It is these dual solutions for Class I milk that is the starting point for Class I differentials.

The dual value can be interpreted as how much cost savings to the entire dairy market if another hundredweight of milk was available at a specific location. For differentials, it is the standardized value at fluid plants that is used. So, for example, the model results might indicate that the

³¹ James E. Pratt, Phillip M. Bishop, et al., *A Description of the Methods and Data Employed in the U.S. Dairy Sector Simulator, Version 97.3*, Cornell Univ. Dep’t of Agric., Resource & Managerial Econ. (July 1997), <https://dairymarkets.org/pubPod/pubs/RB9709.pdf>.

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marginal value of another cwt of milk in Miami was \$5.40, but in Milwaukee the marginal value might only be \$0.15. Economists refer to this difference as a “price relative.” Somewhere in the country the marginal value of another cwt of milk will actually be \$0. To get a Class I differential, a fixed increment is added to the dual value everywhere.

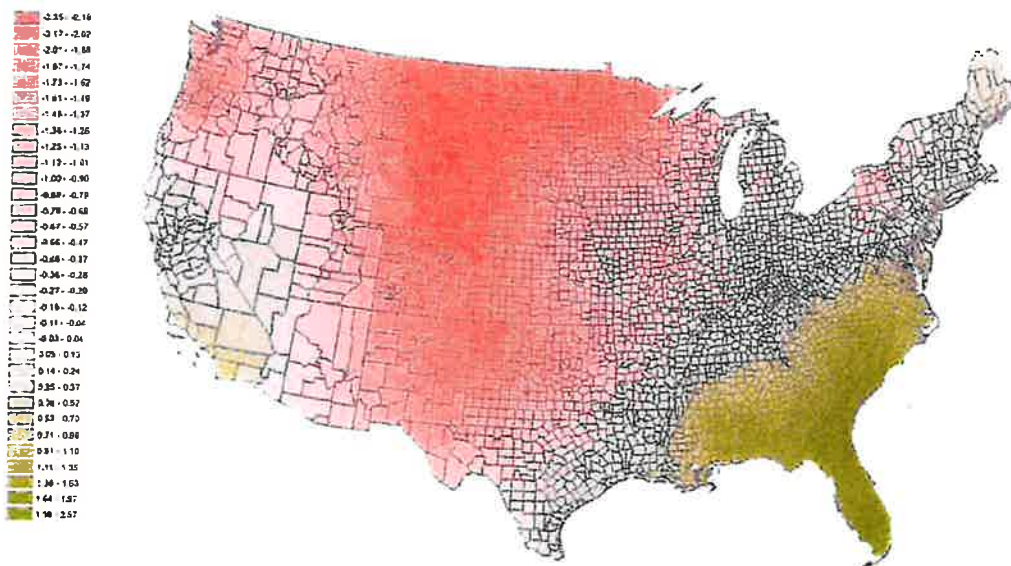
In the recent past, \$1.60 has been the fixed increment resulting in \$6.00 differential in Miami and \$1.75 in Milwaukee. Part of the justification for this fixed increment is to help attract milk to fluid milk plants and to help further the goals of an efficient market. FMMOs have only recognized the spatial differences in *fluid milk* values across the country, but there are values for milk used in other products too. These values can be different—even at the same location—because the model can find a more market efficient solution with different products. For instance, in some locations another hundredweight of milk will reduce the marketing costs of the dairy industry more in a fluid plant than in a manufacturing plant. But, in other locations, the model can find additional cost savings for milk in a cheese plant rather than a fluid plant.

MIG worked with Dr. Mark Stephenson to use the USDSS model to measure the comparative dual values of Class I versus a manufacturing class. Using March 2016 dual values for Classes I and III across the country, one can highlight the relative value of milk in plants. The green-shaded regions of the map below show where milk in fluid plants lowers market costs more than milk used for cheese. The red regions highlight where milk in a cheese plant lowers industry costs more. The grey regions are about of equal value in either plant.

This map demonstrates that at a *national* level, fluid milk plants have no need to compel the production of more milk to ensure a sufficient supply of fluid milk. In fact, setting an “incentive” mark up on fluid milk prices in the red regions distorts markets by both stimulating unneeded raw milk but also signaling a value for Class I proceeds that do not exist (and in fact are likely negative). The fixed increment added to Class I price relatives is one of the places where Class I dollars may be misdirected, exacerbating the problem rather than correcting it.

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Difference in the Marginal Value of Milk in Class I minus Class III Plants.



Today, milk supply is more than ample. So ample, in fact, that there are some orders regularly authorize dumping of pool milk (evidence of which MIG intends to introduce at the hearing). The amount necessary to incentivize delivery to a fluid plant is significantly less in this milk-abundance environment and, based on the long-respected and relied upon analysis above, should be set at zero. Dairy markets have changed a great deal since the 1940s. Trying to address fluid milk problems with fluid milk solutions only is too simplistic in a complex marketplace where incorrect price signals can create disorderly markets.

3. MIG PROPOSAL 3 – Establish a nationwide assembly credit for all Class I handlers.

All dairy farmers share in the benefits of the marketwide pool, but only those dairy farmers actually shipping milk to Class I incur the costs for doing so. To fairly allocate pool funds, an assembly credit compensates dairy farmers for incurring costs that not all dairy farmers incur. Thus, MIG submits this proposal in response to NMPF’s proposals given NMPF’s estimate on the impact its proposals will have on Class I prices. The regulatory language for this proposal is in **Exhibit C**.

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Assembly credits are a concept that already exists in FMMO 30 (Upper Midwest), intended to offset the costs of assembling milk for delivery to fluid milk plants in lieu of non-fluid milk plants. Assembly credits serve to actually bring forth an adequate supply of fluid milk by rewarding Class I service to incentivize voluntary participation in the same (as opposed to a “call provision,” which forces participation only when there is a shortfall).

Our proposal is to create a nationwide credit to handlers against their pool obligation, but paid to dairy farmers (not a reduction in the total dollars paid, but a credit against the pool obligation), on milk received at Class I plants. While the credit is a redirection to producers for direct-ship milk, the credit for non-direct ship milk (*i.e.*, that supplied by 9(c) handlers) is to be retained by that handler. At a hearing, MIG will present evidence to support that the assembly costs are, as a national average, \$0.55. These costs include expenses for multi-stop routes, equipment costs for loading and transfer, and other expenses to be presented at the hearing. Additionally, assembly credits compensate producers directly for efforts to share supplemental milk transportation costs when combining loads, which supports service during times of milk deficits.

MIG’s proposal will reduce processors’ pool obligations but have no impact on their overall costs. MIG’s proposal will increase certain producers serving Class I plants payments by \$0.55/cwt and have a lesser impact on producers paid out of the pool. But MIG’s proposal will directly benefit smaller farms who bear greater costs of getting their milk assembled and the producers who assemble the milk. MIG’s proposal will likely have no impact on consumer prices.

This Proposal aims to fulfill the same policy goals and address the same market conditions as Proposal 2, albeit with a different approach. Proposal 3 (and similarly, Proposal 4) adapts the FMMO system to better direct incentive to service the fluid market to those farmers actually supplying the Class I plant. A marketwide service incentive (like the current \$1.60 base Class I differential) sends market signals too far and too wide, resulting in oversupplies of milk and geographic misalignment of needs. Should any Class I service incentive be needed, it must be tailored to ensure only a sufficient supply of fluid milk and not a nationwide proliferation of milk supplies.

4. MIG PROPOSAL 4 – Establish a balancing credit for specialty fluid milk.

Part of the cost justification for the base Class I differential is daily and seasonal balancing, as well as the ability to service the Class I market under performance standard provisions or similar mechanisms. Of the base Class I differential of \$1.60, about \$0.60 is allocated to compensation for these efforts. 63 Fed. Reg. at 4908. However, specialty milk supplies (e.g., A2, grass-fed, organic) cannot rely on the general FMMO pool for balancing. Instead, many such processors balance their supplies of specialty milk by receiving milk every day, not adjusting for seasonal or daily needs in the same manner as the conventional market. As the FMMOs are unable to fulfill

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“the bargain” to supply additional milk for organic, A2, or grass-fed milk, modified treatment for these milks is appropriate. Thus, MIG submits this proposal in direct response and as an alternative to NMPF Proposals 5. The regulatory language for this proposal is in **Exhibit D**.

This proposal would create a credit for specialty milk handlers of \$0.60 that the handler would then pay to the specific producers supplying the handler. This proposal redirects a part of a processors’ producer settlement fund obligation to the processor’s specific suppliers who supply specialty milks: organic, grass-fed, and/or A2. Modified treatment is appropriate as the characteristics of these milks are not aligned with the traditional FMMO paradigm.

MIG understands this proposal would likely require parameters to ensure the credit is used as intended. Thus, under this proposal MIG limits the ability to pool other milk through “diversions or transfers” to other handlers and allocating any milk that must be balanced by another handler to “other source milk” (down allocating the milk to the lowest priced class for the month). These elements are included in the proposed language.

MIG’s proposal will reduce processors’ pool obligations but have no impact on their overall costs. MIG’s proposal will increase certain specialty milk producers payments by \$0.60 /cwt, and have a lesser impact on producers paid out of the pool. MIG’s proposal will likely have no impact on consumer prices.

5. MIG PROPOSAL 5 – Adjust ESL shrinkage.

Currently, under the FMMOs pool plant shrinkage that exceeds 2% is priced at Class I. Shrinkage that does not exceed 2% is assigned to the lowest price class. Due to engineering and operating differences, ESL processing experiences shrinkage above 2%. Thus, MIG submits this proposal as a necessary pricing update and generally in response to the NMPF proposals.

MIG submits this proposal in response to NMPF’s proposals given NMPF’s estimate on the impact its proposals will have on Class I prices. The regulatory language for this proposal is in **Exhibit E**. MIG’s proposal will slightly reduce ESL processors’ costs. MIG’s proposal will have a negligible impact on producer or consumer prices.

The Dairy Institute of California raised this issue at the hearing establishing FMMO 51 in California. There, the testimony demonstrated ESL shrinkage of about 5%. Industry and USDA data confirm this finding. Ultimately, USDA decided to align the FMMO 51 shrink provisions with the other 10 FMMOs—i.e., it was viewed as a national, not a California, matter. Now is the appropriate time to address this straightforward issue on a national basis.

This proposal updates the shrink allowance for ESL products to 5%. We have begun work to update the industry data reviewed at the California hearing to present to USDA at any hearing in

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support of this proposal. It should be noted that all plants have every incentive to minimize shrinkage as plants do not generate any sales from milk lost to shrinkage, so nothing about this proposal will encourage any change in the approach to the same.

6. MIG PROPOSAL 6 – Organic Milk Exemption

One of the key justifications for mandatory Class I participation in FMMOs is the ability of the FMMO to service the Class I market utilizing performance standards (e.g., shipping percentages, touch base requirements and in the past “call provisions” or similar mechanisms). But FMMOs are unable to fulfill “the bargain” to supply additional milk for USDA certified organic fluid use. FMMO pool milk is not a substitute for organic milk.

Organic milk makes up about seven percent of fluid milk volume and only about three percent of milk production in the United States but is forced to participate in the order system from which it cannot draw the primary benefit. *See supra* note 4. Modified treatment for certified organic milk is long overdue. Moreover, traditionally organic milk is subject to longer term contracts and is not subject to classified pricing (i.e., all organic milk is paid one premium price regardless of how it is used). The so-called and alleged destructive competition that gave rise to the Agricultural Marketing Agreement Act and FMMOs is not applicable to organic milk.

The quid pro quo that serves as the basis for the Class I-led FMMO system is that, in exchange for higher minimum prices, Class I processors have priority access to milk supplies. It is, in fact, the only benefit that Class I processors receive from an FMMO system. In times of shortages of organic milk, an FMMO Market Administrator cannot resolve this situation by calling for the provision of additional supplies from conventional dairy farmers.

FMMOs provide orderly marketing because they ensure that farmers who produce essentially interchangeable product receive equal minimum prices for their milk, regardless of the ultimate use of the milk. The philosophy behind the notion that all farmers should share in the higher value (Class I) and lower value (other Classes) markets is that each participating farmer could, given the opportunity, have served the higher value market. In the case of organic fluid milk, though, conventional farmers are not producing an interchangeable good, and, under federal law, could not participate in the higher value Class I organic fluid milk market. Thus, under current FMMOs, organic milk farmers are being forced to forego potential revenues that are paid into the settlement pool to be shared with farmers who are not producing a comparable product.

Under MIG’s proposal, USDA certified organic milk that is priced above the Class I minimum price is exempt from mandatory pooling. In other words, a handler of certified organic milk that meets or exceeds the FMMO regulated minimum Class I price for the purchase of certified organic milk (whether direct ship or 9(c) cooperative) would be exempt from mandatory pooling for such milk. Using Class I as a standard ensures that organic milk will always be paid at the highest

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conventional price for that order – a benefit for farmers. The handler (and the organic milk) would remain subject to reporting requirements, enforcement mechanisms, administrative fees and “in” the FMMO system. The regulatory language for this proposal is in **Exhibit F**.

First, MIG’s proposal seeks to remedy the current disorderly marketing conditions that result from USDA certified organic milk contributing money to producer settlement funds without any evidence that the FMMOs can provide an adequate supply of organic milk to organic processors. This proposal is in direct response to NMPF’s Proposal 5, in that it seeks to correct the fact that the factors supporting application of the Base Class I Differential and Price Surface to USDA certified organic milk do not exist.

Secondly, this type of pricing disparity for the type or quality of milk is specifically contemplated by the Act and entirely consistent with the principles of uniform pricing. 7 U.S.C. § 608c(5)(A) (“Such prices shall be uniform as to all handlers, subject only to adjustments for (1) volume, market, and production differentials customarily applied by the handlers subject to such order, (2) the grade or quality of the milk purchased, and (3) the locations at which delivery of such milk, or any use classification thereof, is made to such handlers. (emphasis added)).

The proposal does not affect in any way the existing FMMO processor assessments for auditing and verification—all of which would remain in effect. The Market Administrators would still need to review books and records in order to verify the application and level of any exemption. Since the Market Administrators would have access to the books and records, they could also collect and publish (subject to confidentiality concerns if there were to be fewer than 3 handlers) market information that would be useful to farmers and other interested persons.

MIG’s proposal addresses pricing for organic milk, with corresponding revisions to the definitions of Part 1000 to ensure the proposal only applies as intended and provides guardrails. The regulatory language for this proposal would define organic milk (adding § 1000.20) and would amend § 1000.50 by adding a new subparagraph (r) regarding the treatment of organic milk. The proposed regulatory language also would amend other definitions as guardrails to protect against a handler benefiting from the exemption for organic milk and then in turn burdening the pool. Thus, under this proposal, MIG limits the ability to pool other milk through “diversions or transfers” to other handlers and by specifying that organic milk pooled as conventional is “other source milk” (i.e., down allocating the milk to the lowest priced class for the month). These elements are included in the proposed regulatory language.

MIG’s proposal will reduce organic handlers’ pool obligations but has no guaranteed impact on their overall costs. MIG’s proposal may increase certain specialty milk producers payments, but, given the nature of the premium payments already utilized, any change is speculative. MIG’s proposal will likely have no impact on consumer prices.

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G. Cost Impact of the Proposal on the Industry³²

The precise impacts of the proposals should be analyzed by USDA using a preliminary economic analysis. MIG included estimates in each individual Proposal of its impact on producers and processors.

From a consumer perspective, MIG's proposals will likely result in a positive change. In 2023, USDA predicts that all food prices will increase 7.5 percent, which is over and above the 2022 food price increase of 9.9 percent. To add insult to injury, *ultimately any increase in Class I prices will increase costs for consumers* buying a gallon of milk. MIG's proposals counteract these trends and will not put any pressure on increasing prices for fluid milk dairy products. They also will likely result in more options and variety of fluid milk products for consumers.

There would be a one-time cost to the market administrator offices of developing revised software to capture the proposals. Market administrator offices will continue to have ongoing costs of audits; handlers pay for these costs through assessments. MIG does not anticipate its proposals would have any appreciable cost impact to the Market Administrator, USDA, or the Secretary.

H. Expected Effects on Small Businesses³³

The impacts on small businesses as defined by the U.S. Small Business Administration are described above, including that the current system is unsustainably burdening fluid milk processors many of whom qualify as small businesses as defined by SBA. The impact of MIG's proposals are to either reduce the burden on fluid milk processors or to ensure producers who serve the fluid milk market are paid for those efforts. Given a) that FMMO prices are regulated minimums and USDA has in the past recognized that prices actually received by dairy farmers will vary from regulated minimums; and b) that dairy farmers with investments in fluid milk facilities bear the burden of these significant costs which then depress prices paid to the very dairy farmers who own the facilities, small businesses in these respective industry roles may not be impacted or may benefit.

I. Would a pre-hearing information session be helpful to explain the proposal?³⁴

Yes, MIG welcomes a pre-hearing information session to explain its proposals.

³² Addressing 7 CFR § 900.22(f).

³³ Addressing 7 CFR § 900.22(e).

³⁴ Addressing 7 CFR § 900.22(g).

Ms. Dana Coale, Deputy Administrator
USDA – AMS – Dairy Programs
June 14, 2023
Page 28


J. Conclusion

Every day that goes by the Class I market suffers and, by extension, dairy farmers and the entire FMMO system suffer, depending as it does on the Class I revenue stream to fund the producer settlement funds. The industry needs this petition considered promptly to address these serious economic problems. Any FMMO hearing involving Class I must include consideration of alternatives that *remove barriers to Class I innovation and compensate dairy farmers who ship milk to fluid milk plants*. Leaving Class I trapped in antiquated pricing models spells long-term failure for the FMMO system. Now is the moment to bring FMMOs into the present and establish a regulatory system with fairness and longevity.

MIG urges USDA to include its proposals for consideration in any upcoming hearing.

Respectively Submitted,

Davis Wright Tremaine LLP



Charles M. English, Jr.



Ashley L. Vulin
CE:AV:af

Encls.: Exhs. A-F

- | | |
|---|---|
| <p>cc: Via Email Only
Bruce Summers, USDA
Erin Taylor, USDA
Anderson Erickson Dairy Co., Inc.
Aurora Organic Dairy
Crystal Creamery
Danone North America
Fairlife
HP Hood LLC</p> | <p>Organic Valley/CROPP Cooperative
Shamrock Foods Company
Shehadey Family Foods, LLC
(Producers Dairy Foods, Inc.; Model Dairy, LLC; Umpqua Dairy Products Co.)
Turner Dairy Farms</p> |
|---|---|

EXHIBIT F

MIG Proposal 6 – USDA Certified Organic Milk Exemption from Pool Obligation

This proposal amends 7 C.F.R. § 1000 as follows. Additions are red font. Deletions are red strikethrough font.

§ 1000.14 Other source milk.

(d) Receipts of any USDA certified organic milk not used to produce USDA certified organic products.

§ 1000.15 Fluid milk product.

(b) The term fluid milk product shall not include.

- (1) Any product that contains less than 6.5 percent nonfat milk solids and contains less than 2.25 percent true milk protein; whey; plain or sweetened evaporated milk/skim milk; sweetened condensed milk/skim milk; yogurt containing beverages with 20 or more percent yogurt by weight and kefir; products especially prepared for infant feeding or dietary use (meal replacement) that are packaged in hermetically sealed containers; and products that meet the compositional standards specified in paragraph (a) of this section but contain no fluid milk products included in paragraph (a) of this section
- (2) The quantity of skim milk equivalent in any modified product specified in paragraph (a) of this section that is greater than an equal volume of an unmodified product of the same nature and butterfat content.
- (3) Any USDA certified organic product meeting the requirements specified in paragraph (a) of this section and §1000.50(r).

§ 1000.16 Fluid cream product.

Fluid cream product means cream (other than plastic cream or frozen cream), including sterilized cream, or a mixture of cream and milk or skim milk containing 9 percent or more butterfat, with or without the addition of other ingredients. The term fluid cream product shall not include USDA certified organic products and that meet the requirements §1000.50(r).

§ 1000.20 USDA Certified Organic Milk.

USDA certified organic milk means milk that has been certified organic pursuant to 7 U.S.C. §6501 *et seq.* and 7 C.F.R. §205 *et seq.*

§ 1000.50 Class prices, component prices, and advanced pricing factors.

(r) *USDA Certified Organic Milk.* All USDA Certified Organic Milk that receives a producer pay price which meets or exceeds the Class I price defined under subparts (a) – (c) of this Section shall be excluded from mandatory pooling and exempt from the producer-settlement fund payments of a handler under §1000.70 so long as each of the handler’s payments to producers, dairy farmers, and cooperative associations for USDA certified organic milk satisfies the price requirement.



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*Margaret Co
6-20-23
12:41 pm*

June 20, 2023

Via Hand Delivery and Email
Dana.Coale@usda.gov
FMMOHearing@usda.gov

STAMP & RETURN

Ms. Dana Coale, Deputy Administrator
USDA – AMS – Dairy Programs
1400 Independence Avenue, SW
Washington, D.C. 20250-0225

Re: Revised Proposals to Petition of the Milk Innovation Group (“MIG”) For a Hearing to Amend Federal Milk Marketing Orders

Dear Deputy Administrator Coale:

In response to USDA’s Action Plan and Call for Proposals announced on June 1, 2023, the Milk Innovation Group (“MIG”)¹ petitioned the Secretary of Agriculture to consider its additional proposals (the “Petition”) to amend all current Federal Milk Market Orders (FMMOs), 7 C.F.R. Parts 1000–1135. On June 16, 2023, USDA held a Pre-Hearing Information Session. MIG hereby resubmits its Petition, with its individual proposals revised in light of discussions at the Pre-Hearing Information Session.

A. Introduction and Summary

MIG restates and incorporates by reference here its Petition submitted on June 14, 2023. Herein, MIG explains the revisions it made to its individual proposals and includes the update proposed regulatory language for the same. MIG requests that USDA treat these revised proposals as MIG’s operative proposals for any upcoming hearing.

¹ The members of MIG are: Anderson Erickson Dairy Co., Inc.; Aurora Organic Dairy; Crystal Creamery; Danone North America; Fairlife; HP Hood LLC; Organic Valley/CROPP Cooperative; Shamrock Foods Company; Shehadey Family Foods, LLC (Producers Dairy Foods, Inc.; Model Dairy, LLC; Umpqua Dairy Products Co.); and Turner Dairy Farms.

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June 20, 2023
Page 2

1. MIG PROPOSAL 1 – Average of Plus Rolling Adjuster for Base Class I Skim Milk Price

MIG will present evidence at any hearing in support of its Proposal 1 and reiterates the need for risk management tools for Class I processors and supports USDA adopting its Proposal. MIG proposes an approach that would preserve risk management opportunities for both processors and producers: an “average of” formula with the adjuster updated monthly using a 24-month look back period with a 12-month lag, *i.e.*, the preceding the 13 to 36 month period. For clarity, MIG provides this example of how its Proposal 1 would work in practice for January 2024:

- A. For each prior month, calculate the “higher of” the advanced Class III or IV skim price (in other words, the pre-May 2019 method).
- B. For each prior month, calculate the “average of” the advanced Class III and IV skim price (in other words, the post-May 2019 method, without the \$0.74).
- C. Calculate the difference between (A) and (B).
- D. Monthly, calculate the adjuster by averaging (C) for the preceding 13 to 36 month period (this is the “Rolling Adjuster” with a 24 month look back period with a 12 month lag). For example, if this were in place for January 2024, the Rolling Adjuster would be the average of (C) for January 2021 to December 2022. And then the Rolling Adjuster for February 2024 would be the average of (C) for February 2021 to January 2023. And so on.
- E. Monthly, average the Class III and IV advanced skim prices for that month and add (D) (the Rolling Adjuster).

To further clarify this application of Proposal 1, MIG added additional language to its updated proposal in **Exhibit A** to make clear the operation of the Rolling Adjuster (new language underlined):

Class I skim price adjuster. The Class I skim price adjuster per hundredweight shall be a 24-month simple average of the difference between the higher of the advanced pricing factors computed in paragraph (q)(1) and (2) and the simple average of same for the preceding 13 to 36 month period.

2. MIG PROPOSAL 2 – Update the base Class I differential from \$1.60 to \$0.00.

MIG will present evidence at any hearing in support of its Proposal 2, a change driven by the unavoidable realities of the dairy market. MIG did not make any revisions to the regulatory language for its Proposal 2, and resubmits here, **Exhibit B**, the version previously submitted on June 14.

Ms. Dana Coale, Deputy Administrator
USDA – AMS – Dairy Programs
June 20, 2023
Page 3

3. MIG PROPOSAL 3 – Establish a nationwide assembly credit for all Class I handlers.

MIG will present evidence at any hearing in support of its Proposal 3, a credit MIG maintains appropriately incentivizes Class I supplies and compensation for the same. MIG revised its Proposal 3 to correct a typographical error regarding the amount of the assembly credit. That credit should be \$0.55, not \$0.56, and the updated **Exhibit C** reflects the correct amount.

4. MIG PROPOSAL 4 – Establish a balancing credit for specialty fluid milk.

MIG will present evidence at any hearing in support of its proposal to establish a specialty milk balancing credit. In response to USDA’s technical questions at the public information session, MIG submits a revised version of Proposal 4 which is intended to clarify (a) the third party verification standard for grass-fed and A2 milk, (b) the definition of the producer milk eligible for the credit; and (c) that handlers cannot divert off the milk that receives this credit. The updated **Exhibit D** reflects these clarifying revisions.

5. MIG PROPOSAL 5 – Adjust Allowable ESL shrinkage.

MIG will present evidence at any hearing in support of its proposal to adjust shrinkage for extended shelf life (ESL) processing, including ultra-pasteurized and aseptic Class I facilities. In response to USDA’s technical questions at the public information session, MIG submits a revised version of Proposal 5 which is intended to clarify the treatment of partially regulated plants with ESL milk.

The threshold for a partially regulated plant would be the same threshold applicable to a 7(b) plant for the order in which partially regulated plant has route disposition (*e.g.*, 25% for Order 1 and 50% for Order 5). The revised language also replaces the word “extent” with “volume” to clarify which milk is subject to the additional allowable shrink. The updated **Exhibit E** reflects these clarifications.

6. MIG PROPOSAL 6 – Organic Milk Exemption.

MIG will present evidence at any hearing in support of its Proposal 6, a change driven by the unavoidable reality that FMMO pool milk is not interchangeable with or a substitute for USDA certified organic milk. In response to USDA’s technical questions at the public information session, MIG submits a revised version of Proposal 6 which is intended to clarify that the proposed language in § 1000.15 and § 1000.16 apply only for pricing and pooling purposes and that the reporting handler shall nonetheless report its organic milk receipts as defined by § 1000.40 to the Market Administrator, explicitly identifying the USDA certified organic milk. AMS should have no difficulty confirming, by reviewing the handler’s records, that the milk is certified organic by AMS under the National Organic Program. For instance, the NOP maintains the up-to-date

Ms. Dana Coale, Deputy Administrator
USDA – AMS – Dairy Programs
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Page 4

Organic INTEGRITY database regarding certified organic operations and organic handlers are required to maintain organic certificates.

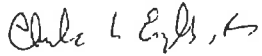
MIG also responds to USDA’s inquiry for proposed § 1000.50(r) with respect to which Class I price the processor must equal or exceed by replacing “(a) – (c)” with “(b) plus (c).” Finally, to address USDA’s concern about for which month should the exemption apply, MIG proposes to add language that the exemption shall apply if the requirements have been met for each of the three preceding months. So for July, the exemption would be available in July, if the requirements were met for each month, April, May, and June of the same year. This addition also should add protections against a handler jumping in and out of the pool should there be, for instance, an unusual price inversion. MIG also proposes a special provision for newly certified organic milk handlers. The updated **Exhibit F** reflects these revisions.

B. Conclusion

MIG urges USDA to include all of its proposals for consideration in any upcoming hearing.

Respectfully Submitted,

Davis Wright Tremaine LLP



Charles M. English, Jr.



Ashley L. Vulin
CE:AL:af

Encls.: Exhs. A-F

cc: *Via Email Only*

Bruce Summers
Erin Taylor
Anderson Erickson Dairy Co., Inc.
Aurora Organic Dairy
Crystal Creamery
Danone North America

Fairlife
HP Hood LLC
Organic Valley/CROPP Cooperative
Shamrock Foods Company
Shehadey Family Foods, LLC
Turner Dairy Farms

EXHIBIT 4



1400 Independence Avenue, SW
Room 2530-S, STOP 0225
Washington, D.C. 20250-0225

July 24, 2023

Mr. Charles M. English, Jr.
Ms. Ashley L. Vulin
Davis Wright Tremaine LLP
Suite 3300
920 Fifth Avenue
Seattle, WA 98104-1610

Dear Mr. English and Ms. Vulin:

This letter is in reply to Milk Innovation Group's (MIG) proposals submitted in response to a Request for Additional Proposals relating to the pricing provisions of the Federal milk marketing order (FMMO) program. USDA received MIG's six proposals on June 14, 2023, and subsequent modifications on June 20, 2023.

A Hearing Notice has been published in the Federal Register announcing a hearing will convene at 9:00 a.m. ET on Wednesday, August 23, 2023, at 502 East Event Centre in Carmel, Indiana. Testimony and evidence will be taken on the following proposals submitted by MIG:

- Proposal 1 to adopt an average-of plus rolling adjuster for the base Class I skim milk price; and
- Proposal 2 to update the base Class I differential from \$1.60 to \$0.00.

We encourage MIG to participate in the hearing to provide evidence regarding why your proposals should be adopted. Please refer to the Hearing website (www.ams.usda.gov/rules-regulations/moa/dairy/hearings/national-fmmo-pricing-hearing) for full information on how to participate.

The Secretary has determined the hearing will be limited in scope to amendments directly impacting the uniform pricing formulas used in FMMOs. USDA received several proposals that did not relate directly to the uniform FMMO pricing formulas and have been determined to be beyond the scope of the upcoming rulemaking. Not including the proposals in this rulemaking proceeding does not prevent MIG from offering the proposals for consideration in a separate rulemaking proceeding. Requirements for submitting a proposal are outlined in 7 CFR 900.22 and are outlined at www.ams.usda.gov/sites/default/files/media/DairyMarketingOrderAmendmentBrochure.pdf.

Mr. English/Ms. Vulin

Page 2

Regarding proposals submitted by MIG specifically, the following will not be considered at this time:

Proposal 3 and Proposal 4

Proposals 3 and 4 seek to adopt amendments that would provide direct financial incentives to producers for supplying Class I plants. Proposal 3 aims to establish a nationwide assembly credit to Class I handlers against their pool obligation that would be paid to the plants' dairy farmers suppliers. Proposal 4 would establish a handler balancing credit, payable to producers who supply specialty fluid milk (e.g., A-2, grass-fed, organic) to Class I plants. These proposals do not seek to amend the uniform FMMO pricing formulas. Rather, these proposals seek to redirect part of the handler minimum classified milk price to those dairy farmers who supply the Class I handler. Accordingly, these proposals do not fall within the scope of this hearing and will not be heard at this time.

Proposal 5

Proposal 5 seeks to increase the amount of allowable extended shelf-life shrinkage and consequently the amount of milk that can be priced at the lowest classified price for the month. As this change does not seek to amend the uniform FMMO pricing formulas, the proposal does not fall within the scope of this hearing and will not be heard at this time.

Proposal 6

Proposal 6 seeks to exempt organic milk from FMMO pricing and pooling provisions if it is priced above the Class I minimum price. As this change does not seek to amend the uniform FMMO pricing formulas, the proposal does not fall within the scope of this hearing and will not be heard at this time.

Thank you for your interest in the FMMO program. We look forward to your participation in the rulemaking process.

Sincerely,

Dana H. Coale

Dana H. Coale
Deputy Administrator
USDA-AMS-Dairy Program

UNITED STATES DEPARTMENT OF AGRICULTURE
BEFORE THE SECRETARY OF AGRICULTURE

In re:

Aurora Organic Dairy Corp.;
Cooperative Regions of Organic Producer
Pools d/b/a Cropp Cooperative
Horizon Organic Dairy, LLC

AMAA Docket No. 25-J-0061
AMAA Docket No. 25-J-0062
AMAA Docket No. 25-J-0063

Petitioners.

**ORDER GRANTING IN PART RESPONDENT’S PARTIAL MOTION
TO DISMISS BASED ON PETITIONERS’ ADMISSIONS**

Appearances:

Charles M. English, Jr., Esq.; and Ashley L. Vulin, Esq. of Davis Wright Tremain LLC, Portland, OR, for the Petitioners Aurora Organic Dairy Corp.; Cooperative Regions of Organic Producer Pools, doing business as Cropp Cooperative; and Horizon Organic Dairy, LLC; and

Brian Hill, Esq.; Jonathan Gordy, Esq.; and Michelle McMurtray, Esq. of the Office of General Counsel, United States Department of Agriculture, Washington, D.C., for the Respondent, the Administrator of the Agricultural Marketing Service (“AMS”).

On August 20, 2025, Respondent filed a Partial Motion to Dismiss based on Petitioners’ Admissions (“Respondent’s Motion”), requesting that three of Petitioners four constitutional claims be dismissed “on the grounds that this forum is unable to grant Petitioners’ relief, because the Department of Agriculture (‘USDA’ or ‘Department’) cannot find the Act unconstitutional.”¹

In their “Petition Contesting Application of Certain Federal Milk Marketing Order Regulations and of Obligations Assessed to Petitioner Thereunder” (“Appeal Petition”),² Petitioners raise four constitutional claims: 1) “Claim One Unlawful Taking Without

¹ Respondent’s Motion at 1.

² Petitioners each filed an Appeal Petition prior to the consolidation of AMAA Docket Nos. 25-J-0061, 25-J-0062, and 25-J-0063. However, the Appeal Petitions filed by each Petitioner were, aside from the caption, the same. Therefore, Appeal Petition will refer to all three identical Appeal Petitions.

Compensation (U.S. Const. Amend. V; 28 U.S.C. § 2201)”; 2) “Claim Two Violation of Due Process (U.S. Const. Amend. V; 28 U.S.C. § 2201)”; 3) “Claim Three Violation of Equal Protection (U.S. Const. Amend. V; 28 U.S.C. § 2201)”; and 4) “Claim Four Violation of Nondelegation Doctrine (U.S. Const. Art. I; 28 U.S.C. § 2201).” As Respondent points out in its Motion,³ in Petitioners’ Supplemental Brief on Constitutional Issues (“Petitioners’ Brief”), at 2, Petitioners state that “[o]f Petitioners’ four constitutional claims, three are challenges that the [Administrative Law Judge (“ALJ”)] lacks authority to adjudicate: Petitioners’ due process, violation of nondelegation, and takings claims.” Petitioners further explain that both parties agree that ALJs do “not have the authority to ‘question the constitutionality of the enabling legislation’”⁴ and that Petitioners’ due process, nondelegation, and takings claims, being constitutional challenges to the Agricultural Marketing Agreement Act of 1937 (“AMAA”) statute itself, may not be adjudicated by an ALJ.⁵

The parties are correct in that “[a]djudication of the constitutionality of congressional enactments has generally been thought beyond the jurisdiction of administrative agencies.”⁶ As both parties agree that the specified three of the four constitutional claims Petitioners raise directly challenge the constitutionality of the AMAA, I understand that the parties

³ *Id.* at 2-3.

⁴ Petitioners’ Brief at 2 (citing Respondent’s Statement of Issues and Proposed Hearing Procedure at 2 (citing *Saulsbury Orchard & Almond Processing, a Cal. Corp.; Cal Almond, Inc.; Carlson Farms, a Sole Proprietorship*, 47 Agric. Dec. 378, 379–80 (1988))). Also stating that “While agencies may consider some questions of ‘constitutional applicability,’ courts ‘do not commit to administrative agencies the power to determine constitutionality of legislation.’” *Id.* (citing *McGrath v. Weinberger*, 541 F.2d 249, 251 (10th Cir. 1976)).

⁵ *Id.* at 2-5.

⁶ *Thunder Basin Coal Co. v. Reich*, 510 U.S. 200, 215 (1994) (quoting *Johnson v. Robison*, 415 U.S. 361, at 368 (1974) (quoting *Oestereich v. Selective Ser. System Local Bd. No. 11*, 393 U.S. 233, at 242 (1968))) (internal quotations omitted).

essentially agree that I dismiss these claims from consideration during the remainder of these proceedings.

However, it is well settled that constitutional issues can and should be raised during administrative proceedings,⁷ and thus, by raising these constitutional claims herein, I recognize that Petitioners have timely raised and preserved them for appeal to the JO and/or the courts, should they at some point otherwise properly perfect such appeal.

Therefore, the following Order is issued.

ORDER

- 1) Respondent's Motion Partial Motion to Dismiss based on Petitioners' Admissions is GRANTED IN PART in that Petitioners' "Claim One Unlawful Taking Without Compensation (U.S. Const. Amend. V; 28 U.S.C. § 2201)"; "Claim Two Violation of Due Process (U.S. Const. Amend. V; 28 U.S.C. § 2201)"; and "Claim Four Violation of Nondelegation Doctrine (U.S. Const. Art. I; 28 U.S.C. § 2201" are dismissed from consideration as agreed by the parties for the remainder of the instant proceeding.
- 2) The remaining issues to be considered during the instant proceeding are Petitioners':⁸
 - a. "Claim Three Violation of Equal Protection (U.S. Const. Amend. V; 28 U.S.C. § 2201)";
 - b. "Claim Five Violation of APA and AMAA (USDA's Ongoing Regulation of Organic Handlers) (7 U.S.C. § 608c, et seq.; 7 U.S.C. § 602)";
 - c. "Claim Six Violation of APA and AMAA (USDA's Refusal to Consider the Organic Exemption Proposal) (7 U.S.C. § 608c, et seq.; 7 U.S.C. § 602)"; and

⁷ See, e.g., *Lesser*, 52 Agric. Dec. 155, 167-68 (U.S.D.A. 1993) ("Although an agency cannot declare a statute unconstitutional, constitutional issues can (and should) be raised before the ALJ.") (citing *Robinson v. United States*, 718 F.2d 336, 337-38 (10th Cir. 1983)).

⁸ See Petitioners' Appeal Petition at 17-18, 20-25.

d. “Claim Seven Violation of APA and AMAA (USDA’s Final Order Found at 89 Fed. Reg. 95466 Raising Class I Prices) (7 U.S.C. § 608c, et seq.; 7 U.S.C. § 602).”

Copies of this Order shall be sent by the Hearing Clerk to counsel for each of the parties.

Issued this 24th day of September 2025 in Washington, DC.

Tierney Carlos

Tierney Carlos

Administrative Law Judge

Hearing Clerk
U.S. Department of Agriculture
Stop 9203 South Building Room 1031-S
1400 Independence Ave SW
Washington, DC 20250-9203
Tel: 1-202-720-4443
Fax: 1-844-325-6940
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CERTIFICATE OF SERVICE

Aurora Organic Dairy Corp., 25-J-0061
Cooperative Regions of Organic Producer Pools d/b/a Cropp, 25-J-0062
Horizon Organic Dairy, LLC, Petitioners 25-J-0063

I HEREBY CERTIFY that a true and correct copy of the ***ORDER GRANTING IN PART RESPONDENT’S PARTIAL MOTION TO DISMISS BASED ON PETITIONERS’ ADMISSIONS*** have been furnished and were served upon the following parties on September 24, 2025.

USDA – Electronic Mail

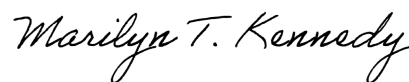
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Respectfully Submitted,



Marilyn Kennedy, Acting Hearing Clerk
USDA/Office of Administrative Law Judges
Hearing Clerk’s Office, Room 1031-S
1400 Independence Ave., SW
Washington, DC 20250-9203

UNITED STATES DEPARTMENT OF AGRICULTURE
BEFORE THE SECRETARY OF AGRICULTURE

In re:

Aurora Organic Dairy Corp.

AMAA Docket No. 25-J-0061

**PETITIONER’S APPEAL OF ADMINISTRATIVE LAW JUDGE’S
ORDER GRANTING IN PART RESPONDENT’S PARTIAL MOTION TO
DISMISS**

Pursuant to 7 C.F.R. § 900.65, Petitioner Aurora Organic Dairy Corp. (“Aurora” or “Petitioner”) hereby timely appeals the Administrative Law Judge’s (“ALJ”) September 24, 2025 “Order Granting in Part Respondent’s Partial Motion to Dismiss Based on Petitioners’ Admissions” (the “Order”).¹ As described below, the Order dismissed three of Petitioner’s claims raising constitutional challenges to the Agricultural Marketing Agreement Act of 1937 (“AMAA”) as implemented through the Federal Milk Marketing Orders (“FMMOs”). The Order dismissed these claims as to Aurora on the grounds that this forum is unable to grant Petitioner’s relief, because the Department of Agriculture (“USDA” or “Respondent”) cannot find the Act unconstitutional. The posture of this Appeal is somewhat unique—both Petitioner and Respondent agreed that the ALJ lacked authority to adjudicate these claims. However, Petitioner now submits this Appeal to the Judicial Officer to seek a final order, insofar as that final order may be required for Petitioner to seek further judicial review.

Specifically, Petitioner appeals the ALJ’s September 24, 2025 Order dismissing its Petition Claims One, Two and Four and seeks summary disposition of the Appeal in the form of a final order, pursuant to 7 C.F.R. § 900.66(a). Petitioner moves for this tribunal to adopt the ALJ’s decision without change or modification, preserving Aurora’s right to seek judicial review of such decision in the proper forum, on the grounds that this forum is unable to grant relief.

¹ On April 29, 2025, Aurora filed, along with Cooperative Regions of Organic Producer Pools d/b/a CROPP Cooperative and Horizon Organic Dairy, LLC, one of three separate, although virtually identical 15(A) Appeal Petitions. The ALJ consolidated the three cases for administrative convenience—AMAA Docket Nos. 25-J-0061, 25-J-0062, and 25-J-0063. The parties subsequent submissions to the ALJ and the ALJ’s Order refer to the three entities collectively as “Petitioners.” All three Petitioners are accordingly submitting their own individual, although substantively identical, appeals.

ISSUES

1. Petitioner's Claim One is that the Agricultural Marketing Agreement Act's authorized Federal Milk Marketing Orders constitutes an unlawful taking without compensation with respect to USDA certified organic milk. (U.S. Const. Amend. V; 28 U.S.C. § 2201).
2. Petitioner's Claim Two is that adoption of the Agricultural Marketing Agreement Act's authorized Federal Milk Marketing Orders violates Due Process with respect to USDA certified organic milk (U.S. Const. Amend. V; 28 U.S.C. § 2201).
3. Petitioner's Claim Four is that adoption of the Agricultural Marketing Agreement Act's authorized Federal Milk Marketing Orders violates the Nondelegation Doctrine with respect to USDA certified organic milk (U.S. Const. Amend. V; 28 U.S.C. § 2201).

ARGUMENT

4. On August 20, 2025, Respondent filed its Partial Motion to Dismiss based on Petitioners' Admissions ("Motion to Dismiss"), moving to dismiss three of Petitioner's constitutional claims (takings, due process, and nondelegation). Respondent's primary argument supporting its Motion to Dismiss is that "this forum is unable to grant relief, because the Department [] cannot find the Act unconstitutional." Motion to Dismiss, at 1. As previously stated in Petitioner's August 1, 2025 Supplemental Brief on Constitutional Issues ("Supplemental Brief"), Petitioner agreed that the ALJ lacks authority to adjudicate these three claims. Thus, on September 24, 2025, the ALJ issued the Order dismissing the three constitutional claims.²
5. To the extent Respondent made alternative arguments in its Motion to Dismiss, Petitioner does not agree or concede the alternative arguments or assertions. In any event, it is unnecessary to reach those alternative arguments as the ALJ did not address those alternative arguments in his September 24, 2025 Order.
6. Petitioner does not dispute Respondent's position that constitutional challenges to the AMAA are beyond the ALJ's jurisdiction because the ALJ does not have the authority to

² Petition Claims Three, Five and Six, which are APA, AMAA, and equal protection claims, remain before the ALJ.

“question the constitutionality of the enabling legislation.” *Saulsbury Orchard & Almond Processing, a Cal. Corp.; Cal Almond, Inc.; Carlson Farms, a Sole Proprietorship*, 47 Agric. Dec. 378, 379–80 (1988)). While agencies may consider some questions of “constitutional applicability,” courts “do not commit to administrative agencies the power to determine constitutionality of legislation.” *McGrath v. Weinberger*, 541 F.2d 249, 251 (10th Cir. 1976) (quoting Administrative Law Treatise, Davis, Vol. 3, § 20.04).

7. Neither Petitioner, Respondent, nor the ALJ dispute that both the ALJ and, now, the Judicial Officer lack jurisdiction to adjudicate Petitioner’s nondelegation, due process, and takings challenges. These claims are challenges to the AMAA itself as implemented through the FMMOs, so these claims can only be adjudicated by a court and not by the Judicial Officer in this proceeding.

8. First, Petitioner’s due process claim challenges the constitutionality of the AMAA’s approval provision, which improperly permitted producers to exercise governmental power to impose minimum prices and regulatory burdens on handlers in the FMMOs in order to advance producers’ own narrow interests at handlers’ expense. *See* Pet. ¶¶ 85–86. Unsurprisingly, giving producers (but not handlers) absolute veto power over the adoption of FMMOs results in FMMOs that unfairly benefit some, but not all, producers and injure handlers—and consumers, who are forced to pay higher prices because the AMAA is designed to ensure regulatory capture. *Id.* ¶¶ 87–89. This statutory structure violates handlers’ guarantee of due process under the Fifth Amendment to the United States Constitution. *Id.* ¶ 92. Accordingly, the relief that Petitioner seeks on this claim is a declaratory judgment that the FMMOs’ pooling and producer settlement fund provisions adopted through the discriminatory producer-only referendum are unconstitutional. *See id.* ¶ 93. This issue is purely legal, and there are no facts to be determined by the ALJ or the Judicial Officer. Thus, the ALJ, and respectfully now the Judicial Officer, does not have authority to consider Petitioner’s due process claim.

9. Second, Petitioner’s nondelegation claim similarly challenges the constitutionality of the AMAA’s referendum provisions, which create a favored category of market participants—

conventional milk producers—who exercised USDA’s own delegated power to harm Petitioner and other organic handlers when adopting the FMMOs. *See* Pet. ¶ 102. As with its due process claim, Petitioner seeks declaratory relief that the AMAA’s referendum mechanism—and the FMMOs’ pooling and producer settlement provisions adopted through that process—are unconstitutional. *Id.* ¶ 106. And, as with its due process claim, Petitioner’s nondelegation claim is therefore outside the Judicial Officer’s authority to consider.

10. For both of these due process and nondelegation claims, the parties agree there is no administrative remedy available to Petitioner, and there is nothing further for the Judicial Officer to adjudicate on these claims in this proceeding.

11. Third, the Judicial Officer cannot adjudicate Petitioner’s takings claim, as recognized in *Horne v. Department of Agriculture (Horne I)*, 569 U.S. 513, 527–28 (2013). Petitioner’s takings claim is similarly outside the Judicial Officer’s authority to adjudicate. Generally, under the Tucker Act, takings claims against the United States must be brought in the Court of Federal Claims. *See* 28 U.S.C. § 1491. Although a petitioner may ensure the preservation of its claim by asserting them in an AMAA petition (as Petitioner has done here), the decisions in *Horne v. Department of Agriculture (Horne I)*, 569 U.S. 513, 527–28 (2013), and its progeny establish that the Judicial Officer lacks the authority to adjudicate and grant relief on takings claims arising under the AMAA.

12. *Horne* began as an enforcement proceeding under the AMAA, wherein USDA alleged that Horne did not comply with provisions of a federal marketing order applicable to raisins. *See Horne v. U.S. Dep’t of Agriculture*, No. 12-123, 2013 WL 357830, at *25 (U.S. Jan. 9, 2013). Horne and other petitioners brought a takings-based defense, alleging that the order allowed USDA to “confiscate the proceeds of raisin sales, without just compensation” in violation of the Fifth Amendment to the United States Constitution. *Horne I*, 569 U.S. at 523. In the administrative proceeding, the Judicial Officer determined that he had “no authority to judge the constitutionality of the various statutes administered by the United States Department of Agriculture.” *Horne*, 2013 WL 357830, at *73. This ruling was not overturned in the

subsequent judicial review proceedings. *See Horne I*, 569 U.S. at 513 (addressing whether the Ninth Circuit had jurisdiction to decide petitioners’ takings claims); *Horne v. Dep’t of Agriculture (Horne II)*, 576 U.S. 350 (2015) (evaluating the underlying takings claim).

13. The Supreme Court’s determination of the takings claim in *Horne II* illustrates why courts—and not the Judicial Officer—must adjudicate the entitlement to just compensation in the first instance. Within *Horne II*, the Court grappled with broad constitutional questions such as: (1) whether the government’s obligation to pay just compensation applied to only real property and not personal property, *Horne II*, 576 U.S. at 357; (2) whether the government may avoid that duty by reserving a contingent interest to the property owner, *id.* at 362–63, and (3) whether the proposed order resulted in a per se taking, *id.* at 364–65. These legal questions implicate the statutory structure of the AMAA as implemented through FMMO final rules, and do not turn on whether the FMMO was properly promulgated as a matter of administrative law.

14. Just as the ALJ and the Judicial Officer did not have authority to rule upon the takings claim in *Horne*, here, Petitioner’s taking claim must be resolved through judicial review in another forum rather than an adjudication on the merits in this proceeding.

CONCLUSION

For the foregoing reasons, the Appeal should be docketed, and the Judicial Officer should confirm that no change or modification is necessary and should summarily adopt the ALJ’s decision as his final order as the “adjudication of the constitutionality of congressional enactments has generally been thought to be beyond the jurisdiction of administrative agencies.” *Thunder Basin Coal Co. v. Reich*, 510 U.S. 200, 215 (1994) (quoting *Johnson v. Robison*, 415 U.S. 361, 368 (1974)) (internal quotations omitted).

DATED this 23rd day of October, 2025.

DAVIS WRIGHT TREMAINE LLP

By *s/ Charles M. English, Jr.*

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Attorneys for Petitioner
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CERTIFICATE OF SERVICE

I hereby certify that on the date set forth below I served a copy of the foregoing Petitioner’s Appeal of Administrative Law Judge’s Order Granting in Part Respondent’s Partial Motion to Dismiss on:

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Attorneys for Respondent, the Administrator of the Agricultural Marketing Service (“AMS”)

- by mailing a copy thereof in a sealed, first-class postage prepaid envelope, addressed to said attorney’s last-known address and deposited in the U.S. mail at Portland, Oregon;
- by emailing a copy thereof to said attorney’s last-known email address as set forth above;
- by causing a copy thereof to be hand-delivered to said attorney’s last-known address as shown above;
- by personally handing a copy thereof to said attorney;
- by sending a copy thereof via overnight courier in a sealed, prepaid envelope, addressed to said attorney’s last-known address;
- by faxing a copy thereof to said attorney’s last-known facsimile number; or

Dated this 23rd day of October, 2025.

DAVIS WRIGHT TREMAINE LLP

By s/ Charles M. English, Jr.
Charles M. English, Jr., D.C. Bar #386572
Ashley L. Vulin, OSB #145454
Attorneys for Petitioner

UNITED STATES DEPARTMENT OF AGRICULTURE
BEFORE THE SECRETARY OF AGRICULTURE

In re:

Aurora Organic Dairy Corp.

AMAA Docket No. 25-J-0061

Cooperative Regions of Organic Producer
Pools d/b/a Cropp Cooperative

AMAA Docket No. 25-J-0062

Horizon Organic Dairy, LLC

AMAA Docket No. 25-J-0063

Petitioners.

**ORDER OF THE JUDICIAL OFFICER AFFIRMING AND
EXTENDING ADMINISTRATIVE LAW JUDGE GRANT IN PART OF
RESPONDENT’S PARTIAL MOTION TO DISMISS**

Appearances:

Charles M. English, Jr., Esq.; and Ashley L. Vulin, Esq. of Davis Wright Tremain LLC, Portland, OR, for the Petitioners Aurora Organic Dairy Corp.; Cooperative Regions of Organic Producer Pools, doing business as Cropp Cooperative; and Horizon Organic Dairy, LLC (“Petitioners”); and

Brian Hill, Esq.; Jonathan Gordy, Esq.; and Michelle McMurtray, Esq. of the Office of General Counsel, United States Department of Agriculture, Washington, D.C., for the Respondent, the Administrator of the Agricultural Marketing Service (“AMS” or “Respondent”).

In this order, based, in part, on the consent of both parties to this proceeding, I affirm Presiding Administrative Law Judge Tierny Carlos’ September 24, 2026 “Order Granting in Part Respondent’s Partial Motion to Dismiss Based on Petitioners’ Admissions,” to provide a final order, insofar as that final order may be required for Petitioners to seek judicial review as to certain constitutional challenges by Petitioners to the Agricultural Marketing Agreement Act of 1937 (“AMAA”), which challenges the parties agree are constitutional challenges to the statute itself.

BACKGROUND

In their April 25, 2025 virtually identical individual filings of a “Petition Contesting Application of Certain Federal Milk Marketing Order Regulations and of Obligations Assessed to Petitioner Thereunder” (“Appeal Petition”),¹ which initiated the now consolidated proceeding in which this order is issued, Petitioners raised four constitutional claims: 1) “Claim One Unlawful Taking Without Compensation (U.S. Const. Amend. V; 28 U.S.C. § 2201)”; 2) “Claim Two Violation of Due Process (U.S. Const. Amend. V; 28 U.S.C. § 2201)”; 3) “Claim Three Violation of Equal Protection (U.S. Const. Amend. V; 28 U.S.C. § 2201)”; and 4) “Claim Four Violation of Nondelegation Doctrine (U.S. Const. Art. I; 28 U.S.C. § 2201).”

On August 20, 2025, Respondent filed a Partial Motion to Dismiss based on Petitioners’ Admissions (“August 20 Motion”), requesting that three of Petitioners four constitutional claims be dismissed “on the grounds that this forum is unable to grant Petitioners’ relief, because the Department of Agriculture (‘USDA’ or ‘Department’) cannot find the AMAA unconstitutional.”² As Respondent pointed out in its August 20 Motion,³ in Petitioners’ Supplemental Brief on Constitutional Issues (“Petitioners’ Brief”), at 2, Petitioners state that “[o]f Petitioners’ four constitutional claims, three are challenges that the [Administrative Law Judge (“ALJ”)] lacks authority to adjudicate: Petitioners’ due process, violation of nondelegation, and takings claims.”

¹ The Appeal Petitions filed by each Petitioner were, aside from the caption, the same. Therefore, “Appeal Petition” will refer to all three identical Appeal Petitions.

² Respondent’s Motion at 1.

³ At 2-3.

Petitioners further set out that both parties agree that ALJs do “not have the authority to ‘question the constitutionality of the enabling legislation’”⁴ and that Petitioners’ due process, nondelegation, and takings claims, being constitutional challenges to the AMAA statute itself, may not be adjudicated by an ALJ.⁵

Presiding Judge Carlos in his September 24, 2025 Order on review here determined:⁶

The parties are correct in that “[a]djudication of the constitutionality of congressional enactments has generally been thought beyond the jurisdiction of administrative agencies.”⁶ As both parties agree that the specified three of the four constitutional claims Petitioners raise directly challenge the constitutionality of the AMAA, I understand that the parties essentially agree that I dismiss these claims from consideration during the remainder of these proceedings. However, it is well settled that constitutional issues can and should be raised during administrative proceedings,⁷ and thus, by raising these constitutional claims herein, I recognize that Petitioners have timely raised and preserved them for appeal to the JO and/or the courts, should she [sic] at some point otherwise properly perfect such appeal.

⁶ *Thunder Basin Coal Co. v. Reich*, 510 U.S. 200, 215 (1994) (quoting *Johnson v. Robison*, 415 U.S. 361, at 368 (1974) (quoting *Oestereich v. Selective Ser. System Local Bd. No. 11*, 393 U.S. 233, at 242 (1968))) (internal quotations omitted).

⁷ *See, e.g., Lesser*, 52 Agric. Dec. 155, 167-68 (U.S.D.A. 1993) (“Although an agency cannot declare a statute unconstitutional, constitutional issues can (and should) be raised before the ALJ.”) (citing *Robinson v. United Sates*, 718 F.2d 336, 337-38 (10th Cir. 1983)).

Judge Carlos then ordered, *inter alia*, that:

⁴ Petitioners’ August 1, 2025 Supplemental Brief on Constitutional Issues at 2 (citing Respondent’s Statement of Issues and Proposed Hearing Procedure at 2 (citing *Saulsbury Orchard & Almond Processing, a Cal. Corp.; Cal Almond, Inc.; Carlson Farms, a Sole Proprietorship*, 47 Agric. Dec. 378, 379–80 (1988))). Also stating that “While agencies may consider some questions of ‘constitutional applicability,’ courts ‘do not commit to administrative agencies the power to determine constitutionality of legislation.’” *Id.* (citing *McGrath v. Weinberger*, 541 F.2d 249, 251 (10th Cir. 1976)).

⁵ *Id.* at 2-5.

⁶ At 2-3.

Respondent’s Motion Partial Motion to Dismiss based on Petitioners’ Admissions is GRANTED IN PART in that Petitioners’ “Claim One Unlawful Taking Without Compensation (U.S. Const. Amend. V; 28 U.S.C. § 2201)”; “Claim Two Violation of Due Process (U.S. Const. Amend. V; 28 U.S.C. § 2201)”; and “Claim Four Violation of Nondelegation Doctrine (U.S. Const. Art. I; 28 U.S.C. § 2201” are dismissed from consideration as agreed by the parties for the remainder of the instant proceeding.

On November 13, 2025, each of the three petitioners filed virtually identical appeals to the Judicial Officer of the September 24 order. Each appeal states:⁷

The [September 24 Presiding Judge] Order dismissed these claims as to [the filing Petitioner] on the grounds that this forum is unable to grant Petitioner’s relief, because the Department of Agriculture (“USDA” or “Respondent”) cannot find the Act unconstitutional. The posture of this Appeal is somewhat unique—both Petitioner and Respondent agreed that the ALJ lacked authority to adjudicate these claims. However, Petitioner now submits this Appeal to the Judicial Officer to seek a final order, insofar as that final order may be required for Petitioner to seek further judicial review.

Respondent in its December 11, 2025 “Response to Petitioners’ Appeal” states:⁸

On September 24, 2025, Administrative Law Judge Tierney Carlos granted Respondent’s motion to dismiss three of Petitioners’ Constitutional claims in the above captioned matter because all parties agree that an Administrative Law Judge (“ALJ”) does not have the authority to determine the constitutionality of the Agricultural Marketing Agreement Act of 1937 (“AMAA” or “the Act”), a statute the United States Department of Agriculture (“the Department”) administers. Petitioners have asked that the Judicial Officer (“JO”) affirm this ruling for the aforementioned reason, and also because the ALJ and JO do not have the authority to determine the constitutionality of the pooling and producer settlement provisions of the Federal Milk Marketing Order (“FMMO”)

⁷ At 1.

⁸ At 1.

system in 7 C.F.R. Part 1000, which were adopted through the referendum process. Similarly, Petitioners assert the JO cannot adjudicate their takings clause claim. Respondent agrees that the ALJ's decision to dismiss the three Constitutional claims should be upheld. But, Respondent disagrees with aspects of Petitioners' reasoning.

Respondent goes on to explain its differences with Petitioners' specific reasoning, stating:⁹

Petitioners . . . imply that the Secretary does not have jurisdiction over constitutional challenges to the statute, and that the Tucker Act supersedes Department authority under the AMAA over takings clause claims. (See Petitioner's Appeal at 4-5). Therefore, Respondent and Petitioners do not necessarily agree on all the grounds for dismissal.

As I understand this difference between Petitioners' position and that of Respondent to be whether or not the Tucker Act would supersede agency authority over Petitioners' taking clause claims, even if the agency could otherwise address those Constitutional claims, which both parties otherwise agree that the agency cannot.

ANALYSIS AND RULINGS

Petitioners are correct that the posture of their appeal is somewhat unique. They cite the fact that "both Petitioner and Respondent agreed that the ALJ lacked authority to adjudicate these claims."¹⁰ But their appeal is also out of the ordinary in that they do not contend that they are aggrieved by Judge Carlos' decision or that any change should be made in his decision. Indeed, citing 7 C.F.R. § 900.66(a), they move for "this tribunal to adopt the ALJ's decision without change or modification." They seek such a Judicial Officer order to "preserv[e] [Petitioners'] right to seek judicial review of such decision in

⁹ At 3.

¹⁰ Petitioners' November 13 Petition at 3.

the proper forum, on the grounds that this forum is unable to grant relief.” They also request that the “Judicial Officer . . . summarily adopt the ALJ’s decision as his final order”

7 C.F.R. § 900.66(a) provides, *inter alia*, if the Judicial Officer “decides that no change or modification of the judge's decision is warranted, he may adopt the Judge's decision as the final order of the Judicial Officer, preserving any right of the party bringing the appeal to seek judicial review of such decision in the proper forum.” Thus, consistent with Petitioners’ request, this procedural rule takes into account that the Judicial Officer may adopt the Judge’s decision to preserve the right of an appealing party to seek judicial review.

Respondent has no objection as to this procedure and result proposed by petitioners, except as to its quarrel, noted above, with petitioners’ rationale involving application of the Tucker Act, which I find does not need to be addressed or resolved, in other words reached, for purposes of this Judicial Officer order.

Thus, I determine that no change or modification of the Judge’s decision is warranted and I adopt it as a final order of the Judicial Officer. However, Judge Carlos’ decision speaks expressly only in terms of an Administrative Law Judge’s lack of authority to determine whether the provisions challenged by petitioners are constitutional. I understand Petitioners, without objection from Respondent, to request that I determine to extend his determinations to find that here, where all agree that the challenges by Petitioners that are at issue before me are challenges to the constitutionality of the AMAA itself, rather than, for instance, issues of constitutional applicability, such constitutional challenges are likewise beyond my authority to consider. I so determine.¹¹

¹¹ See *McGrath v. Weinberger*, 541 F.2d 249, 251 (10th Cir. 1976)).

ORDER

WHEREFORE, for the foregoing reasons, as the parties agreed, I adopt the September 24, 2025 Order of Presiding Administrative Law Judge Carlos as the final order of the Judicial Officer, with the addition that I also expressly determine that the challenges by Petitioners that are at issue before me are challenges to the constitutionality of the Agricultural Marketing Agreement Act of 1937 itself, rather than, for instance, issues of constitutional applicability, so such constitutional challenges are likewise beyond my and this agency’s authority to consider, as well as beyond the authority of a Presiding Administrative Law Judge to consider.

This order is intended to provide a final order, insofar as that final order may be required, for Petitioners to seek judicial review of their Constitutional issues as set out herein.

Copies of this Order shall be sent by the Hearing Clerk to counsel for each of the parties.

Issued this 6th day of April 2026 in Washington, DC.

**CHANNING
STROTHER**

 Digitally signed by CHANNING STROTHER
Date: 2026.04.06 15:19:14 -04'00'

Channing Strother
Acting Judicial Officer

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CERTIFICATE OF SERVICE

**Aurora Organic Dairy Corp., 25-J-0061
Cooperative Regions of Organic Producer Pools d/b/a Cropp, 25-J-0062
Horizon Organic Dairy, LLC, Petitioners 25-J-0063**

I HEREBY CERTIFY that a true and correct copy of the **ORDER OF THE JUDICIAL OFFICER AFFIRMING AND EXTENDING ADMINISTRATIVE LAW JUDGE GRANT IN PART OF RESPONDENT’S PARTIAL MOTION TO DISMISS** have been furnished upon the following parties on April 6, 2026, by the following:

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Respectfully Submitted,

Marilyn T. Kennedy

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June 14, 2023

Via US Mail and Email
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Margaret Cox
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12:21 pm

Ms. Dana Coale, Deputy Administrator
USDA – AMS – Dairy Programs
1400 Independence Avenue, SW
Washington, D.C. 20250-0225

Re: Petition of the Milk Innovation Group (“MIG”) For a Hearing to Amend Federal Milk Marketing Orders

Dear Deputy Administrator Coale:

In response to USDA’s Action Plan announced on June 1, 2023, prompted by the recent hearing petitions from the International Dairy Foods Association (“IDFA”) and the Wisconsin Cheese Makers Association (“WCMA”), and National Milk Producers Federation (“NMPP”), the Milk Innovation Group (“MIG”)¹ hereby petitions the Secretary of Agriculture to consider its additional proposals (the “Petition”) to amend all current Federal Milk Market Orders (“FMMOs”), 7 C.F.R. Parts 1000–1135.

A. Introduction and Summary

Fluid milk companies’ (“Class I processors”) ability to compete, invest and innovate suffers from antiquated rules in today’s modern beverage market. This adversely affects the entire dairy industry as falling Class I sales result in lower prices paid to dairy producers. The fluid milk segment of the dairy industry has declined for decades, continues to decline dramatically, and

¹ The members of MIG are: Anderson Erickson Dairy Co., Inc.; Aurora Organic Dairy; Crystal Creamery; Danone North America; Fairlife; HP Hood LLC; Organic Valley/CROPP Cooperative; Shamrock Foods Company; Shehadey Family Foods, LLC (Producers Dairy Foods, Inc.; Model Dairy, LLC; Umpqua Dairy Products Co.); and Turner Dairy Farms.

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struggles to compete on grocery store shelves today.² Failure to update federal pricing regulations risks not just the success of the fluid milk industry, but the viability of regulated minimum classified pricing.

This Petition to consider additional proposals seeks to relieve the economic burdens on fluid milk processors resulting from the disproportionate and unsustainable burden on these processors under the current FMMO regulations. Pursuant to 7 C.F.R. § 900.22, MIG’s proposals provide positive change for Class I by helping especially dairy farmers who serve the Class I market and limiting barriers to fluid milk innovation and investment. MIG’s proposals, which are consistent with current USDA legal authority and policy, aim to update the regulations to reflect the reality of the current industry and consumer marketplace.

At the outset MIG acknowledges and recognizes that, like other dairy industry participants, producers have faced significant challenges in recent years. However, the solution to those challenges is not to be found in ignoring economic realities by raising Class I prices.

B. History of Regulations

Ever since the U.S. Department of Agriculture established a fluid milk dependent FMMO pricing system, FMMOs have always relied on the theory that differentiated and higher prices charged on fluid milk could and would generate additional and increasing revenue for all dairy farmers under the FMMO minimum pricing and pooling system. This system depends on theories about inelastic demand for fluid milk, lack of substitutes for beverage milk, perishability, and implicitly the idea that bottled milk is more valuable than milk used in other dairy products.

MIG believes that at a hearing, it can and will demonstrate that these theories are in 2023 significantly attenuated or wrong. Far from being robust, fluid milk sales declines mean that Class I pricing is misaligned with the purpose of FMMOs; it is past time to address this economic reality. Even today, USDA has already received, and will likely continue to receive, proposals, not to appropriately price Class I or encourage innovation and investment, but to raise Class I prices relative to other classes of milk just for the sake of maintaining or increasing prices. MIG understands the desire by producers for only “revenue neutral” or revenue enhancing changes to FMMOs, but the system does not, and in fact cannot, recognize this motivation (particularly when contrary to the economic realities underpinning FMMOs). This effort for “revenue neutrality” is often coupled with a false argument that Class I processors can and should simply pass on Class I price increases to retailers and thus consumers. But USDA also owes a statutory duty to consumers under the AMAA, and the FMMO system is not, and cannot, be a price enhancement or cost-covering system—it is a regulated minimum price program with a narrow purpose. USDA must

² See, for example, Kim Severson, *Got Milk? Not This Generation.*, N.Y. Times, Apr. 4, 2023, <https://www.nytimes.com/2023/04/04/dining/milk-dairy-industry-gen-z.html>.

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reject proposals contrary to its standard, discussed below, which is to set the Class I price at the lowest value necessary to bring forth an adequate supply of milk. These other parties seek to extract every last penny from the declining Class I market to the risk and detriment of the dairy industry as a whole.

1. Establishment of the Class I Differential

During FMMO reform, USDA established the Class I differential at \$1.60, along with county-level price surface adjustments based on location. Prior to that time, Class I prices were determined by individual orders. Thus, during FMMO reform about 25 years ago, USDA developed and implemented the current Class I pricing structure. Except for “temporary” price increases in the Southeast, USDA has not made significant revisions to the Class I pricing structure since FMMO reform.

USDA aimed to establish the Class I price differential at the “lowest value necessary” to ensure sufficient milk supply for fluid use. USDA acknowledged the concern that setting the Class I differential at too high of a level would “be an incentive to overproduce for fluid needs.” Specifically:

The \$1.60 minimum differential level proposed is perceived to be the lowest value necessary under present supply and demand conditions to maintain stable and viable pools of milk for Class I use in markets that are predominantly manufacturing oriented. Applying this minimum differential to each of the three low pricing areas will ensure that low utilization and surplus markets will have similar differentials. However, having a larger portion of Class I value pooled could mute price signals to producers more than prices determined strictly by market forces. If the blend price exceeds the marginal value of milk in manufacturing, there would be an incentive to overproduce for fluid needs.

Milk in the New England and Other Marketing Areas, 63 Fed. Reg. 4802, 4909 (Jan. 30, 1998).

Of this \$1.60 in the Class I Differential, USDA concluded that \$0.40 reflected the costs to producers of maintaining Grade A milk status:

A review of current marketing practices has revealed that the \$1.04 per hundredweight base zone differential may not be established at a level high enough to ensure adequate milk supplies for fluid use. First, a portion of the Class I differential must reflect the value associated with maintaining Grade A milk supplies since this is the

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only milk available for fluid use. Originally the differential needed to be established at a level that would encourage conversion from Grade B to Grade A status. With approximately 96 percent of all milk already converted to Grade A, this value now needs to reflect the cost of maintaining Grade A milk supplies. Although it may be difficult to quantify the cost to maintain Grade A status, there are specific associated costs, as described below.

....

... Often, this will require additional labor, resource, and utility expenses. It has been estimated that this value may be worth approximately \$0.40 per hundredweight.

Id. at 4907–08.

USDA also found that this \$1.60 included \$0.60 for the marketing/balancing costs incurred in supplying the Class I market:

Traditionally, the additional portion of the Class I differential reflects the marketing costs incurred in supplying the Class I market. These marketing costs include such things as seasonal and daily reserve balancing of milk supplies, transportation to more distant processing plants, shrinkage, administrative costs, and opportunity or “give-up” charges at manufacturing milk plants that service the fluid Class I markets. This value has typically represented approximately \$0.60 per hundredweight.

Id.

Finally, USDA determined the remaining \$0.60 constitutes necessary compensation to incentivize producers to supply milk for fluid use, rather than manufacturing purposes.

Option 1A presumes that the \$1.04 per hundredweight minimum Class I differential is no longer adequate to ensure a sufficient supply of milk due to the competitive nature of the manufacturing facilities in this region. Thus, Option 1A establishes an additional competitive factor into the development of the base zone Class I differential. Option 1A values this competitive factor to be worth about \$0.60 per hundredweight. This value reflects approximately

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two-thirds of the actual competitive costs incurred by fluid plants to simply compete with manufacturing plants for a supply of milk.

Id. at 4909.

This base Class I \$1.60 differential is the starting point of the adjusted Class I differentials found in 7 C.F.R. § 1000.52, with county location adjustments (the “price surface”) applied atop.

Since Federal Order reform, except in the Southeast (location price changes only), USDA has not made meaningful updates to the underlying structure of Class I prices despite radical changes in the market. This basic breakdown of the Class I differential has been affirmed since its establishment, including impliedly with USDA’s adoption of the California FMMO, 7 C.F.R. pt. 51. *See also* Hr’g on Promulgation of a Federal Milk Marketing Order in California, Ex. 70 (“Testimony of Dennis Schad”), at 30–32. However, affirmation was driven by a desire for national uniformity, not from careful reconsideration of the components of the Class I differential. Current market evidence (discussed in more detail below) demonstrates that fluid milk prices are not inelastic—meaning they cannot continue to be increased without the consequence of decreasing volume. It is far past the time for the base Class I differential to be reconsidered in light of market changes, including the exploding growth of dairy beverage alternatives, the ongoing precipitous decreases in both absolute volume and per capita fluid milk consumption, and the exponential growth of non-fluid milk products often sold in the export market.

2. Assembly Credits

Historically, the Chicago Marketing Area adopted assembly credits for the purpose of compensating handlers and by extension the dairy producers supplying the Class I market for the cost of assembling milk to supply Class I handlers and ensuring an adequate supply of fluid milk. USDA justified this proposal as necessary for servicing Class I needs:

The Act, in 608c(5)(J)(i), delineates ‘providing facilities to furnish additional supplies of milk needed by handlers...’ as a service of marketwide benefit. The operation of supply plant facilities is a service of marketwide benefit because it is a function involved in moving milk from one location to another for the purpose of fulfilling requirements for milk of a higher classification. Before milk can be transported from a supply plant to a distributing plant, it must be assembled and perhaps cooled and stored, then reloaded onto a truck. The costs incurred in performing these functions are not currently recognized in the order.

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Since servicing the Class I milk needs of fluid milk handlers is recognized as a service of marketwide benefit, it is appropriate that all producers share in the cost of providing that service. This will be realized by providing an assembly credit, and is consistent with a major purpose of the Act to assure an adequate supply of pure and wholesome milk for the fluid milk market and to maintain orderly marketing conditions.

Milk in the Chicago Regional Marketing Area; Emergency Partial Decision on Proposed Amendments to Marketing Agreement and to Order; 52 Fed. Reg. 38235, 38242 (Oct. 15, 1987).

These assembly credits were then later adopted as part of the Order 30 FMMO during Federal Order Reform. 7 C.F.R. § 1030.55. They have been successful in ensuring that the Class I supplying handlers and the dairy producers shipping to those facilities in Order 30 are fairly, if only partially as they have not been updated, compensated for the costs of servicing that market.

3. Organic Milk

Since the 1930s, minimum price and pooling requirements of orders have evolved over time, but the scope of mandatory participants have not essentially changed (except for the elimination of individual handler pools in isolated orders) in that time. The concept of USDA certified organic milk, as distinguished from such milk that is not so certified (“conventional milk”) was completely unknown until the adoption of the Organic Foods Production Act of 1990 (“OFPA”), so it has not been a part of the evolution of FMMOs.

The adoption of OFPA and the creation of implementing regulations that established the National Organic Program (“NOP”) set in motion the creation of a vibrant stream of USDA certified organic agricultural products. Since 2003, the organic dairy category has grown 563%, and ended 2022 at nearly \$8 billion in annual sales.³ AMS data shows that organic fluid milk volume was about 7% of total fluid milk volume in 2022. In 2006, the first year for which AMS data is available, organic fluid milk was about 2% of the total.⁴ USDA certified organic milk is thus a relatively new product category that is entirely distinguished from conventional milk by AMS. However, the FMMOs were not designed to address this distinction, or the challenges presented by this dynamic growth for organic dairy farmers, processors or consumers.

³ 2023 *Organic Industry Survey*, Organic Trade Association, https://ota.com/sites/default/files/indexed_files/OTA_Report_2023.pdf (last visited June 13, 2023).

⁴ *Estimated Fluid Milk Products Sales Report*, U.S. Dep’t of Agric., Agric. Mktg. Serv., <https://www.ams.usda.gov/resources/marketing-order-statistics/estimated-fluid-milk-sales> (last visited June 13, 2023).

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FMMOs do not distinguish (except in some information collection activities) conventional and USDA certified organic milk. USDA certified organic milk is treated precisely the same as conventional milk for minimum price and pooling regulatory purposes by AMS Dairy Programs. But by regulation enforced by AMS NOP, USDA certified organic milk and conventional milk are not and cannot be interchangeable products. Co-mingling USDA certified organic milk with conventional milk in any fashion causes the certified organic milk to lose its organic status. 7 C.F.R. § 205.301.

A producer and handler's commitment to USDA certified organic milk is not undertaken lightly, and USDA certification cannot be obtained overnight. A USDA-accredited certifying agent must certify organic milk production and processing facilities. It takes at least three years to convert an existing conventional farm and herd to organic milk production. Under the OFPA and its implementing regulations, organic production is defined as "a production system that is managed to respond to site-specific conditions by integrating cultural, biological, and mechanical practices that foster cycling of resources, promote ecological balance, and conserve biodiversity." 7 C.F.R. § 205.2. Organic cows are fed a specific organic diet of organic foodstuffs and are required to be out on pasture during the grazing season, which shall not be less than 120 days per calendar year. 7 C.F.R. §§ 205.237–205.240. Once certified, organic cows can never be treated with antibiotics or supplemented with any growth hormones. 7 C.F.R. § 205.238.

Though defined differently and not interchangeable by law, organic and conventional Grade A milk has been and remains treated identically for minimum price and pooling purposes by FMMOs. As a result, the mechanisms of the FMMOs include organic volume, but only affect the conventional marketplace, while organic handlers cannot benefit from one of the few rights given to mandatory Class I processor participants—the ability to "command" milk via a first priority for supply. Given the lack of interchangeability of conventional milk for USDA certified organic milk, if an organic milk processor is short of organic milk, it cannot just supplement with conventional milk from the FMMO supply because that milk may not be sold as organic or co-mingled with organic milk. Since organic farm milk conversion takes three or more years and since nearly all USDA certified organic milk is subject to long-term forward priced contracts on an all-milk basis (i.e., organic milk is not subject to classified pricing except by the FMMOs), organic processors cannot easily make up for product shortages outside the FMMO either. Regardless, the Class I differential and FMMO shipping requirements are meaningless when it comes to an organic processor obtaining milk. Thus, FMMOs presently fail to "insure a sufficient quantity of pure and wholesome milk" of USDA certified organic milk. *See* 7 U.S.C. § 608c(18). This is a significant disorderly marketing condition that is made worse, not better, by FMMOs.

Even though organic processors cannot use FMMOs to obtain additional supplies of USDA certified organic milk, most organic processors must still contribute to the FMMO producer

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settlement funds. This result is not fair. Further, pooling certified organic and conventional milk together in the FMMO pools signals to the market higher demand for Class I milk than exists in the conventional market. As approximately 55% of organic milk is processed into organic fluid milk (Class I) products, organic processors generally pay into the FMMO producer settlement funds each month. These monies are shared with conventional dairy farmers even though those conventional farmers cannot, by law, make their milk available to organic dairy processors as needed. These payments to the producer settlement fund cost organic dairy (farmers and processors alike) tens of millions of dollars a year; money that could be spent on further developing the organic milk supply desired by consumers. It must also be noted that since organic processors pay a premium fixed price no matter the classified utilization for all USDA certified organic milk, they have an incentive to balance their organic milk supplies by manufacturing other organic dairy products that can command a higher consumer price, rather than using the FMMOs to balance their supplies.

C. The current Class I pricing system creates disorderly marketing.⁵

Currently, the dairy industry is suffering from disorderly marketing. The terms “orderly” and “disorderly” marketing, both historically and in USDA’s application of the same, are based on the conditions of the fluid milk market. Despite Class I being the only captive class in FMMOs, Class I sales of fluid milk have been in precipitous decline and are continuing to fall. Yet at the same time, farmers are receiving record mailbox prices, encouraging the production of more milk, and consumers are suffering from inflationary pressures that not only prevent passing through additional costs to consumers, but threaten sales even at current prices. Industry cannot wait any longer to face the fact that the system as designed misaligns with current economic realities in a way that puts all sectors of the dairy industry at risk.

1. Fluid milk sales have been in unequivocal decline in recent decades.

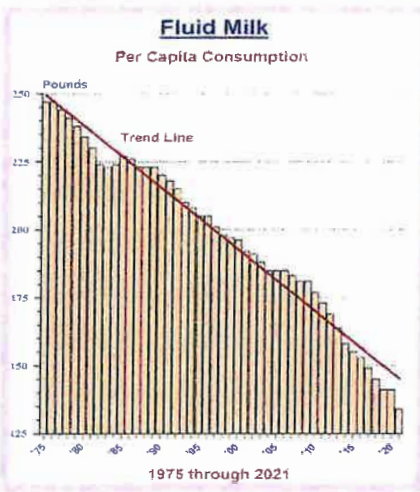
As demonstrated by USDA’s own data, Class I (fluid milk) has been on a steep downward trajectory since the 1970’s. (See chart from the Central Marketing Area, below).⁶ Class I handlers are hamstrung by outdated regulations that fail to provide in any way for returns on investment, preventing them from innovating and growing the Class I market for the benefit of the entire dairy industry. In fact, looking at just the last 25 years, ERS found that total *fluid milk consumption has dropped about 20%; per capita consumption is down 30%*.⁷

⁵ Addressing 7 CFR § 900.22(a).

⁶ See USDA, *Per Capita Consumption of Selected Dairy Products*, Cent. Mktg. Area Mktg. Serv. Bull. (Oct. 2022), <https://www.fmmacentral.com/PDFdata/msb202210.pdf>.

⁷ See *Dairy Data*, U.S. Dep’t of Agric. Econ. Res. Serv. (June 13, 2023), <https://www.ers.usda.gov/data-products/dairy-data/dairy-data/>; *Dairy Products: Per capita consumption, United States (Annual)*,

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USDA’s Economic Research Service confirmed that, in the past two decades, “individuals of all ages significantly decreased their consumption” of fluid milk.⁸ Industry publications echo this conclusion, that per capita consumption of fluid milk “fell at a faster rate than it did during each of the previous six decades.”⁹ Fluid milk sales since 2021¹⁰ have similarly fallen into the long-term declining trends.¹¹

https://www.ers.usda.gov/webdocs/DataFiles/48685/pcconsp_1.xlsx?v=7161.8 (last accessed June 13, 2023); *Fluid beverage milk sales quantities by product (Annual)*, <https://www.ers.usda.gov/webdocs/DataFiles/48685/fluidmilk.xlsx?v=1083.2> (last accessed June 13, 2023).

⁸ USDA Economic Research Service examined dietary intake studies cooperatively planned and conducted by USDA and the National Center for Health Statistics to investigate U.S. fluid milk consumption trends among age groups; this decrease “includes plain and flavored milk as well as malted milk, eggnog, and hot chocolate, among other milk-based beverages.” Hayden Stewart and Fred Kuchler, *Fluid Milk Consumption Continues Downward Trend, Proving Difficult to Reverse*, U.S. Dep’t of Agric. Econ. Res. Serv., Jun. 21, 2022, <https://www.ers.usda.gov/amber-waves/2022/june/fluid-milk-consumption-continues-downward-trend-proving-difficult-to-reverse/>.

⁹ *Report examines decline in consumption of milk*, Wis. State Farmer (Nov. 2, 2021), <https://www.wisfarmer.com/story/news/2021/11/02/report-examines-decline-consumption-milk/6249045001/> (citing Hayden Stewart, Fred Kuchler, Diansheng Dong, and Jerry Cessna, *Examining the Decline in U.S. Per Capita Consumption of Fluid Cow’s Milk, 2003-18*, U.S. Dep’t of Agric. Econ. Res. Serv. (October 2021)).

¹⁰ *How are Fluid Milk Sales Going? DOWN!*, The Bullvine (Jan. 5, 2022), <https://www.thebullvine.com/news/how-are-fluid-milk-sales-going-down/>.

¹¹ From February 2022 to February 2023, sales of both conventional and organic milk products decreased. Dairy Product Trends – Fluid Milk, PennState Extension (last updated May 18, 2023), <https://extension.psu.edu/dairy->

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The media is awash with articles laying bare this unprecedented challenge for Class I processors.¹² *The New York Times* claims that last year, members of Generation Z bought 20 percent less milk than the national average.¹³ This decreased consumption led U.S. Representative Glenn Thompson (R-PA) to speculate that “[w]e lost almost an entire generation of milk drinkers.”¹⁴

Key to this decline is Class I’s ability to compete with fluid milk alternatives. In fact, the decrease in Class I sales “appears to reflect changes in the competitiveness of cow’s milk compared to other beverages at retail stores”.¹⁵ As even USDA itself has noted, “[e]very decade brings a wider selection of beverage choices at supermarkets, restaurants, and other food outlets” and “[c]ompetition among these products is based in part on price.”¹⁶ Consumers now have a “multitude of other options available like sports drinks, energy drinks, and plant-based drinks” at retail stores, continually expanding and creating competition for fluid milk.¹⁷ Even if competition between milk and other beverage options is not so direct as to effect fluid milk sales, plant-based milk alternatives directly compete with fluid milk. But unlike these alternatives, fluid milk processors are locked into an antiquated and rigid price-enhancement system that limits their ability to innovate and to provide customers with the long-term stable pricing of competitive options.

Thus, fluid milk handlers and consumers continue to bear almost the entire burden of pricing regulations, despite making up an increasingly shrinking portion of the marketplace.

[product-trends-fluid-milk#:~:text=The%20of%2Dreported%20decline%20in.decrease%20of%20approximately%2046%20percent](#) (citing USDA Agricultural Marketing Service).

¹² See, e.g., Laura Reiley, *Milk shake-up: High school student sues school district over dairy flap*, Wash. Post (May 12, 2023 8:59 AM) <https://www.washingtonpost.com/business/2023/05/12/dairy-milk-lawsuit-school-lunch/>; Kristina Peterson, *School Cafeterias Might Serve Whole Milk Again*, Wall St. J. (June 6, 2023 3:30 PM) <https://www.wsj.com/articles/school-cafeterias-might-serve-whole-milk-again-b5876a94> (an article which includes statements from NMPF chief economist Peter Vitaliano confirming that sales of drinking milk are declining).

¹³ See *supra* note 2.

¹⁴ Tom Venesky, *USDA Decision to Keep 1% Milk in Schools Seen as Positive Step*, Lancaster Farming (last updated Dec. 7, 2022), https://www.lancasterfarming.com/farming-news/news/usda-decision-to-keep-1-milk-in-schools-seen-as-positive-step/article_9c2d1d28-8b59-11ec-a761-97e876f2262b.html.

¹⁵ See *supra* note 9.

¹⁶ See *supra* note 8.

¹⁷ Zach Myers, *Dairy Markets & Management Update*, Center for Dairy Excellence (Jan. 19, 2021), <https://www.centerfordairyexcellence.org/wp-content/uploads/MM-Update-012221-Fluid-Milk-in-Households.pdf>.

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2. Food inflation is a major industry hurdle, and a failure to give economically-justified price relief to consumers risks further market share loss.

While Class I sales are already declining, food inflation is rampant. USDA predicts in 2023 that consumer dairy products prices will increase 4.5%, which is over and above the 2023 dairy product price increase of 12.0%.¹⁸ The AMAA requires that prices be in the “public interest” and the “interests of . . . consumers.” 7 U.S.C. § 602. This statutory language must be given real meaning, and not just lip service by industry and USDA. Consumers are legally entitled to a pricing system that does not simply always foist all producer pricing “needs” onto the fluid market.

3. Even in the face of significant economic obstacles, milk supplies remain robust.

Despite this decline in sales and inflation, milk supply remains high. The explanation—prices paid dairy farmers are encouraging ever more milk production over and above that which economic conditions call for. As acknowledged by USDA’s own publications, “It is possible therefore for certain regulations to raise prices beyond the level which the public interest requires. This would tend to encourage excessive production, discourage consumption, and add to surplus.” *Regulations affecting the movement and merchandising of milk*, U.S. Dep’t of Agric., Agric. Mktg. Serv. Marketing Research Report No. 98 (June 1955).

USDA’s own data demonstrates that there is a concerning over-supply of conventional milk in the marketplace due to a failed pricing structure. First, producers have dumped (and are dumping even now¹⁹) significant volumes of milk. Pre-pandemic, during 2015 to 2019, 400 to 500 million pounds of pooled milk was dumped annually demonstrating significant excess production.²⁰ Then in 2020, this grew to over 780 million pounds with 350 million pounds dumped in April 2020 alone.

¹⁸ *Summary Findings: Food Price Outlook, 2023*, U.S. Dep’t of Agric. Econ. Res. Serv., <https://www.ers.usda.gov/data-products/food-price-outlook/summary-findings/#:~:text=In%202023%2C%20all%20food%20prices,of%204.5%20to%208.1%20percent>.

¹⁹ Karen Bohnert, *Midwest Dairy Producers Forced to Dump Milk*, Dairy Herd Mgmt. (June 7, 2023), https://www.dairyherd.com/news/business/midwest-dairy-producers-forced-dump-milk?mkt_tok=ODQzLVlHQi03OTMAAAGMOWxzKgatX1yK0vtewx9-l5o6t3fGerxjkDrtW_FAw80GthK3KKBKG-L9wi7K0kZGhWvyLZzlfMqecPkzhTy1yW5yquaCPxcFwT5HV_UD9SbBOsuw.

²⁰ USDA’s Response to MIG Data Request, 2021 Info Request Excel File 03 – FMMO Other Uses Milk January 2015 - YTD 2021.xlsx

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Second, not only is milk being dumped at alarming rates, but many times in recent years FMMO Market Administrators have suspended or lowered performance standards because there is far more milk available than needed for fluid use. For example, in FMMO 1 (Northeast) there have been shipping percentage reductions approved for each year in the 2013 to 2023 period as well as routine authorizations for the “temporary dumping of surplus milk.”²¹

These facts demonstrate that there is more than enough fluid milk on the market to meet USDA’s adequate supply of milk standard, and that FMMOs are stimulating an oversupply of milk by setting prices out of line with the marketplace. This oversupply is so significant it has grown from a niche-industry issue to one of general consumer concern.²²

Additionally, USDA reported that in 2022 the mailbox milk price dairy farmers received (the actual milk check) was the highest level ever.²³ In 2021, USDA established the Pandemic Market Volatility Assistance Program (PMVAP) to provide assistance payments to dairy farmers who received a lower value for their milk due to market abnormalities caused by the pandemic. The first round of USDA’s pandemic volatility assistance program paid eligible dairy farmers dairy producers over \$250 million. In January 2023, announced a second round of PMVAP payments of \$100 million this year for a total of \$350 million.²⁴

These disparate market signals are resulting in an oversupply of milk in an economic environment not calling for the same.

4. Certain assumptions built into Class I pricing no longer hold

Despite the FMMO’s reliance on robust Class I demand as the cornerstone of pricing, USDA has not evaluated the elasticity of Class I products. Critically, USDA has not conducted and has no recent studies demonstrating that fluid milk demand is inelastic and can support unfettered price

²¹ *Policy Statements for Northeast Marketing Area’s Handlers*, U.S. Dep’t of Agric., Agric. Mktg. Serv., https://www.fmmone.com/Policy_Statement_Handlers.htm

²² Meredith Lee, *Got Milk? Yes, actually, U.S. has too much.*, Politico (Nov. 6, 2021 7:00 AM), <https://www.politico.com/news/2021/11/06/got-milk-yes-actually-too-much-519775>; Hope Kirwan, *Coming together: Dairy Farmers debate plans for overseeing US milk supply*, Wis. Pub. Radio (Mar. 26, 2022 5:00 AM), <https://www.wpr.org/coming-together-dairy-farmers-debate-plans-overseeing-us-milk-supply>; Shaun Gallagher, *Down the drain: Wisconsin dairy farmers told to dump milk because of an oversupply in the market*, TMJ4 (Apr. 2, 2020), <https://www.tmj4.com/news/coronavirus/down-the-drain-wisconsin-dairy-farmers-told-to-dump-milk-because-of-an-oversupply-in-the-market>.

²³ Corey Geiger, *Mailbox milk prices reached a new record*, Hoard’s Dairyman (Apr. 3, 2023), <https://hoards.com/print-article-33422-permanent.html>

²⁴ *Pandemic Market Volatility Assistance Program*, U.S. Dep’t of Agric., Agric. Mktg. Serv., <https://www.ams.usda.gov/services/pandemic-market-volatility-assistance-program> (last visited June 13, 2023).

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increases to prop up the FMMO system. In response to data requests from this group to USDA in 2021, USDA asserted the following:

[MIG Request 16]. Any studies that USDA has conducted regarding whether or not the current FMMOs and their pricing formulas bring forth an adequate supply of fluid milk in total and with a breakdown between conventional and organic.

[USDA Response:] None have been conducted.

Additionally, perishability concerns are no longer the same as in the past and the reality for significant volumes of fluid milk is that products can be produced and stored for long periods (not just for ESL, but also HTST products). Similar to the issue above, in response to data requests from this group, USDA asserted it has conducted no recent studies regarding perishability of fluid milk.

[MIG Request 14.] Any studies that USDA has conducted regarding the perishability of fluid milk as related to or in support of a Class I differential.

[USDA Response:] No studies have been conducted.

Thus, the idea that fluid milk is “price inelastic” fails to be supported based on the current data developed by USDA.

In March 2023, Drs. Ishdorj and Capps completed a study of milk price elasticity. It showed that while milk is a relatively price inelastic product, price increases decrease volume by 0.24% to 0.40%. Additionally, specialty and value-added milk items were more price elastic than traditional white milk. For example, a 1% price increase is associated with 1.44% and 2.02% volume decreases for organic and lactose-free milk, respectively.²⁵

D. Current Federal Order Requirements or Industry Practices Relative to the Proposals²⁶

At present, the Class I price is the USDA regulated minimum price for fluid milk. It contains a base Class I differential of \$1.60, but ultimately is variable and changes monthly with the commodity prices for butter, powder, and cheese. The Class I price is also geographically variable

²⁵ Dr. Ariun Ishdorj and Dr. Oral Capps, Jr., *A Deeper Look at Milk and Competing Beverage Price Elasticities*, Int’l Dairy Foods Ass’n (Mar. 23, 2023).

²⁶ Addressing 7 CFR § 900.22(c).

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with county location adjustments. The Class I price formula includes a “skim mover,” which is determined via an average of Class III and Class IV skim milk prices. Finally, for fluid milk processors, milk received from producers but “lost” during the manufacturing process is priced at the lowest price class for the first 2% of pool plant “shrinkage,” and any shrinkage that exceeds 2% is priced at Class I.

The Class I price is a minimum price, with processors routinely paying prices above the minimum (“over-order premiums”). Organic milk is treated the same as conventional milk by FMMOs, despite conventional milk not being a substitute for organic milk and organic milk routinely commanding premiums far above conventional milk.

The “Class I price” generated by the Class I pricing formula is not the price dairy farmers are paid, nor is it the price milk processors ultimately pay; rather, the Class I price is used to determine both the minimum regulated uniform price and handler pool obligation. Generally, the higher the Class I price relative to other class prices, the higher the pool obligation for fluid milk processors. This pool obligation can also vary greatly based upon after-the-fact decisions made by Class III and IV handlers whether and how much milk to associate with the individual order pools every month. The intention for advance pricing for Class I milk is often a mirage when large negative producer-price differentials are announced in the middle of the following month after Class I processors have sold their milk based upon prices set to their customers in advance.

E. USDA’s Call for Additional Proposals

On June 1, 2023, USDA issued an Action Plan and Call for Proposals. MIG understands that USDA will be considering all proposals both in direct response to NMPF’s proposals, as well as those proposals related to pricing.

- “Based on the information submitted, USDA is considering initiation of a rulemaking proceeding that would include a public hearing to collect evidence regarding proposed changes to pricing provisions effective in all eleven FMMOs.” (Action Plan, emphasis added).
- “Before deciding whether a hearing will be held, USDA is providing the opportunity for interested parties to submit additional proposals regarding potential amendments to the current pricing provisions applicable to all FMMOs.” (Call for Proposals, emphasis added).

In response, MIG submits for USDA’s consideration the following proposals on pricing provisions applicable to all FMMOs. Each of MIG’s proposals not only relates to pricing provisions, but responds to some specific aspect of the proposals put forth by NMPF. Should the agency accept any of NMPF’s proposals for a hearing, MIG maintains that basic fairness and due process would

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require equal consideration of MIG’s proposals that respond to and advocate for alternatives to NMPF’s proposals.

F. Explanation and Purpose of Proposals²⁷

Long-term and continuing declines in Class I volume are in large part due to the consistent innovation of competing beverages that are more attractive to both consumers and businesses. The current FMMO pricing structure limits the ability of Class I to invest in improvements that can respond to its changing market, extending fluid milk share losses. The purpose of these proposals is to modernize Class I structure to address the inhibitors to innovation: price volatility, relatively higher prices, recognition of differentiation, and fewer risk management tools.

MIG respectfully requests that USDA promptly issue a Notice of Hearing on the below requested changes to Class I FMMO price formulas. The specific proposed language for each of these proposals can be found in **Exhibits A–F**, attached hereto. Those proposals are summarized here and then explained in detail below:

- 1) MIG Proposal 1 – Average of Plus Rolling Adjuster for “Class I Skim Milk Price Mover”
- 2) MIG Proposal 2 – Update the Base Class I Differential from \$1.60 to \$0.00
- 3) MIG Proposal 3 – Establish a \$0.55 Assembly Credit for Handlers
- 4) MIG Proposal 4 – Establish a \$0.60 Balancing Credit for Specialty Milk Producers
- 5) MIG Proposal 5 – Establish ESL Shrinkage Level
- 6) MIG Proposal 6 – Organic Exemption to Pooling Requirements

Note, Proposal 6 and Proposals 2, 3, and 4 all contain language designed to (a) credit dairy producers or 9(c) cooperatives for the costs of serving the Class I market and/or (b) designed to address the unique nature of balancing for specialty milks including certified organic milk. As such there would be overlapping language that would need to be coordinated if USDA includes multiple MIG proposals in its Proposed Rule. The language attached to this letter is drafted as if only each individual proposal is adopted, although the Milk Innovation Group supports adoption of all its proposals.

²⁷ Addressing 7 CFR § 900.22(a), (b), and (d)

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1. MIG PROPOSAL 1 – Average of Plus Rolling Adjuster for Base Class I Skim Milk Price

Risk management, no matter the FMMO class, is important to both producers and processors. There is a reason the industry united behind the current “average of plus adjuster” formula—it is “hedge-able” for Class I processors. The old “higher of” formula was not. There are Class I handlers participating in Class I hedging today, and MIG will present direct testimony at any hearing of handlers who utilize hedging under the current system. Additionally, more would do so if there was regulatory certainty that this agricultural industry standard practice would remain in place despite NMPF’s proposal to revoke it without justification. Thus, MIG submits this proposal in direct response and as an alternative to NMPF Proposal 3.

In spite of NMPF’s claims to the contrary, the current approach does not only benefit processors. The current formula also offers a more general benefit of lower price volatility throughout the market from farmer to consumer. This reduced volatility helps support the growth of the dairy industry as a whole, as it makes the cost of milk more stable and consistent for retailers and consumers.

Routinely updating the adjuster with a rolling average, instead of the current fixed \$0.74 adjuster, ensures that it continues to reflect current market conditions. Likewise, using a Rolling Adjuster, as opposed to a monthly “higher of” calculation, allows Class I risk management opportunities.

Thus, instead of reverting to the “higher of,” we propose an approach that would preserve risk management opportunities for both processors and producers: an “average of” formula with the adjuster updated monthly using a 24 month look back period with a 12-month lag. Specifically, one would:

- A. For each of the preceding months, calculate the “higher of” the advanced Class III or IV skim price (in other words, the pre-May 2019 method).
- B. For each of the preceding months, calculate the “average of” the advanced Class III and IV skim price (in other words, the post-May 2019 method, without the \$0.74).
- C. Calculate the difference between (A) and (B).
- D. Monthly, calculate the adjuster by averaging (C) for the preceding 24 months with a 12-month lag (this is the “Rolling Adjuster”). For example, if this were in place now, the Rolling Adjuster for January 2023 would have been average of (C) for January 2020 to December 2021. And then the Rolling Adjuster for February 2023 would be the average of (C) for February 2020 to January 2022. And so on.
- E. Monthly, average the Class III and IV skim prices for that month and add (D) (the Rolling Adjuster).

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MIG’s proposal aligns with other elements of the Class I price formula that also change monthly and fulfills the key policy goals of the “mover.” The 12-month lag is critical for processors to be able to stake their positions and hedge the market. The 24-month lookback stabilizes the price, a benefit to the entire industry as it makes dairy a more reliable and “safe” purchase for retailers (particularly restaurants). Finally, the rolling adjuster gives updated market signals to producers to produce milk at the appropriate rates. It also makes it easier for a processor to absorb that level of month-to-month volatility since it dampens the overall impact of the changes in any given fiscal quarter/year versus the prior year.

Like NMPF’s Class I skim price proposal, this would require modification of 7 CFR § 1000.50(b). The regulatory language for this proposal is in **Exhibit A**. Critically, MIG’s proposal is estimated to have a negligible immediate impact on producer and processor’s prices, and a negligible immediate impact on consumer prices. In fact, **in MIG’s initial analysis MIG’s proposal returns roughly equal to or higher than what the “higher of” would have returned for producers in recent years.** However, MIG’s proposal may have long-term positive impacts (i.e., lower costs) for processors and retailers given the ability to hedge and decreased variability in customer pricing.

2. MIG PROPOSAL 2 – Update the base Class I differential from \$1.60 to \$0.00.

This proposal eliminates the base Class I differential on the basis that the economic justifications for it no longer exist. USDA developed the base Class I differential during Federal Order reform, determining producers must be compensated: (1) \$0.40 for maintaining Grade A status; (2) \$0.60 for bearing balancing and marketing costs; and (3) \$0.60 to incentivize service to the Class I market. However, as explained in the three subparts of this proposal, none of these justifications exist any longer. Thus, the base Class I differential must be set at zero.

MIG submits this proposal in direct response and as an alternative to NMPF Proposal 5. When considering the base Class I differential underlying both NMPF’s proposals and the current \$1.60 base differential, MIG concluded that the justifications for the \$1.60 base no longer hold true. The fundamental idea of FMMOs that fluid milk is both the problem and the solution to the problem does not hold in today’s world.

The regulatory language to implement this proposal amends 7 CFR § 1000.52, the Class I differential for each county in the continental 48 states. The regulatory language for this proposal is in **Exhibit B**.

MIG’s proposal does not include revising the current price surface adjustments (which MIG opposes). MIG does not dispute there is a location value for milk and that the Act requires the Secretary to bring forth an adequate supply of milk for fluid use. But setting the Class I differentials at too high a level does indeed “result in artificially-induced overproduction . . . [and]

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reduc[es] fluid milk consumption by consumers.”²⁸ It is also not in the public interest. Thus, MIG proposes the appropriate and economically-justified base Class I differential of \$0.00, adjusted for location value at the current price surface adjustments.

MIG’s proposal will reduce processor costs by \$1.60/cwt and reduce the pool contribution by Class I handlers by \$1.60/cwt (thereby reducing the uniform producer price by a lesser amount, but that has to be determined by consideration of the pool calculation as a whole). There is no indication that MIG’s Proposal 2 would increase prices for consumers.

a. Proposal 2A – Eliminate the Grade A compensation portion of the Class I differential.

The \$1.60 Base Class I Differential is made up of, in part, \$0.40 as compensation to producers for producing Grade A milk. Milk in the New England and Other Marketing Areas, 63 Fed. Reg. 4802, 4907–08, (Jan. 30, 1998) (“It has been estimated that this value may be worth approximately \$0.40 per hundredweight.”). MIG proposes eliminating this compensation and reducing the Class I Differential by \$0.40.

Historically, this \$0.40 Grade A compensation mattered given that the cost of maintaining Grade A status was unique to producers supplying Class I processors. Decades ago, there were significant amounts of Grade B milk on the market, and Class III and Class IV products were oftentimes made with Grade B milk. But now nearly all (at least 99.5% of milk)²⁹ is Grade A, and Class III and IV products are made with Grade A milk. Given that Class III and IV prices (including make allowances) are intended to be market clearing, they account for this cost of Grade A status. The Class I price is built upon the Class III price, so including \$0.40 as compensation on top of the Class III price is a “double dip” for Grade A milk.

The Grade A compensation portion of the Class I differential is antiquated and discriminatory now that virtually all milk is Grade A, and USDA should eliminate this double compensation for producers.

²⁸ Milk in the New England and Other Marketing Areas; Decision on Proposed Amendments to Marketing Agreements and to Orders, 64 Fed. Reg. 16026, 16116 (Apr. 2, 1999).

²⁹ *Milk Production, Disposition, and Income 2022 Summary*, U.S. Dep’t of Agric. Nat’l Agric. Statistics Serv. (Apr. 2023), <https://downloads.usda.library.cornell.edu/usda-esmis/files/4b29b5974/79409c30t/6w925r29k/mlkpd23.pdf>.

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b. Proposal 2B – Eliminate the balancing compensation portion of the Class I differential.

In proposing and ultimately adopting Option 1A during Federal Order Reform in 1999, USDA stated that \$0.60/cwt “reflects the marketing costs incurred in supplying the Class I market.” These are primarily market balancing costs for “seasonal and daily reserve balancing of milk supplies . . . and opportunity or “give-up” charges at manufacturing milk plants that service the fluid Class I markets.” 63 Fed. Reg. at 4908. In other words, the Class I differential compensates farmers \$0.60 for costs supposedly borne at the farm level to balance the market.

Things have changed over the last 25 years. Market balancing costs do not belong in the regulated minimum price. Sometimes these costs are borne by producers/cooperatives, but other times by processors. For example, longer storage time for extended shelf-life products allows processors to manage supplies and inventory to balance the market (at a cost to the processor). In other scenarios, the processor may accept even day receiving and remain open to receiving milk on weekends or holidays. Balancing arrangements can also vary regionally. The myriad of situations in which a processor (and note the farmer) can provide and bear the costs of balancing proves it does not belong in the minimum price. In any event, the market can, should, and does price balancing services.

The market balancing costs of \$0.60 in the \$1.60 base Class I differential should be eliminated.

c. Proposal 2C – Eliminate the \$0.60 amount allegedly “necessary” to incentivize service of the fluid market.

A recent report by the Congressional Research Service notes that one of the main objectives of FMMOs are to “promote orderly marketing conditions in fluid milk markets.”³⁰ The Federal Orders were conceived at a time when the fluid use of milk represented about two-thirds of the utilization in FMMOs, and both the problems and the solutions were built around fluid regulations. Today, less than one-third of FMMO utilization is Class I and less than 20% of all usage (regulated and unregulated) is fluid milk. Manufactured dairy products are the primary use of farm milk today.

When developing the proposed rule on the base Class I differential under Federal Order Reform, USDA determined that the remaining \$0.60 constitutes necessary compensation to incentivize producers to supply milk for fluid use, rather than manufacturing purposes. USDA considered this

³⁰ *Federal Milk Marketing Orders: An Overview*, Congressional Res. Serv. (June 15, 2022), <https://crsreports.congress.gov/product/pdf/R/R45044/5>

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amount the necessary addition to the then-current \$1.04 to attract sufficient supplies of milk for fluid use, as opposed to manufacturing use.

Option 1A presumes that the \$1.04 per hundredweight minimum Class I differential is no longer adequate to ensure a sufficient supply of milk due to the competitive nature of the manufacturing facilities in this region. Thus, Option 1A establishes an additional competitive factor into the development of the base zone Class I differential. Option 1A values this competitive factor to be worth about \$0.60 per hundredweight. This value reflects approximately two-thirds of the actual competitive costs incurred by fluid plants to simply compete with manufacturing plants for a supply of milk.

63 Fed. Reg. at 4907–08.

MIG now proposes a reexamination of this component, based on data from economic programs long utilized by USDA in setting dairy pricing systems. The U.S. Dairy Sector Simulator (USDSS) is a spatial model of the U.S. dairy industry that has been used by the USDA to help understand the relative relationships of milk values across the 48 contiguous states.³¹ This model takes milk and its components at the county level and then is tasked to assemble farm milk for fluid and manufacturing plants and distribute the finished products in the most cost efficient way possible. Actual road mileages with estimates of transportation costs are calculated. Milk components must move to existing U.S. plants to be made into 21 dairy products for final demand in domestic consumption and for export. USDA used this USDSS model during Federal Order Reform to determine the price surface for the Class I price. 64 Fed. Reg. at 16037 (Apr. 2, 1999) (“The adopted Class I pricing structure establishes a price surface that utilizes USDSS model results adjusted for all known plant locations and establishes differential levels that will result in prices that generate sufficient revenue to assure an adequate supply of milk.”)

In the USDSS, the raw milk flows from farm to dairy plants, and finished products to consumers, representing the “primal solution” of the model. The model can also be used to generate the “dual solution” which is an indication of the marginal value of milk in any location and for any product. It is these dual solutions for Class I milk that is the starting point for Class I differentials.

The dual value can be interpreted as how much cost savings to the entire dairy market if another hundredweight of milk was available at a specific location. For differentials, it is the standardized value at fluid plants that is used. So, for example, the model results might indicate that the

³¹ James E. Pratt, Phillip M. Bishop, et al., *A Description of the Methods and Data Employed in the U.S. Dairy Sector Simulator, Version 97.3*, Cornell Univ. Dep’t of Agric., Resource & Managerial Econ. (July 1997), <https://dairymarkets.org/pubPod/pubs/RB9709.pdf>.

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marginal value of another cwt of milk in Miami was \$5.40, but in Milwaukee the marginal value might only be \$0.15. Economists refer to this difference as a “price relative.” Somewhere in the country the marginal value of another cwt of milk will actually be \$0. To get a Class I differential, a fixed increment is added to the dual value everywhere.

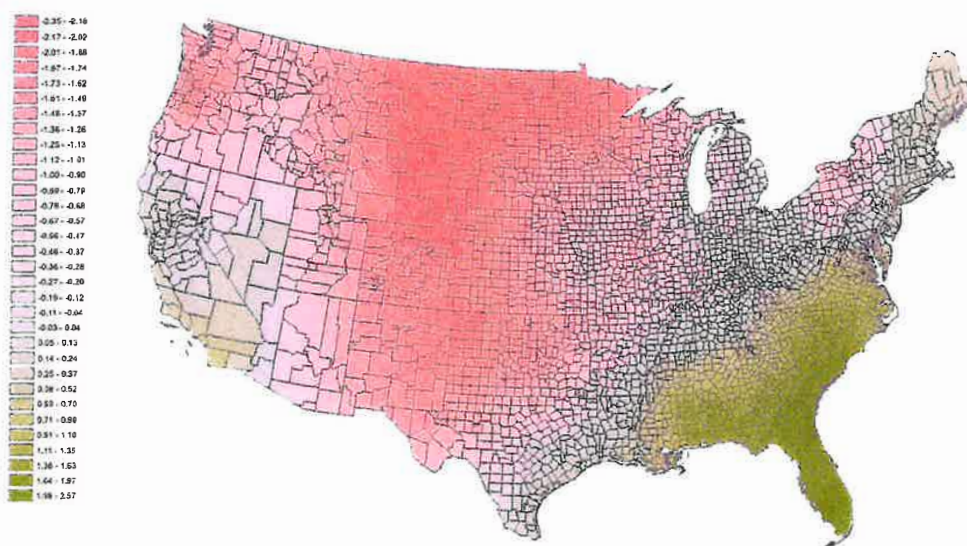
In the recent past, \$1.60 has been the fixed increment resulting in \$6.00 differential in Miami and \$1.75 in Milwaukee. Part of the justification for this fixed increment is to help attract milk to fluid milk plants and to help further the goals of an efficient market. FMMOs have only recognized the spatial differences in *fluid milk* values across the country, but there are values for milk used in other products too. These values can be different—even at the same location—because the model can find a more market efficient solution with different products. For instance, in some locations another hundredweight of milk will reduce the marketing costs of the dairy industry more in a fluid plant than in a manufacturing plant. But, in other locations, the model can find additional cost savings for milk in a cheese plant rather than a fluid plant.

MIG worked with Dr. Mark Stephenson to use the USDSS model to measure the comparative dual values of Class I versus a manufacturing class. Using March 2016 dual values for Classes I and III across the country, one can highlight the relative value of milk in plants. The green-shaded regions of the map below show where milk in fluid plants lowers market costs more than milk used for cheese. The red regions highlight where milk in a cheese plant lowers industry costs more. The grey regions are about of equal value in either plant.

This map demonstrates that at a *national* level, fluid milk plants have no need to compel the production of more milk to ensure a sufficient supply of fluid milk. In fact, setting an “incentive” mark up on fluid milk prices in the red regions distorts markets by both stimulating unneeded raw milk but also signaling a value for Class I proceeds that do not exist (and in fact are likely negative). The fixed increment added to Class I price relatives is one of the places where Class I dollars may be misdirected, exacerbating the problem rather than correcting it.

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Difference in the Marginal Value of Milk in Class I minus Class III Plants.



Today, milk supply is more than ample. So ample, in fact, that there are some orders regularly authorize dumping of pool milk (evidence of which MIG intends to introduce at the hearing). The amount necessary to incentivize delivery to a fluid plant is significantly less in this milk-abundance environment and, based on the long-respected and relied upon analysis above, should be set at zero. Dairy markets have changed a great deal since the 1940s. Trying to address fluid milk problems with fluid milk solutions only is too simplistic in a complex marketplace where incorrect price signals can create disorderly markets.

3. MIG PROPOSAL 3 – Establish a nationwide assembly credit for all Class I handlers.

All dairy farmers share in the benefits of the marketwide pool, but only those dairy farmers actually shipping milk to Class I incur the costs for doing so. To fairly allocate pool funds, an assembly credit compensates dairy farmers for incurring costs that not all dairy farmers incur. Thus, MIG submits this proposal in response to NMPF’s proposals given NMPF’s estimate on the impact its proposals will have on Class I prices. The regulatory language for this proposal is in **Exhibit C**.

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Assembly credits are a concept that already exists in FMMO 30 (Upper Midwest), intended to offset the costs of assembling milk for delivery to fluid milk plants in lieu of non-fluid milk plants. Assembly credits serve to actually bring forth an adequate supply of fluid milk by rewarding Class I service to incentivize voluntary participation in the same (as opposed to a “call provision,” which forces participation only when there is a shortfall).

Our proposal is to create a nationwide credit to handlers against their pool obligation, but paid to dairy farmers (not a reduction in the total dollars paid, but a credit against the pool obligation), on milk received at Class I plants. While the credit is a redirection to producers for direct-ship milk, the credit for non-direct ship milk (*i.e.*, that supplied by 9(c) handlers) is to be retained by that handler. At a hearing, MIG will present evidence to support that the assembly costs are, as a national average, \$0.55. These costs include expenses for multi-stop routes, equipment costs for loading and transfer, and other expenses to be presented at the hearing. Additionally, assembly credits compensate producers directly for efforts to share supplemental milk transportation costs when combining loads, which supports service during times of milk deficits.

MIG’s proposal will reduce processors’ pool obligations but have no impact on their overall costs. MIG’s proposal will increase certain producers serving Class I plants payments by \$0.55/cwt and have a lesser impact on producers paid out of the pool. But MIG’s proposal will directly benefit smaller farms who bear greater costs of getting their milk assembled and the producers who assemble the milk. MIG’s proposal will likely have no impact on consumer prices.

This Proposal aims to fulfill the same policy goals and address the same market conditions as Proposal 2, albeit with a different approach. Proposal 3 (and similarly, Proposal 4) adapts the FMMO system to better direct incentive to service the fluid market to those farmers actually supplying the Class I plant. A marketwide service incentive (like the current \$1.60 base Class I differential) sends market signals too far and too wide, resulting in oversupplies of milk and geographic misalignment of needs. Should any Class I service incentive be needed, it must be tailored to ensure only a sufficient supply of fluid milk and not a nationwide proliferation of milk supplies.

4. MIG PROPOSAL 4 – Establish a balancing credit for specialty fluid milk.

Part of the cost justification for the base Class I differential is daily and seasonal balancing, as well as the ability to service the Class I market under performance standard provisions or similar mechanisms. Of the base Class I differential of \$1.60, about \$0.60 is allocated to compensation for these efforts. 63 Fed. Reg. at 4908. However, specialty milk supplies (e.g., A2, grass-fed, organic) cannot rely on the general FMMO pool for balancing. Instead, many such processors balance their supplies of specialty milk by receiving milk every day, not adjusting for seasonal or daily needs in the same manner as the conventional market. As the FMMOs are unable to fulfill

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“the bargain” to supply additional milk for organic, A2, or grass-fed milk, modified treatment for these milks is appropriate. Thus, MIG submits this proposal in direct response and as an alternative to NMPF Proposals 5. The regulatory language for this proposal is in **Exhibit D**.

This proposal would create a credit for specialty milk handlers of \$0.60 that the handler would then pay to the specific producers supplying the handler. This proposal redirects a part of a processors’ producer settlement fund obligation to the processor’s specific suppliers who supply specialty milks: organic, grass-fed, and/or A2. Modified treatment is appropriate as the characteristics of these milks are not aligned with the traditional FMMO paradigm.

MIG understands this proposal would likely require parameters to ensure the credit is used as intended. Thus, under this proposal MIG limits the ability to pool other milk through “diversions or transfers” to other handlers and allocating any milk that must be balanced by another handler to “other source milk” (down allocating the milk to the lowest priced class for the month). These elements are included in the proposed language.

MIG’s proposal will reduce processors’ pool obligations but have no impact on their overall costs. MIG’s proposal will increase certain specialty milk producers payments by \$0.60 /cwt, and have a lesser impact on producers paid out of the pool. MIG’s proposal will likely have no impact on consumer prices.

5. MIG PROPOSAL 5 – Adjust ESL shrinkage.

Currently, under the FMMOs pool plant shrinkage that exceeds 2% is priced at Class I. Shrinkage that does not exceed 2% is assigned to the lowest price class. Due to engineering and operating differences, ESL processing experiences shrinkage above 2%. Thus, MIG submits this proposal as a necessary pricing update and generally in response to the NMPF proposals.

MIG submits this proposal in response to NMPF’s proposals given NMPF’s estimate on the impact its proposals will have on Class I prices. The regulatory language for this proposal is in **Exhibit E**. MIG’s proposal will slightly reduce ESL processors’ costs. MIG’s proposal will have a negligible impact on producer or consumer prices.

The Dairy Institute of California raised this issue at the hearing establishing FMMO 51 in California. There, the testimony demonstrated ESL shrinkage of about 5%. Industry and USDA data confirm this finding. Ultimately, USDA decided to align the FMMO 51 shrink provisions with the other 10 FMMOs—i.e., it was viewed as a national, not a California, matter. Now is the appropriate time to address this straightforward issue on a national basis.

This proposal updates the shrink allowance for ESL products to 5%. We have begun work to update the industry data reviewed at the California hearing to present to USDA at any hearing in

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support of this proposal. It should be noted that all plants have every incentive to minimize shrinkage as plants do not generate any sales from milk lost to shrinkage, so nothing about this proposal will encourage any change in the approach to the same.

6. MIG PROPOSAL 6 – Organic Milk Exemption

One of the key justifications for mandatory Class I participation in FMMOs is the ability of the FMMO to service the Class I market utilizing performance standards (e.g., shipping percentages, touch base requirements and in the past “call provisions” or similar mechanisms). But FMMOs are unable to fulfill “the bargain” to supply additional milk for USDA certified organic fluid use. FMMO pool milk is not a substitute for organic milk.

Organic milk makes up about seven percent of fluid milk volume and only about three percent of milk production in the United States but is forced to participate in the order system from which it cannot draw the primary benefit. *See supra* note 4. Modified treatment for certified organic milk is long overdue. Moreover, traditionally organic milk is subject to longer term contracts and is not subject to classified pricing (i.e., all organic milk is paid one premium price regardless of how it is used). The so-called and alleged destructive competition that gave rise to the Agricultural Marketing Agreement Act and FMMOs is not applicable to organic milk.

The quid pro quo that serves as the basis for the Class I-led FMMO system is that, in exchange for higher minimum prices, Class I processors have priority access to milk supplies. It is, in fact, the only benefit that Class I processors receive from an FMMO system. In times of shortages of organic milk, an FMMO Market Administrator cannot resolve this situation by calling for the provision of additional supplies from conventional dairy farmers.

FMMOs provide orderly marketing because they ensure that farmers who produce essentially interchangeable product receive equal minimum prices for their milk, regardless of the ultimate use of the milk. The philosophy behind the notion that all farmers should share in the higher value (Class I) and lower value (other Classes) markets is that each participating farmer could, given the opportunity, have served the higher value market. In the case of organic fluid milk, though, conventional farmers are not producing an interchangeable good, and, under federal law, could not participate in the higher value Class I organic fluid milk market. Thus, under current FMMOs, organic milk farmers are being forced to forego potential revenues that are paid into the settlement pool to be shared with farmers who are not producing a comparable product.

Under MIG’s proposal, USDA certified organic milk that is priced above the Class I minimum price is exempt from mandatory pooling. In other words, a handler of certified organic milk that meets or exceeds the FMMO regulated minimum Class I price for the purchase of certified organic milk (whether direct ship or 9(c) cooperative) would be exempt from mandatory pooling for such milk. Using Class I as a standard ensures that organic milk will always be paid at the highest

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conventional price for that order – a benefit for farmers. The handler (and the organic milk) would remain subject to reporting requirements, enforcement mechanisms, administrative fees and “in” the FMMO system. The regulatory language for this proposal is in **Exhibit F**.

First, MIG’s proposal seeks to remedy the current disorderly marketing conditions that result from USDA certified organic milk contributing money to producer settlement funds without any evidence that the FMMOs can provide an adequate supply of organic milk to organic processors. This proposal is in direct response to NMPF’s Proposal 5, in that it seeks to correct the fact that the factors supporting application of the Base Class I Differential and Price Surface to USDA certified organic milk do not exist.

Secondly, this type of pricing disparity for the type or quality of milk is specifically contemplated by the Act and entirely consistent with the principles of uniform pricing. 7 U.S.C. § 608c(5)(A) (“Such prices shall be uniform as to all handlers, subject only to adjustments for (1) volume, market, and production differentials customarily applied by the handlers subject to such order, (2) the grade or quality of the milk purchased, and (3) the locations at which delivery of such milk, or any use classification thereof, is made to such handlers. (emphasis added)).

The proposal does not affect in any way the existing FMMO processor assessments for auditing and verification—all of which would remain in effect. The Market Administrators would still need to review books and records in order to verify the application and level of any exemption. Since the Market Administrators would have access to the books and records, they could also collect and publish (subject to confidentiality concerns if there were to be fewer than 3 handlers) market information that would be useful to farmers and other interested persons.

MIG’s proposal addresses pricing for organic milk, with corresponding revisions to the definitions of Part 1000 to ensure the proposal only applies as intended and provides guardrails. The regulatory language for this proposal would define organic milk (adding § 1000.20) and would amend § 1000.50 by adding a new subparagraph (r) regarding the treatment of organic milk. The proposed regulatory language also would amend other definitions as guardrails to protect against a handler benefiting from the exemption for organic milk and then in turn burdening the pool. Thus, under this proposal, MIG limits the ability to pool other milk through “diversions or transfers” to other handlers and by specifying that organic milk pooled as conventional is “other source milk” (i.e., down allocating the milk to the lowest priced class for the month). These elements are included in the proposed regulatory language.

MIG’s proposal will reduce organic handlers’ pool obligations but has no guaranteed impact on their overall costs. MIG’s proposal may increase certain specialty milk producers payments, but, given the nature of the premium payments already utilized, any change is speculative. MIG’s proposal will likely have no impact on consumer prices.

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G. Cost Impact of the Proposal on the Industry³²

The precise impacts of the proposals should be analyzed by USDA using a preliminary economic analysis. MIG included estimates in each individual Proposal of its impact on producers and processors.

From a consumer perspective, MIG's proposals will likely result in a positive change. In 2023, USDA predicts that all food prices will increase 7.5 percent, which is over and above the 2022 food price increase of 9.9 percent. To add insult to injury, *ultimately any increase in Class I prices will increase costs for consumers* buying a gallon of milk. MIG's proposals counteract these trends and will not put any pressure on increasing prices for fluid milk dairy products. They also will likely result in more options and variety of fluid milk products for consumers.

There would be a one-time cost to the market administrator offices of developing revised software to capture the proposals. Market administrator offices will continue to have ongoing costs of audits; handlers pay for these costs through assessments. MIG does not anticipate its proposals would have any appreciable cost impact to the Market Administrator, USDA, or the Secretary.

H. Expected Effects on Small Businesses³³

The impacts on small businesses as defined by the U.S. Small Business Administration are described above, including that the current system is unsustainably burdening fluid milk processors many of whom qualify as small businesses as defined by SBA. The impact of MIG's proposals are to either reduce the burden on fluid milk processors or to ensure producers who serve the fluid milk market are paid for those efforts. Given a) that FMMO prices are regulated minimums and USDA has in the past recognized that prices actually received by dairy farmers will vary from regulated minimums; and b) that dairy farmers with investments in fluid milk facilities bear the burden of these significant costs which then depress prices paid to the very dairy farmers who own the facilities, small businesses in these respective industry roles may not be impacted or may benefit.

I. Would a pre-hearing information session be helpful to explain the proposal?³⁴

Yes, MIG welcomes a pre-hearing information session to explain its proposals.

³² Addressing 7 CFR § 900.22(f).

³³ Addressing 7 CFR § 900.22(e).

³⁴ Addressing 7 CFR § 900.22(g)

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J. Conclusion

Every day that goes by the Class I market suffers and, by extension, dairy farmers and the entire FMMO system suffer, depending as it does on the Class I revenue stream to fund the producer settlement funds. The industry needs this petition considered promptly to address these serious economic problems. Any FMMO hearing involving Class I must include consideration of alternatives that **remove barriers to Class I innovation and compensate dairy farmers who ship milk to fluid milk plants**. Leaving Class I trapped in antiquated pricing models spells long-term failure for the FMMO system. Now is the moment to bring FMMOs into the present and establish a regulatory system with fairness and longevity.

MIG urges USDA to include its proposals for consideration in any upcoming hearing.

Respectively Submitted,

Davis Wright Tremaine LLP



Charles M. English, Jr.



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CE:AV:af

Encls.: Exhs. A-F

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Anderson Erickson Dairy Co., Inc.
Aurora Organic Dairy
Crystal Creamery
Danone North America
Fairlife
HP Hood LLC

Organic Valley/CROPP Cooperative
Shamrock Foods Company
Shehadey Family Foods, LLC
(Producers Dairy Foods, Inc.; Model Dairy, LLC; Umpqua Dairy Products Co.)
Turner Dairy Farms

EXHIBIT A

MIG Proposal 1 – Average of Plus Rolling Adjuster for Base Class I Skim Milk Price

This proposal amends 7 C.F.R. § 1000.50(b) as follows. Additions are red font. Deletions are red strikethrough font.

§ 1000.50 Class prices, component prices, and advanced pricing factors.

(b) Class I skim milk price. The Class I skim milk price per hundredweight shall be the adjusted Class I differential specified in § 1000.52, plus the adjustment to Class I prices specified in §§ 1005.51(b), 1006.51(b) and 1007.51(b) of this chapter, plus the simple average of the advanced pricing factors computed in paragraph (q)(1) and (2) of this section rounded to the nearest cent, plus the Class I skim price adjuster rounded to the nearest cent ~~\$0.74 per hundredweight~~.

(1) Class I skim price adjuster. The Class I skim price adjuster per hundredweight shall be the simple average of the difference between the higher of the advanced pricing factors computed in paragraph (q)(1) and (2) and the simple average of same for the preceding 24 months with a 12-month lag. The Class I skim price adjuster shall change monthly.

EXHIBIT B

MIG Proposal 2 – Update Base Class I Differential of \$1.60 to \$0.00

To accomplish this proposal, 7 C.F.R. § 1000.52 should be amended as follows – the chart below shows first the existing Class I differential and in the last column the proposed Class I differential eliminating the \$0.40 Grade A portion, the \$0.60 balancing portion of the Class I Differential, and the \$0.60 portion operating as the incentive necessary to serve the fluid market; reducing the Base Class I Differential to \$0.00:

County/parish/city	State	FIPS code	Current \$1000.52 Differential	Proposed \$1000.52 Differential 2A (Grade A)	Proposed \$1000.52 Differential 2B (Mkt/Bal)	Proposed \$1000.52 Differential 2C (Incentive)	Proposed \$1000.52 Differential 2A + 2B + 2C
AUTAUGA	AL	1001	3.30	2.90	2.70	2.70	1.70
BALDWIN	AL	1003	3.50	3.10	2.90	2.90	1.90
BARBOUR	AL	1005	3.45	3.05	2.85	2.85	1.85
BIBB	AL	1007	3.10	2.70	2.50	2.50	1.50
BLOUNT	AL	1009	3.10	2.70	2.50	2.50	1.50
BULLOCK	AL	1011	3.30	2.90	2.70	2.70	1.70
BUTLER	AL	1013	3.45	3.05	2.85	2.85	1.85
CALHOUN	AL	1015	3.10	2.70	2.50	2.50	1.50
CHAMBERS	AL	1017	3.10	2.70	2.50	2.50	1.50
CHEROKEE	AL	1019	3.10	2.70	2.50	2.50	1.50
CHILTON	AL	1021	3.10	2.70	2.50	2.50	1.50
CHOCTAW	AL	1023	3.30	2.90	2.70	2.70	1.70
CLARKE	AL	1025	3.45	3.05	2.85	2.85	1.85
CLAY	AL	1027	3.10	2.70	2.50	2.50	1.50
CLEBURNE	AL	1029	3.10	2.70	2.50	2.50	1.50
COFFEE	AL	1031	3.45	3.05	2.85	2.85	1.85
COLBERT	AL	1033	2.90	2.50	2.30	2.30	1.30
CONECUH	AL	1035	3.45	3.05	2.85	2.85	1.85
COOSA	AL	1037	3.10	2.70	2.50	2.50	1.50

County/parish/city	State	FIPS code	Current \$1000.52 Differential	Proposed \$1000.52 Differential 2A (Grade A)	Proposed \$1000.52 Differential 2B (Mkt/Bal)	Proposed \$1000.52 Differential 2C (Incentive)	Proposed \$1000.52 Differential 2A + 2B + 2C
COVINGTON	AL	1039	3.45	3.05	2.85	2.85	1.85
CRENSHAW	AL	1041	3.45	3.05	2.85	2.85	1.85
CULLMAN	AL	1043	3.10	2.70	2.50	2.50	1.50
DALE	AL	1045	3.45	3.05	2.85	2.85	1.85
DALLAS	AL	1047	3.30	2.90	2.70	2.70	1.70
DE KALB	AL	1049	2.90	2.50	2.30	2.30	1.30
ELMORE	AL	1051	3.30	2.90	2.70	2.70	1.70
ESCAMBIA	AL	1053	3.45	3.05	2.85	2.85	1.85
ETOWAH	AL	1055	3.10	2.70	2.50	2.50	1.50
FAYETTE	AL	1057	3.10	2.70	2.50	2.50	1.50
FRANKLIN	AL	1059	2.90	2.50	2.30	2.30	1.30
GENEVA	AL	1061	3.45	3.05	2.85	2.85	1.85
GREENE	AL	1063	3.10	2.70	2.50	2.50	1.50
HALE	AL	1065	3.10	2.70	2.50	2.50	1.50
HENRY	AL	1067	3.45	3.05	2.85	2.85	1.85
HOUSTON	AL	1069	3.45	3.05	2.85	2.85	1.85
JACKSON	AL	1071	2.90	2.50	2.30	2.30	1.30
JEFFERSON	AL	1073	3.10	2.70	2.50	2.50	1.50
LAMAR	AL	1075	3.10	2.70	2.50	2.50	1.50
LAUDERDALE	AL	1077	2.90	2.50	2.30	2.30	1.30
LAWRENCE	AL	1079	2.90	2.50	2.30	2.30	1.30
LEE	AL	1081	3.30	2.90	2.70	2.70	1.70
LIMESTONE	AL	1083	2.90	2.50	2.30	2.30	1.30
LOWNDES	AL	1085	3.30	2.90	2.70	2.70	1.70

County/parish/city	State	FIPS code	Current \$1000.52 Differential	Proposed \$1000.52 Differential 2A (Grade A)	Proposed \$1000.52 Differential 2B (Mkt/Bal)	Proposed \$1000.52 Differential 2C (Incentive)	Proposed \$1000.52 Differential 2A + 2B + 2C
MACON	AL	1087	3.30	2.90	2.70	2.70	1.70
MADISON	AL	1089	2.90	2.50	2.30	2.30	1.30
MARENGO	AL	1091	3.30	2.90	2.70	2.70	1.70
MARION	AL	1093	3.10	2.70	2.50	2.50	1.50
MARSHALL	AL	1095	2.90	2.50	2.30	2.30	1.30
MOBILE	AL	1097	3.50	3.10	2.90	2.90	1.90
MONROE	AL	1099	3.45	3.05	2.85	2.85	1.85
MONTGOMERY	AL	1101	3.30	2.90	2.70	2.70	1.70
MORGAN	AL	1103	2.90	2.50	2.30	2.30	1.30
PERRY	AL	1105	3.10	2.70	2.50	2.50	1.50
PICKENS	AL	1107	3.10	2.70	2.50	2.50	1.50
PIKE	AL	1109	3.45	3.05	2.85	2.85	1.85
RANDOLPH	AL	1111	3.10	2.70	2.50	2.50	1.50
RUSSELL	AL	1113	3.30	2.90	2.70	2.70	1.70
SHELBY	AL	1117	3.10	2.70	2.50	2.50	1.50
ST. CLAIR	AL	1115	3.10	2.70	2.50	2.50	1.50
SUMTER	AL	1119	3.10	2.70	2.50	2.50	1.50
TALLADEGA	AL	1121	3.10	2.70	2.50	2.50	1.50
TALLAPOOSA	AL	1123	3.10	2.70	2.50	2.50	1.50
TUSCALOOSA	AL	1125	3.10	2.70	2.50	2.50	1.50
WALKER	AL	1127	3.10	2.70	2.50	2.50	1.50
WASHINGTON	AL	1129	3.45	3.05	2.85	2.85	1.85
WILCOX	AL	1131	3.30	2.90	2.70	2.70	1.70
WINSTON	AL	1133	3.10	2.70	2.50	2.50	1.50

County/parish/city	State	FIPS code	Current \$1000.52 Differential	Proposed \$1000.52 Differential 2A (Grade A)	Proposed \$1000.52 Differential 2B (Mkt/Bal)	Proposed \$1000.52 Differential 2C (Incentive)	Proposed \$1000.52 Differential 2A + 2B + 2C
ARKANSAS	AR	5001	2.90	2.50	2.30	2.30	1.30
ASHLEY	AR	5003	3.10	2.70	2.50	2.50	1.50
BAXTER	AR	5005	2.60	2.20	2.00	2.00	1.00
BENTON	AR	5007	2.60	2.20	2.00	2.00	1.00
BOONE	AR	5009	2.60	2.20	2.00	2.00	1.00
BRADLEY	AR	5011	2.90	2.50	2.30	2.30	1.30
CALHOUN	AR	5013	2.90	2.50	2.30	2.30	1.30
CARROLL	AR	5015	2.60	2.20	2.00	2.00	1.00
CHICOT	AR	5017	3.10	2.70	2.50	2.50	1.50
CLARK	AR	5019	2.90	2.50	2.30	2.30	1.30
CLAY	AR	5021	2.60	2.20	2.00	2.00	1.00
CLEBURNE	AR	5023	2.80	2.40	2.20	2.20	1.20
CLEVELAND	AR	5025	2.90	2.50	2.30	2.30	1.30
COLUMBIA	AR	5027	3.10	2.70	2.50	2.50	1.50
CONWAY	AR	5029	2.80	2.40	2.20	2.20	1.20
CRAIGHEAD	AR	5031	2.60	2.20	2.00	2.00	1.00
CRAWFORD	AR	5033	2.80	2.40	2.20	2.20	1.20
CRITTENDEN	AR	5035	2.80	2.40	2.20	2.20	1.20
CROSS	AR	5037	2.80	2.40	2.20	2.20	1.20
DALLAS	AR	5039	2.90	2.50	2.30	2.30	1.30
DESHA	AR	5041	2.90	2.50	2.30	2.30	1.30
DREW	AR	5043	2.90	2.50	2.30	2.30	1.30
FAULKNER	AR	5045	2.80	2.40	2.20	2.20	1.20
FRANKLIN	AR	5047	2.80	2.40	2.20	2.20	1.20

County/parish/city	State	FIPS code	Current \$1000.52 Differential	Proposed \$1000.52 Differential 2A (Grade A)	Proposed \$1000.52 Differential 2B (Mkt/Bal)	Proposed \$1000.52 Differential 2C (Incentive)	Proposed \$1000.52 Differential 2A + 2B + 2C
FULTON	AR	5049	2.60	2.20	2.00	2.00	1.00
GARLAND	AR	5051	2.80	2.40	2.20	2.20	1.20
GRANT	AR	5053	2.90	2.50	2.30	2.30	1.30
GREENE	AR	5055	2.60	2.20	2.00	2.00	1.00
HEMPSTEAD	AR	5057	2.90	2.50	2.30	2.30	1.30
HOT SPRING	AR	5059	2.90	2.50	2.30	2.30	1.30
HOWARD	AR	5061	2.90	2.50	2.30	2.30	1.30
INDEPENDENCE	AR	5063	2.60	2.20	2.00	2.00	1.00
IZARD	AR	5065	2.60	2.20	2.00	2.00	1.00
JACKSON	AR	5067	2.60	2.20	2.00	2.00	1.00
JEFFERSON	AR	5069	2.90	2.50	2.30	2.30	1.30
JOHNSON	AR	5071	2.80	2.40	2.20	2.20	1.20
LAFAYETTE	AR	5073	3.10	2.70	2.50	2.50	1.50
LAWRENCE	AR	5075	2.60	2.20	2.00	2.00	1.00
LEE	AR	5077	2.80	2.40	2.20	2.20	1.20
LINCOLN	AR	5079	2.90	2.50	2.30	2.30	1.30
LITTLE RIVER	AR	5081	2.90	2.50	2.30	2.30	1.30
LOGAN	AR	5083	2.80	2.40	2.20	2.20	1.20
LONOKE	AR	5085	2.80	2.40	2.20	2.20	1.20
MADISON	AR	5087	2.60	2.20	2.00	2.00	1.00
MARION	AR	5089	2.60	2.20	2.00	2.00	1.00
MILLER	AR	5091	3.10	2.70	2.50	2.50	1.50
MISSISSIPPI	AR	5093	2.60	2.20	2.00	2.00	1.00
MONROE	AR	5095	2.80	2.40	2.20	2.20	1.20

County/parish/city	State	FIPS code	Current \$1000.52 Differential	Proposed \$1000.52 Differential 2A (Grade A)	Proposed \$1000.52 Differential 2B (Mkt/Bal)	Proposed \$1000.52 Differential 2C (Incentive)	Proposed \$1000.52 Differential 2A + 2B + 2C
MONTGOMERY	AR	5097	2.80	2.40	2.20	2.20	1.20
NEVADA	AR	5099	2.90	2.50	2.30	2.30	1.30
NEWTON	AR	5101	2.60	2.20	2.00	2.00	1.00
OUACHITA	AR	5103	2.90	2.50	2.30	2.30	1.30
PERRY	AR	5105	2.80	2.40	2.20	2.20	1.20
PHILLIPS	AR	5107	2.90	2.50	2.30	2.30	1.30
PIKE	AR	5109	2.90	2.50	2.30	2.30	1.30
POINSETT	AR	5111	2.60	2.20	2.00	2.00	1.00
POLK	AR	5113	2.80	2.40	2.20	2.20	1.20
POPE	AR	5115	2.80	2.40	2.20	2.20	1.20
PRAIRIE	AR	5117	2.80	2.40	2.20	2.20	1.20
PULASKI	AR	5119	2.80	2.40	2.20	2.20	1.20
RANDOLPH	AR	5121	2.60	2.20	2.00	2.00	1.00
SALINE	AR	5125	2.80	2.40	2.20	2.20	1.20
SCOTT	AR	5127	2.80	2.40	2.20	2.20	1.20
SEARCY	AR	5129	2.60	2.20	2.00	2.00	1.00
SEBASTIAN	AR	5131	2.80	2.40	2.20	2.20	1.20
SEVIER	AR	5133	2.90	2.50	2.30	2.30	1.30
SHARP	AR	5135	2.60	2.20	2.00	2.00	1.00
ST. FRANCIS	AR	5123	2.80	2.40	2.20	2.20	1.20
STONE	AR	5137	2.60	2.20	2.00	2.00	1.00
UNION	AR	5139	3.10	2.70	2.50	2.50	1.50
VAN BUREN	AR	5141	2.80	2.40	2.20	2.20	1.20
WASHINGTON	AR	5143	2.60	2.20	2.00	2.00	1.00

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WHITE	AR	5145	2.80	2.40	2.20	2.20	1.20
WOODRUFF	AR	5147	2.80	2.40	2.20	2.20	1.20
YELL	AR	5149	2.80	2.40	2.20	2.20	1.20
APACHE	AZ	4001	1.90	1.50	1.30	1.30	0.30
COCHISE	AZ	4003	2.10	1.70	1.50	1.50	0.50
COCONINO	AZ	4005	1.90	1.50	1.30	1.30	0.30
GILA	AZ	4007	2.10	1.70	1.50	1.50	0.50
GRAHAM	AZ	4009	2.10	1.70	1.50	1.50	0.50
GREENLEE	AZ	4011	2.10	1.70	1.50	1.50	0.50
LA PAZ	AZ	4012	2.10	1.70	1.50	1.50	0.50
MARICOPA	AZ	4013	2.35	1.95	1.75	1.75	0.75
MOHAVE	AZ	4015	1.90	1.50	1.30	1.30	0.30
NAVAJO	AZ	4017	1.90	1.50	1.30	1.30	0.30
PIMA	AZ	4019	2.35	1.95	1.75	1.75	0.75
PINAL	AZ	4021	2.35	1.95	1.75	1.75	0.75
SANTA CRUZ	AZ	4023	2.10	1.70	1.50	1.50	0.50
YAVAPAI	AZ	4025	1.90	1.50	1.30	1.30	0.30
YUMA	AZ	4027	2.10	1.70	1.50	1.50	0.50
ALAMEDA	CA	6001	1.80	1.40	1.20	1.20	0.20
ALPINE	CA	6003	1.70	1.30	1.10	1.10	0.10
AMADOR	CA	6005	1.70	1.30	1.10	1.10	0.10
BUTTE	CA	6007	1.70	1.30	1.10	1.10	0.10
CALAVERAS	CA	6009	1.70	1.30	1.10	1.10	0.10
COLUSA	CA	6011	1.70	1.30	1.10	1.10	0.10

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CONTRA COSTA	CA	6013	1.80	1.40	1.20	1.20	0.20
DEL NORTE	CA	6015	1.80	1.40	1.20	1.20	0.20
EL DORADO	CA	6017	1.70	1.30	1.10	1.10	0.10
FRESNO	CA	6019	1.60	1.20	1.00	1.00	-
GLENN	CA	6021	1.70	1.30	1.10	1.10	0.10
HUMBOLDT	CA	6023	1.80	1.40	1.20	1.20	0.20
IMPERIAL	CA	6025	2.00	1.60	1.40	1.40	0.40
INYO	CA	6027	1.60	1.20	1.00	1.00	-
KERN	CA	6029	1.80	1.40	1.20	1.20	0.20
KINGS	CA	6031	1.60	1.20	1.00	1.00	-
LAKE	CA	6033	1.80	1.40	1.20	1.20	0.20
LASSEN	CA	6035	1.70	1.30	1.10	1.10	0.10
LOS ANGELES	CA	6037	2.10	1.70	1.50	1.50	0.50
MADERA	CA	6039	1.60	1.20	1.00	1.00	-
MARIN	CA	6041	1.80	1.40	1.20	1.20	0.20
MARIPOSA	CA	6043	1.70	1.30	1.10	1.10	0.10
MENDOCINO	CA	6045	1.80	1.40	1.20	1.20	0.20
MERCED	CA	6047	1.70	1.30	1.10	1.10	0.10
MODOC	CA	6049	1.70	1.30	1.10	1.10	0.10
MONO	CA	6051	1.60	1.20	1.00	1.00	-
MONTEREY	CA	6053	1.80	1.40	1.20	1.20	0.20
NAPA	CA	6055	1.80	1.40	1.20	1.20	0.20
NEVADA	CA	6057	1.70	1.30	1.10	1.10	0.10
ORANGE	CA	6059	2.10	1.70	1.50	1.50	0.50

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PLACER	CA	6061	1.70	1.30	1.10	1.10	0.10
PLUMAS	CA	6063	1.70	1.30	1.10	1.10	0.10
RIVERSIDE	CA	6065	2.00	1.60	1.40	1.40	0.40
SACRAMENTO	CA	6067	1.70	1.30	1.10	1.10	0.10
SAN BENITO	CA	6069	1.80	1.40	1.20	1.20	0.20
SAN BERNARDINO	CA	6071	1.80	1.40	1.20	1.20	0.20
SAN DIEGO	CA	6073	2.10	1.70	1.50	1.50	0.50
SAN FRANCISCO	CA	6075	1.80	1.40	1.20	1.20	0.20
SAN JOAQUIN	CA	6077	1.70	1.30	1.10	1.10	0.10
SAN LUIS OBISPO	CA	6079	1.80	1.40	1.20	1.20	0.20
SAN MATEO	CA	6081	1.80	1.40	1.20	1.20	0.20
SANTA BARBARA	CA	6083	1.80	1.40	1.20	1.20	0.20
SANTA CLARA	CA	6085	1.80	1.40	1.20	1.20	0.20
SANTA CRUZ	CA	6087	1.80	1.40	1.20	1.20	0.20
SHASTA	CA	6089	1.70	1.30	1.10	1.10	0.10
SIERRA	CA	6091	1.70	1.30	1.10	1.10	0.10
SISKIYOU	CA	6093	1.80	1.40	1.20	1.20	0.20
SOLANO	CA	6095	1.80	1.40	1.20	1.20	0.20
SONOMA	CA	6097	1.80	1.40	1.20	1.20	0.20
STANISLAUS	CA	6099	1.70	1.30	1.10	1.10	0.10
SUTTER	CA	6101	1.70	1.30	1.10	1.10	0.10
TEHAMA	CA	6103	1.70	1.30	1.10	1.10	0.10
TRINITY	CA	6105	1.80	1.40	1.20	1.20	0.20
TULARE	CA	6107	1.60	1.20	1.00	1.00	-

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TUOLUMNE	CA	6109	1.70	1.30	1.10	1.10	0.10
VENTURA	CA	6111	1.80	1.40	1.20	1.20	0.20
YOLO	CA	6113	1.70	1.30	1.10	1.10	0.10
YUBA	CA	6115	1.70	1.30	1.10	1.10	0.10
ADAMS	CO	8001	2.55	2.15	1.95	1.95	0.95
ALAMOSA	CO	8003	1.90	1.50	1.30	1.30	0.30
ARAPAHOE	CO	8005	2.55	2.15	1.95	1.95	0.95
ARCHULETA	CO	8007	1.90	1.50	1.30	1.30	0.30
BACA	CO	8009	2.35	1.95	1.75	1.75	0.75
BENT	CO	8011	2.35	1.95	1.75	1.75	0.75
BOULDER	CO	8013	2.45	2.05	1.85	1.85	0.85
BROOMFIELD	CO	8014	2.45	2.05	1.85	1.85	0.85
CHAFFEE	CO	8015	1.90	1.50	1.30	1.30	0.30
CHEYENNE	CO	8017	2.35	1.95	1.75	1.75	0.75
CLEAR CREEK	CO	8019	2.45	2.05	1.85	1.85	0.85
CONEJOS	CO	8021	1.90	1.50	1.30	1.30	0.30
COSTILLA	CO	8023	1.90	1.50	1.30	1.30	0.30
CROWLEY	CO	8025	2.45	2.05	1.85	1.85	0.85
CUSTER	CO	8027	2.45	2.05	1.85	1.85	0.85
DELTA	CO	8029	2.00	1.60	1.40	1.40	0.40
DENVER	CO	8031	2.55	2.15	1.95	1.95	0.95
DOLORES	CO	8033	1.90	1.50	1.30	1.30	0.30
DOUGLAS	CO	8035	2.55	2.15	1.95	1.95	0.95
EAGLE	CO	8037	1.90	1.50	1.30	1.30	0.30

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EL PASO	CO	8041	2.55	2.15	1.95	1.95	0.95
ELBERT	CO	8039	2.45	2.05	1.85	1.85	0.85
FREMONT	CO	8043	2.45	2.05	1.85	1.85	0.85
GARFIELD	CO	8045	2.00	1.60	1.40	1.40	0.40
GILPIN	CO	8047	2.45	2.05	1.85	1.85	0.85
GRAND	CO	8049	1.90	1.50	1.30	1.30	0.30
GUNNISON	CO	8051	1.90	1.50	1.30	1.30	0.30
HINSDALE	CO	8053	1.90	1.50	1.30	1.30	0.30
HUERFANO	CO	8055	2.45	2.05	1.85	1.85	0.85
JACKSON	CO	8057	1.90	1.50	1.30	1.30	0.30
JEFFERSON	CO	8059	2.55	2.15	1.95	1.95	0.95
KIOWA	CO	8061	2.35	1.95	1.75	1.75	0.75
KIT CARSON	CO	8063	2.35	1.95	1.75	1.75	0.75
LA PLATA	CO	8067	1.90	1.50	1.30	1.30	0.30
LAKE	CO	8065	1.90	1.50	1.30	1.30	0.30
LARIMER	CO	8069	2.45	2.05	1.85	1.85	0.85
LAS ANIMAS	CO	8071	2.35	1.95	1.75	1.75	0.75
LINCOLN	CO	8073	2.45	2.05	1.85	1.85	0.85
LOGAN	CO	8075	2.35	1.95	1.75	1.75	0.75
MESA	CO	8077	2.00	1.60	1.40	1.40	0.40
MINERAL	CO	8079	1.90	1.50	1.30	1.30	0.30
MOFFAT	CO	8081	1.90	1.50	1.30	1.30	0.30
MONTEZUMA	CO	8083	1.90	1.50	1.30	1.30	0.30
MONTROSE	CO	8085	2.00	1.60	1.40	1.40	0.40

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MORGAN	CO	8087	2.35	1.95	1.75	1.75	0.75
OTERO	CO	8089	2.45	2.05	1.85	1.85	0.85
OURAY	CO	8091	1.90	1.50	1.30	1.30	0.30
PARK	CO	8093	2.45	2.05	1.85	1.85	0.85
PHILLIPS	CO	8095	2.35	1.95	1.75	1.75	0.75
PITKIN	CO	8097	1.90	1.50	1.30	1.30	0.30
PROWERS	CO	8099	2.35	1.95	1.75	1.75	0.75
PUEBLO	CO	8101	2.45	2.05	1.85	1.85	0.85
RIO BLANCO	CO	8103	1.90	1.50	1.30	1.30	0.30
RIO GRANDE	CO	8105	1.90	1.50	1.30	1.30	0.30
ROUTT	CO	8107	1.90	1.50	1.30	1.30	0.30
SAGUACHE	CO	8109	1.90	1.50	1.30	1.30	0.30
SAN JUAN	CO	8111	1.90	1.50	1.30	1.30	0.30
SAN MIGUEL	CO	8113	1.90	1.50	1.30	1.30	0.30
SEDGWICK	CO	8115	2.35	1.95	1.75	1.75	0.75
SUMMIT	CO	8117	1.90	1.50	1.30	1.30	0.30
TELLER	CO	8119	2.45	2.05	1.85	1.85	0.85
WASHINGTON	CO	8121	2.35	1.95	1.75	1.75	0.75
WELD	CO	8123	2.45	2.05	1.85	1.85	0.85
YUMA	CO	8125	2.35	1.95	1.75	1.75	0.75
FAIRFIELD	CT	9001	3.15	2.75	2.55	2.55	1.55
HARTFORD	CT	9003	3.15	2.75	2.55	2.55	1.55
LITCHFIELD	CT	9005	3.00	2.60	2.40	2.40	1.40
MIDDLESEX	CT	9007	3.15	2.75	2.55	2.55	1.55

County/parish/city	State	FIPS code	Current \$1000.52 Differential	Proposed \$1000.52 Differential 2A (Grade A)	Proposed \$1000.52 Differential 2B (Mkt/Bal)	Proposed \$1000.52 Differential 2C (Incentive)	Proposed \$1000.52 Differential 2A + 2B + 2C
NEW HAVEN	CT	9009	3.15	2.75	2.55	2.55	1.55
NEW LONDON	CT	9011	3.15	2.75	2.55	2.55	1.55
TOLLAND	CT	9013	3.15	2.75	2.55	2.55	1.55
WINDHAM	CT	9015	3.15	2.75	2.55	2.55	1.55
DISTRICT OF COLUMBIA	DC	11001	3.00	2.60	2.40	2.40	1.40
KENT	DE	10001	3.05	2.65	2.45	2.45	1.45
NEW CASTLE	DE	10003	3.05	2.65	2.45	2.45	1.45
SUSSEX	DE	10005	3.05	2.65	2.45	2.45	1.45
ALACHUA	FL	12001	3.70	3.30	3.10	3.10	2.10
BAKER	FL	12003	3.70	3.30	3.10	3.10	2.10
BAY	FL	12005	3.70	3.30	3.10	3.10	2.10
BRADFORD	FL	12007	3.70	3.30	3.10	3.10	2.10
BREVARD	FL	12009	4.00	3.60	3.40	3.40	2.40
BROWARD	FL	12011	4.30	3.90	3.70	3.70	2.70
CALHOUN	FL	12013	3.70	3.30	3.10	3.10	2.10
CHARLOTTE	FL	12015	4.30	3.90	3.70	3.70	2.70
CITRUS	FL	12017	4.00	3.60	3.40	3.40	2.40
CLAY	FL	12019	3.70	3.30	3.10	3.10	2.10
COLLIER	FL	12021	4.30	3.90	3.70	3.70	2.70
COLUMBIA	FL	12023	3.70	3.30	3.10	3.10	2.10
DADE	FL	12025	4.30	3.90	3.70	3.70	2.70
DE SOTO	FL	12027	4.00	3.60	3.40	3.40	2.40
DIXIE	FL	12029	3.70	3.30	3.10	3.10	2.10
DUVAL	FL	12031	3.70	3.30	3.10	3.10	2.10

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ESCAMBIA	FL	12033	3.45	3.05	2.85	2.85	1.85
FLAGLER	FL	12035	4.00	3.60	3.40	3.40	2.40
FRANKLIN	FL	12037	3.70	3.30	3.10	3.10	2.10
GADSDEN	FL	12039	3.70	3.30	3.10	3.10	2.10
GILCHRIST	FL	12041	3.70	3.30	3.10	3.10	2.10
GLADES	FL	12043	4.30	3.90	3.70	3.70	2.70
GULF	FL	12045	3.70	3.30	3.10	3.10	2.10
HAMILTON	FL	12047	3.70	3.30	3.10	3.10	2.10
HARDEE	FL	12049	4.00	3.60	3.40	3.40	2.40
HENDRY	FL	12051	4.30	3.90	3.70	3.70	2.70
HERNANDO	FL	12053	4.00	3.60	3.40	3.40	2.40
HIGHLANDS	FL	12055	4.00	3.60	3.40	3.40	2.40
HILLSBOROUGH	FL	12057	4.00	3.60	3.40	3.40	2.40
HOLMES	FL	12059	3.70	3.30	3.10	3.10	2.10
INDIAN RIVER	FL	12061	4.00	3.60	3.40	3.40	2.40
JACKSON	FL	12063	3.70	3.30	3.10	3.10	2.10
JEFFERSON	FL	12065	3.70	3.30	3.10	3.10	2.10
LAFAYETTE	FL	12067	3.70	3.30	3.10	3.10	2.10
LAKE	FL	12069	4.00	3.60	3.40	3.40	2.40
LEE	FL	12071	4.30	3.90	3.70	3.70	2.70
LEON	FL	12073	3.70	3.30	3.10	3.10	2.10
LEVY	FL	12075	4.00	3.60	3.40	3.40	2.40
LIBERTY	FL	12077	3.70	3.30	3.10	3.10	2.10
MADISON	FL	12079	3.70	3.30	3.10	3.10	2.10

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MANATEE	FL	12081	4.00	3.60	3.40	3.40	2.40
MARION	FL	12083	4.00	3.60	3.40	3.40	2.40
MARTIN	FL	12085	4.30	3.90	3.70	3.70	2.70
MONROE	FL	12087	4.30	3.90	3.70	3.70	2.70
NASSAU	FL	12089	3.70	3.30	3.10	3.10	2.10
OKALOOSA	FL	12091	3.45	3.05	2.85	2.85	1.85
OKEECHOBEE	FL	12093	4.00	3.60	3.40	3.40	2.40
ORANGE	FL	12095	4.00	3.60	3.40	3.40	2.40
OSCEOLA	FL	12097	4.00	3.60	3.40	3.40	2.40
PALM BEACH	FL	12099	4.30	3.90	3.70	3.70	2.70
PASCO	FL	12101	4.00	3.60	3.40	3.40	2.40
PINELLAS	FL	12103	4.00	3.60	3.40	3.40	2.40
POLK	FL	12105	4.00	3.60	3.40	3.40	2.40
PUTNAM	FL	12107	3.70	3.30	3.10	3.10	2.10
SANTA ROSA	FL	12113	3.45	3.05	2.85	2.85	1.85
SARASOTA	FL	12115	4.00	3.60	3.40	3.40	2.40
SEMINOLE	FL	12117	4.00	3.60	3.40	3.40	2.40
ST. JOHNS	FL	12109	3.70	3.30	3.10	3.10	2.10
ST. LUCIE	FL	12111	4.00	3.60	3.40	3.40	2.40
SUMTER	FL	12119	4.00	3.60	3.40	3.40	2.40
SUWANNEE	FL	12121	3.70	3.30	3.10	3.10	2.10
TAYLOR	FL	12123	3.70	3.30	3.10	3.10	2.10
UNION	FL	12125	3.70	3.30	3.10	3.10	2.10
VOLUSIA	FL	12127	4.00	3.60	3.40	3.40	2.40

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WAKULLA	FL	12129	3.70	3.30	3.10	3.10	2.10
WALTON	FL	12131	3.45	3.05	2.85	2.85	1.85
WASHINGTON	FL	12133	3.70	3.30	3.10	3.10	2.10
APPLING	GA	13001	3.45	3.05	2.85	2.85	1.85
ATKINSON	GA	13003	3.45	3.05	2.85	2.85	1.85
BACON	GA	13005	3.45	3.05	2.85	2.85	1.85
BAKER	GA	13007	3.45	3.05	2.85	2.85	1.85
BALDWIN	GA	13009	3.10	2.70	2.50	2.50	1.50
BANKS	GA	13011	3.10	2.70	2.50	2.50	1.50
BARROW	GA	13013	3.10	2.70	2.50	2.50	1.50
BARTOW	GA	13015	3.10	2.70	2.50	2.50	1.50
BEN HILL	GA	13017	3.45	3.05	2.85	2.85	1.85
BERRIEN	GA	13019	3.45	3.05	2.85	2.85	1.85
BIBB	GA	13021	3.30	2.90	2.70	2.70	1.70
BLECKLEY	GA	13023	3.30	2.90	2.70	2.70	1.70
BRANTLEY	GA	13025	3.45	3.05	2.85	2.85	1.85
BROOKS	GA	13027	3.45	3.05	2.85	2.85	1.85
BRYAN	GA	13029	3.45	3.05	2.85	2.85	1.85
BULLOCH	GA	13031	3.30	2.90	2.70	2.70	1.70
BURKE	GA	13033	3.30	2.90	2.70	2.70	1.70
BUTTS	GA	13035	3.10	2.70	2.50	2.50	1.50
CALHOUN	GA	13037	3.45	3.05	2.85	2.85	1.85
CAMDEN	GA	13039	3.45	3.05	2.85	2.85	1.85
CANDLER	GA	13043	3.30	2.90	2.70	2.70	1.70

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CARROLL	GA	13045	3.10	2.70	2.50	2.50	1.50
CATOOSA	GA	13047	2.80	2.40	2.20	2.20	1.20
CHARLTON	GA	13049	3.45	3.05	2.85	2.85	1.85
CHATHAM	GA	13051	3.45	3.05	2.85	2.85	1.85
CHATTAHOOCHEE	GA	13053	3.30	2.90	2.70	2.70	1.70
CHATTOOGA	GA	13055	2.80	2.40	2.20	2.20	1.20
CHEROKEE	GA	13057	3.10	2.70	2.50	2.50	1.50
CLARKE	GA	13059	3.10	2.70	2.50	2.50	1.50
CLAY	GA	13061	3.45	3.05	2.85	2.85	1.85
CLAYTON	GA	13063	3.10	2.70	2.50	2.50	1.50
CLINCH	GA	13065	3.45	3.05	2.85	2.85	1.85
COBB	GA	13067	3.10	2.70	2.50	2.50	1.50
COFFEE	GA	13069	3.45	3.05	2.85	2.85	1.85
COLQUITT	GA	13071	3.45	3.05	2.85	2.85	1.85
COLUMBIA	GA	13073	3.10	2.70	2.50	2.50	1.50
COOK	GA	13075	3.45	3.05	2.85	2.85	1.85
COWETA	GA	13077	3.10	2.70	2.50	2.50	1.50
CRAWFORD	GA	13079	3.30	2.90	2.70	2.70	1.70
CRISP	GA	13081	3.45	3.05	2.85	2.85	1.85
DADE	GA	13083	2.80	2.40	2.20	2.20	1.20
DAWSON	GA	13085	3.10	2.70	2.50	2.50	1.50
DE KALB	GA	13089	3.10	2.70	2.50	2.50	1.50
DECATUR	GA	13087	3.45	3.05	2.85	2.85	1.85
DODGE	GA	13091	3.45	3.05	2.85	2.85	1.85

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DOOLY	GA	13093	3.45	3.05	2.85	2.85	1.85
DOUGHERTY	GA	13095	3.45	3.05	2.85	2.85	1.85
DOUGLAS	GA	13097	3.10	2.70	2.50	2.50	1.50
EARLY	GA	13099	3.45	3.05	2.85	2.85	1.85
ECHOLS	GA	13101	3.45	3.05	2.85	2.85	1.85
EFFINGHAM	GA	13103	3.30	2.90	2.70	2.70	1.70
ELBERT	GA	13105	3.10	2.70	2.50	2.50	1.50
EMANUEL	GA	13107	3.30	2.90	2.70	2.70	1.70
EVANS	GA	13109	3.45	3.05	2.85	2.85	1.85
FANNIN	GA	13111	2.80	2.40	2.20	2.20	1.20
FAYETTE	GA	13113	3.10	2.70	2.50	2.50	1.50
FLOYD	GA	13115	3.10	2.70	2.50	2.50	1.50
FORSYTH	GA	13117	3.10	2.70	2.50	2.50	1.50
FRANKLIN	GA	13119	3.10	2.70	2.50	2.50	1.50
FULTON	GA	13121	3.10	2.70	2.50	2.50	1.50
GILMER	GA	13123	3.10	2.70	2.50	2.50	1.50
GLASCOCK	GA	13125	3.10	2.70	2.50	2.50	1.50
GLYNN	GA	13127	3.45	3.05	2.85	2.85	1.85
GORDON	GA	13129	3.10	2.70	2.50	2.50	1.50
GRADY	GA	13131	3.45	3.05	2.85	2.85	1.85
GREENE	GA	13133	3.10	2.70	2.50	2.50	1.50
GWINNETT	GA	13135	3.10	2.70	2.50	2.50	1.50
HABERSHAM	GA	13137	3.10	2.70	2.50	2.50	1.50
HALL	GA	13139	3.10	2.70	2.50	2.50	1.50

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HANCOCK	GA	13141	3.10	2.70	2.50	2.50	1.50
HARALSON	GA	13143	3.10	2.70	2.50	2.50	1.50
HARRIS	GA	13145	3.30	2.90	2.70	2.70	1.70
HART	GA	13147	3.10	2.70	2.50	2.50	1.50
HEARD	GA	13149	3.10	2.70	2.50	2.50	1.50
HENRY	GA	13151	3.10	2.70	2.50	2.50	1.50
HOUSTON	GA	13153	3.30	2.90	2.70	2.70	1.70
IRWIN	GA	13155	3.45	3.05	2.85	2.85	1.85
JACKSON	GA	13157	3.10	2.70	2.50	2.50	1.50
JASPER	GA	13159	3.10	2.70	2.50	2.50	1.50
JEFF DAVIS	GA	13161	3.45	3.05	2.85	2.85	1.85
JEFFERSON	GA	13163	3.30	2.90	2.70	2.70	1.70
JENKINS	GA	13165	3.30	2.90	2.70	2.70	1.70
JOHNSON	GA	13167	3.30	2.90	2.70	2.70	1.70
JONES	GA	13169	3.10	2.70	2.50	2.50	1.50
LAMAR	GA	13171	3.10	2.70	2.50	2.50	1.50
LANIER	GA	13173	3.45	3.05	2.85	2.85	1.85
LAURENS	GA	13175	3.30	2.90	2.70	2.70	1.70
LEE	GA	13177	3.45	3.05	2.85	2.85	1.85
LIBERTY	GA	13179	3.45	3.05	2.85	2.85	1.85
LINCOLN	GA	13181	3.10	2.70	2.50	2.50	1.50
LONG	GA	13183	3.45	3.05	2.85	2.85	1.85
LOWNDES	GA	13185	3.45	3.05	2.85	2.85	1.85
LUMPKIN	GA	13187	3.10	2.70	2.50	2.50	1.50

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MACON	GA	13193	3.30	2.90	2.70	2.70	1.70
MADISON	GA	13195	3.10	2.70	2.50	2.50	1.50
MARION	GA	13197	3.30	2.90	2.70	2.70	1.70
MCDUFFIE	GA	13189	3.10	2.70	2.50	2.50	1.50
MCINTOSH	GA	13191	3.45	3.05	2.85	2.85	1.85
MERIWETHER	GA	13199	3.10	2.70	2.50	2.50	1.50
MILLER	GA	13201	3.45	3.05	2.85	2.85	1.85
MITCHELL	GA	13205	3.45	3.05	2.85	2.85	1.85
MONROE	GA	13207	3.10	2.70	2.50	2.50	1.50
MONTGOMERY	GA	13209	3.45	3.05	2.85	2.85	1.85
MORGAN	GA	13211	3.10	2.70	2.50	2.50	1.50
MURRAY	GA	13213	2.80	2.40	2.20	2.20	1.20
MUSCOGEE	GA	13215	3.30	2.90	2.70	2.70	1.70
NEWTON	GA	13217	3.10	2.70	2.50	2.50	1.50
OCONEE	GA	13219	3.10	2.70	2.50	2.50	1.50
OGLETHORPE	GA	13221	3.10	2.70	2.50	2.50	1.50
PAULDING	GA	13223	3.10	2.70	2.50	2.50	1.50
PEACH	GA	13225	3.30	2.90	2.70	2.70	1.70
PICKENS	GA	13227	3.10	2.70	2.50	2.50	1.50
PIERCE	GA	13229	3.45	3.05	2.85	2.85	1.85
PIKE	GA	13231	3.10	2.70	2.50	2.50	1.50
POLK	GA	13233	3.10	2.70	2.50	2.50	1.50
PULASKI	GA	13235	3.45	3.05	2.85	2.85	1.85
PUTNAM	GA	13237	3.10	2.70	2.50	2.50	1.50

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QUITMAN	GA	13239	3.45	3.05	2.85	2.85	1.85
RABUN	GA	13241	3.10	2.70	2.50	2.50	1.50
RANDOLPH	GA	13243	3.45	3.05	2.85	2.85	1.85
RICHMOND	GA	13245	3.30	2.90	2.70	2.70	1.70
ROCKDALE	GA	13247	3.10	2.70	2.50	2.50	1.50
SCHLEY	GA	13249	3.30	2.90	2.70	2.70	1.70
SCREVEN	GA	13251	3.30	2.90	2.70	2.70	1.70
SEMINOLE	GA	13253	3.45	3.05	2.85	2.85	1.85
SPALDING	GA	13255	3.10	2.70	2.50	2.50	1.50
STEPHENS	GA	13257	3.10	2.70	2.50	2.50	1.50
STEWART	GA	13259	3.45	3.05	2.85	2.85	1.85
SUMTER	GA	13261	3.45	3.05	2.85	2.85	1.85
TALBOT	GA	13263	3.30	2.90	2.70	2.70	1.70
TALIAFERRO	GA	13265	3.10	2.70	2.50	2.50	1.50
TATTNALL	GA	13267	3.45	3.05	2.85	2.85	1.85
TAYLOR	GA	13269	3.30	2.90	2.70	2.70	1.70
TELFAIR	GA	13271	3.45	3.05	2.85	2.85	1.85
TERRELL	GA	13273	3.45	3.05	2.85	2.85	1.85
THOMAS	GA	13275	3.45	3.05	2.85	2.85	1.85
TIFT	GA	13277	3.45	3.05	2.85	2.85	1.85
TOOMBS	GA	13279	3.45	3.05	2.85	2.85	1.85
TOWNS	GA	13281	3.10	2.70	2.50	2.50	1.50
TREUTLEN	GA	13283	3.30	2.90	2.70	2.70	1.70
TROUP	GA	13285	3.10	2.70	2.50	2.50	1.50

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TURNER	GA	13287	3.45	3.05	2.85	2.85	1.85
TWIGGS	GA	13289	3.30	2.90	2.70	2.70	1.70
UNION	GA	13291	3.10	2.70	2.50	2.50	1.50
UPSON	GA	13293	3.10	2.70	2.50	2.50	1.50
WALKER	GA	13295	2.80	2.40	2.20	2.20	1.20
WALTON	GA	13297	3.10	2.70	2.50	2.50	1.50
WARE	GA	13299	3.45	3.05	2.85	2.85	1.85
WARREN	GA	13301	3.10	2.70	2.50	2.50	1.50
WASHINGTON	GA	13303	3.30	2.90	2.70	2.70	1.70
WAYNE	GA	13305	3.45	3.05	2.85	2.85	1.85
WEBSTER	GA	13307	3.45	3.05	2.85	2.85	1.85
WHEELER	GA	13309	3.45	3.05	2.85	2.85	1.85
WHITE	GA	13311	3.10	2.70	2.50	2.50	1.50
WHITFIELD	GA	13313	2.80	2.40	2.20	2.20	1.20
WILCOX	GA	13315	3.45	3.05	2.85	2.85	1.85
WILKES	GA	13317	3.10	2.70	2.50	2.50	1.50
WILKINSON	GA	13319	3.30	2.90	2.70	2.70	1.70
WORTH	GA	13321	3.45	3.05	2.85	2.85	1.85
ADAIR	IA	19001	1.80	1.40	1.20	1.20	0.20
ADAMS	IA	19003	1.80	1.40	1.20	1.20	0.20
ALLAMAKEE	IA	19005	1.75	1.35	1.15	1.15	0.15
APPANOOSE	IA	19007	1.80	1.40	1.20	1.20	0.20
AUDUBON	IA	19009	1.80	1.40	1.20	1.20	0.20
BENTON	IA	19011	1.80	1.40	1.20	1.20	0.20

County/parish/city	State	FIPS code	Current \$1000.52 Differential	Proposed \$1000.52 Differential 2A (Grade A)	Proposed \$1000.52 Differential 2B (Mkt/Bal)	Proposed \$1000.52 Differential 2C (Incentive)	Proposed \$1000.52 Differential 2A + 2B + 2C
BLACK HAWK	IA	19013	1.75	1.35	1.15	1.15	0.15
BOONE	IA	19015	1.80	1.40	1.20	1.20	0.20
BREMER	IA	19017	1.75	1.35	1.15	1.15	0.15
BUCHANAN	IA	19019	1.75	1.35	1.15	1.15	0.15
BUENA VISTA	IA	19021	1.75	1.35	1.15	1.15	0.15
BUTLER	IA	19023	1.75	1.35	1.15	1.15	0.15
CALHOUN	IA	19025	1.75	1.35	1.15	1.15	0.15
CARROLL	IA	19027	1.80	1.40	1.20	1.20	0.20
CASS	IA	19029	1.80	1.40	1.20	1.20	0.20
CEDAR	IA	19031	1.80	1.40	1.20	1.20	0.20
CERRO GORDO	IA	19033	1.75	1.35	1.15	1.15	0.15
CHEROKEE	IA	19035	1.75	1.35	1.15	1.15	0.15
CHICKASAW	IA	19037	1.75	1.35	1.15	1.15	0.15
CLARKE	IA	19039	1.80	1.40	1.20	1.20	0.20
CLAY	IA	19041	1.75	1.35	1.15	1.15	0.15
CLAYTON	IA	19043	1.75	1.35	1.15	1.15	0.15
CLINTON	IA	19045	1.80	1.40	1.20	1.20	0.20
CRAWFORD	IA	19047	1.80	1.40	1.20	1.20	0.20
DALLAS	IA	19049	1.80	1.40	1.20	1.20	0.20
DAVIS	IA	19051	1.80	1.40	1.20	1.20	0.20
DECATUR	IA	19053	1.80	1.40	1.20	1.20	0.20
DELAWARE	IA	19055	1.75	1.35	1.15	1.15	0.15
DES MOINES	IA	19057	1.80	1.40	1.20	1.20	0.20
DICKINSON	IA	19059	1.75	1.35	1.15	1.15	0.15

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DUBUQUE	IA	19061	1.75	1.35	1.15	1.15	0.15
EMMET	IA	19063	1.75	1.35	1.15	1.15	0.15
FAYETTE	IA	19065	1.75	1.35	1.15	1.15	0.15
FLOYD	IA	19067	1.75	1.35	1.15	1.15	0.15
FRANKLIN	IA	19069	1.75	1.35	1.15	1.15	0.15
FREMONT	IA	19071	1.85	1.45	1.25	1.25	0.25
GREENE	IA	19073	1.80	1.40	1.20	1.20	0.20
GRUNDY	IA	19075	1.75	1.35	1.15	1.15	0.15
GUTHRIE	IA	19077	1.80	1.40	1.20	1.20	0.20
HAMILTON	IA	19079	1.75	1.35	1.15	1.15	0.15
HANCOCK	IA	19081	1.75	1.35	1.15	1.15	0.15
HARDIN	IA	19083	1.75	1.35	1.15	1.15	0.15
HARRISON	IA	19085	1.80	1.40	1.20	1.20	0.20
HENRY	IA	19087	1.80	1.40	1.20	1.20	0.20
HOWARD	IA	19089	1.75	1.35	1.15	1.15	0.15
HUMBOLDT	IA	19091	1.75	1.35	1.15	1.15	0.15
IDA	IA	19093	1.75	1.35	1.15	1.15	0.15
IOWA	IA	19095	1.80	1.40	1.20	1.20	0.20
JACKSON	IA	19097	1.80	1.40	1.20	1.20	0.20
JASPER	IA	19099	1.80	1.40	1.20	1.20	0.20
JEFFERSON	IA	19101	1.80	1.40	1.20	1.20	0.20
JOHNSON	IA	19103	1.80	1.40	1.20	1.20	0.20
JONES	IA	19105	1.80	1.40	1.20	1.20	0.20
KEOKUK	IA	19107	1.80	1.40	1.20	1.20	0.20

County/parish/city	State	FIPS code	Current \$1000.52 Differential	Proposed \$1000.52 Differential 2A (Grade A)	Proposed \$1000.52 Differential 2B (Mkt/Bal)	Proposed \$1000.52 Differential 2C (Incentive)	Proposed \$1000.52 Differential 2A + 2B + 2C
KOSSUTH	IA	19109	1.75	1.35	1.15	1.15	0.15
LEE	IA	19111	1.80	1.40	1.20	1.20	0.20
LINN	IA	19113	1.80	1.40	1.20	1.20	0.20
LOUISA	IA	19115	1.80	1.40	1.20	1.20	0.20
LUCAS	IA	19117	1.80	1.40	1.20	1.20	0.20
LYON	IA	19119	1.75	1.35	1.15	1.15	0.15
MADISON	IA	19121	1.80	1.40	1.20	1.20	0.20
MAHASKA	IA	19123	1.80	1.40	1.20	1.20	0.20
MARION	IA	19125	1.80	1.40	1.20	1.20	0.20
MARSHALL	IA	19127	1.80	1.40	1.20	1.20	0.20
MILLS	IA	19129	1.85	1.45	1.25	1.25	0.25
MITCHELL	IA	19131	1.75	1.35	1.15	1.15	0.15
MONONA	IA	19133	1.80	1.40	1.20	1.20	0.20
MONROE	IA	19135	1.80	1.40	1.20	1.20	0.20
MONTGOMERY	IA	19137	1.80	1.40	1.20	1.20	0.20
MUSCATINE	IA	19139	1.80	1.40	1.20	1.20	0.20
O'BRIEN	IA	19141	1.75	1.35	1.15	1.15	0.15
OSCEOLA	IA	19143	1.75	1.35	1.15	1.15	0.15
PAGE	IA	19145	1.80	1.40	1.20	1.20	0.20
PALO ALTO	IA	19147	1.75	1.35	1.15	1.15	0.15
PLYMOUTH	IA	19149	1.75	1.35	1.15	1.15	0.15
POCAHONTAS	IA	19151	1.75	1.35	1.15	1.15	0.15
POLK	IA	19153	1.80	1.40	1.20	1.20	0.20
POTTAWATTAMIE	IA	19155	1.85	1.45	1.25	1.25	0.25

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POWESHIEK	IA	19157	1.80	1.40	1.20	1.20	0.20
RINGGOLD	IA	19159	1.80	1.40	1.20	1.20	0.20
SAC	IA	19161	1.75	1.35	1.15	1.15	0.15
SCOTT	IA	19163	1.80	1.40	1.20	1.20	0.20
SHELBY	IA	19165	1.80	1.40	1.20	1.20	0.20
SIOUX	IA	19167	1.75	1.35	1.15	1.15	0.15
STORY	IA	19169	1.80	1.40	1.20	1.20	0.20
TAMA	IA	19171	1.80	1.40	1.20	1.20	0.20
TAYLOR	IA	19173	1.80	1.40	1.20	1.20	0.20
UNION	IA	19175	1.80	1.40	1.20	1.20	0.20
VAN BUREN	IA	19177	1.80	1.40	1.20	1.20	0.20
WAPELLO	IA	19179	1.80	1.40	1.20	1.20	0.20
WARREN	IA	19181	1.80	1.40	1.20	1.20	0.20
WASHINGTON	IA	19183	1.80	1.40	1.20	1.20	0.20
WAYNE	IA	19185	1.80	1.40	1.20	1.20	0.20
WEBSTER	IA	19187	1.75	1.35	1.15	1.15	0.15
WINNEBAGO	IA	19189	1.75	1.35	1.15	1.15	0.15
WINNESHIEK	IA	19191	1.75	1.35	1.15	1.15	0.15
WOODBURY	IA	19193	1.75	1.35	1.15	1.15	0.15
WORTH	IA	19195	1.75	1.35	1.15	1.15	0.15
WRIGHT	IA	19197	1.75	1.35	1.15	1.15	0.15
ADA	ID	16001	1.60	1.20	1.00	1.00	-
ADAMS	ID	16003	1.60	1.20	1.00	1.00	-
BANNOCK	ID	16005	1.60	1.20	1.00	1.00	-

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BEAR LAKE	ID	16007	1.60	1.20	1.00	1.00	-
BENEWAH	ID	16009	1.90	1.50	1.30	1.30	0.30
BINGHAM	ID	16011	1.60	1.20	1.00	1.00	-
BLAINE	ID	16013	1.60	1.20	1.00	1.00	-
BOISE	ID	16015	1.60	1.20	1.00	1.00	-
BONNER	ID	16017	1.90	1.50	1.30	1.30	0.30
BONNEVILLE	ID	16019	1.60	1.20	1.00	1.00	-
BOUNDARY	ID	16021	1.90	1.50	1.30	1.30	0.30
BUTTE	ID	16023	1.60	1.20	1.00	1.00	-
CAMAS	ID	16025	1.60	1.20	1.00	1.00	-
CANYON	ID	16027	1.60	1.20	1.00	1.00	-
CARIBOU	ID	16029	1.60	1.20	1.00	1.00	-
CASSIA	ID	16031	1.60	1.20	1.00	1.00	-
CLARK	ID	16033	1.60	1.20	1.00	1.00	-
CLEARWATER	ID	16035	1.60	1.20	1.00	1.00	-
CUSTER	ID	16037	1.60	1.20	1.00	1.00	-
ELMORE	ID	16039	1.60	1.20	1.00	1.00	-
FRANKLIN	ID	16041	1.60	1.20	1.00	1.00	-
FREMONT	ID	16043	1.60	1.20	1.00	1.00	-
GEM	ID	16045	1.60	1.20	1.00	1.00	-
GOODING	ID	16047	1.60	1.20	1.00	1.00	-
IDAHO	ID	16049	1.60	1.20	1.00	1.00	-
JEFFERSON	ID	16051	1.60	1.20	1.00	1.00	-
JEROME	ID	16053	1.60	1.20	1.00	1.00	-

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KOOTENAI	ID	16055	1.90	1.50	1.30	1.30	0.30
LATAH	ID	16057	1.90	1.50	1.30	1.30	0.30
LEMHI	ID	16059	1.60	1.20	1.00	1.00	-
LEWIS	ID	16061	1.60	1.20	1.00	1.00	-
LINCOLN	ID	16063	1.60	1.20	1.00	1.00	-
MADISON	ID	16065	1.60	1.20	1.00	1.00	-
MINIDOKA	ID	16067	1.60	1.20	1.00	1.00	-
NEZ PERCE	ID	16069	1.60	1.20	1.00	1.00	-
ONEIDA	ID	16071	1.60	1.20	1.00	1.00	-
OWYHEE	ID	16073	1.60	1.20	1.00	1.00	-
PAYETTE	ID	16075	1.60	1.20	1.00	1.00	-
POWER	ID	16077	1.60	1.20	1.00	1.00	-
SHOSHONE	ID	16079	1.90	1.50	1.30	1.30	0.30
TETON	ID	16081	1.60	1.20	1.00	1.00	-
TWIN FALLS	ID	16083	1.60	1.20	1.00	1.00	-
VALLEY	ID	16085	1.60	1.20	1.00	1.00	-
WASHINGTON	ID	16087	1.60	1.20	1.00	1.00	-
ADAMS	IL	17001	1.80	1.40	1.20	1.20	0.20
ALEXANDER	IL	17003	2.20	1.80	1.60	1.60	0.60
BOND	IL	17005	2.00	1.60	1.40	1.40	0.40
BOONE	IL	17007	1.75	1.35	1.15	1.15	0.15
BROWN	IL	17009	1.80	1.40	1.20	1.20	0.20
BUREAU	IL	17011	1.80	1.40	1.20	1.20	0.20
CALHOUN	IL	17013	2.00	1.60	1.40	1.40	0.40

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CARROLL	IL	17015	1.80	1.40	1.20	1.20	0.20
CASS	IL	17017	1.80	1.40	1.20	1.20	0.20
CHAMPAIGN	IL	17019	1.80	1.40	1.20	1.20	0.20
CHRISTIAN	IL	17021	2.00	1.60	1.40	1.40	0.40
CLARK	IL	17023	2.00	1.60	1.40	1.40	0.40
CLAY	IL	17025	2.00	1.60	1.40	1.40	0.40
CLINTON	IL	17027	2.00	1.60	1.40	1.40	0.40
COLES	IL	17029	2.00	1.60	1.40	1.40	0.40
COOK	IL	17031	1.80	1.40	1.20	1.20	0.20
CRAWFORD	IL	17033	2.00	1.60	1.40	1.40	0.40
CUMBERLAND	IL	17035	2.00	1.60	1.40	1.40	0.40
DE KALB	IL	17037	1.80	1.40	1.20	1.20	0.20
DE WITT	IL	17039	1.80	1.40	1.20	1.20	0.20
DOUGLAS	IL	17041	2.00	1.60	1.40	1.40	0.40
DU PAGE	IL	17043	1.80	1.40	1.20	1.20	0.20
EDGAR	IL	17045	2.00	1.60	1.40	1.40	0.40
EDWARDS	IL	17047	2.20	1.80	1.60	1.60	0.60
EFFINGHAM	IL	17049	2.00	1.60	1.40	1.40	0.40
FAYETTE	IL	17051	2.00	1.60	1.40	1.40	0.40
FORD	IL	17053	1.80	1.40	1.20	1.20	0.20
FRANKLIN	IL	17055	2.20	1.80	1.60	1.60	0.60
FULTON	IL	17057	1.80	1.40	1.20	1.20	0.20
GALLATIN	IL	17059	2.20	1.80	1.60	1.60	0.60
GREENE	IL	17061	2.00	1.60	1.40	1.40	0.40

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GRUNDY	IL	17063	1.80	1.40	1.20	1.20	0.20
HAMILTON	IL	17065	2.20	1.80	1.60	1.60	0.60
HANCOCK	IL	17067	1.80	1.40	1.20	1.20	0.20
HARDIN	IL	17069	2.20	1.80	1.60	1.60	0.60
HENDERSON	IL	17071	1.80	1.40	1.20	1.20	0.20
HENRY	IL	17073	1.80	1.40	1.20	1.20	0.20
IROQUOIS	IL	17075	1.80	1.40	1.20	1.20	0.20
JACKSON	IL	17077	2.20	1.80	1.60	1.60	0.60
JASPER	IL	17079	2.00	1.60	1.40	1.40	0.40
JEFFERSON	IL	17081	2.00	1.60	1.40	1.40	0.40
JERSEY	IL	17083	2.00	1.60	1.40	1.40	0.40
JO DAVIESS	IL	17085	1.75	1.35	1.15	1.15	0.15
JOHNSON	IL	17087	2.20	1.80	1.60	1.60	0.60
KANE	IL	17089	1.80	1.40	1.20	1.20	0.20
KANKAKEE	IL	17091	1.80	1.40	1.20	1.20	0.20
KENDALL	IL	17093	1.80	1.40	1.20	1.20	0.20
KNOX	IL	17095	1.80	1.40	1.20	1.20	0.20
LA SALLE	IL	17099	1.80	1.40	1.20	1.20	0.20
LAKE	IL	17097	1.80	1.40	1.20	1.20	0.20
LAWRENCE	IL	17101	2.00	1.60	1.40	1.40	0.40
LEE	IL	17103	1.80	1.40	1.20	1.20	0.20
LIVINGSTON	IL	17105	1.80	1.40	1.20	1.20	0.20
LOGAN	IL	17107	1.80	1.40	1.20	1.20	0.20
MACON	IL	17115	1.80	1.40	1.20	1.20	0.20

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MACOUPIN	IL	17117	2.00	1.60	1.40	1.40	0.40
MADISON	IL	17119	2.00	1.60	1.40	1.40	0.40
MARION	IL	17121	2.00	1.60	1.40	1.40	0.40
MARSHALL	IL	17123	1.80	1.40	1.20	1.20	0.20
MASON	IL	17125	1.80	1.40	1.20	1.20	0.20
MASSAC	IL	17127	2.20	1.80	1.60	1.60	0.60
MCDONOUGH	IL	17109	1.80	1.40	1.20	1.20	0.20
MCHENRY	IL	17111	1.80	1.40	1.20	1.20	0.20
MCLEAN	IL	17113	1.80	1.40	1.20	1.20	0.20
MENARD	IL	17129	1.80	1.40	1.20	1.20	0.20
MERCER	IL	17131	1.80	1.40	1.20	1.20	0.20
MONROE	IL	17133	2.00	1.60	1.40	1.40	0.40
MONTGOMERY	IL	17135	2.00	1.60	1.40	1.40	0.40
MORGAN	IL	17137	1.80	1.40	1.20	1.20	0.20
MOULTRIE	IL	17139	2.00	1.60	1.40	1.40	0.40
OGLE	IL	17141	1.80	1.40	1.20	1.20	0.20
PEORIA	IL	17143	1.80	1.40	1.20	1.20	0.20
PERRY	IL	17145	2.00	1.60	1.40	1.40	0.40
PIATT	IL	17147	1.80	1.40	1.20	1.20	0.20
PIKE	IL	17149	1.80	1.40	1.20	1.20	0.20
POPE	IL	17151	2.20	1.80	1.60	1.60	0.60
PULASKI	IL	17153	2.20	1.80	1.60	1.60	0.60
PUTNAM	IL	17155	1.80	1.40	1.20	1.20	0.20
RANDOLPH	IL	17157	2.00	1.60	1.40	1.40	0.40

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RICHLAND	IL	17159	2.00	1.60	1.40	1.40	0.40
ROCK ISLAND	IL	17161	1.80	1.40	1.20	1.20	0.20
SALINE	IL	17165	2.20	1.80	1.60	1.60	0.60
SANGAMON	IL	17167	1.80	1.40	1.20	1.20	0.20
SCHUYLER	IL	17169	1.80	1.40	1.20	1.20	0.20
SCOTT	IL	17171	1.80	1.40	1.20	1.20	0.20
SHELBY	IL	17173	2.00	1.60	1.40	1.40	0.40
ST. CLAIR	IL	17163	2.00	1.60	1.40	1.40	0.40
STARK	IL	17175	1.80	1.40	1.20	1.20	0.20
STEPHENSON	IL	17177	1.75	1.35	1.15	1.15	0.15
TAZEWELL	IL	17179	1.80	1.40	1.20	1.20	0.20
UNION	IL	17181	2.20	1.80	1.60	1.60	0.60
VERMILION	IL	17183	1.80	1.40	1.20	1.20	0.20
WABASH	IL	17185	2.20	1.80	1.60	1.60	0.60
WARREN	IL	17187	1.80	1.40	1.20	1.20	0.20
WASHINGTON	IL	17189	2.00	1.60	1.40	1.40	0.40
WAYNE	IL	17191	2.20	1.80	1.60	1.60	0.60
WHITE	IL	17193	2.20	1.80	1.60	1.60	0.60
WHITESIDE	IL	17195	1.80	1.40	1.20	1.20	0.20
WILL	IL	17197	1.80	1.40	1.20	1.20	0.20
WILLIAMSON	IL	17199	2.20	1.80	1.60	1.60	0.60
WINNEBAGO	IL	17201	1.75	1.35	1.15	1.15	0.15
WOODFORD	IL	17203	1.80	1.40	1.20	1.20	0.20
ADAMS	IN	18001	1.80	1.40	1.20	1.20	0.20

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ALLEN	IN	18003	1.80	1.40	1.20	1.20	0.20
BARTHOLOMEW	IN	18005	2.20	1.80	1.60	1.60	0.60
BENTON	IN	18007	1.80	1.40	1.20	1.20	0.20
BLACKFORD	IN	18009	1.80	1.40	1.20	1.20	0.20
BOONE	IN	18011	2.00	1.60	1.40	1.40	0.40
BROWN	IN	18013	2.20	1.80	1.60	1.60	0.60
CARROLL	IN	18015	1.80	1.40	1.20	1.20	0.20
CASS	IN	18017	1.80	1.40	1.20	1.20	0.20
CLARK	IN	18019	2.20	1.80	1.60	1.60	0.60
CLAY	IN	18021	2.00	1.60	1.40	1.40	0.40
CLINTON	IN	18023	1.80	1.40	1.20	1.20	0.20
CRAWFORD	IN	18025	2.20	1.80	1.60	1.60	0.60
DAVISS	IN	18027	2.20	1.80	1.60	1.60	0.60
DEKALB	IN	18033	1.80	1.40	1.20	1.20	0.20
DEARBORN	IN	18029	2.20	1.80	1.60	1.60	0.60
DECATUR	IN	18031	2.20	1.80	1.60	1.60	0.60
DELAWARE	IN	18035	2.00	1.60	1.40	1.40	0.40
DUBOIS	IN	18037	2.20	1.80	1.60	1.60	0.60
ELKHART	IN	18039	1.80	1.40	1.20	1.20	0.20
FAYETTE	IN	18041	2.00	1.60	1.40	1.40	0.40
FLOYD	IN	18043	2.20	1.80	1.60	1.60	0.60
FOUNTAIN	IN	18045	1.80	1.40	1.20	1.20	0.20
FRANKLIN	IN	18047	2.00	1.60	1.40	1.40	0.40
FULTON	IN	18049	1.80	1.40	1.20	1.20	0.20

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GIBSON	IN	18051	2.20	1.80	1.60	1.60	0.60
GRANT	IN	18053	1.80	1.40	1.20	1.20	0.20
GREENE	IN	18055	2.20	1.80	1.60	1.60	0.60
HAMILTON	IN	18057	2.00	1.60	1.40	1.40	0.40
HANCOCK	IN	18059	2.00	1.60	1.40	1.40	0.40
HARRISON	IN	18061	2.20	1.80	1.60	1.60	0.60
HENDRICKS	IN	18063	2.00	1.60	1.40	1.40	0.40
HENRY	IN	18065	2.00	1.60	1.40	1.40	0.40
HOWARD	IN	18067	1.80	1.40	1.20	1.20	0.20
HUNTINGTON	IN	18069	1.80	1.40	1.20	1.20	0.20
JACKSON	IN	18071	2.20	1.80	1.60	1.60	0.60
JASPER	IN	18073	1.80	1.40	1.20	1.20	0.20
JAY	IN	18075	1.80	1.40	1.20	1.20	0.20
JEFFERSON	IN	18077	2.20	1.80	1.60	1.60	0.60
JENNINGS	IN	18079	2.20	1.80	1.60	1.60	0.60
JOHNSON	IN	18081	2.00	1.60	1.40	1.40	0.40
KNOX	IN	18083	2.20	1.80	1.60	1.60	0.60
KOSCIUSKO	IN	18085	1.80	1.40	1.20	1.20	0.20
LA PORTE	IN	18091	1.80	1.40	1.20	1.20	0.20
LAGRANGE	IN	18087	1.80	1.40	1.20	1.20	0.20
LAKE	IN	18089	1.80	1.40	1.20	1.20	0.20
LAWRENCE	IN	18093	2.20	1.80	1.60	1.60	0.60
MADISON	IN	18095	2.00	1.60	1.40	1.40	0.40
MARION	IN	18097	2.00	1.60	1.40	1.40	0.40

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MARSHALL	IN	18099	1.80	1.40	1.20	1.20	0.20
MARTIN	IN	18101	2.20	1.80	1.60	1.60	0.60
MIAMI	IN	18103	1.80	1.40	1.20	1.20	0.20
MONROE	IN	18105	2.20	1.80	1.60	1.60	0.60
MONTGOMERY	IN	18107	2.00	1.60	1.40	1.40	0.40
MORGAN	IN	18109	2.00	1.60	1.40	1.40	0.40
NEWTON	IN	18111	1.80	1.40	1.20	1.20	0.20
NOBLE	IN	18113	1.80	1.40	1.20	1.20	0.20
OHIO	IN	18115	2.20	1.80	1.60	1.60	0.60
ORANGE	IN	18117	2.20	1.80	1.60	1.60	0.60
OWEN	IN	18119	2.00	1.60	1.40	1.40	0.40
PARKE	IN	18121	2.00	1.60	1.40	1.40	0.40
PERRY	IN	18123	2.20	1.80	1.60	1.60	0.60
PIKE	IN	18125	2.20	1.80	1.60	1.60	0.60
PORTER	IN	18127	1.80	1.40	1.20	1.20	0.20
POSEY	IN	18129	2.20	1.80	1.60	1.60	0.60
PULASKI	IN	18131	1.80	1.40	1.20	1.20	0.20
PUTNAM	IN	18133	2.00	1.60	1.40	1.40	0.40
RANDOLPH	IN	18135	2.00	1.60	1.40	1.40	0.40
RIPLEY	IN	18137	2.20	1.80	1.60	1.60	0.60
RUSH	IN	18139	2.00	1.60	1.40	1.40	0.40
SCOTT	IN	18143	2.20	1.80	1.60	1.60	0.60
SHELBY	IN	18145	2.00	1.60	1.40	1.40	0.40
SPENCER	IN	18147	2.20	1.80	1.60	1.60	0.60

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ST. JOSEPH	IN	18141	1.80	1.40	1.20	1.20	0.20
STARKE	IN	18149	1.80	1.40	1.20	1.20	0.20
STEUBEN	IN	18151	1.80	1.40	1.20	1.20	0.20
SULLIVAN	IN	18153	2.20	1.80	1.60	1.60	0.60
SWITZERLAND	IN	18155	2.20	1.80	1.60	1.60	0.60
TIPPECANOE	IN	18157	1.80	1.40	1.20	1.20	0.20
TIPTON	IN	18159	1.80	1.40	1.20	1.20	0.20
UNION	IN	18161	2.00	1.60	1.40	1.40	0.40
VANDEBURGH	IN	18163	2.20	1.80	1.60	1.60	0.60
VERMILLION	IN	18165	2.00	1.60	1.40	1.40	0.40
VIGO	IN	18167	2.00	1.60	1.40	1.40	0.40
WABASH	IN	18169	1.80	1.40	1.20	1.20	0.20
WARREN	IN	18171	1.80	1.40	1.20	1.20	0.20
WARRICK	IN	18173	2.20	1.80	1.60	1.60	0.60
WASHINGTON	IN	18175	2.20	1.80	1.60	1.60	0.60
WAYNE	IN	18177	2.00	1.60	1.40	1.40	0.40
WELLS	IN	18179	1.80	1.40	1.20	1.20	0.20
WHITE	IN	18181	1.80	1.40	1.20	1.20	0.20
WHITLEY	IN	18183	1.80	1.40	1.20	1.20	0.20
ALLEN	KS	20001	2.20	1.80	1.60	1.60	0.60
ANDERSON	KS	20003	2.00	1.60	1.40	1.40	0.40
ATCHISON	KS	20005	2.00	1.60	1.40	1.40	0.40
BARBER	KS	20007	2.20	1.80	1.60	1.60	0.60
BARTON	KS	20009	2.20	1.80	1.60	1.60	0.60

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BOURBON	KS	20011	2.20	1.80	1.60	1.60	0.60
BROWN	KS	20013	2.00	1.60	1.40	1.40	0.40
BUTLER	KS	20015	2.20	1.80	1.60	1.60	0.60
CHASE	KS	20017	2.20	1.80	1.60	1.60	0.60
CHAUTAUQUA	KS	20019	2.20	1.80	1.60	1.60	0.60
CHEROKEE	KS	20021	2.20	1.80	1.60	1.60	0.60
CHEYENNE	KS	20023	2.20	1.80	1.60	1.60	0.60
CLARK	KS	20025	2.20	1.80	1.60	1.60	0.60
CLAY	KS	20027	2.00	1.60	1.40	1.40	0.40
CLOUD	KS	20029	2.00	1.60	1.40	1.40	0.40
COFFEY	KS	20031	2.00	1.60	1.40	1.40	0.40
COMANCHE	KS	20033	2.20	1.80	1.60	1.60	0.60
COWLEY	KS	20035	2.20	1.80	1.60	1.60	0.60
CRAWFORD	KS	20037	2.20	1.80	1.60	1.60	0.60
DECATUR	KS	20039	2.00	1.60	1.40	1.40	0.40
DICKINSON	KS	20041	2.00	1.60	1.40	1.40	0.40
DONIPHAN	KS	20043	2.00	1.60	1.40	1.40	0.40
DOUGLAS	KS	20045	2.00	1.60	1.40	1.40	0.40
EDWARDS	KS	20047	2.20	1.80	1.60	1.60	0.60
ELK	KS	20049	2.20	1.80	1.60	1.60	0.60
ELLIS	KS	20051	2.00	1.60	1.40	1.40	0.40
ELLSWORTH	KS	20053	2.00	1.60	1.40	1.40	0.40
FINNEY	KS	20055	2.20	1.80	1.60	1.60	0.60
FORD	KS	20057	2.20	1.80	1.60	1.60	0.60

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FRANKLIN	KS	20059	2.00	1.60	1.40	1.40	0.40
GEARY	KS	20061	2.00	1.60	1.40	1.40	0.40
GOVE	KS	20063	2.20	1.80	1.60	1.60	0.60
GRAHAM	KS	20065	2.00	1.60	1.40	1.40	0.40
GRANT	KS	20067	2.20	1.80	1.60	1.60	0.60
GRAY	KS	20069	2.20	1.80	1.60	1.60	0.60
GREELEY	KS	20071	2.20	1.80	1.60	1.60	0.60
GREENWOOD	KS	20073	2.20	1.80	1.60	1.60	0.60
HAMILTON	KS	20075	2.20	1.80	1.60	1.60	0.60
HARPER	KS	20077	2.20	1.80	1.60	1.60	0.60
HARVEY	KS	20079	2.20	1.80	1.60	1.60	0.60
HASKELL	KS	20081	2.20	1.80	1.60	1.60	0.60
HODGEMAN	KS	20083	2.20	1.80	1.60	1.60	0.60
JACKSON	KS	20085	2.00	1.60	1.40	1.40	0.40
JEFFERSON	KS	20087	2.00	1.60	1.40	1.40	0.40
JEWELL	KS	20089	2.00	1.60	1.40	1.40	0.40
JOHNSON	KS	20091	2.00	1.60	1.40	1.40	0.40
KEARNY	KS	20093	2.20	1.80	1.60	1.60	0.60
KINGMAN	KS	20095	2.20	1.80	1.60	1.60	0.60
KIOWA	KS	20097	2.20	1.80	1.60	1.60	0.60
LABETTE	KS	20099	2.20	1.80	1.60	1.60	0.60
LANE	KS	20101	2.20	1.80	1.60	1.60	0.60
LEAVENWORTH	KS	20103	2.00	1.60	1.40	1.40	0.40
LINCOLN	KS	20105	2.00	1.60	1.40	1.40	0.40

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LINN	KS	20107	2.00	1.60	1.40	1.40	0.40
LOGAN	KS	20109	2.20	1.80	1.60	1.60	0.60
LYON	KS	20111	2.00	1.60	1.40	1.40	0.40
MARION	KS	20115	2.20	1.80	1.60	1.60	0.60
MARSHALL	KS	20117	2.00	1.60	1.40	1.40	0.40
MCPHERSON	KS	20113	2.20	1.80	1.60	1.60	0.60
MEADE	KS	20119	2.20	1.80	1.60	1.60	0.60
MIAMI	KS	20121	2.00	1.60	1.40	1.40	0.40
MITCHELL	KS	20123	2.00	1.60	1.40	1.40	0.40
MONTGOMERY	KS	20125	2.20	1.80	1.60	1.60	0.60
MORRIS	KS	20127	2.00	1.60	1.40	1.40	0.40
MORTON	KS	20129	2.20	1.80	1.60	1.60	0.60
NEMAHA	KS	20131	2.00	1.60	1.40	1.40	0.40
NEOSHO	KS	20133	2.20	1.80	1.60	1.60	0.60
NESS	KS	20135	2.20	1.80	1.60	1.60	0.60
NORTON	KS	20137	2.00	1.60	1.40	1.40	0.40
OSAGE	KS	20139	2.00	1.60	1.40	1.40	0.40
OSBORNE	KS	20141	2.00	1.60	1.40	1.40	0.40
OTTAWA	KS	20143	2.00	1.60	1.40	1.40	0.40
PAWNEE	KS	20145	2.20	1.80	1.60	1.60	0.60
PHILLIPS	KS	20147	2.00	1.60	1.40	1.40	0.40
POTTAWATOMIE	KS	20149	2.00	1.60	1.40	1.40	0.40
PRATT	KS	20151	2.20	1.80	1.60	1.60	0.60
RAWLINS	KS	20153	2.00	1.60	1.40	1.40	0.40

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RENO	KS	20155	2.20	1.80	1.60	1.60	0.60
REPUBLIC	KS	20157	2.00	1.60	1.40	1.40	0.40
RICE	KS	20159	2.20	1.80	1.60	1.60	0.60
RILEY	KS	20161	2.00	1.60	1.40	1.40	0.40
ROOKS	KS	20163	2.00	1.60	1.40	1.40	0.40
RUSH	KS	20165	2.20	1.80	1.60	1.60	0.60
RUSSELL	KS	20167	2.00	1.60	1.40	1.40	0.40
SALINE	KS	20169	2.00	1.60	1.40	1.40	0.40
SCOTT	KS	20171	2.20	1.80	1.60	1.60	0.60
SEDGWICK	KS	20173	2.20	1.80	1.60	1.60	0.60
SEWARD	KS	20175	2.20	1.80	1.60	1.60	0.60
SHAWNEE	KS	20177	2.00	1.60	1.40	1.40	0.40
SHERIDAN	KS	20179	2.00	1.60	1.40	1.40	0.40
SHERMAN	KS	20181	2.20	1.80	1.60	1.60	0.60
SMITH	KS	20183	2.00	1.60	1.40	1.40	0.40
STAFFORD	KS	20185	2.20	1.80	1.60	1.60	0.60
STANTON	KS	20187	2.20	1.80	1.60	1.60	0.60
STEVENS	KS	20189	2.20	1.80	1.60	1.60	0.60
SUMNER	KS	20191	2.20	1.80	1.60	1.60	0.60
THOMAS	KS	20193	2.00	1.60	1.40	1.40	0.40
TREGO	KS	20195	2.20	1.80	1.60	1.60	0.60
WABAUNSEE	KS	20197	2.00	1.60	1.40	1.40	0.40
WALLACE	KS	20199	2.20	1.80	1.60	1.60	0.60
WASHINGTON	KS	20201	2.00	1.60	1.40	1.40	0.40

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WICHITA	KS	20203	2.20	1.80	1.60	1.60	0.60
WILSON	KS	20205	2.20	1.80	1.60	1.60	0.60
WOODSON	KS	20207	2.20	1.80	1.60	1.60	0.60
WYANDOTTE	KS	20209	2.00	1.60	1.40	1.40	0.40
ADAIR	KY	21001	2.40	2.00	1.80	1.80	0.80
ALLEN	KY	21003	2.40	2.00	1.80	1.80	0.80
ANDERSON	KY	21005	2.20	1.80	1.60	1.60	0.60
BALLARD	KY	21007	2.40	2.00	1.80	1.80	0.80
BARREN	KY	21009	2.40	2.00	1.80	1.80	0.80
BATH	KY	21011	2.20	1.80	1.60	1.60	0.60
BELL	KY	21013	2.40	2.00	1.80	1.80	0.80
BOONE	KY	21015	2.20	1.80	1.60	1.60	0.60
BOURBON	KY	21017	2.20	1.80	1.60	1.60	0.60
BOYD	KY	21019	2.20	1.80	1.60	1.60	0.60
BOYLE	KY	21021	2.20	1.80	1.60	1.60	0.60
BRACKEN	KY	21023	2.20	1.80	1.60	1.60	0.60
BREATHITT	KY	21025	2.20	1.80	1.60	1.60	0.60
BRECKINRIDGE	KY	21027	2.20	1.80	1.60	1.60	0.60
BULLITT	KY	21029	2.20	1.80	1.60	1.60	0.60
BUTLER	KY	21031	2.40	2.00	1.80	1.80	0.80
CALDWELL	KY	21033	2.40	2.00	1.80	1.80	0.80
CALLOWAY	KY	21035	2.40	2.00	1.80	1.80	0.80
CAMPBELL	KY	21037	2.20	1.80	1.60	1.60	0.60
CARLISLE	KY	21039	2.40	2.00	1.80	1.80	0.80

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CARROLL	KY	21041	2.20	1.80	1.60	1.60	0.60
CARTER	KY	21043	2.20	1.80	1.60	1.60	0.60
CASEY	KY	21045	2.40	2.00	1.80	1.80	0.80
CHRISTIAN	KY	21047	2.40	2.00	1.80	1.80	0.80
CLARK	KY	21049	2.20	1.80	1.60	1.60	0.60
CLAY	KY	21051	2.40	2.00	1.80	1.80	0.80
CLINTON	KY	21053	2.40	2.00	1.80	1.80	0.80
CRITTENDEN	KY	21055	2.40	2.00	1.80	1.80	0.80
CUMBERLAND	KY	21057	2.40	2.00	1.80	1.80	0.80
DAVIESS	KY	21059	2.20	1.80	1.60	1.60	0.60
EDMONSON	KY	21061	2.40	2.00	1.80	1.80	0.80
ELLIOTT	KY	21063	2.20	1.80	1.60	1.60	0.60
ESTILL	KY	21065	2.20	1.80	1.60	1.60	0.60
FAYETTE	KY	21067	2.20	1.80	1.60	1.60	0.60
FLEMING	KY	21069	2.20	1.80	1.60	1.60	0.60
FLOYD	KY	21071	2.20	1.80	1.60	1.60	0.60
FRANKLIN	KY	21073	2.20	1.80	1.60	1.60	0.60
FULTON	KY	21075	2.40	2.00	1.80	1.80	0.80
GALLATIN	KY	21077	2.20	1.80	1.60	1.60	0.60
GARRARD	KY	21079	2.20	1.80	1.60	1.60	0.60
GRANT	KY	21081	2.20	1.80	1.60	1.60	0.60
GRAVES	KY	21083	2.40	2.00	1.80	1.80	0.80
GRAYSON	KY	21085	2.40	2.00	1.80	1.80	0.80
GREEN	KY	21087	2.40	2.00	1.80	1.80	0.80

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GREENUP	KY	21089	2.20	1.80	1.60	1.60	0.60
HANCOCK	KY	21091	2.20	1.80	1.60	1.60	0.60
HARDIN	KY	21093	2.20	1.80	1.60	1.60	0.60
HARLAN	KY	21095	2.40	2.00	1.80	1.80	0.80
HARRISON	KY	21097	2.20	1.80	1.60	1.60	0.60
HART	KY	21099	2.40	2.00	1.80	1.80	0.80
HENDERSON	KY	21101	2.20	1.80	1.60	1.60	0.60
HENRY	KY	21103	2.20	1.80	1.60	1.60	0.60
HICKMAN	KY	21105	2.40	2.00	1.80	1.80	0.80
HOPKINS	KY	21107	2.40	2.00	1.80	1.80	0.80
JACKSON	KY	21109	2.20	1.80	1.60	1.60	0.60
JEFFERSON	KY	21111	2.20	1.80	1.60	1.60	0.60
JESSAMINE	KY	21113	2.20	1.80	1.60	1.60	0.60
JOHNSON	KY	21115	2.20	1.80	1.60	1.60	0.60
KENTON	KY	21117	2.20	1.80	1.60	1.60	0.60
KNOTT	KY	21119	2.40	2.00	1.80	1.80	0.80
KNOX	KY	21121	2.40	2.00	1.80	1.80	0.80
LARUE	KY	21123	2.20	1.80	1.60	1.60	0.60
LAUREL	KY	21125	2.40	2.00	1.80	1.80	0.80
LAWRENCE	KY	21127	2.20	1.80	1.60	1.60	0.60
LEE	KY	21129	2.20	1.80	1.60	1.60	0.60
LESLIE	KY	21131	2.40	2.00	1.80	1.80	0.80
LETCHER	KY	21133	2.40	2.00	1.80	1.80	0.80
LEWIS	KY	21135	2.20	1.80	1.60	1.60	0.60

County/parish/city	State	FIPS code	Current \$1000.52 Differential	Proposed \$1000.52 Differential 2A (Grade A)	Proposed \$1000.52 Differential 2B (Mkt/Bal)	Proposed \$1000.52 Differential 2C (Incentive)	Proposed \$1000.52 Differential 2A + 2B + 2C
LINCOLN	KY	21137	2.20	1.80	1.60	1.60	0.60
LIVINGSTON	KY	21139	2.40	2.00	1.80	1.80	0.80
LOGAN	KY	21141	2.40	2.00	1.80	1.80	0.80
LYON	KY	21143	2.40	2.00	1.80	1.80	0.80
MADISON	KY	21151	2.20	1.80	1.60	1.60	0.60
MAGOFFIN	KY	21153	2.20	1.80	1.60	1.60	0.60
MARION	KY	21155	2.20	1.80	1.60	1.60	0.60
MARSHALL	KY	21157	2.40	2.00	1.80	1.80	0.80
MARTIN	KY	21159	2.20	1.80	1.60	1.60	0.60
MASON	KY	21161	2.20	1.80	1.60	1.60	0.60
MCCRACKEN	KY	21145	2.40	2.00	1.80	1.80	0.80
MCCREARY	KY	21147	2.40	2.00	1.80	1.80	0.80
MCLEAN	KY	21149	2.20	1.80	1.60	1.60	0.60
MEADE	KY	21163	2.20	1.80	1.60	1.60	0.60
MENIFEE	KY	21165	2.20	1.80	1.60	1.60	0.60
MERCER	KY	21167	2.20	1.80	1.60	1.60	0.60
METCALFE	KY	21169	2.40	2.00	1.80	1.80	0.80
MONROE	KY	21171	2.40	2.00	1.80	1.80	0.80
MONTGOMERY	KY	21173	2.20	1.80	1.60	1.60	0.60
MORGAN	KY	21175	2.20	1.80	1.60	1.60	0.60
MUHLENBERG	KY	21177	2.40	2.00	1.80	1.80	0.80
NELSON	KY	21179	2.20	1.80	1.60	1.60	0.60
NICHOLAS	KY	21181	2.20	1.80	1.60	1.60	0.60
OHIO	KY	21183	2.40	2.00	1.80	1.80	0.80

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OLDHAM	KY	21185	2.20	1.80	1.60	1.60	0.60
OWEN	KY	21187	2.20	1.80	1.60	1.60	0.60
OWSLEY	KY	21189	2.20	1.80	1.60	1.60	0.60
PENDLETON	KY	21191	2.20	1.80	1.60	1.60	0.60
PERRY	KY	21193	2.40	2.00	1.80	1.80	0.80
PIKE	KY	21195	2.40	2.00	1.80	1.80	0.80
POWELL	KY	21197	2.20	1.80	1.60	1.60	0.60
PULASKI	KY	21199	2.40	2.00	1.80	1.80	0.80
ROBERTSON	KY	21201	2.20	1.80	1.60	1.60	0.60
ROCKCASTLE	KY	21203	2.20	1.80	1.60	1.60	0.60
ROWAN	KY	21205	2.20	1.80	1.60	1.60	0.60
RUSSELL	KY	21207	2.40	2.00	1.80	1.80	0.80
SCOTT	KY	21209	2.20	1.80	1.60	1.60	0.60
SHELBY	KY	21211	2.20	1.80	1.60	1.60	0.60
SIMPSON	KY	21213	2.40	2.00	1.80	1.80	0.80
SPENCER	KY	21215	2.20	1.80	1.60	1.60	0.60
TAYLOR	KY	21217	2.40	2.00	1.80	1.80	0.80
TODD	KY	21219	2.40	2.00	1.80	1.80	0.80
TRIGG	KY	21221	2.40	2.00	1.80	1.80	0.80
TRIMBLE	KY	21223	2.20	1.80	1.60	1.60	0.60
UNION	KY	21225	2.20	1.80	1.60	1.60	0.60
WARREN	KY	21227	2.40	2.00	1.80	1.80	0.80
WASHINGTON	KY	21229	2.20	1.80	1.60	1.60	0.60
WAYNE	KY	21231	2.40	2.00	1.80	1.80	0.80

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WEBSTER	KY	21233	2.40	2.00	1.80	1.80	0.80
WHITLEY	KY	21235	2.40	2.00	1.80	1.80	0.80
WOLFE	KY	21237	2.20	1.80	1.60	1.60	0.60
WOODFORD	KY	21239	2.20	1.80	1.60	1.60	0.60
ACADIA	LA	22001	3.50	3.10	2.90	2.90	1.90
ALLEN	LA	22003	3.50	3.10	2.90	2.90	1.90
ASCENSION	LA	22005	3.60	3.20	3.00	3.00	2.00
ASSUMPTION	LA	22007	3.60	3.20	3.00	3.00	2.00
AVOUELLES	LA	22009	3.40	3.00	2.80	2.80	1.80
BEAUREGARD	LA	22011	3.50	3.10	2.90	2.90	1.90
BIENVILLE	LA	22013	3.30	2.90	2.70	2.70	1.70
BOSSIER	LA	22015	3.10	2.70	2.50	2.50	1.50
CADDO	LA	22017	3.10	2.70	2.50	2.50	1.50
CALCASIEU	LA	22019	3.50	3.10	2.90	2.90	1.90
CALDWELL	LA	22021	3.30	2.90	2.70	2.70	1.70
CAMERON	LA	22023	3.60	3.20	3.00	3.00	2.00
CATAHOULA	LA	22025	3.40	3.00	2.80	2.80	1.80
CLAIBORNE	LA	22027	3.10	2.70	2.50	2.50	1.50
CONCORDIA	LA	22029	3.40	3.00	2.80	2.80	1.80
DE SOTO	LA	22031	3.30	2.90	2.70	2.70	1.70
EAST BATON ROUGE	LA	22033	3.60	3.20	3.00	3.00	2.00
EAST CARROLL	LA	22035	3.10	2.70	2.50	2.50	1.50
EAST FELICIANA	LA	22037	3.50	3.10	2.90	2.90	1.90
EVANGELINE	LA	22039	3.50	3.10	2.90	2.90	1.90

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FRANKLIN	LA	22041	3.30	2.90	2.70	2.70	1.70
GRANT	LA	22043	3.40	3.00	2.80	2.80	1.80
IBERIA	LA	22045	3.60	3.20	3.00	3.00	2.00
IBERVILLE	LA	22047	3.60	3.20	3.00	3.00	2.00
JACKSON	LA	22049	3.30	2.90	2.70	2.70	1.70
JEFFERSON	LA	22051	3.60	3.20	3.00	3.00	2.00
JEFFERSON DAVIS	LA	22053	3.50	3.10	2.90	2.90	1.90
LA SALLE	LA	22059	3.40	3.00	2.80	2.80	1.80
LAFAYETTE	LA	22055	3.60	3.20	3.00	3.00	2.00
LAFOURCHE	LA	22057	3.60	3.20	3.00	3.00	2.00
LINCOLN	LA	22061	3.10	2.70	2.50	2.50	1.50
LIVINGSTON	LA	22063	3.60	3.20	3.00	3.00	2.00
MADISON	LA	22065	3.30	2.90	2.70	2.70	1.70
MOREHOUSE	LA	22067	3.10	2.70	2.50	2.50	1.50
NATCHITOCHE	LA	22069	3.30	2.90	2.70	2.70	1.70
ORLEANS	LA	22071	3.60	3.20	3.00	3.00	2.00
OUACHITA	LA	22073	3.10	2.70	2.50	2.50	1.50
PLAQUEMINES	LA	22075	3.60	3.20	3.00	3.00	2.00
POINTE COUPEE	LA	22077	3.50	3.10	2.90	2.90	1.90
RAPIDES	LA	22079	3.40	3.00	2.80	2.80	1.80
RED RIVER	LA	22081	3.30	2.90	2.70	2.70	1.70
RICHLAND	LA	22083	3.10	2.70	2.50	2.50	1.50
SABINE	LA	22085	3.30	2.90	2.70	2.70	1.70
ST. BERNARD	LA	22087	3.60	3.20	3.00	3.00	2.00

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ST. CHARLES	LA	22089	3.60	3.20	3.00	3.00	2.00
ST. HELENA	LA	22091	3.50	3.10	2.90	2.90	1.90
ST. JAMES	LA	22093	3.60	3.20	3.00	3.00	2.00
ST. JOHN THE BAPTIST	LA	22095	3.60	3.20	3.00	3.00	2.00
ST. LANDRY	LA	22097	3.50	3.10	2.90	2.90	1.90
ST. MARTIN	LA	22099	3.60	3.20	3.00	3.00	2.00
ST. MARY	LA	22101	3.60	3.20	3.00	3.00	2.00
ST. TAMMANY	LA	22103	3.50	3.10	2.90	2.90	1.90
TANGIPAHOA	LA	22105	3.60	3.20	3.00	3.00	2.00
TENSAS	LA	22107	3.30	2.90	2.70	2.70	1.70
TERREBONNE	LA	22109	3.60	3.20	3.00	3.00	2.00
UNION	LA	22111	3.10	2.70	2.50	2.50	1.50
VERMILION	LA	22113	3.60	3.20	3.00	3.00	2.00
VERNON	LA	22115	3.40	3.00	2.80	2.80	1.80
WASHINGTON	LA	22117	3.50	3.10	2.90	2.90	1.90
WEBSTER	LA	22119	3.10	2.70	2.50	2.50	1.50
WEST BATON ROUGE	LA	22121	3.60	3.20	3.00	3.00	2.00
WEST CARROLL	LA	22123	3.10	2.70	2.50	2.50	1.50
WEST FELICIANA	LA	22125	3.50	3.10	2.90	2.90	1.90
WINN	LA	22127	3.30	2.90	2.70	2.70	1.70
BARNSTABLE	MA	25001	3.25	2.85	2.65	2.65	1.65
BERKSHIRE	MA	25003	2.80	2.40	2.20	2.20	1.20
BRISTOL	MA	25005	3.25	2.85	2.65	2.65	1.65
DUKES	MA	25007	3.25	2.85	2.65	2.65	1.65

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ESSEX	MA	25009	3.25	2.85	2.65	2.65	1.65
FRANKLIN	MA	25011	3.00	2.60	2.40	2.40	1.40
HAMPDEN	MA	25013	3.00	2.60	2.40	2.40	1.40
HAMPSHIRE	MA	25015	3.00	2.60	2.40	2.40	1.40
MIDDLESEX	MA	25017	3.25	2.85	2.65	2.65	1.65
NANTUCKET	MA	25019	3.25	2.85	2.65	2.65	1.65
NORFOLK	MA	25021	3.25	2.85	2.65	2.65	1.65
PLYMOUTH	MA	25023	3.25	2.85	2.65	2.65	1.65
SUFFOLK	MA	25025	3.25	2.85	2.65	2.65	1.65
WORCESTER	MA	25027	3.10	2.70	2.50	2.50	1.50
ALLEGANY	MD	24001	2.60	2.20	2.00	2.00	1.00
ANNE ARUNDEL	MD	24003	3.00	2.60	2.40	2.40	1.40
BALTIMORE	MD	24005	3.00	2.60	2.40	2.40	1.40
BALTIMORE CITY	MD	24510	3.00	2.60	2.40	2.40	1.40
CALVERT	MD	24009	3.00	2.60	2.40	2.40	1.40
CAROLINE	MD	24011	3.00	2.60	2.40	2.40	1.40
CARROLL	MD	24013	2.90	2.50	2.30	2.30	1.30
CECIL	MD	24015	3.05	2.65	2.45	2.45	1.45
CHARLES	MD	24017	3.00	2.60	2.40	2.40	1.40
DORCHESTER	MD	24019	3.00	2.60	2.40	2.40	1.40
FREDERICK	MD	24021	2.90	2.50	2.30	2.30	1.30
GARRETT	MD	24023	2.60	2.20	2.00	2.00	1.00
HARFORD	MD	24025	3.00	2.60	2.40	2.40	1.40
HOWARD	MD	24027	3.00	2.60	2.40	2.40	1.40

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KENT	MD	24029	3.00	2.60	2.40	2.40	1.40
MONTGOMERY	MD	24031	3.00	2.60	2.40	2.40	1.40
PRINCE GEORGE'S	MD	24033	3.00	2.60	2.40	2.40	1.40
QUEEN ANNE'S	MD	24035	3.00	2.60	2.40	2.40	1.40
SOMERSET	MD	24039	3.00	2.60	2.40	2.40	1.40
ST. MARY'S	MD	24037	3.00	2.60	2.40	2.40	1.40
TALBOT	MD	24041	3.00	2.60	2.40	2.40	1.40
WASHINGTON	MD	24043	2.80	2.40	2.20	2.20	1.20
WICOMICO	MD	24045	3.00	2.60	2.40	2.40	1.40
WORCESTER	MD	24047	3.00	2.60	2.40	2.40	1.40
ANDROSCOGGIN	ME	23001	2.80	2.40	2.20	2.20	1.20
AROOSTOOK	ME	23003	2.60	2.20	2.00	2.00	1.00
CUMBERLAND	ME	23005	3.00	2.60	2.40	2.40	1.40
FRANKLIN	ME	23007	2.60	2.20	2.00	2.00	1.00
HANCOCK	ME	23009	2.80	2.40	2.20	2.20	1.20
KENNEBEC	ME	23011	2.80	2.40	2.20	2.20	1.20
KNOX	ME	23013	2.80	2.40	2.20	2.20	1.20
LINCOLN	ME	23015	2.80	2.40	2.20	2.20	1.20
OXFORD	ME	23017	2.80	2.40	2.20	2.20	1.20
PENOBSCOT	ME	23019	2.80	2.40	2.20	2.20	1.20
PISCATAQUIS	ME	23021	2.60	2.20	2.00	2.00	1.00
SAGADAHOC	ME	23023	2.80	2.40	2.20	2.20	1.20
SOMERSET	ME	23025	2.60	2.20	2.00	2.00	1.00
WALDO	ME	23027	2.80	2.40	2.20	2.20	1.20

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WASHINGTON	ME	23029	2.80	2.40	2.20	2.20	1.20
YORK	ME	23031	3.00	2.60	2.40	2.40	1.40
ALCONA	MI	26001	1.80	1.40	1.20	1.20	0.20
ALGER	MI	26003	1.80	1.40	1.20	1.20	0.20
ALLEGAN	MI	26005	1.80	1.40	1.20	1.20	0.20
ALPENA	MI	26007	1.80	1.40	1.20	1.20	0.20
ANTRIM	MI	26009	1.80	1.40	1.20	1.20	0.20
ARENAC	MI	26011	1.80	1.40	1.20	1.20	0.20
BARAGA	MI	26013	1.70	1.30	1.10	1.10	0.10
BARRY	MI	26015	1.80	1.40	1.20	1.20	0.20
BAY	MI	26017	1.80	1.40	1.20	1.20	0.20
BENZIE	MI	26019	1.80	1.40	1.20	1.20	0.20
BERRIEN	MI	26021	1.80	1.40	1.20	1.20	0.20
BRANCH	MI	26023	1.80	1.40	1.20	1.20	0.20
CALHOUN	MI	26025	1.80	1.40	1.20	1.20	0.20
CASS	MI	26027	1.80	1.40	1.20	1.20	0.20
CHARLEVOIX	MI	26029	1.80	1.40	1.20	1.20	0.20
CHEBOYGAN	MI	26031	1.80	1.40	1.20	1.20	0.20
CHIPPEWA	MI	26033	1.80	1.40	1.20	1.20	0.20
CLARE	MI	26035	1.80	1.40	1.20	1.20	0.20
CLINTON	MI	26037	1.80	1.40	1.20	1.20	0.20
CRAWFORD	MI	26039	1.80	1.40	1.20	1.20	0.20
DELTA	MI	26041	1.70	1.30	1.10	1.10	0.10
DICKINSON	MI	26043	1.70	1.30	1.10	1.10	0.10

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EATON	MI	26045	1.80	1.40	1.20	1.20	0.20
EMMET	MI	26047	1.80	1.40	1.20	1.20	0.20
GENESEE	MI	26049	1.80	1.40	1.20	1.20	0.20
GLADWIN	MI	26051	1.80	1.40	1.20	1.20	0.20
GOGEBIC	MI	26053	1.70	1.30	1.10	1.10	0.10
GRAND TRAVERSE	MI	26055	1.80	1.40	1.20	1.20	0.20
GRATIOT	MI	26057	1.80	1.40	1.20	1.20	0.20
HILLSDALE	MI	26059	1.80	1.40	1.20	1.20	0.20
HOUGHTON	MI	26061	1.70	1.30	1.10	1.10	0.10
HURON	MI	26063	1.80	1.40	1.20	1.20	0.20
INGHAM	MI	26065	1.80	1.40	1.20	1.20	0.20
IONIA	MI	26067	1.80	1.40	1.20	1.20	0.20
IOSCO	MI	26069	1.80	1.40	1.20	1.20	0.20
IRON	MI	26071	1.70	1.30	1.10	1.10	0.10
ISABELLA	MI	26073	1.80	1.40	1.20	1.20	0.20
JACKSON	MI	26075	1.80	1.40	1.20	1.20	0.20
KALAMAZOO	MI	26077	1.80	1.40	1.20	1.20	0.20
KALKASKA	MI	26079	1.80	1.40	1.20	1.20	0.20
KENT	MI	26081	1.80	1.40	1.20	1.20	0.20
KEWEENAW	MI	26083	1.70	1.30	1.10	1.10	0.10
LAKE	MI	26085	1.80	1.40	1.20	1.20	0.20
LAPEER	MI	26087	1.80	1.40	1.20	1.20	0.20
LEELANAU	MI	26089	1.80	1.40	1.20	1.20	0.20
LENAWEE	MI	26091	1.80	1.40	1.20	1.20	0.20

County/parish/city	State	FIPS code	Current \$1000.52 Differential	Proposed \$1000.52 Differential 2A (Grade A)	Proposed \$1000.52 Differential 2B (Mkt/Bal)	Proposed \$1000.52 Differential 2C (Incentive)	Proposed \$1000.52 Differential 2A + 2B + 2C
LIVINGSTON	MI	26093	1.80	1.40	1.20	1.20	0.20
LUCE	MI	26095	1.80	1.40	1.20	1.20	0.20
MACKINAC	MI	26097	1.80	1.40	1.20	1.20	0.20
MACOMB	MI	26099	1.80	1.40	1.20	1.20	0.20
MANISTEE	MI	26101	1.80	1.40	1.20	1.20	0.20
MARQUETTE	MI	26103	1.80	1.40	1.20	1.20	0.20
MASON	MI	26105	1.80	1.40	1.20	1.20	0.20
MECOSTA	MI	26107	1.80	1.40	1.20	1.20	0.20
MENOMINEE	MI	26109	1.70	1.30	1.10	1.10	0.10
MIDLAND	MI	26111	1.80	1.40	1.20	1.20	0.20
MISSAUKEE	MI	26113	1.80	1.40	1.20	1.20	0.20
MONROE	MI	26115	1.80	1.40	1.20	1.20	0.20
MONTCALM	MI	26117	1.80	1.40	1.20	1.20	0.20
MONTMORENCY	MI	26119	1.80	1.40	1.20	1.20	0.20
MUSKEGON	MI	26121	1.80	1.40	1.20	1.20	0.20
NEWAYGO	MI	26123	1.80	1.40	1.20	1.20	0.20
OAKLAND	MI	26125	1.80	1.40	1.20	1.20	0.20
OCEANA	MI	26127	1.80	1.40	1.20	1.20	0.20
OGEMAW	MI	26129	1.80	1.40	1.20	1.20	0.20
ONTONAGON	MI	26131	1.70	1.30	1.10	1.10	0.10
OSCEOLA	MI	26133	1.80	1.40	1.20	1.20	0.20
OSCODA	MI	26135	1.80	1.40	1.20	1.20	0.20
OTSEGO	MI	26137	1.80	1.40	1.20	1.20	0.20
OTTAWA	MI	26139	1.80	1.40	1.20	1.20	0.20

County/parish/city	State	FIPS code	Current \$1000.52 Differential	Proposed \$1000.52 Differential 2A (Grade A)	Proposed \$1000.52 Differential 2B (Mkt/Bal)	Proposed \$1000.52 Differential 2C (Incentive)	Proposed \$1000.52 Differential 2A + 2B + 2C
PRESQUE ISLE	MI	26141	1.80	1.40	1.20	1.20	0.20
ROSCOMMON	MI	26143	1.80	1.40	1.20	1.20	0.20
SAGINAW	MI	26145	1.80	1.40	1.20	1.20	0.20
SANILAC	MI	26151	1.80	1.40	1.20	1.20	0.20
SCHOOLCRAFT	MI	26153	1.80	1.40	1.20	1.20	0.20
SHIAWASSEE	MI	26155	1.80	1.40	1.20	1.20	0.20
ST. CLAIR	MI	26147	1.80	1.40	1.20	1.20	0.20
ST. JOSEPH	MI	26149	1.80	1.40	1.20	1.20	0.20
TUSCOLA	MI	26157	1.80	1.40	1.20	1.20	0.20
VAN BUREN	MI	26159	1.80	1.40	1.20	1.20	0.20
WASHTENAW	MI	26161	1.80	1.40	1.20	1.20	0.20
WAYNE	MI	26163	1.80	1.40	1.20	1.20	0.20
WEXFORD	MI	26165	1.80	1.40	1.20	1.20	0.20
AITKIN	MN	27001	1.65	1.25	1.05	1.05	0.05
ANOKA	MN	27003	1.70	1.30	1.10	1.10	0.10
BECKER	MN	27005	1.65	1.25	1.05	1.05	0.05
BELTRAMI	MN	27007	1.65	1.25	1.05	1.05	0.05
BENTON	MN	27009	1.70	1.30	1.10	1.10	0.10
BIG STONE	MN	27011	1.70	1.30	1.10	1.10	0.10
BLUE EARTH	MN	27013	1.70	1.30	1.10	1.10	0.10
BROWN	MN	27015	1.70	1.30	1.10	1.10	0.10
CARLTON	MN	27017	1.65	1.25	1.05	1.05	0.05
CARVER	MN	27019	1.70	1.30	1.10	1.10	0.10
CASS	MN	27021	1.65	1.25	1.05	1.05	0.05

County/parish/city	State	FIPS code	Current \$1000.52 Differential	Proposed \$1000.52 Differential 2A (Grade A)	Proposed \$1000.52 Differential 2B (Mkt/Bal)	Proposed \$1000.52 Differential 2C (Incentive)	Proposed \$1000.52 Differential 2A + 2B + 2C
CHIPPEWA	MN	27023	1.70	1.30	1.10	1.10	0.10
CHISAGO	MN	27025	1.70	1.30	1.10	1.10	0.10
CLAY	MN	27027	1.65	1.25	1.05	1.05	0.05
CLEARWATER	MN	27029	1.65	1.25	1.05	1.05	0.05
COOK	MN	27031	1.65	1.25	1.05	1.05	0.05
COTTONWOOD	MN	27033	1.70	1.30	1.10	1.10	0.10
CROW WING	MN	27035	1.65	1.25	1.05	1.05	0.05
DAKOTA	MN	27037	1.70	1.30	1.10	1.10	0.10
DODGE	MN	27039	1.70	1.30	1.10	1.10	0.10
DOUGLAS	MN	27041	1.70	1.30	1.10	1.10	0.10
FARIBAULT	MN	27043	1.70	1.30	1.10	1.10	0.10
FILLMORE	MN	27045	1.70	1.30	1.10	1.10	0.10
FREEBORN	MN	27047	1.70	1.30	1.10	1.10	0.10
GOODHUE	MN	27049	1.70	1.30	1.10	1.10	0.10
GRANT	MN	27051	1.70	1.30	1.10	1.10	0.10
HENNEPIN	MN	27053	1.70	1.30	1.10	1.10	0.10
HOUSTON	MN	27055	1.70	1.30	1.10	1.10	0.10
HUBBARD	MN	27057	1.65	1.25	1.05	1.05	0.05
ISANTI	MN	27059	1.70	1.30	1.10	1.10	0.10
ITASCA	MN	27061	1.65	1.25	1.05	1.05	0.05
JACKSON	MN	27063	1.70	1.30	1.10	1.10	0.10
KANABEC	MN	27065	1.70	1.30	1.10	1.10	0.10
KANDIYOHI	MN	27067	1.70	1.30	1.10	1.10	0.10
KITSON	MN	27069	1.60	1.20	1.00	1.00	-

County/parish/city	State	FIPS code	Current \$1000.52 Differential	Proposed \$1000.52 Differential 2A (Grade A)	Proposed \$1000.52 Differential 2B (Mkt/Bal)	Proposed \$1000.52 Differential 2C (Incentive)	Proposed \$1000.52 Differential 2A + 2B + 2C
KOOCHICHING	MN	27071	1.65	1.25	1.05	1.05	0.05
LAC QUI PARLE	MN	27073	1.70	1.30	1.10	1.10	0.10
LAKE	MN	27075	1.65	1.25	1.05	1.05	0.05
LAKE OF THE WOODS	MN	27077	1.60	1.20	1.00	1.00	-
LE SUEUR	MN	27079	1.70	1.30	1.10	1.10	0.10
LINCOLN	MN	27081	1.70	1.30	1.10	1.10	0.10
LYON	MN	27083	1.70	1.30	1.10	1.10	0.10
MAHNOMEN	MN	27087	1.65	1.25	1.05	1.05	0.05
MARSHALL	MN	27089	1.65	1.25	1.05	1.05	0.05
MARTIN	MN	27091	1.70	1.30	1.10	1.10	0.10
MCLEOD	MN	27085	1.70	1.30	1.10	1.10	0.10
MEEKER	MN	27093	1.70	1.30	1.10	1.10	0.10
MILLE LACS	MN	27095	1.70	1.30	1.10	1.10	0.10
MORRISON	MN	27097	1.70	1.30	1.10	1.10	0.10
MOWER	MN	27099	1.70	1.30	1.10	1.10	0.10
MURRAY	MN	27101	1.70	1.30	1.10	1.10	0.10
NICOLLET	MN	27103	1.70	1.30	1.10	1.10	0.10
NOBLES	MN	27105	1.70	1.30	1.10	1.10	0.10
NORMAN	MN	27107	1.65	1.25	1.05	1.05	0.05
OLMSTED	MN	27109	1.70	1.30	1.10	1.10	0.10
OTTER TAIL	MN	27111	1.65	1.25	1.05	1.05	0.05
PENNINGTON	MN	27113	1.65	1.25	1.05	1.05	0.05
PINE	MN	27115	1.70	1.30	1.10	1.10	0.10
PIPESTONE	MN	27117	1.70	1.30	1.10	1.10	0.10

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POLK	MN	27119	1.65	1.25	1.05	1.05	0.05
POPE	MN	27121	1.70	1.30	1.10	1.10	0.10
RAMSEY	MN	27123	1.70	1.30	1.10	1.10	0.10
RED LAKE	MN	27125	1.65	1.25	1.05	1.05	0.05
REDWOOD	MN	27127	1.70	1.30	1.10	1.10	0.10
RENVILLE	MN	27129	1.70	1.30	1.10	1.10	0.10
RICE	MN	27131	1.70	1.30	1.10	1.10	0.10
ROCK	MN	27133	1.70	1.30	1.10	1.10	0.10
ROSEAU	MN	27135	1.60	1.20	1.00	1.00	-
SCOTT	MN	27139	1.70	1.30	1.10	1.10	0.10
SHERBURNE	MN	27141	1.70	1.30	1.10	1.10	0.10
SIBLEY	MN	27143	1.70	1.30	1.10	1.10	0.10
ST. LOUIS	MN	27137	1.65	1.25	1.05	1.05	0.05
STEARNS	MN	27145	1.70	1.30	1.10	1.10	0.10
STEELE	MN	27147	1.70	1.30	1.10	1.10	0.10
STEVENS	MN	27149	1.70	1.30	1.10	1.10	0.10
SWIFT	MN	27151	1.70	1.30	1.10	1.10	0.10
TODD	MN	27153	1.70	1.30	1.10	1.10	0.10
TRAVERSE	MN	27155	1.70	1.30	1.10	1.10	0.10
WABASHA	MN	27157	1.70	1.30	1.10	1.10	0.10
WADENA	MN	27159	1.65	1.25	1.05	1.05	0.05
WASECA	MN	27161	1.70	1.30	1.10	1.10	0.10
WASHINGTON	MN	27163	1.70	1.30	1.10	1.10	0.10
WATONWAN	MN	27165	1.70	1.30	1.10	1.10	0.10

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WILKIN	MN	27167	1.65	1.25	1.05	1.05	0.05
WINONA	MN	27169	1.70	1.30	1.10	1.10	0.10
WRIGHT	MN	27171	1.70	1.30	1.10	1.10	0.10
YELLOW MEDICINE	MN	27173	1.70	1.30	1.10	1.10	0.10
ADAIR	MO	29001	1.80	1.40	1.20	1.20	0.20
ANDREW	MO	29003	1.80	1.40	1.20	1.20	0.20
ATCHISON	MO	29005	1.80	1.40	1.20	1.20	0.20
AUDRAIN	MO	29007	2.00	1.60	1.40	1.40	0.40
BARRY	MO	29009	2.20	1.80	1.60	1.60	0.60
BARTON	MO	29011	2.20	1.80	1.60	1.60	0.60
BATES	MO	29013	2.00	1.60	1.40	1.40	0.40
BENTON	MO	29015	2.00	1.60	1.40	1.40	0.40
BOLLINGER	MO	29017	2.20	1.80	1.60	1.60	0.60
BOONE	MO	29019	2.00	1.60	1.40	1.40	0.40
BUCHANAN	MO	29021	1.80	1.40	1.20	1.20	0.20
BUTLER	MO	29023	2.20	1.80	1.60	1.60	0.60
CALDWELL	MO	29025	1.80	1.40	1.20	1.20	0.20
CALLAWAY	MO	29027	2.00	1.60	1.40	1.40	0.40
CAMDEN	MO	29029	2.00	1.60	1.40	1.40	0.40
CAPE GIRARDEAU	MO	29031	2.20	1.80	1.60	1.60	0.60
CARROLL	MO	29033	1.80	1.40	1.20	1.20	0.20
CARTER	MO	29035	2.20	1.80	1.60	1.60	0.60
CASS	MO	29037	2.00	1.60	1.40	1.40	0.40
CEDAR	MO	29039	2.20	1.80	1.60	1.60	0.60

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CHARITON	MO	29041	1.80	1.40	1.20	1.20	0.20
CHRISTIAN	MO	29043	2.20	1.80	1.60	1.60	0.60
CLARK	MO	29045	1.80	1.40	1.20	1.20	0.20
CLAY	MO	29047	1.80	1.40	1.20	1.20	0.20
CLINTON	MO	29049	1.80	1.40	1.20	1.20	0.20
COLE	MO	29051	2.00	1.60	1.40	1.40	0.40
COOPER	MO	29053	2.00	1.60	1.40	1.40	0.40
CRAWFORD	MO	29055	2.00	1.60	1.40	1.40	0.40
DADE	MO	29057	2.20	1.80	1.60	1.60	0.60
DALLAS	MO	29059	2.20	1.80	1.60	1.60	0.60
DAVISS	MO	29061	1.80	1.40	1.20	1.20	0.20
DE KALB	MO	29063	1.80	1.40	1.20	1.20	0.20
DENT	MO	29065	2.00	1.60	1.40	1.40	0.40
DOUGLAS	MO	29067	2.20	1.80	1.60	1.60	0.60
DUNKLIN	MO	29069	2.20	1.80	1.60	1.60	0.60
FRANKLIN	MO	29071	2.00	1.60	1.40	1.40	0.40
GASCONADE	MO	29073	2.00	1.60	1.40	1.40	0.40
GENTRY	MO	29075	1.80	1.40	1.20	1.20	0.20
GREENE	MO	29077	2.20	1.80	1.60	1.60	0.60
GRUNDY	MO	29079	1.80	1.40	1.20	1.20	0.20
HARRISON	MO	29081	1.80	1.40	1.20	1.20	0.20
HENRY	MO	29083	2.00	1.60	1.40	1.40	0.40
HICKORY	MO	29085	2.00	1.60	1.40	1.40	0.40
HOLT	MO	29087	1.80	1.40	1.20	1.20	0.20

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HOWARD	MO	29089	2.00	1.60	1.40	1.40	0.40
HOWELL	MO	29091	2.20	1.80	1.60	1.60	0.60
IRON	MO	29093	2.00	1.60	1.40	1.40	0.40
JACKSON	MO	29095	2.00	1.60	1.40	1.40	0.40
JASPER	MO	29097	2.20	1.80	1.60	1.60	0.60
JEFFERSON	MO	29099	2.00	1.60	1.40	1.40	0.40
JOHNSON	MO	29101	2.00	1.60	1.40	1.40	0.40
KNOX	MO	29103	1.80	1.40	1.20	1.20	0.20
LACLEDE	MO	29105	2.20	1.80	1.60	1.60	0.60
LAFAYETTE	MO	29107	2.00	1.60	1.40	1.40	0.40
LAWRENCE	MO	29109	2.20	1.80	1.60	1.60	0.60
LEWIS	MO	29111	1.80	1.40	1.20	1.20	0.20
LINCOLN	MO	29113	2.00	1.60	1.40	1.40	0.40
LINN	MO	29115	1.80	1.40	1.20	1.20	0.20
LIVINGSTON	MO	29117	1.80	1.40	1.20	1.20	0.20
MACON	MO	29121	1.80	1.40	1.20	1.20	0.20
MADISON	MO	29123	2.20	1.80	1.60	1.60	0.60
MARIES	MO	29125	2.00	1.60	1.40	1.40	0.40
MARION	MO	29127	1.80	1.40	1.20	1.20	0.20
MCDONALD	MO	29119	2.20	1.80	1.60	1.60	0.60
MERCER	MO	29129	1.80	1.40	1.20	1.20	0.20
MILLER	MO	29131	2.00	1.60	1.40	1.40	0.40
MISSISSIPPI	MO	29133	2.20	1.80	1.60	1.60	0.60
MONITEAU	MO	29135	2.00	1.60	1.40	1.40	0.40

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MONROE	MO	29137	1.80	1.40	1.20	1.20	0.20
MONTGOMERY	MO	29139	2.00	1.60	1.40	1.40	0.40
MORGAN	MO	29141	2.00	1.60	1.40	1.40	0.40
NEW MADRID	MO	29143	2.20	1.80	1.60	1.60	0.60
NEWTON	MO	29145	2.20	1.80	1.60	1.60	0.60
NODAWAY	MO	29147	1.80	1.40	1.20	1.20	0.20
OREGON	MO	29149	2.20	1.80	1.60	1.60	0.60
OSAGE	MO	29151	2.00	1.60	1.40	1.40	0.40
OZARK	MO	29153	2.20	1.80	1.60	1.60	0.60
PEMISCOT	MO	29155	2.20	1.80	1.60	1.60	0.60
PERRY	MO	29157	2.20	1.80	1.60	1.60	0.60
PETTIS	MO	29159	2.00	1.60	1.40	1.40	0.40
PHELPS	MO	29161	2.00	1.60	1.40	1.40	0.40
PIKE	MO	29163	2.00	1.60	1.40	1.40	0.40
PLATTE	MO	29165	1.80	1.40	1.20	1.20	0.20
POLK	MO	29167	2.20	1.80	1.60	1.60	0.60
PULASKI	MO	29169	2.20	1.80	1.60	1.60	0.60
PUTNAM	MO	29171	1.80	1.40	1.20	1.20	0.20
RALLS	MO	29173	2.00	1.60	1.40	1.40	0.40
RANDOLPH	MO	29175	1.80	1.40	1.20	1.20	0.20
RAY	MO	29177	1.80	1.40	1.20	1.20	0.20
REYNOLDS	MO	29179	2.20	1.80	1.60	1.60	0.60
RIPLEY	MO	29181	2.20	1.80	1.60	1.60	0.60
SALINE	MO	29195	2.00	1.60	1.40	1.40	0.40

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SCHUYLER	MO	29197	1.80	1.40	1.20	1.20	0.20
SCOTLAND	MO	29199	1.80	1.40	1.20	1.20	0.20
SCOTT	MO	29201	2.20	1.80	1.60	1.60	0.60
SHANNON	MO	29203	2.20	1.80	1.60	1.60	0.60
SHELBY	MO	29205	1.80	1.40	1.20	1.20	0.20
ST. CHARLES	MO	29183	2.00	1.60	1.40	1.40	0.40
ST. CLAIR	MO	29185	2.00	1.60	1.40	1.40	0.40
ST. FRANCOIS	MO	29187	2.00	1.60	1.40	1.40	0.40
ST. LOUIS	MO	29189	2.00	1.60	1.40	1.40	0.40
ST. LOUIS CITY	MO	29510	2.00	1.60	1.40	1.40	0.40
STE. GENEVIEVE	MO	29186	2.00	1.60	1.40	1.40	0.40
STODDARD	MO	29207	2.20	1.80	1.60	1.60	0.60
STONE	MO	29209	2.20	1.80	1.60	1.60	0.60
SULLIVAN	MO	29211	1.80	1.40	1.20	1.20	0.20
TANEY	MO	29213	2.20	1.80	1.60	1.60	0.60
TEXAS	MO	29215	2.20	1.80	1.60	1.60	0.60
VERNON	MO	29217	2.20	1.80	1.60	1.60	0.60
WARREN	MO	29219	2.00	1.60	1.40	1.40	0.40
WASHINGTON	MO	29221	2.00	1.60	1.40	1.40	0.40
WAYNE	MO	29223	2.20	1.80	1.60	1.60	0.60
WEBSTER	MO	29225	2.20	1.80	1.60	1.60	0.60
WORTH	MO	29227	1.80	1.40	1.20	1.20	0.20
WRIGHT	MO	29229	2.20	1.80	1.60	1.60	0.60
ADAMS	MS	28001	3.40	3.00	2.80	2.80	1.80

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ALCORN	MS	28003	2.90	2.50	2.30	2.30	1.30
AMITE	MS	28005	3.40	3.00	2.80	2.80	1.80
ATTALA	MS	28007	3.10	2.70	2.50	2.50	1.50
BENTON	MS	28009	2.90	2.50	2.30	2.30	1.30
BOLIVAR	MS	28011	3.10	2.70	2.50	2.50	1.50
CALHOUN	MS	28013	3.10	2.70	2.50	2.50	1.50
CARROLL	MS	28015	3.10	2.70	2.50	2.50	1.50
CHICKASAW	MS	28017	3.10	2.70	2.50	2.50	1.50
CHOCTAW	MS	28019	3.10	2.70	2.50	2.50	1.50
CLAIBORNE	MS	28021	3.30	2.90	2.70	2.70	1.70
CLARKE	MS	28023	3.30	2.90	2.70	2.70	1.70
CLAY	MS	28025	3.10	2.70	2.50	2.50	1.50
COAHOMA	MS	28027	2.90	2.50	2.30	2.30	1.30
COPIAH	MS	28029	3.30	2.90	2.70	2.70	1.70
COVINGTON	MS	28031	3.40	3.00	2.80	2.80	1.80
DE SOTO	MS	28033	2.90	2.50	2.30	2.30	1.30
FORREST	MS	28035	3.40	3.00	2.80	2.80	1.80
FRANKLIN	MS	28037	3.40	3.00	2.80	2.80	1.80
GEORGE	MS	28039	3.40	3.00	2.80	2.80	1.80
GREENE	MS	28041	3.40	3.00	2.80	2.80	1.80
GRENADA	MS	28043	3.10	2.70	2.50	2.50	1.50
HANCOCK	MS	28045	3.50	3.10	2.90	2.90	1.90
HARRISON	MS	28047	3.50	3.10	2.90	2.90	1.90
HINDS	MS	28049	3.30	2.90	2.70	2.70	1.70

County/parish/city	State	FIPS code	Current \$1000.52 Differential	Proposed \$1000.52 Differential 2A (Grade A)	Proposed \$1000.52 Differential 2B (Mkt/Bal)	Proposed \$1000.52 Differential 2C (Incentive)	Proposed \$1000.52 Differential 2A + 2B + 2C
HOLMES	MS	28051	3.10	2.70	2.50	2.50	1.50
HUMPHREYS	MS	28053	3.10	2.70	2.50	2.50	1.50
ISSAQUENA	MS	28055	3.10	2.70	2.50	2.50	1.50
ITAWAMBA	MS	28057	2.90	2.50	2.30	2.30	1.30
JACKSON	MS	28059	3.50	3.10	2.90	2.90	1.90
JASPER	MS	28061	3.30	2.90	2.70	2.70	1.70
JEFFERSON	MS	28063	3.40	3.00	2.80	2.80	1.80
JEFFERSON DAVIS	MS	28065	3.40	3.00	2.80	2.80	1.80
JONES	MS	28067	3.40	3.00	2.80	2.80	1.80
KEMPER	MS	28069	3.10	2.70	2.50	2.50	1.50
LAFAYETTE	MS	28071	2.90	2.50	2.30	2.30	1.30
LAMAR	MS	28073	3.40	3.00	2.80	2.80	1.80
LAUDERDALE	MS	28075	3.30	2.90	2.70	2.70	1.70
LAWRENCE	MS	28077	3.40	3.00	2.80	2.80	1.80
LEAKE	MS	28079	3.10	2.70	2.50	2.50	1.50
LEE	MS	28081	2.90	2.50	2.30	2.30	1.30
LEFLORE	MS	28083	3.10	2.70	2.50	2.50	1.50
LINCOLN	MS	28085	3.40	3.00	2.80	2.80	1.80
LOWNDES	MS	28087	3.10	2.70	2.50	2.50	1.50
MADISON	MS	28089	3.10	2.70	2.50	2.50	1.50
MARION	MS	28091	3.40	3.00	2.80	2.80	1.80
MARSHALL	MS	28093	2.90	2.50	2.30	2.30	1.30
MONROE	MS	28095	3.10	2.70	2.50	2.50	1.50
MONTGOMERY	MS	28097	3.10	2.70	2.50	2.50	1.50

County/parish/city	State	FIPS code	Current \$1000.52 Differential	Proposed \$1000.52 Differential 2A (Grade A)	Proposed \$1000.52 Differential 2B (Mkt/Bal)	Proposed \$1000.52 Differential 2C (Incentive)	Proposed \$1000.52 Differential 2A + 2B + 2C
NESHOBA	MS	28099	3.10	2.70	2.50	2.50	1.50
NEWTON	MS	28101	3.30	2.90	2.70	2.70	1.70
NOXUBEE	MS	28103	3.10	2.70	2.50	2.50	1.50
OKTIBBEHA	MS	28105	3.10	2.70	2.50	2.50	1.50
PANOLA	MS	28107	2.90	2.50	2.30	2.30	1.30
PEARL RIVER	MS	28109	3.40	3.00	2.80	2.80	1.80
PERRY	MS	28111	3.40	3.00	2.80	2.80	1.80
PIKE	MS	28113	3.40	3.00	2.80	2.80	1.80
PONTOTOC	MS	28115	2.90	2.50	2.30	2.30	1.30
PRENTISS	MS	28117	2.90	2.50	2.30	2.30	1.30
QUITMAN	MS	28119	2.90	2.50	2.30	2.30	1.30
RANKIN	MS	28121	3.30	2.90	2.70	2.70	1.70
SCOTT	MS	28123	3.30	2.90	2.70	2.70	1.70
SHARKEY	MS	28125	3.10	2.70	2.50	2.50	1.50
SIMPSON	MS	28127	3.30	2.90	2.70	2.70	1.70
SMITH	MS	28129	3.30	2.90	2.70	2.70	1.70
STONE	MS	28131	3.40	3.00	2.80	2.80	1.80
SUNFLOWER	MS	28133	3.10	2.70	2.50	2.50	1.50
TALLAHATCHIE	MS	28135	3.10	2.70	2.50	2.50	1.50
TATE	MS	28137	2.90	2.50	2.30	2.30	1.30
TIPPAH	MS	28139	2.90	2.50	2.30	2.30	1.30
TISHOMINGO	MS	28141	2.90	2.50	2.30	2.30	1.30
TUNICA	MS	28143	2.90	2.50	2.30	2.30	1.30
UNION	MS	28145	2.90	2.50	2.30	2.30	1.30

County/parish/city	State	FIPS code	Current \$1000.52 Differential	Proposed \$1000.52 Differential 2A (Grade A)	Proposed \$1000.52 Differential 2B (Mkt/Bal)	Proposed \$1000.52 Differential 2C (Incentive)	Proposed \$1000.52 Differential 2A + 2B + 2C
WALTHALL	MS	28147	3.40	3.00	2.80	2.80	1.80
WARREN	MS	28149	3.30	2.90	2.70	2.70	1.70
WASHINGTON	MS	28151	3.10	2.70	2.50	2.50	1.50
WAYNE	MS	28153	3.40	3.00	2.80	2.80	1.80
WEBSTER	MS	28155	3.10	2.70	2.50	2.50	1.50
WILKINSON	MS	28157	3.40	3.00	2.80	2.80	1.80
WINSTON	MS	28159	3.10	2.70	2.50	2.50	1.50
YALOBUSHA	MS	28161	3.10	2.70	2.50	2.50	1.50
YAZOO	MS	28163	3.10	2.70	2.50	2.50	1.50
BEAVERHEAD	MT	30001	1.60	1.20	1.00	1.00	-
BIG HORN	MT	30003	1.60	1.20	1.00	1.00	-
BLAINE	MT	30005	1.60	1.20	1.00	1.00	-
BROADWATER	MT	30007	1.60	1.20	1.00	1.00	-
CARBON	MT	30009	1.60	1.20	1.00	1.00	-
CARTER	MT	30011	1.65	1.25	1.05	1.05	0.05
CASCADE	MT	30013	1.60	1.20	1.00	1.00	-
CHOUTEAU	MT	30015	1.60	1.20	1.00	1.00	-
CUSTER	MT	30017	1.60	1.20	1.00	1.00	-
DANIELS	MT	30019	1.60	1.20	1.00	1.00	-
DAWSON	MT	30021	1.60	1.20	1.00	1.00	-
DEER LODGE	MT	30023	1.60	1.20	1.00	1.00	-
FALLON	MT	30025	1.65	1.25	1.05	1.05	0.05
FERGUS	MT	30027	1.60	1.20	1.00	1.00	-
FLATHEAD	MT	30029	1.60	1.20	1.00	1.00	-

County/parish/city	State	FIPS code	Current \$1000.52 Differential	Proposed \$1000.52 Differential 2A (Grade A)	Proposed \$1000.52 Differential 2B (Mkt/Bal)	Proposed \$1000.52 Differential 2C (Incentive)	Proposed \$1000.52 Differential 2A + 2B + 2C
GALLATIN	MT	30031	1.60	1.20	1.00	1.00	-
GARFIELD	MT	30033	1.60	1.20	1.00	1.00	-
GLACIER	MT	30035	1.60	1.20	1.00	1.00	-
GOLDEN VALLEY	MT	30037	1.60	1.20	1.00	1.00	-
GRANITE	MT	30039	1.60	1.20	1.00	1.00	-
HILL	MT	30041	1.60	1.20	1.00	1.00	-
JEFFERSON	MT	30043	1.60	1.20	1.00	1.00	-
JUDITH BASIN	MT	30045	1.60	1.20	1.00	1.00	-
LAKE	MT	30047	1.60	1.20	1.00	1.00	-
LEWIS AND CLARK	MT	30049	1.60	1.20	1.00	1.00	-
LIBERTY	MT	30051	1.60	1.20	1.00	1.00	-
LINCOLN	MT	30053	1.80	1.40	1.20	1.20	0.20
MADISON	MT	30057	1.60	1.20	1.00	1.00	-
MCCONE	MT	30055	1.60	1.20	1.00	1.00	-
MEAGHER	MT	30059	1.60	1.20	1.00	1.00	-
MINERAL	MT	30061	1.80	1.40	1.20	1.20	0.20
MISSOULA	MT	30063	1.60	1.20	1.00	1.00	-
MUSSELSHELL	MT	30065	1.60	1.20	1.00	1.00	-
PARK	MT	30067	1.60	1.20	1.00	1.00	-
PETROLEUM	MT	30069	1.60	1.20	1.00	1.00	-
PHILLIPS	MT	30071	1.60	1.20	1.00	1.00	-
PONDERA	MT	30073	1.60	1.20	1.00	1.00	-
POWDER RIVER	MT	30075	1.60	1.20	1.00	1.00	-
POWELL	MT	30077	1.60	1.20	1.00	1.00	-

County/parish/city	State	FIPS code	Current \$1000.52 Differential	Proposed \$1000.52 Differential 2A (Grade A)	Proposed \$1000.52 Differential 2B (Mkt/Bal)	Proposed \$1000.52 Differential 2C (Incentive)	Proposed \$1000.52 Differential 2A + 2B + 2C
PRAIRIE	MT	30079	1.60	1.20	1.00	1.00	-
RAVALLI	MT	30081	1.60	1.20	1.00	1.00	-
RICHLAND	MT	30083	1.60	1.20	1.00	1.00	-
ROOSEVELT	MT	30085	1.60	1.20	1.00	1.00	-
ROSEBUD	MT	30087	1.60	1.20	1.00	1.00	-
SANDERS	MT	30089	1.80	1.40	1.20	1.20	0.20
SHERIDAN	MT	30091	1.60	1.20	1.00	1.00	-
SILVER BOW	MT	30093	1.60	1.20	1.00	1.00	-
STILLWATER	MT	30095	1.60	1.20	1.00	1.00	-
SWEET GRASS	MT	30097	1.60	1.20	1.00	1.00	-
TETON	MT	30099	1.60	1.20	1.00	1.00	-
TOOLE	MT	30101	1.60	1.20	1.00	1.00	-
TREASURE	MT	30103	1.60	1.20	1.00	1.00	-
VALLEY	MT	30105	1.60	1.20	1.00	1.00	-
WHEATLAND	MT	30107	1.60	1.20	1.00	1.00	-
WIBAUX	MT	30109	1.60	1.20	1.00	1.00	-
YELLOWSTONE	MT	30111	1.60	1.20	1.00	1.00	-
YELLOWSTONE NAT. PARK	MT	30113	1.60	1.20	1.00	1.00	-
ALAMANCE	NC	37001	3.10	2.70	2.50	2.50	1.50
ALEXANDER	NC	37003	2.95	2.55	2.35	2.35	1.35
ALLEGHANY	NC	37005	2.95	2.55	2.35	2.35	1.35
ANSON	NC	37007	3.10	2.70	2.50	2.50	1.50
ASHE	NC	37009	2.95	2.55	2.35	2.35	1.35
AVERY	NC	37011	2.95	2.55	2.35	2.35	1.35

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BEAUFORT	NC	37013	3.20	2.80	2.60	2.60	1.60
BERTIE	NC	37015	3.20	2.80	2.60	2.60	1.60
BLADEN	NC	37017	3.30	2.90	2.70	2.70	1.70
BRUNSWICK	NC	37019	3.30	2.90	2.70	2.70	1.70
BUNCOMBE	NC	37021	2.95	2.55	2.35	2.35	1.35
BURKE	NC	37023	2.95	2.55	2.35	2.35	1.35
CABARRUS	NC	37025	3.10	2.70	2.50	2.50	1.50
CALDWELL	NC	37027	2.95	2.55	2.35	2.35	1.35
CAMDEN	NC	37029	3.20	2.80	2.60	2.60	1.60
CARTERET	NC	37031	3.20	2.80	2.60	2.60	1.60
CASWELL	NC	37033	3.10	2.70	2.50	2.50	1.50
CATAWBA	NC	37035	3.10	2.70	2.50	2.50	1.50
CHATHAM	NC	37037	3.10	2.70	2.50	2.50	1.50
CHEROKEE	NC	37039	2.95	2.55	2.35	2.35	1.35
CHOWAN	NC	37041	3.20	2.80	2.60	2.60	1.60
CLAY	NC	37043	2.95	2.55	2.35	2.35	1.35
CLEVELAND	NC	37045	3.10	2.70	2.50	2.50	1.50
COLUMBUS	NC	37047	3.30	2.90	2.70	2.70	1.70
CRAVEN	NC	37049	3.20	2.80	2.60	2.60	1.60
CUMBERLAND	NC	37051	3.30	2.90	2.70	2.70	1.70
CURRITUCK	NC	37053	3.20	2.80	2.60	2.60	1.60
DARE	NC	37055	3.20	2.80	2.60	2.60	1.60
DAVIDSON	NC	37057	3.10	2.70	2.50	2.50	1.50
DAVIE	NC	37059	3.10	2.70	2.50	2.50	1.50

County/parish/city	State	FIPS code	Current \$1000.52 Differential	Proposed \$1000.52 Differential 2A (Grade A)	Proposed \$1000.52 Differential 2B (Mkt/Bal)	Proposed \$1000.52 Differential 2C (Incentive)	Proposed \$1000.52 Differential 2A + 2B + 2C
DUPLIN	NC	37061	3.30	2.90	2.70	2.70	1.70
DURHAM	NC	37063	3.10	2.70	2.50	2.50	1.50
EDGEcombe	NC	37065	3.20	2.80	2.60	2.60	1.60
FORSYTH	NC	37067	3.10	2.70	2.50	2.50	1.50
FRANKLIN	NC	37069	3.10	2.70	2.50	2.50	1.50
GASTON	NC	37071	3.10	2.70	2.50	2.50	1.50
GATES	NC	37073	3.20	2.80	2.60	2.60	1.60
GRAHAM	NC	37075	2.95	2.55	2.35	2.35	1.35
GRANVILLE	NC	37077	3.10	2.70	2.50	2.50	1.50
GREENE	NC	37079	3.20	2.80	2.60	2.60	1.60
GUILFORD	NC	37081	3.10	2.70	2.50	2.50	1.50
HALIFAX	NC	37083	3.10	2.70	2.50	2.50	1.50
HARNETT	NC	37085	3.30	2.90	2.70	2.70	1.70
HAYWOOD	NC	37087	2.95	2.55	2.35	2.35	1.35
HENDERSON	NC	37089	2.95	2.55	2.35	2.35	1.35
HERTFORD	NC	37091	3.20	2.80	2.60	2.60	1.60
HOKE	NC	37093	3.30	2.90	2.70	2.70	1.70
HYDE	NC	37095	3.20	2.80	2.60	2.60	1.60
IREDELL	NC	37097	3.10	2.70	2.50	2.50	1.50
JACKSON	NC	37099	2.95	2.55	2.35	2.35	1.35
JOHNSTON	NC	37101	3.20	2.80	2.60	2.60	1.60
JONES	NC	37103	3.20	2.80	2.60	2.60	1.60
LEE	NC	37105	3.10	2.70	2.50	2.50	1.50
LENOIR	NC	37107	3.20	2.80	2.60	2.60	1.60

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LINCOLN	NC	37109	3.10	2.70	2.50	2.50	1.50
MACON	NC	37113	2.95	2.55	2.35	2.35	1.35
MADISON	NC	37115	2.95	2.55	2.35	2.35	1.35
MARTIN	NC	37117	3.20	2.80	2.60	2.60	1.60
MCDOWELL	NC	37111	2.95	2.55	2.35	2.35	1.35
MECKLENBURG	NC	37119	3.10	2.70	2.50	2.50	1.50
MITCHELL	NC	37121	2.95	2.55	2.35	2.35	1.35
MONTGOMERY	NC	37123	3.10	2.70	2.50	2.50	1.50
MOORE	NC	37125	3.10	2.70	2.50	2.50	1.50
NASH	NC	37127	3.10	2.70	2.50	2.50	1.50
NEW HANOVER	NC	37129	3.30	2.90	2.70	2.70	1.70
NORTHAMPTON	NC	37131	3.10	2.70	2.50	2.50	1.50
ONslow	NC	37133	3.30	2.90	2.70	2.70	1.70
ORANGE	NC	37135	3.10	2.70	2.50	2.50	1.50
PAMLICO	NC	37137	3.20	2.80	2.60	2.60	1.60
PASQUOTANK	NC	37139	3.20	2.80	2.60	2.60	1.60
PENDER	NC	37141	3.30	2.90	2.70	2.70	1.70
PERQUIMANS	NC	37143	3.20	2.80	2.60	2.60	1.60
PERSON	NC	37145	3.10	2.70	2.50	2.50	1.50
PITT	NC	37147	3.20	2.80	2.60	2.60	1.60
POLK	NC	37149	3.10	2.70	2.50	2.50	1.50
RANDOLPH	NC	37151	3.10	2.70	2.50	2.50	1.50
RICHMOND	NC	37153	3.10	2.70	2.50	2.50	1.50
ROBESON	NC	37155	3.30	2.90	2.70	2.70	1.70

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ROCKINGHAM	NC	37157	2.95	2.55	2.35	2.35	1.35
ROWAN	NC	37159	3.10	2.70	2.50	2.50	1.50
RUTHERFORD	NC	37161	3.10	2.70	2.50	2.50	1.50
SAMPSON	NC	37163	3.30	2.90	2.70	2.70	1.70
SCOTLAND	NC	37165	3.30	2.90	2.70	2.70	1.70
STANLY	NC	37167	3.10	2.70	2.50	2.50	1.50
STOKES	NC	37169	2.95	2.55	2.35	2.35	1.35
SURRY	NC	37171	2.95	2.55	2.35	2.35	1.35
SWAIN	NC	37173	2.95	2.55	2.35	2.35	1.35
TRANSYLVANIA	NC	37175	2.95	2.55	2.35	2.35	1.35
TYRRELL	NC	37177	3.20	2.80	2.60	2.60	1.60
UNION	NC	37179	3.10	2.70	2.50	2.50	1.50
VANCE	NC	37181	3.10	2.70	2.50	2.50	1.50
WAKE	NC	37183	3.10	2.70	2.50	2.50	1.50
WARREN	NC	37185	3.10	2.70	2.50	2.50	1.50
WASHINGTON	NC	37187	3.20	2.80	2.60	2.60	1.60
WATAUGA	NC	37189	2.95	2.55	2.35	2.35	1.35
WAYNE	NC	37191	3.20	2.80	2.60	2.60	1.60
WILKES	NC	37193	2.95	2.55	2.35	2.35	1.35
WILSON	NC	37195	3.20	2.80	2.60	2.60	1.60
YADKIN	NC	37197	3.10	2.70	2.50	2.50	1.50
YANCEY	NC	37199	2.95	2.55	2.35	2.35	1.35
ADAMS	ND	38001	1.65	1.25	1.05	1.05	0.05
BARNES	ND	38003	1.65	1.25	1.05	1.05	0.05

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BENSON	ND	38005	1.60	1.20	1.00	1.00	-
BILLINGS	ND	38007	1.60	1.20	1.00	1.00	-
BOTTINEAU	ND	38009	1.60	1.20	1.00	1.00	-
BOWMAN	ND	38011	1.65	1.25	1.05	1.05	0.05
BURKE	ND	38013	1.60	1.20	1.00	1.00	-
BURLEIGH	ND	38015	1.65	1.25	1.05	1.05	0.05
CASS	ND	38017	1.65	1.25	1.05	1.05	0.05
CAVALIER	ND	38019	1.60	1.20	1.00	1.00	-
DICKEY	ND	38021	1.65	1.25	1.05	1.05	0.05
DIVIDE	ND	38023	1.60	1.20	1.00	1.00	-
DUNN	ND	38025	1.60	1.20	1.00	1.00	-
EDDY	ND	38027	1.65	1.25	1.05	1.05	0.05
EMMONS	ND	38029	1.65	1.25	1.05	1.05	0.05
FOSTER	ND	38031	1.65	1.25	1.05	1.05	0.05
GOLDEN VALLEY	ND	38033	1.60	1.20	1.00	1.00	-
GRAND FORKS	ND	38035	1.65	1.25	1.05	1.05	0.05
GRANT	ND	38037	1.65	1.25	1.05	1.05	0.05
GRIGGS	ND	38039	1.65	1.25	1.05	1.05	0.05
HETTINGER	ND	38041	1.65	1.25	1.05	1.05	0.05
KIDDER	ND	38043	1.65	1.25	1.05	1.05	0.05
LA MOURE	ND	38045	1.65	1.25	1.05	1.05	0.05
LOGAN	ND	38047	1.65	1.25	1.05	1.05	0.05
MCHENRY	ND	38049	1.60	1.20	1.00	1.00	-
MCINTOSH	ND	38051	1.65	1.25	1.05	1.05	0.05

County/parish/city	State	FIPS code	Current \$1000.52 Differential	Proposed \$1000.52 Differential 2A (Grade A)	Proposed \$1000.52 Differential 2B (Mkt/Bal)	Proposed \$1000.52 Differential 2C (Incentive)	Proposed \$1000.52 Differential 2A + 2B + 2C
MCKENZIE	ND	38053	1.60	1.20	1.00	1.00	-
MCLEAN	ND	38055	1.60	1.20	1.00	1.00	-
MERCER	ND	38057	1.60	1.20	1.00	1.00	-
MORTON	ND	38059	1.65	1.25	1.05	1.05	0.05
MOUNTRAIL	ND	38061	1.60	1.20	1.00	1.00	-
NELSON	ND	38063	1.65	1.25	1.05	1.05	0.05
OLIVER	ND	38065	1.60	1.20	1.00	1.00	-
PEMBINA	ND	38067	1.60	1.20	1.00	1.00	-
PIERCE	ND	38069	1.60	1.20	1.00	1.00	-
RAMSEY	ND	38071	1.60	1.20	1.00	1.00	-
RANSOM	ND	38073	1.65	1.25	1.05	1.05	0.05
RENVILLE	ND	38075	1.60	1.20	1.00	1.00	-
RICHLAND	ND	38077	1.65	1.25	1.05	1.05	0.05
ROLETTE	ND	38079	1.60	1.20	1.00	1.00	-
SARGENT	ND	38081	1.65	1.25	1.05	1.05	0.05
SHERIDAN	ND	38083	1.60	1.20	1.00	1.00	-
SIOUX	ND	38085	1.65	1.25	1.05	1.05	0.05
SLOPE	ND	38087	1.65	1.25	1.05	1.05	0.05
STARK	ND	38089	1.60	1.20	1.00	1.00	-
STEELE	ND	38091	1.65	1.25	1.05	1.05	0.05
STUTSMAN	ND	38093	1.65	1.25	1.05	1.05	0.05
TOWNER	ND	38095	1.60	1.20	1.00	1.00	-
TRAILL	ND	38097	1.65	1.25	1.05	1.05	0.05
WALSH	ND	38099	1.60	1.20	1.00	1.00	-

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WARD	ND	38101	1.60	1.20	1.00	1.00	-
WELLS	ND	38103	1.65	1.25	1.05	1.05	0.05
WILLIAMS	ND	38105	1.60	1.20	1.00	1.00	-
ADAMS	NE	31001	1.80	1.40	1.20	1.20	0.20
ANTELOPE	NE	31003	1.75	1.35	1.15	1.15	0.15
ARTHUR	NE	31005	1.80	1.40	1.20	1.20	0.20
BANNER	NE	31007	1.80	1.40	1.20	1.20	0.20
BLAINE	NE	31009	1.75	1.35	1.15	1.15	0.15
BOONE	NE	31011	1.80	1.40	1.20	1.20	0.20
BOX BUTTE	NE	31013	1.80	1.40	1.20	1.20	0.20
BOYD	NE	31015	1.75	1.35	1.15	1.15	0.15
BROWN	NE	31017	1.75	1.35	1.15	1.15	0.15
BUFFALO	NE	31019	1.80	1.40	1.20	1.20	0.20
BURT	NE	31021	1.80	1.40	1.20	1.20	0.20
BUTLER	NE	31023	1.80	1.40	1.20	1.20	0.20
CASS	NE	31025	1.85	1.45	1.25	1.25	0.25
CEDAR	NE	31027	1.75	1.35	1.15	1.15	0.15
CHASE	NE	31029	1.80	1.40	1.20	1.20	0.20
CHERRY	NE	31031	1.75	1.35	1.15	1.15	0.15
CHEYENNE	NE	31033	1.80	1.40	1.20	1.20	0.20
CLAY	NE	31035	1.80	1.40	1.20	1.20	0.20
COLFAX	NE	31037	1.80	1.40	1.20	1.20	0.20
CUMING	NE	31039	1.80	1.40	1.20	1.20	0.20
CUSTER	NE	31041	1.80	1.40	1.20	1.20	0.20

County/parish/city	State	FIPS code	Current \$1000.52 Differential	Proposed \$1000.52 Differential 2A (Grade A)	Proposed \$1000.52 Differential 2B (Mkt/Bal)	Proposed \$1000.52 Differential 2C (Incentive)	Proposed \$1000.52 Differential 2A + 2B + 2C
DAKOTA	NE	31043	1.75	1.35	1.15	1.15	0.15
DAWES	NE	31045	1.80	1.40	1.20	1.20	0.20
DAWSON	NE	31047	1.80	1.40	1.20	1.20	0.20
DEUEL	NE	31049	1.80	1.40	1.20	1.20	0.20
DIXON	NE	31051	1.75	1.35	1.15	1.15	0.15
DODGE	NE	31053	1.80	1.40	1.20	1.20	0.20
DOUGLAS	NE	31055	1.85	1.45	1.25	1.25	0.25
DUNDY	NE	31057	1.80	1.40	1.20	1.20	0.20
FILLMORE	NE	31059	1.80	1.40	1.20	1.20	0.20
FRANKLIN	NE	31061	1.80	1.40	1.20	1.20	0.20
FRONTIER	NE	31063	1.80	1.40	1.20	1.20	0.20
FURNAS	NE	31065	1.80	1.40	1.20	1.20	0.20
GAGE	NE	31067	1.85	1.45	1.25	1.25	0.25
GARDEN	NE	31069	1.80	1.40	1.20	1.20	0.20
GARFIELD	NE	31071	1.75	1.35	1.15	1.15	0.15
GOSPER	NE	31073	1.80	1.40	1.20	1.20	0.20
GRANT	NE	31075	1.75	1.35	1.15	1.15	0.15
GREELEY	NE	31077	1.80	1.40	1.20	1.20	0.20
HALL	NE	31079	1.80	1.40	1.20	1.20	0.20
HAMILTON	NE	31081	1.80	1.40	1.20	1.20	0.20
HARLAN	NE	31083	1.80	1.40	1.20	1.20	0.20
HAYES	NE	31085	1.80	1.40	1.20	1.20	0.20
HITCHCOCK	NE	31087	1.80	1.40	1.20	1.20	0.20
HOLT	NE	31089	1.75	1.35	1.15	1.15	0.15

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HOOKER	NE	31091	1.75	1.35	1.15	1.15	0.15
HOWARD	NE	31093	1.80	1.40	1.20	1.20	0.20
JEFFERSON	NE	31095	1.80	1.40	1.20	1.20	0.20
JOHNSON	NE	31097	1.85	1.45	1.25	1.25	0.25
KEARNEY	NE	31099	1.80	1.40	1.20	1.20	0.20
KEITH	NE	31101	1.80	1.40	1.20	1.20	0.20
KEYA PAHA	NE	31103	1.75	1.35	1.15	1.15	0.15
KIMBALL	NE	31105	1.80	1.40	1.20	1.20	0.20
KNOX	NE	31107	1.75	1.35	1.15	1.15	0.15
LANCASTER	NE	31109	1.85	1.45	1.25	1.25	0.25
LINCOLN	NE	31111	1.80	1.40	1.20	1.20	0.20
LOGAN	NE	31113	1.80	1.40	1.20	1.20	0.20
LOUP	NE	31115	1.75	1.35	1.15	1.15	0.15
MADISON	NE	31119	1.80	1.40	1.20	1.20	0.20
MCPHERSON	NE	31117	1.80	1.40	1.20	1.20	0.20
MERRICK	NE	31121	1.80	1.40	1.20	1.20	0.20
MORRILL	NE	31123	1.80	1.40	1.20	1.20	0.20
NANCE	NE	31125	1.80	1.40	1.20	1.20	0.20
NEMAHA	NE	31127	1.85	1.45	1.25	1.25	0.25
NUCKOLLS	NE	31129	1.80	1.40	1.20	1.20	0.20
OTOE	NE	31131	1.85	1.45	1.25	1.25	0.25
PAWNEE	NE	31133	1.85	1.45	1.25	1.25	0.25
PERKINS	NE	31135	1.80	1.40	1.20	1.20	0.20
PHELPS	NE	31137	1.80	1.40	1.20	1.20	0.20

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PIERCE	NE	31139	1.75	1.35	1.15	1.15	0.15
PLATTE	NE	31141	1.80	1.40	1.20	1.20	0.20
POLK	NE	31143	1.80	1.40	1.20	1.20	0.20
RED WILLOW	NE	31145	1.80	1.40	1.20	1.20	0.20
RICHARDSON	NE	31147	1.85	1.45	1.25	1.25	0.25
ROCK	NE	31149	1.75	1.35	1.15	1.15	0.15
SALINE	NE	31151	1.80	1.40	1.20	1.20	0.20
SARPY	NE	31153	1.85	1.45	1.25	1.25	0.25
SAUNDERS	NE	31155	1.85	1.45	1.25	1.25	0.25
SCOTTS BLUFF	NE	31157	1.80	1.40	1.20	1.20	0.20
SEWARD	NE	31159	1.80	1.40	1.20	1.20	0.20
SHERIDAN	NE	31161	1.80	1.40	1.20	1.20	0.20
SHERMAN	NE	31163	1.80	1.40	1.20	1.20	0.20
SIOUX	NE	31165	1.80	1.40	1.20	1.20	0.20
STANTON	NE	31167	1.80	1.40	1.20	1.20	0.20
THAYER	NE	31169	1.80	1.40	1.20	1.20	0.20
THOMAS	NE	31171	1.75	1.35	1.15	1.15	0.15
THURSTON	NE	31173	1.75	1.35	1.15	1.15	0.15
VALLEY	NE	31175	1.80	1.40	1.20	1.20	0.20
WASHINGTON	NE	31177	1.85	1.45	1.25	1.25	0.25
WAYNE	NE	31179	1.75	1.35	1.15	1.15	0.15
WEBSTER	NE	31181	1.80	1.40	1.20	1.20	0.20
WHEELER	NE	31183	1.75	1.35	1.15	1.15	0.15
YORK	NE	31185	1.80	1.40	1.20	1.20	0.20

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BELKNAP	NH	33001	2.80	2.40	2.20	2.20	1.20
CARROLL	NH	33003	2.80	2.40	2.20	2.20	1.20
CHESHIRE	NH	33005	2.80	2.40	2.20	2.20	1.20
COOS	NH	33007	2.60	2.20	2.00	2.00	1.00
GRAFTON	NH	33009	2.60	2.20	2.00	2.00	1.00
HILLSBOROUGH	NH	33011	3.00	2.60	2.40	2.40	1.40
MERRIMACK	NH	33013	3.00	2.60	2.40	2.40	1.40
ROCKINGHAM	NH	33015	3.00	2.60	2.40	2.40	1.40
STRAFFORD	NH	33017	3.00	2.60	2.40	2.40	1.40
SULLIVAN	NH	33019	2.80	2.40	2.20	2.20	1.20
ATLANTIC	NJ	34001	3.05	2.65	2.45	2.45	1.45
BERGEN	NJ	34003	3.15	2.75	2.55	2.55	1.55
BURLINGTON	NJ	34005	3.05	2.65	2.45	2.45	1.45
CAMDEN	NJ	34007	3.05	2.65	2.45	2.45	1.45
CAPE MAY	NJ	34009	3.05	2.65	2.45	2.45	1.45
CUMBERLAND	NJ	34011	3.05	2.65	2.45	2.45	1.45
ESSEX	NJ	34013	3.15	2.75	2.55	2.55	1.55
GLOUCESTER	NJ	34015	3.05	2.65	2.45	2.45	1.45
HUDSON	NJ	34017	3.15	2.75	2.55	2.55	1.55
HUNTERDON	NJ	34019	3.10	2.70	2.50	2.50	1.50
MERCER	NJ	34021	3.10	2.70	2.50	2.50	1.50
MIDDLESEX	NJ	34023	3.10	2.70	2.50	2.50	1.50
MONMOUTH	NJ	34025	3.10	2.70	2.50	2.50	1.50
MORRIS	NJ	34027	3.10	2.70	2.50	2.50	1.50

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OCEAN	NJ	34029	3.10	2.70	2.50	2.50	1.50
PASSAIC	NJ	34031	3.15	2.75	2.55	2.55	1.55
SALEM	NJ	34033	3.05	2.65	2.45	2.45	1.45
SOMERSET	NJ	34035	3.10	2.70	2.50	2.50	1.50
SUSSEX	NJ	34037	3.10	2.70	2.50	2.50	1.50
UNION	NJ	34039	3.15	2.75	2.55	2.55	1.55
WARREN	NJ	34041	3.10	2.70	2.50	2.50	1.50
BERNALILLO	NM	35001	2.35	1.95	1.75	1.75	0.75
CATRON	NM	35003	2.10	1.70	1.50	1.50	0.50
CHAVES	NM	35005	2.10	1.70	1.50	1.50	0.50
CIBOLA	NM	35006	1.90	1.50	1.30	1.30	0.30
COLFAX	NM	35007	2.35	1.95	1.75	1.75	0.75
CURRY	NM	35009	2.10	1.70	1.50	1.50	0.50
DE BACA	NM	35011	2.10	1.70	1.50	1.50	0.50
DONA ANA	NM	35013	2.10	1.70	1.50	1.50	0.50
EDDY	NM	35015	2.10	1.70	1.50	1.50	0.50
GRANT	NM	35017	2.10	1.70	1.50	1.50	0.50
GUADALUPE	NM	35019	2.35	1.95	1.75	1.75	0.75
HARDING	NM	35021	2.35	1.95	1.75	1.75	0.75
HIDALGO	NM	35023	2.10	1.70	1.50	1.50	0.50
LEA	NM	35025	2.10	1.70	1.50	1.50	0.50
LINCOLN	NM	35027	2.10	1.70	1.50	1.50	0.50
LOS ALAMOS	NM	35028	2.35	1.95	1.75	1.75	0.75
LUNA	NM	35029	2.10	1.70	1.50	1.50	0.50

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MCKINLEY	NM	35031	1.90	1.50	1.30	1.30	0.30
MORA	NM	35033	2.35	1.95	1.75	1.75	0.75
OTERO	NM	35035	2.10	1.70	1.50	1.50	0.50
QUAY	NM	35037	2.35	1.95	1.75	1.75	0.75
RIO ARRIBA	NM	35039	1.90	1.50	1.30	1.30	0.30
ROOSEVELT	NM	35041	2.10	1.70	1.50	1.50	0.50
SAN JUAN	NM	35045	1.90	1.50	1.30	1.30	0.30
SAN MIGUEL	NM	35047	2.35	1.95	1.75	1.75	0.75
SANDOVAL	NM	35043	2.35	1.95	1.75	1.75	0.75
SANTA FE	NM	35049	2.35	1.95	1.75	1.75	0.75
SIERRA	NM	35051	2.10	1.70	1.50	1.50	0.50
SOCORRO	NM	35053	2.10	1.70	1.50	1.50	0.50
TAOS	NM	35055	1.90	1.50	1.30	1.30	0.30
TORRANCE	NM	35057	2.35	1.95	1.75	1.75	0.75
UNION	NM	35059	2.35	1.95	1.75	1.75	0.75
VALENCIA	NM	35061	2.35	1.95	1.75	1.75	0.75
CARSON CITY	NV	32510	1.70	1.30	1.10	1.10	0.10
CHURCHILL	NV	32001	1.70	1.30	1.10	1.10	0.10
CLARK	NV	32003	2.00	1.60	1.40	1.40	0.40
DOUGLAS	NV	32005	1.70	1.30	1.10	1.10	0.10
ELKO	NV	32007	1.90	1.50	1.30	1.30	0.30
ESMERALDA	NV	32009	1.60	1.20	1.00	1.00	-
EUREKA	NV	32011	1.70	1.30	1.10	1.10	0.10
HUMBOLDT	NV	32013	1.70	1.30	1.10	1.10	0.10

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LANDER	NV	32015	1.70	1.30	1.10	1.10	0.10
LINCOLN	NV	32017	1.60	1.20	1.00	1.00	-
LYON	NV	32019	1.70	1.30	1.10	1.10	0.10
MINERAL	NV	32021	1.60	1.20	1.00	1.00	-
NYE	NV	32023	1.60	1.20	1.00	1.00	-
PERSHING	NV	32027	1.70	1.30	1.10	1.10	0.10
STOREY	NV	32029	1.70	1.30	1.10	1.10	0.10
WASHOE	NV	32031	1.70	1.30	1.10	1.10	0.10
WHITE PINE	NV	32033	1.90	1.50	1.30	1.30	0.30
ALBANY	NY	36001	2.70	2.30	2.10	2.10	1.10
ALLEGANY	NY	36003	2.30	1.90	1.70	1.70	0.70
BRONX	NY	36005	3.15	2.75	2.55	2.55	1.55
BROOME	NY	36007	2.70	2.30	2.10	2.10	1.10
CATTARAUGUS	NY	36009	2.10	1.70	1.50	1.50	0.50
CAYUGA	NY	36011	2.30	1.90	1.70	1.70	0.70
CHAUTAUQUA	NY	36013	2.10	1.70	1.50	1.50	0.50
CHEMUNG	NY	36015	2.50	2.10	1.90	1.90	0.90
CHENANGO	NY	36017	2.50	2.10	1.90	1.90	0.90
CLINTON	NY	36019	2.30	1.90	1.70	1.70	0.70
COLUMBIA	NY	36021	2.70	2.30	2.10	2.10	1.10
CORTLAND	NY	36023	2.50	2.10	1.90	1.90	0.90
DELAWARE	NY	36025	2.70	2.30	2.10	2.10	1.10
DUTCHESS	NY	36027	2.80	2.40	2.20	2.20	1.20
ERIE	NY	36029	2.20	1.80	1.60	1.60	0.60

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ESSEX	NY	36031	2.30	1.90	1.70	1.70	0.70
FRANKLIN	NY	36033	2.30	1.90	1.70	1.70	0.70
FULTON	NY	36035	2.50	2.10	1.90	1.90	0.90
GENESEE	NY	36037	2.20	1.80	1.60	1.60	0.60
GREENE	NY	36039	2.70	2.30	2.10	2.10	1.10
HAMILTON	NY	36041	2.50	2.10	1.90	1.90	0.90
HERKIMER	NY	36043	2.50	2.10	1.90	1.90	0.90
JEFFERSON	NY	36045	2.30	1.90	1.70	1.70	0.70
KINGS	NY	36047	3.15	2.75	2.55	2.55	1.55
LEWIS	NY	36049	2.30	1.90	1.70	1.70	0.70
LIVINGSTON	NY	36051	2.30	1.90	1.70	1.70	0.70
MADISON	NY	36053	2.50	2.10	1.90	1.90	0.90
MONROE	NY	36055	2.30	1.90	1.70	1.70	0.70
MONTGOMERY	NY	36057	2.70	2.30	2.10	2.10	1.10
NASSAU	NY	36059	3.15	2.75	2.55	2.55	1.55
NEW YORK	NY	36061	3.15	2.75	2.55	2.55	1.55
NIAGARA	NY	36063	2.20	1.80	1.60	1.60	0.60
ONEIDA	NY	36065	2.50	2.10	1.90	1.90	0.90
ONONDAGA	NY	36067	2.50	2.10	1.90	1.90	0.90
ONTARIO	NY	36069	2.30	1.90	1.70	1.70	0.70
ORANGE	NY	36071	3.00	2.60	2.40	2.40	1.40
ORLEANS	NY	36073	2.20	1.80	1.60	1.60	0.60
OSWEGO	NY	36075	2.30	1.90	1.70	1.70	0.70
OTSEGO	NY	36077	2.50	2.10	1.90	1.90	0.90

County/parish/city	State	FIPS code	Current \$1000.52 Differential	Proposed \$1000.52 Differential 2A (Grade A)	Proposed \$1000.52 Differential 2B (Mkt/Bal)	Proposed \$1000.52 Differential 2C (Incentive)	Proposed \$1000.52 Differential 2A + 2B + 2C
PUTNAM	NY	36079	3.00	2.60	2.40	2.40	1.40
QUEENS	NY	36081	3.15	2.75	2.55	2.55	1.55
RENSSELAER	NY	36083	2.70	2.30	2.10	2.10	1.10
RICHMOND	NY	36085	3.15	2.75	2.55	2.55	1.55
ROCKLAND	NY	36087	3.15	2.75	2.55	2.55	1.55
SARATOGA	NY	36091	2.70	2.30	2.10	2.10	1.10
SCHENECTADY	NY	36093	2.70	2.30	2.10	2.10	1.10
SCHOHARIE	NY	36095	2.70	2.30	2.10	2.10	1.10
SCHUYLER	NY	36097	2.30	1.90	1.70	1.70	0.70
SENECA	NY	36099	2.30	1.90	1.70	1.70	0.70
ST. LAWRENCE	NY	36089	2.30	1.90	1.70	1.70	0.70
STEUBEN	NY	36101	2.30	1.90	1.70	1.70	0.70
SUFFOLK	NY	36103	3.15	2.75	2.55	2.55	1.55
SULLIVAN	NY	36105	2.80	2.40	2.20	2.20	1.20
TIOGA	NY	36107	2.50	2.10	1.90	1.90	0.90
TOMPKINS	NY	36109	2.50	2.10	1.90	1.90	0.90
ULSTER	NY	36111	2.80	2.40	2.20	2.20	1.20
WARREN	NY	36113	2.50	2.10	1.90	1.90	0.90
WASHINGTON	NY	36115	2.60	2.20	2.00	2.00	1.00
WAYNE	NY	36117	2.30	1.90	1.70	1.70	0.70
WESTCHESTER	NY	36119	3.15	2.75	2.55	2.55	1.55
WYOMING	NY	36121	2.20	1.80	1.60	1.60	0.60
YATES	NY	36123	2.30	1.90	1.70	1.70	0.70
ADAMS	OH	39001	2.20	1.80	1.60	1.60	0.60

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ALLEN	OH	39003	2.00	1.60	1.40	1.40	0.40
ASHLAND	OH	39005	2.00	1.60	1.40	1.40	0.40
ASHTABULA	OH	39007	2.00	1.60	1.40	1.40	0.40
ATHENS	OH	39009	2.00	1.60	1.40	1.40	0.40
AUGLAIZE	OH	39011	2.00	1.60	1.40	1.40	0.40
BELMONT	OH	39013	2.00	1.60	1.40	1.40	0.40
BROWN	OH	39015	2.20	1.80	1.60	1.60	0.60
BUTLER	OH	39017	2.00	1.60	1.40	1.40	0.40
CARROLL	OH	39019	2.00	1.60	1.40	1.40	0.40
CHAMPAIGN	OH	39021	2.00	1.60	1.40	1.40	0.40
CLARK	OH	39023	2.00	1.60	1.40	1.40	0.40
CLERMONT	OH	39025	2.20	1.80	1.60	1.60	0.60
CLINTON	OH	39027	2.00	1.60	1.40	1.40	0.40
COLUMBIANA	OH	39029	2.00	1.60	1.40	1.40	0.40
COSHOCTON	OH	39031	2.00	1.60	1.40	1.40	0.40
CRAWFORD	OH	39033	2.00	1.60	1.40	1.40	0.40
CUYAHOGA	OH	39035	2.00	1.60	1.40	1.40	0.40
DARKE	OH	39037	2.00	1.60	1.40	1.40	0.40
DEFIANCE	OH	39039	1.80	1.40	1.20	1.20	0.20
DELAWARE	OH	39041	2.00	1.60	1.40	1.40	0.40
ERIE	OH	39043	2.00	1.60	1.40	1.40	0.40
FAIRFIELD	OH	39045	2.00	1.60	1.40	1.40	0.40
FAYETTE	OH	39047	2.00	1.60	1.40	1.40	0.40
FRANKLIN	OH	39049	2.00	1.60	1.40	1.40	0.40

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FULTON	OH	39051	1.80	1.40	1.20	1.20	0.20
GALLIA	OH	39053	2.20	1.80	1.60	1.60	0.60
GEAUGA	OH	39055	2.00	1.60	1.40	1.40	0.40
GREENE	OH	39057	2.00	1.60	1.40	1.40	0.40
GUERNSEY	OH	39059	2.00	1.60	1.40	1.40	0.40
HAMILTON	OH	39061	2.20	1.80	1.60	1.60	0.60
HANCOCK	OH	39063	2.00	1.60	1.40	1.40	0.40
HARDIN	OH	39065	2.00	1.60	1.40	1.40	0.40
HARRISON	OH	39067	2.00	1.60	1.40	1.40	0.40
HENRY	OH	39069	1.80	1.40	1.20	1.20	0.20
HIGHLAND	OH	39071	2.20	1.80	1.60	1.60	0.60
HOCKING	OH	39073	2.00	1.60	1.40	1.40	0.40
HOLMES	OH	39075	2.00	1.60	1.40	1.40	0.40
HURON	OH	39077	2.00	1.60	1.40	1.40	0.40
JACKSON	OH	39079	2.20	1.80	1.60	1.60	0.60
JEFFERSON	OH	39081	2.00	1.60	1.40	1.40	0.40
KNOX	OH	39083	2.00	1.60	1.40	1.40	0.40
LAKE	OH	39085	2.00	1.60	1.40	1.40	0.40
LAWRENCE	OH	39087	2.20	1.80	1.60	1.60	0.60
LICKING	OH	39089	2.00	1.60	1.40	1.40	0.40
LOGAN	OH	39091	2.00	1.60	1.40	1.40	0.40
LORAIN	OH	39093	2.00	1.60	1.40	1.40	0.40
LUCAS	OH	39095	1.80	1.40	1.20	1.20	0.20
MADISON	OH	39097	2.00	1.60	1.40	1.40	0.40

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MAHONING	OH	39099	2.00	1.60	1.40	1.40	0.40
MARION	OH	39101	2.00	1.60	1.40	1.40	0.40
MEDINA	OH	39103	2.00	1.60	1.40	1.40	0.40
MEIGS	OH	39105	2.00	1.60	1.40	1.40	0.40
MERCER	OH	39107	2.00	1.60	1.40	1.40	0.40
MIAMI	OH	39109	2.00	1.60	1.40	1.40	0.40
MONROE	OH	39111	2.00	1.60	1.40	1.40	0.40
MONTGOMERY	OH	39113	2.00	1.60	1.40	1.40	0.40
MORGAN	OH	39115	2.00	1.60	1.40	1.40	0.40
MORROW	OH	39117	2.00	1.60	1.40	1.40	0.40
MUSKINGUM	OH	39119	2.00	1.60	1.40	1.40	0.40
NOBLE	OH	39121	2.00	1.60	1.40	1.40	0.40
OTTAWA	OH	39123	2.00	1.60	1.40	1.40	0.40
PAULDING	OH	39125	1.80	1.40	1.20	1.20	0.20
PERRY	OH	39127	2.00	1.60	1.40	1.40	0.40
PICKAWAY	OH	39129	2.00	1.60	1.40	1.40	0.40
PIKE	OH	39131	2.20	1.80	1.60	1.60	0.60
PORTAGE	OH	39133	2.00	1.60	1.40	1.40	0.40
PREBLE	OH	39135	2.00	1.60	1.40	1.40	0.40
PUTNAM	OH	39137	1.80	1.40	1.20	1.20	0.20
RICHLAND	OH	39139	2.00	1.60	1.40	1.40	0.40
ROSS	OH	39141	2.00	1.60	1.40	1.40	0.40
SANDUSKY	OH	39143	2.00	1.60	1.40	1.40	0.40
SCIOTO	OH	39145	2.20	1.80	1.60	1.60	0.60

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SENECA	OH	39147	2.00	1.60	1.40	1.40	0.40
SHELBY	OH	39149	2.00	1.60	1.40	1.40	0.40
STARK	OH	39151	2.00	1.60	1.40	1.40	0.40
SUMMIT	OH	39153	2.00	1.60	1.40	1.40	0.40
TRUMBULL	OH	39155	2.00	1.60	1.40	1.40	0.40
TUSCARAWAS	OH	39157	2.00	1.60	1.40	1.40	0.40
UNION	OH	39159	2.00	1.60	1.40	1.40	0.40
VAN WERT	OH	39161	1.80	1.40	1.20	1.20	0.20
VINTON	OH	39163	2.00	1.60	1.40	1.40	0.40
WARREN	OH	39165	2.00	1.60	1.40	1.40	0.40
WASHINGTON	OH	39167	2.00	1.60	1.40	1.40	0.40
WAYNE	OH	39169	2.00	1.60	1.40	1.40	0.40
WILLIAMS	OH	39171	1.80	1.40	1.20	1.20	0.20
WOOD	OH	39173	2.00	1.60	1.40	1.40	0.40
WYANDOT	OH	39175	2.00	1.60	1.40	1.40	0.40
ADAIR	OK	40001	2.60	2.20	2.00	2.00	1.00
ALFALFA	OK	40003	2.40	2.00	1.80	1.80	0.80
ATOKA	OK	40005	2.80	2.40	2.20	2.20	1.20
BEAVER	OK	40007	2.40	2.00	1.80	1.80	0.80
BECKHAM	OK	40009	2.40	2.00	1.80	1.80	0.80
BLAINE	OK	40011	2.40	2.00	1.80	1.80	0.80
BRYAN	OK	40013	2.80	2.40	2.20	2.20	1.20
CADDO	OK	40015	2.60	2.20	2.00	2.00	1.00
CANADIAN	OK	40017	2.60	2.20	2.00	2.00	1.00

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CARTER	OK	40019	2.80	2.40	2.20	2.20	1.20
CHEROKEE	OK	40021	2.60	2.20	2.00	2.00	1.00
CHOCTAW	OK	40023	2.80	2.40	2.20	2.20	1.20
CIMARRON	OK	40025	2.40	2.00	1.80	1.80	0.80
CLEVELAND	OK	40027	2.60	2.20	2.00	2.00	1.00
COAL	OK	40029	2.80	2.40	2.20	2.20	1.20
COMANCHE	OK	40031	2.60	2.20	2.00	2.00	1.00
COTTON	OK	40033	2.80	2.40	2.20	2.20	1.20
CRAIG	OK	40035	2.40	2.00	1.80	1.80	0.80
CREEK	OK	40037	2.60	2.20	2.00	2.00	1.00
CUSTER	OK	40039	2.40	2.00	1.80	1.80	0.80
DELAWARE	OK	40041	2.40	2.00	1.80	1.80	0.80
DEWEY	OK	40043	2.40	2.00	1.80	1.80	0.80
ELLIS	OK	40045	2.40	2.00	1.80	1.80	0.80
GARFIELD	OK	40047	2.40	2.00	1.80	1.80	0.80
GARVIN	OK	40049	2.60	2.20	2.00	2.00	1.00
GRADY	OK	40051	2.60	2.20	2.00	2.00	1.00
GRANT	OK	40053	2.40	2.00	1.80	1.80	0.80
GREER	OK	40055	2.60	2.20	2.00	2.00	1.00
HARMON	OK	40057	2.60	2.20	2.00	2.00	1.00
HARPER	OK	40059	2.40	2.00	1.80	1.80	0.80
HASKELL	OK	40061	2.80	2.40	2.20	2.20	1.20
HUGHES	OK	40063	2.60	2.20	2.00	2.00	1.00
JACKSON	OK	40065	2.60	2.20	2.00	2.00	1.00

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JEFFERSON	OK	40067	2.80	2.40	2.20	2.20	1.20
JOHNSTON	OK	40069	2.80	2.40	2.20	2.20	1.20
KAY	OK	40071	2.40	2.00	1.80	1.80	0.80
KINGFISHER	OK	40073	2.40	2.00	1.80	1.80	0.80
KIOWA	OK	40075	2.60	2.20	2.00	2.00	1.00
LATIMER	OK	40077	2.80	2.40	2.20	2.20	1.20
LE FLORE	OK	40079	2.80	2.40	2.20	2.20	1.20
LINCOLN	OK	40081	2.60	2.20	2.00	2.00	1.00
LOGAN	OK	40083	2.40	2.00	1.80	1.80	0.80
LOVE	OK	40085	2.80	2.40	2.20	2.20	1.20
MAJOR	OK	40093	2.40	2.00	1.80	1.80	0.80
MARSHALL	OK	40095	2.80	2.40	2.20	2.20	1.20
MAYES	OK	40097	2.40	2.00	1.80	1.80	0.80
MCCLAIN	OK	40087	2.60	2.20	2.00	2.00	1.00
MCCURTAIN	OK	40089	2.80	2.40	2.20	2.20	1.20
MCINTOSH	OK	40091	2.60	2.20	2.00	2.00	1.00
MURRAY	OK	40099	2.80	2.40	2.20	2.20	1.20
MUSKOGEE	OK	40101	2.60	2.20	2.00	2.00	1.00
NOBLE	OK	40103	2.40	2.00	1.80	1.80	0.80
NOWATA	OK	40105	2.40	2.00	1.80	1.80	0.80
OKFUSKEE	OK	40107	2.60	2.20	2.00	2.00	1.00
OKLAHOMA	OK	40109	2.60	2.20	2.00	2.00	1.00
OKMULGEE	OK	40111	2.60	2.20	2.00	2.00	1.00
OSAGE	OK	40113	2.40	2.00	1.80	1.80	0.80

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OTTAWA	OK	40115	2.40	2.00	1.80	1.80	0.80
PAWNEE	OK	40117	2.40	2.00	1.80	1.80	0.80
PAYNE	OK	40119	2.40	2.00	1.80	1.80	0.80
PITTSBURG	OK	40121	2.80	2.40	2.20	2.20	1.20
PONTOTOC	OK	40123	2.80	2.40	2.20	2.20	1.20
POTTAWATOMIE	OK	40125	2.60	2.20	2.00	2.00	1.00
PUSHMATAHA	OK	40127	2.80	2.40	2.20	2.20	1.20
ROGER MILLS	OK	40129	2.40	2.00	1.80	1.80	0.80
ROGERS	OK	40131	2.40	2.00	1.80	1.80	0.80
SEMINOLE	OK	40133	2.60	2.20	2.00	2.00	1.00
SEQUOYAH	OK	40135	2.80	2.40	2.20	2.20	1.20
STEPHENS	OK	40137	2.80	2.40	2.20	2.20	1.20
TEXAS	OK	40139	2.40	2.00	1.80	1.80	0.80
TILLMAN	OK	40141	2.60	2.20	2.00	2.00	1.00
TULSA	OK	40143	2.60	2.20	2.00	2.00	1.00
WAGONER	OK	40145	2.60	2.20	2.00	2.00	1.00
WASHINGTON	OK	40147	2.40	2.00	1.80	1.80	0.80
WASHITA	OK	40149	2.40	2.00	1.80	1.80	0.80
WOODS	OK	40151	2.40	2.00	1.80	1.80	0.80
WOODWARD	OK	40153	2.40	2.00	1.80	1.80	0.80
BAKER	OR	41001	1.60	1.20	1.00	1.00	-
BENTON	OR	41003	1.90	1.50	1.30	1.30	0.30
CLACKAMAS	OR	41005	1.90	1.50	1.30	1.30	0.30
CLATSOP	OR	41007	1.90	1.50	1.30	1.30	0.30

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COLUMBIA	OR	41009	1.90	1.50	1.30	1.30	0.30
COOS	OR	41011	1.90	1.50	1.30	1.30	0.30
CROOK	OR	41013	1.75	1.35	1.15	1.15	0.15
CURRY	OR	41015	1.90	1.50	1.30	1.30	0.30
DESCHUTES	OR	41017	1.75	1.35	1.15	1.15	0.15
DOUGLAS	OR	41019	1.90	1.50	1.30	1.30	0.30
GILLIAM	OR	41021	1.75	1.35	1.15	1.15	0.15
GRANT	OR	41023	1.60	1.20	1.00	1.00	-
HARNEY	OR	41025	1.60	1.20	1.00	1.00	-
HOOD RIVER	OR	41027	1.90	1.50	1.30	1.30	0.30
JACKSON	OR	41029	1.90	1.50	1.30	1.30	0.30
JEFFERSON	OR	41031	1.75	1.35	1.15	1.15	0.15
JOSEPHINE	OR	41033	1.90	1.50	1.30	1.30	0.30
KLAMATH	OR	41035	1.75	1.35	1.15	1.15	0.15
LAKE	OR	41037	1.75	1.35	1.15	1.15	0.15
LANE	OR	41039	1.90	1.50	1.30	1.30	0.30
LINCOLN	OR	41041	1.90	1.50	1.30	1.30	0.30
LINN	OR	41043	1.90	1.50	1.30	1.30	0.30
MALHEUR	OR	41045	1.60	1.20	1.00	1.00	-
MARION	OR	41047	1.90	1.50	1.30	1.30	0.30
MORROW	OR	41049	1.75	1.35	1.15	1.15	0.15
MULTNOMAH	OR	41051	1.90	1.50	1.30	1.30	0.30
POLK	OR	41053	1.90	1.50	1.30	1.30	0.30
SHERMAN	OR	41055	1.75	1.35	1.15	1.15	0.15

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TILLAMOOK	OR	41057	1.90	1.50	1.30	1.30	0.30
UMATILLA	OR	41059	1.75	1.35	1.15	1.15	0.15
UNION	OR	41061	1.60	1.20	1.00	1.00	-
WALLOWA	OR	41063	1.60	1.20	1.00	1.00	-
WASCO	OR	41065	1.75	1.35	1.15	1.15	0.15
WASHINGTON	OR	41067	1.90	1.50	1.30	1.30	0.30
WHEELER	OR	41069	1.75	1.35	1.15	1.15	0.15
YAMHILL	OR	41071	1.90	1.50	1.30	1.30	0.30
ADAMS	PA	42001	2.80	2.40	2.20	2.20	1.20
ALLEGHENY	PA	42003	2.10	1.70	1.50	1.50	0.50
ARMSTRONG	PA	42005	2.30	1.90	1.70	1.70	0.70
BEAVER	PA	42007	2.10	1.70	1.50	1.50	0.50
BEDFORD	PA	42009	2.30	1.90	1.70	1.70	0.70
BERKS	PA	42011	2.80	2.40	2.20	2.20	1.20
BLAIR	PA	42013	2.30	1.90	1.70	1.70	0.70
BRADFORD	PA	42015	2.50	2.10	1.90	1.90	0.90
BUCKS	PA	42017	3.05	2.65	2.45	2.45	1.45
BUTLER	PA	42019	2.10	1.70	1.50	1.50	0.50
CAMBRIA	PA	42021	2.30	1.90	1.70	1.70	0.70
CAMERON	PA	42023	2.30	1.90	1.70	1.70	0.70
CARBON	PA	42025	2.80	2.40	2.20	2.20	1.20
CENTRE	PA	42027	2.50	2.10	1.90	1.90	0.90
CHESTER	PA	42029	3.05	2.65	2.45	2.45	1.45
CLARION	PA	42031	2.30	1.90	1.70	1.70	0.70

County/parish/city	State	FIPS code	Current \$1000.52 Differential	Proposed \$1000.52 Differential 2A (Grade A)	Proposed \$1000.52 Differential 2B (Mkt/Bal)	Proposed \$1000.52 Differential 2C (Incentive)	Proposed \$1000.52 Differential 2A + 2B + 2C
CLEARFIELD	PA	42033	2.30	1.90	1.70	1.70	0.70
CLINTON	PA	42035	2.50	2.10	1.90	1.90	0.90
COLUMBIA	PA	42037	2.70	2.30	2.10	2.10	1.10
CRAWFORD	PA	42039	2.10	1.70	1.50	1.50	0.50
CUMBERLAND	PA	42041	2.80	2.40	2.20	2.20	1.20
DAUPHIN	PA	42043	2.80	2.40	2.20	2.20	1.20
DELAWARE	PA	42045	3.05	2.65	2.45	2.45	1.45
ELK	PA	42047	2.30	1.90	1.70	1.70	0.70
ERIE	PA	42049	2.10	1.70	1.50	1.50	0.50
FAYETTE	PA	42051	2.30	1.90	1.70	1.70	0.70
FOREST	PA	42053	2.30	1.90	1.70	1.70	0.70
FRANKLIN	PA	42055	2.80	2.40	2.20	2.20	1.20
FULTON	PA	42057	2.70	2.30	2.10	2.10	1.10
GREENE	PA	42059	2.10	1.70	1.50	1.50	0.50
HUNTINGDON	PA	42061	2.30	1.90	1.70	1.70	0.70
INDIANA	PA	42063	2.30	1.90	1.70	1.70	0.70
JEFFERSON	PA	42065	2.30	1.90	1.70	1.70	0.70
JUNIATA	PA	42067	2.70	2.30	2.10	2.10	1.10
LACKAWANNA	PA	42069	2.70	2.30	2.10	2.10	1.10
LANCASTER	PA	42071	2.90	2.50	2.30	2.30	1.30
LAWRENCE	PA	42073	2.10	1.70	1.50	1.50	0.50
LEBANON	PA	42075	2.80	2.40	2.20	2.20	1.20
LEHIGH	PA	42077	2.80	2.40	2.20	2.20	1.20
LUZERNE	PA	42079	2.70	2.30	2.10	2.10	1.10

County/parish/city	State	FIPS code	Current \$1000.52 Differential	Proposed \$1000.52 Differential 2A (Grade A)	Proposed \$1000.52 Differential 2B (Mkt/Bal)	Proposed \$1000.52 Differential 2C (Incentive)	Proposed \$1000.52 Differential 2A + 2B + 2C
LYCOMING	PA	42081	2.50	2.10	1.90	1.90	0.90
MCKEAN	PA	42083	2.30	1.90	1.70	1.70	0.70
MERCER	PA	42085	2.10	1.70	1.50	1.50	0.50
MIFFLIN	PA	42087	2.70	2.30	2.10	2.10	1.10
MONROE	PA	42089	2.80	2.40	2.20	2.20	1.20
MONTGOMERY	PA	42091	3.05	2.65	2.45	2.45	1.45
MONTOUR	PA	42093	2.70	2.30	2.10	2.10	1.10
NORTHAMPTON	PA	42095	2.80	2.40	2.20	2.20	1.20
NORTHUMBERLAND	PA	42097	2.70	2.30	2.10	2.10	1.10
PERRY	PA	42099	2.70	2.30	2.10	2.10	1.10
PHILADELPHIA	PA	42101	3.05	2.65	2.45	2.45	1.45
PIKE	PA	42103	2.80	2.40	2.20	2.20	1.20
POTTER	PA	42105	2.50	2.10	1.90	1.90	0.90
SCHUYLKILL	PA	42107	2.80	2.40	2.20	2.20	1.20
SNYDER	PA	42109	2.70	2.30	2.10	2.10	1.10
SOMERSET	PA	42111	2.30	1.90	1.70	1.70	0.70
SULLIVAN	PA	42113	2.50	2.10	1.90	1.90	0.90
SUSQUEHANNA	PA	42115	2.50	2.10	1.90	1.90	0.90
TIOGA	PA	42117	2.50	2.10	1.90	1.90	0.90
UNION	PA	42119	2.70	2.30	2.10	2.10	1.10
VENANGO	PA	42121	2.10	1.70	1.50	1.50	0.50
WARREN	PA	42123	2.10	1.70	1.50	1.50	0.50
WASHINGTON	PA	42125	2.10	1.70	1.50	1.50	0.50
WAYNE	PA	42127	2.70	2.30	2.10	2.10	1.10

County/parish/city	State	FIPS code	Current \$1000.52 Differential	Proposed \$1000.52 Differential 2A (Grade A)	Proposed \$1000.52 Differential 2B (Mkt/Bal)	Proposed \$1000.52 Differential 2C (Incentive)	Proposed \$1000.52 Differential 2A + 2B + 2C
WESTMORELAND	PA	42129	2.30	1.90	1.70	1.70	0.70
WYOMING	PA	42131	2.50	2.10	1.90	1.90	0.90
YORK	PA	42133	2.90	2.50	2.30	2.30	1.30
BRISTOL	RI	44001	3.25	2.85	2.65	2.65	1.65
KENT	RI	44003	3.25	2.85	2.65	2.65	1.65
NEWPORT	RI	44005	3.25	2.85	2.65	2.65	1.65
PROVIDENCE	RI	44007	3.25	2.85	2.65	2.65	1.65
WASHINGTON	RI	44009	3.25	2.85	2.65	2.65	1.65
ABBEVILLE	SC	45001	3.10	2.70	2.50	2.50	1.50
AIKEN	SC	45003	3.30	2.90	2.70	2.70	1.70
ALLENDALE	SC	45005	3.30	2.90	2.70	2.70	1.70
ANDERSON	SC	45007	3.10	2.70	2.50	2.50	1.50
BAMBERG	SC	45009	3.30	2.90	2.70	2.70	1.70
BARNWELL	SC	45011	3.30	2.90	2.70	2.70	1.70
BEAUFORT	SC	45013	3.30	2.90	2.70	2.70	1.70
BERKELEY	SC	45015	3.30	2.90	2.70	2.70	1.70
CALHOUN	SC	45017	3.30	2.90	2.70	2.70	1.70
CHARLESTON	SC	45019	3.30	2.90	2.70	2.70	1.70
CHEROKEE	SC	45021	3.10	2.70	2.50	2.50	1.50
CHESTER	SC	45023	3.10	2.70	2.50	2.50	1.50
CHESTERFIELD	SC	45025	3.30	2.90	2.70	2.70	1.70
CLARENDON	SC	45027	3.30	2.90	2.70	2.70	1.70
COLLETON	SC	45029	3.30	2.90	2.70	2.70	1.70
DARLINGTON	SC	45031	3.30	2.90	2.70	2.70	1.70

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DILLON	SC	45033	3.30	2.90	2.70	2.70	1.70
DORCHESTER	SC	45035	3.30	2.90	2.70	2.70	1.70
EDGEFIELD	SC	45037	3.30	2.90	2.70	2.70	1.70
FAIRFIELD	SC	45039	3.30	2.90	2.70	2.70	1.70
FLORENCE	SC	45041	3.30	2.90	2.70	2.70	1.70
GEORGETOWN	SC	45043	3.30	2.90	2.70	2.70	1.70
GREENVILLE	SC	45045	3.10	2.70	2.50	2.50	1.50
GREENWOOD	SC	45047	3.10	2.70	2.50	2.50	1.50
HAMPTON	SC	45049	3.30	2.90	2.70	2.70	1.70
HORRY	SC	45051	3.30	2.90	2.70	2.70	1.70
JASPER	SC	45053	3.30	2.90	2.70	2.70	1.70
KERSHAW	SC	45055	3.30	2.90	2.70	2.70	1.70
LANCASTER	SC	45057	3.10	2.70	2.50	2.50	1.50
LAURENS	SC	45059	3.10	2.70	2.50	2.50	1.50
LEE	SC	45061	3.30	2.90	2.70	2.70	1.70
LEXINGTON	SC	45063	3.30	2.90	2.70	2.70	1.70
MARION	SC	45067	3.30	2.90	2.70	2.70	1.70
MARLBORO	SC	45069	3.30	2.90	2.70	2.70	1.70
MCCORMICK	SC	45065	3.10	2.70	2.50	2.50	1.50
NEWBERRY	SC	45071	3.30	2.90	2.70	2.70	1.70
OCONEE	SC	45073	3.10	2.70	2.50	2.50	1.50
ORANGEBURG	SC	45075	3.30	2.90	2.70	2.70	1.70
PICKENS	SC	45077	3.10	2.70	2.50	2.50	1.50
RICHLAND	SC	45079	3.30	2.90	2.70	2.70	1.70

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SALUDA	SC	45081	3.30	2.90	2.70	2.70	1.70
SPARTANBURG	SC	45083	3.10	2.70	2.50	2.50	1.50
SUMTER	SC	45085	3.30	2.90	2.70	2.70	1.70
UNION	SC	45087	3.10	2.70	2.50	2.50	1.50
WILLIAMSBURG	SC	45089	3.30	2.90	2.70	2.70	1.70
YORK	SC	45091	3.10	2.70	2.50	2.50	1.50
AURORA	SD	46003	1.70	1.30	1.10	1.10	0.10
BEADLE	SD	46005	1.70	1.30	1.10	1.10	0.10
BENNETT	SD	46007	1.70	1.30	1.10	1.10	0.10
BON HOMME	SD	46009	1.75	1.35	1.15	1.15	0.15
BROOKINGS	SD	46011	1.70	1.30	1.10	1.10	0.10
BROWN	SD	46013	1.70	1.30	1.10	1.10	0.10
BRULE	SD	46015	1.70	1.30	1.10	1.10	0.10
BUFFALO	SD	46017	1.70	1.30	1.10	1.10	0.10
BUTTE	SD	46019	1.65	1.25	1.05	1.05	0.05
CAMPBELL	SD	46021	1.65	1.25	1.05	1.05	0.05
CHARLES MIX	SD	46023	1.75	1.35	1.15	1.15	0.15
CLARK	SD	46025	1.70	1.30	1.10	1.10	0.10
CLAY	SD	46027	1.75	1.35	1.15	1.15	0.15
CODINGTON	SD	46029	1.70	1.30	1.10	1.10	0.10
CORSON	SD	46031	1.65	1.25	1.05	1.05	0.05
CUSTER	SD	46033	1.80	1.40	1.20	1.20	0.20
DAVISON	SD	46035	1.70	1.30	1.10	1.10	0.10
DAY	SD	46037	1.70	1.30	1.10	1.10	0.10

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DEUEL	SD	46039	1.70	1.30	1.10	1.10	0.10
DEWEY	SD	46041	1.65	1.25	1.05	1.05	0.05
DOUGLAS	SD	46043	1.75	1.35	1.15	1.15	0.15
EDMUNDS	SD	46045	1.70	1.30	1.10	1.10	0.10
FALL RIVER	SD	46047	1.80	1.40	1.20	1.20	0.20
FAULK	SD	46049	1.70	1.30	1.10	1.10	0.10
GRANT	SD	46051	1.70	1.30	1.10	1.10	0.10
GREGORY	SD	46053	1.75	1.35	1.15	1.15	0.15
HAAKON	SD	46055	1.70	1.30	1.10	1.10	0.10
HAMLIN	SD	46057	1.70	1.30	1.10	1.10	0.10
HAND	SD	46059	1.70	1.30	1.10	1.10	0.10
HANSON	SD	46061	1.70	1.30	1.10	1.10	0.10
HARDING	SD	46063	1.65	1.25	1.05	1.05	0.05
HUGHES	SD	46065	1.70	1.30	1.10	1.10	0.10
HUTCHINSON	SD	46067	1.75	1.35	1.15	1.15	0.15
HYDE	SD	46069	1.70	1.30	1.10	1.10	0.10
JACKSON	SD	46071	1.70	1.30	1.10	1.10	0.10
JERAULD	SD	46073	1.70	1.30	1.10	1.10	0.10
JONES	SD	46075	1.70	1.30	1.10	1.10	0.10
KINGSBURY	SD	46077	1.70	1.30	1.10	1.10	0.10
LAKE	SD	46079	1.70	1.30	1.10	1.10	0.10
LAWRENCE	SD	46081	1.80	1.40	1.20	1.20	0.20
LINCOLN	SD	46083	1.75	1.35	1.15	1.15	0.15
LYMAN	SD	46085	1.70	1.30	1.10	1.10	0.10

County/parish/city	State	FIPS code	Current \$1000.52 Differential	Proposed \$1000.52 Differential 2A (Grade A)	Proposed \$1000.52 Differential 2B (Mkt/Bal)	Proposed \$1000.52 Differential 2C (Incentive)	Proposed \$1000.52 Differential 2A + 2B + 2C
MARSHALL	SD	46091	1.70	1.30	1.10	1.10	0.10
MCCOOK	SD	46087	1.70	1.30	1.10	1.10	0.10
MCPHERSON	SD	46089	1.70	1.30	1.10	1.10	0.10
MEADE	SD	46093	1.65	1.25	1.05	1.05	0.05
MELLETTTE	SD	46095	1.70	1.30	1.10	1.10	0.10
MINER	SD	46097	1.70	1.30	1.10	1.10	0.10
MINNEHAHA	SD	46099	1.70	1.30	1.10	1.10	0.10
MOODY	SD	46101	1.70	1.30	1.10	1.10	0.10
PENNINGTON	SD	46103	1.80	1.40	1.20	1.20	0.20
PERKINS	SD	46105	1.65	1.25	1.05	1.05	0.05
POTTER	SD	46107	1.70	1.30	1.10	1.10	0.10
ROBERTS	SD	46109	1.70	1.30	1.10	1.10	0.10
SANBORN	SD	46111	1.70	1.30	1.10	1.10	0.10
SHANNON	SD	46113	1.80	1.40	1.20	1.20	0.20
SPINK	SD	46115	1.70	1.30	1.10	1.10	0.10
STANLEY	SD	46117	1.70	1.30	1.10	1.10	0.10
SULLY	SD	46119	1.70	1.30	1.10	1.10	0.10
TODD	SD	46121	1.70	1.30	1.10	1.10	0.10
TRIPP	SD	46123	1.70	1.30	1.10	1.10	0.10
TURNER	SD	46125	1.75	1.35	1.15	1.15	0.15
UNION	SD	46127	1.75	1.35	1.15	1.15	0.15
WALWORTH	SD	46129	1.70	1.30	1.10	1.10	0.10
YANKTON	SD	46135	1.75	1.35	1.15	1.15	0.15
ZIEBACH	SD	46137	1.65	1.25	1.05	1.05	0.05

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ANDERSON	TN	47001	2.80	2.40	2.20	2.20	1.20
BEDFORD	TN	47003	2.60	2.20	2.00	2.00	1.00
BENTON	TN	47005	2.60	2.20	2.00	2.00	1.00
BLEDSON	TN	47007	2.60	2.20	2.00	2.00	1.00
BLOUNT	TN	47009	2.80	2.40	2.20	2.20	1.20
BRADLEY	TN	47011	2.80	2.40	2.20	2.20	1.20
CAMPBELL	TN	47013	2.80	2.40	2.20	2.20	1.20
CANNON	TN	47015	2.60	2.20	2.00	2.00	1.00
CARROLL	TN	47017	2.60	2.20	2.00	2.00	1.00
CARTER	TN	47019	2.80	2.40	2.20	2.20	1.20
CHEATHAM	TN	47021	2.60	2.20	2.00	2.00	1.00
CHESTER	TN	47023	2.80	2.40	2.20	2.20	1.20
CLAIBORNE	TN	47025	2.80	2.40	2.20	2.20	1.20
CLAY	TN	47027	2.60	2.20	2.00	2.00	1.00
COCKE	TN	47029	2.80	2.40	2.20	2.20	1.20
COFFEE	TN	47031	2.60	2.20	2.00	2.00	1.00
CROCKETT	TN	47033	2.60	2.20	2.00	2.00	1.00
CUMBERLAND	TN	47035	2.80	2.40	2.20	2.20	1.20
DAVIDSON	TN	47037	2.60	2.20	2.00	2.00	1.00
DE KALB	TN	47039	2.60	2.20	2.00	2.00	1.00
DECATUR	TN	47041	2.60	2.20	2.00	2.00	1.00
DICKSON	TN	47043	2.60	2.20	2.00	2.00	1.00
DYER	TN	47045	2.60	2.20	2.00	2.00	1.00
FAYETTE	TN	47047	2.80	2.40	2.20	2.20	1.20

County/parish/city	State	FIPS code	Current \$1000.52 Differential	Proposed \$1000.52 Differential 2A (Grade A)	Proposed \$1000.52 Differential 2B (Mkt/Bal)	Proposed \$1000.52 Differential 2C (Incentive)	Proposed \$1000.52 Differential 2A + 2B + 2C
FENTRESS	TN	47049	2.60	2.20	2.00	2.00	1.00
FRANKLIN	TN	47051	2.80	2.40	2.20	2.20	1.20
GIBSON	TN	47053	2.60	2.20	2.00	2.00	1.00
GILES	TN	47055	2.80	2.40	2.20	2.20	1.20
GRAINGER	TN	47057	2.80	2.40	2.20	2.20	1.20
GREENE	TN	47059	2.80	2.40	2.20	2.20	1.20
GRUNDY	TN	47061	2.60	2.20	2.00	2.00	1.00
HAMBLEN	TN	47063	2.80	2.40	2.20	2.20	1.20
HAMILTON	TN	47065	2.80	2.40	2.20	2.20	1.20
HANCOCK	TN	47067	2.80	2.40	2.20	2.20	1.20
HARDEMAN	TN	47069	2.80	2.40	2.20	2.20	1.20
HARDIN	TN	47071	2.80	2.40	2.20	2.20	1.20
HAWKINS	TN	47073	2.80	2.40	2.20	2.20	1.20
HAYWOOD	TN	47075	2.60	2.20	2.00	2.00	1.00
HENDERSON	TN	47077	2.60	2.20	2.00	2.00	1.00
HENRY	TN	47079	2.60	2.20	2.00	2.00	1.00
HICKMAN	TN	47081	2.60	2.20	2.00	2.00	1.00
HOUSTON	TN	47083	2.60	2.20	2.00	2.00	1.00
HUMPHREYS	TN	47085	2.60	2.20	2.00	2.00	1.00
JACKSON	TN	47087	2.60	2.20	2.00	2.00	1.00
JEFFERSON	TN	47089	2.80	2.40	2.20	2.20	1.20
JOHNSON	TN	47091	2.80	2.40	2.20	2.20	1.20
KNOX	TN	47093	2.80	2.40	2.20	2.20	1.20
LAKE	TN	47095	2.60	2.20	2.00	2.00	1.00

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LAUDERDALE	TN	47097	2.60	2.20	2.00	2.00	1.00
LAWRENCE	TN	47099	2.80	2.40	2.20	2.20	1.20
LEWIS	TN	47101	2.60	2.20	2.00	2.00	1.00
LINCOLN	TN	47103	2.80	2.40	2.20	2.20	1.20
LOUDON	TN	47105	2.80	2.40	2.20	2.20	1.20
MACON	TN	47111	2.60	2.20	2.00	2.00	1.00
MADISON	TN	47113	2.60	2.20	2.00	2.00	1.00
MARION	TN	47115	2.80	2.40	2.20	2.20	1.20
MARSHALL	TN	47117	2.60	2.20	2.00	2.00	1.00
MAURY	TN	47119	2.60	2.20	2.00	2.00	1.00
MCMINN	TN	47107	2.80	2.40	2.20	2.20	1.20
MCNAIRY	TN	47109	2.80	2.40	2.20	2.20	1.20
MEIGS	TN	47121	2.80	2.40	2.20	2.20	1.20
MONROE	TN	47123	2.80	2.40	2.20	2.20	1.20
MONTGOMERY	TN	47125	2.60	2.20	2.00	2.00	1.00
MOORE	TN	47127	2.80	2.40	2.20	2.20	1.20
MORGAN	TN	47129	2.80	2.40	2.20	2.20	1.20
OBION	TN	47131	2.60	2.20	2.00	2.00	1.00
OVERTON	TN	47133	2.60	2.20	2.00	2.00	1.00
PERRY	TN	47135	2.60	2.20	2.00	2.00	1.00
PICKETT	TN	47137	2.60	2.20	2.00	2.00	1.00
POLK	TN	47139	2.80	2.40	2.20	2.20	1.20
PUTNAM	TN	47141	2.60	2.20	2.00	2.00	1.00
RHEA	TN	47143	2.80	2.40	2.20	2.20	1.20

County/parish/city	State	FIPS code	Current \$1000.52 Differential	Proposed \$1000.52 Differential 2A (Grade A)	Proposed \$1000.52 Differential 2B (Mkt/Bal)	Proposed \$1000.52 Differential 2C (Incentive)	Proposed \$1000.52 Differential 2A + 2B + 2C
ROANE	TN	47145	2.80	2.40	2.20	2.20	1.20
ROBERTSON	TN	47147	2.60	2.20	2.00	2.00	1.00
RUTHERFORD	TN	47149	2.60	2.20	2.00	2.00	1.00
SCOTT	TN	47151	2.80	2.40	2.20	2.20	1.20
SEQUATCHIE	TN	47153	2.80	2.40	2.20	2.20	1.20
SEVIER	TN	47155	2.80	2.40	2.20	2.20	1.20
SHELBY	TN	47157	2.80	2.40	2.20	2.20	1.20
SMITH	TN	47159	2.60	2.20	2.00	2.00	1.00
STEWART	TN	47161	2.60	2.20	2.00	2.00	1.00
SULLIVAN	TN	47163	2.80	2.40	2.20	2.20	1.20
SUMNER	TN	47165	2.60	2.20	2.00	2.00	1.00
TIPTON	TN	47167	2.80	2.40	2.20	2.20	1.20
TROUSDALE	TN	47169	2.60	2.20	2.00	2.00	1.00
UNICOI	TN	47171	2.80	2.40	2.20	2.20	1.20
UNION	TN	47173	2.80	2.40	2.20	2.20	1.20
VAN BUREN	TN	47175	2.60	2.20	2.00	2.00	1.00
WARREN	TN	47177	2.60	2.20	2.00	2.00	1.00
WASHINGTON	TN	47179	2.80	2.40	2.20	2.20	1.20
WAYNE	TN	47181	2.80	2.40	2.20	2.20	1.20
WEAKLEY	TN	47183	2.60	2.20	2.00	2.00	1.00
WHITE	TN	47185	2.60	2.20	2.00	2.00	1.00
WILLIAMSON	TN	47187	2.60	2.20	2.00	2.00	1.00
WILSON	TN	47189	2.60	2.20	2.00	2.00	1.00
ANDERSON	TX	48001	3.15	2.75	2.55	2.55	1.55

County/parish/city	State	FIPS code	Current \$1000.52 Differential	Proposed \$1000.52 Differential 2A (Grade A)	Proposed \$1000.52 Differential 2B (Mkt/Bal)	Proposed \$1000.52 Differential 2C (Incentive)	Proposed \$1000.52 Differential 2A + 2B + 2C
ANDREWS	TX	48003	2.40	2.00	1.80	1.80	0.80
ANGELINA	TX	48005	3.15	2.75	2.55	2.55	1.55
ARANSAS	TX	48007	3.65	3.25	3.05	3.05	2.05
ARCHER	TX	48009	2.80	2.40	2.20	2.20	1.20
ARMSTRONG	TX	48011	2.40	2.00	1.80	1.80	0.80
ATASCOSA	TX	48013	3.45	3.05	2.85	2.85	1.85
AUSTIN	TX	48015	3.60	3.20	3.00	3.00	2.00
BAILEY	TX	48017	2.40	2.00	1.80	1.80	0.80
BANDERA	TX	48019	3.30	2.90	2.70	2.70	1.70
BASTROP	TX	48021	3.30	2.90	2.70	2.70	1.70
BAYLOR	TX	48023	2.60	2.20	2.00	2.00	1.00
BEE	TX	48025	3.65	3.25	3.05	3.05	2.05
BELL	TX	48027	3.15	2.75	2.55	2.55	1.55
BEXAR	TX	48029	3.45	3.05	2.85	2.85	1.85
BLANCO	TX	48031	3.30	2.90	2.70	2.70	1.70
BORDEN	TX	48033	2.40	2.00	1.80	1.80	0.80
BOSQUE	TX	48035	3.15	2.75	2.55	2.55	1.55
BOWIE	TX	48037	3.00	2.60	2.40	2.40	1.40
BRAZORIA	TX	48039	3.60	3.20	3.00	3.00	2.00
BRAZOS	TX	48041	3.30	2.90	2.70	2.70	1.70
BREWSTER	TX	48043	2.40	2.00	1.80	1.80	0.80
BRISCOE	TX	48045	2.40	2.00	1.80	1.80	0.80
BROOKS	TX	48047	3.65	3.25	3.05	3.05	2.05
BROWN	TX	48049	2.80	2.40	2.20	2.20	1.20

County/parish/city	State	FIPS code	Current \$1000.52 Differential	Proposed \$1000.52 Differential 2A (Grade A)	Proposed \$1000.52 Differential 2B (Mkt/Bal)	Proposed \$1000.52 Differential 2C (Incentive)	Proposed \$1000.52 Differential 2A + 2B + 2C
BURLESON	TX	48051	3.30	2.90	2.70	2.70	1.70
BURNET	TX	48053	3.30	2.90	2.70	2.70	1.70
CALDWELL	TX	48055	3.45	3.05	2.85	2.85	1.85
CALHOUN	TX	48057	3.65	3.25	3.05	3.05	2.05
CALLAHAN	TX	48059	2.80	2.40	2.20	2.20	1.20
CAMERON	TX	48061	3.65	3.25	3.05	3.05	2.05
CAMP	TX	48063	3.00	2.60	2.40	2.40	1.40
CARSON	TX	48065	2.40	2.00	1.80	1.80	0.80
CASS	TX	48067	3.00	2.60	2.40	2.40	1.40
CASTRO	TX	48069	2.40	2.00	1.80	1.80	0.80
CHAMBERS	TX	48071	3.60	3.20	3.00	3.00	2.00
CHEROKEE	TX	48073	3.15	2.75	2.55	2.55	1.55
CHILDRESS	TX	48075	2.40	2.00	1.80	1.80	0.80
CLAY	TX	48077	2.80	2.40	2.20	2.20	1.20
COCHRAN	TX	48079	2.40	2.00	1.80	1.80	0.80
COKE	TX	48081	2.60	2.20	2.00	2.00	1.00
COLEMAN	TX	48083	2.80	2.40	2.20	2.20	1.20
COLLIN	TX	48085	3.00	2.60	2.40	2.40	1.40
COLLINGSWORTH	TX	48087	2.40	2.00	1.80	1.80	0.80
COLORADO	TX	48089	3.60	3.20	3.00	3.00	2.00
COMAL	TX	48091	3.45	3.05	2.85	2.85	1.85
COMANCHE	TX	48093	2.80	2.40	2.20	2.20	1.20
CONCHO	TX	48095	2.80	2.40	2.20	2.20	1.20
COOKE	TX	48097	3.00	2.60	2.40	2.40	1.40

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CORYELL	TX	48099	3.15	2.75	2.55	2.55	1.55
COTTLE	TX	48101	2.40	2.00	1.80	1.80	0.80
CRANE	TX	48103	2.40	2.00	1.80	1.80	0.80
CROCKETT	TX	48105	2.60	2.20	2.00	2.00	1.00
CROSBY	TX	48107	2.40	2.00	1.80	1.80	0.80
CULBERSON	TX	48109	2.40	2.00	1.80	1.80	0.80
DALLAM	TX	48111	2.40	2.00	1.80	1.80	0.80
DALLAS	TX	48113	3.00	2.60	2.40	2.40	1.40
DAWSON	TX	48115	2.40	2.00	1.80	1.80	0.80
DE WITT	TX	48123	3.60	3.20	3.00	3.00	2.00
DEAF SMITH	TX	48117	2.40	2.00	1.80	1.80	0.80
DELTA	TX	48119	3.00	2.60	2.40	2.40	1.40
DENTON	TX	48121	3.00	2.60	2.40	2.40	1.40
DICKENS	TX	48125	2.40	2.00	1.80	1.80	0.80
DIMMIT	TX	48127	3.45	3.05	2.85	2.85	1.85
DONLEY	TX	48129	2.40	2.00	1.80	1.80	0.80
DUVAL	TX	48131	3.65	3.25	3.05	3.05	2.05
EASTLAND	TX	48133	2.80	2.40	2.20	2.20	1.20
ECTOR	TX	48135	2.40	2.00	1.80	1.80	0.80
EDWARDS	TX	48137	2.80	2.40	2.20	2.20	1.20
EL PASO	TX	48141	2.25	1.85	1.65	1.65	0.65
ELLIS	TX	48139	3.00	2.60	2.40	2.40	1.40
ERATH	TX	48143	3.00	2.60	2.40	2.40	1.40
FALLS	TX	48145	3.15	2.75	2.55	2.55	1.55

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FANNIN	TX	48147	3.00	2.60	2.40	2.40	1.40
FAYETTE	TX	48149	3.60	3.20	3.00	3.00	2.00
FISHER	TX	48151	2.60	2.20	2.00	2.00	1.00
FLOYD	TX	48153	2.40	2.00	1.80	1.80	0.80
FOARD	TX	48155	2.60	2.20	2.00	2.00	1.00
FORT BEND	TX	48157	3.60	3.20	3.00	3.00	2.00
FRANKLIN	TX	48159	3.00	2.60	2.40	2.40	1.40
FREESTONE	TX	48161	3.15	2.75	2.55	2.55	1.55
FRIO	TX	48163	3.45	3.05	2.85	2.85	1.85
GAINES	TX	48165	2.40	2.00	1.80	1.80	0.80
GALVESTON	TX	48167	3.60	3.20	3.00	3.00	2.00
GARZA	TX	48169	2.40	2.00	1.80	1.80	0.80
GILLESPIE	TX	48171	3.30	2.90	2.70	2.70	1.70
GLASSCOCK	TX	48173	2.60	2.20	2.00	2.00	1.00
GOLIAD	TX	48175	3.65	3.25	3.05	3.05	2.05
GONZALES	TX	48177	3.45	3.05	2.85	2.85	1.85
GRAY	TX	48179	2.40	2.00	1.80	1.80	0.80
GRAYSON	TX	48181	3.00	2.60	2.40	2.40	1.40
GREGG	TX	48183	3.00	2.60	2.40	2.40	1.40
GRIMES	TX	48185	3.30	2.90	2.70	2.70	1.70
GUADALUPE	TX	48187	3.45	3.05	2.85	2.85	1.85
HALE	TX	48189	2.40	2.00	1.80	1.80	0.80
HALL	TX	48191	2.40	2.00	1.80	1.80	0.80
HAMILTON	TX	48193	3.15	2.75	2.55	2.55	1.55

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HANSFORD	TX	48195	2.40	2.00	1.80	1.80	0.80
HARDEMAN	TX	48197	2.60	2.20	2.00	2.00	1.00
HARDIN	TX	48199	3.60	3.20	3.00	3.00	2.00
HARRIS	TX	48201	3.60	3.20	3.00	3.00	2.00
HARRISON	TX	48203	3.00	2.60	2.40	2.40	1.40
HARTLEY	TX	48205	2.40	2.00	1.80	1.80	0.80
HASKELL	TX	48207	2.60	2.20	2.00	2.00	1.00
HAYS	TX	48209	3.45	3.05	2.85	2.85	1.85
HEMPHILL	TX	48211	2.40	2.00	1.80	1.80	0.80
HENDERSON	TX	48213	3.00	2.60	2.40	2.40	1.40
HIDALGO	TX	48215	3.65	3.25	3.05	3.05	2.05
HILL	TX	48217	3.15	2.75	2.55	2.55	1.55
HOCKLEY	TX	48219	2.40	2.00	1.80	1.80	0.80
HOOD	TX	48221	3.00	2.60	2.40	2.40	1.40
HOPKINS	TX	48223	3.00	2.60	2.40	2.40	1.40
HOUSTON	TX	48225	3.15	2.75	2.55	2.55	1.55
HOWARD	TX	48227	2.40	2.00	1.80	1.80	0.80
HUDSPETH	TX	48229	2.25	1.85	1.65	1.65	0.65
HUNT	TX	48231	3.00	2.60	2.40	2.40	1.40
HUTCHINSON	TX	48233	2.40	2.00	1.80	1.80	0.80
IRION	TX	48235	2.60	2.20	2.00	2.00	1.00
JACK	TX	48237	2.80	2.40	2.20	2.20	1.20
JACKSON	TX	48239	3.60	3.20	3.00	3.00	2.00
JASPER	TX	48241	3.30	2.90	2.70	2.70	1.70

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JEFF DAVIS	TX	48243	2.40	2.00	1.80	1.80	0.80
JEFFERSON	TX	48245	3.60	3.20	3.00	3.00	2.00
JIM HOGG	TX	48247	3.65	3.25	3.05	3.05	2.05
JIM WELLS	TX	48249	3.65	3.25	3.05	3.05	2.05
JOHNSON	TX	48251	3.00	2.60	2.40	2.40	1.40
JONES	TX	48253	2.60	2.20	2.00	2.00	1.00
KARNES	TX	48255	3.65	3.25	3.05	3.05	2.05
KAUFMAN	TX	48257	3.00	2.60	2.40	2.40	1.40
KENDALL	TX	48259	3.30	2.90	2.70	2.70	1.70
KENEDY	TX	48261	3.65	3.25	3.05	3.05	2.05
KENT	TX	48263	2.60	2.20	2.00	2.00	1.00
KERR	TX	48265	3.30	2.90	2.70	2.70	1.70
KIMBLE	TX	48267	2.80	2.40	2.20	2.20	1.20
KING	TX	48269	2.60	2.20	2.00	2.00	1.00
KINNEY	TX	48271	3.30	2.90	2.70	2.70	1.70
KLEBERG	TX	48273	3.65	3.25	3.05	3.05	2.05
KNOX	TX	48275	2.60	2.20	2.00	2.00	1.00
LA SALLE	TX	48283	3.45	3.05	2.85	2.85	1.85
LAMAR	TX	48277	3.00	2.60	2.40	2.40	1.40
LAMB	TX	48279	2.40	2.00	1.80	1.80	0.80
LAMPASAS	TX	48281	3.15	2.75	2.55	2.55	1.55
LAVACA	TX	48285	3.60	3.20	3.00	3.00	2.00
LEE	TX	48287	3.30	2.90	2.70	2.70	1.70
LEON	TX	48289	3.15	2.75	2.55	2.55	1.55

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LIBERTY	TX	48291	3.60	3.20	3.00	3.00	2.00
LIMESTONE	TX	48293	3.15	2.75	2.55	2.55	1.55
LIPSCOMB	TX	48295	2.40	2.00	1.80	1.80	0.80
LIVE OAK	TX	48297	3.65	3.25	3.05	3.05	2.05
LLANO	TX	48299	3.30	2.90	2.70	2.70	1.70
LOVING	TX	48301	2.40	2.00	1.80	1.80	0.80
LUBBOCK	TX	48303	2.40	2.00	1.80	1.80	0.80
LYNN	TX	48305	2.40	2.00	1.80	1.80	0.80
MADISON	TX	48313	3.30	2.90	2.70	2.70	1.70
MARION	TX	48315	3.00	2.60	2.40	2.40	1.40
MARTIN	TX	48317	2.40	2.00	1.80	1.80	0.80
MASON	TX	48319	2.80	2.40	2.20	2.20	1.20
MATAGORDA	TX	48321	3.60	3.20	3.00	3.00	2.00
MAVERICK	TX	48323	3.30	2.90	2.70	2.70	1.70
MCCULLOCH	TX	48307	2.80	2.40	2.20	2.20	1.20
MCLENNAN	TX	48309	3.15	2.75	2.55	2.55	1.55
MCMULLEN	TX	48311	3.45	3.05	2.85	2.85	1.85
MEDINA	TX	48325	3.30	2.90	2.70	2.70	1.70
MENARD	TX	48327	2.80	2.40	2.20	2.20	1.20
MIDLAND	TX	48329	2.40	2.00	1.80	1.80	0.80
MILAM	TX	48331	3.30	2.90	2.70	2.70	1.70
MILLS	TX	48333	2.80	2.40	2.20	2.20	1.20
MITCHELL	TX	48335	2.60	2.20	2.00	2.00	1.00
MONTAGUE	TX	48337	2.80	2.40	2.20	2.20	1.20

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MONTGOMERY	TX	48339	3.60	3.20	3.00	3.00	2.00
MOORE	TX	48341	2.40	2.00	1.80	1.80	0.80
MORRIS	TX	48343	3.00	2.60	2.40	2.40	1.40
MOTLEY	TX	48345	2.40	2.00	1.80	1.80	0.80
NACOGDOCHES	TX	48347	3.15	2.75	2.55	2.55	1.55
NAVARRO	TX	48349	3.15	2.75	2.55	2.55	1.55
NEWTON	TX	48351	3.30	2.90	2.70	2.70	1.70
NOLAN	TX	48353	2.60	2.20	2.00	2.00	1.00
NUECES	TX	48355	3.65	3.25	3.05	3.05	2.05
OCHILTREE	TX	48357	2.40	2.00	1.80	1.80	0.80
OLDHAM	TX	48359	2.40	2.00	1.80	1.80	0.80
ORANGE	TX	48361	3.60	3.20	3.00	3.00	2.00
PALO PINTO	TX	48363	2.80	2.40	2.20	2.20	1.20
PANOLA	TX	48365	3.00	2.60	2.40	2.40	1.40
PARKER	TX	48367	3.00	2.60	2.40	2.40	1.40
PARMER	TX	48369	2.40	2.00	1.80	1.80	0.80
PECOS	TX	48371	2.40	2.00	1.80	1.80	0.80
POLK	TX	48373	3.30	2.90	2.70	2.70	1.70
POTTER	TX	48375	2.40	2.00	1.80	1.80	0.80
PRESIDIO	TX	48377	2.40	2.00	1.80	1.80	0.80
RAINS	TX	48379	3.00	2.60	2.40	2.40	1.40
RANDALL	TX	48381	2.40	2.00	1.80	1.80	0.80
REAGAN	TX	48383	2.60	2.20	2.00	2.00	1.00
REAL	TX	48385	3.30	2.90	2.70	2.70	1.70

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RED RIVER	TX	48387	3.00	2.60	2.40	2.40	1.40
REEVES	TX	48389	2.40	2.00	1.80	1.80	0.80
REFUGIO	TX	48391	3.65	3.25	3.05	3.05	2.05
ROBERTS	TX	48393	2.40	2.00	1.80	1.80	0.80
ROBERTSON	TX	48395	3.30	2.90	2.70	2.70	1.70
ROCKWALL	TX	48397	3.00	2.60	2.40	2.40	1.40
RUNNELS	TX	48399	2.80	2.40	2.20	2.20	1.20
RUSK	TX	48401	3.00	2.60	2.40	2.40	1.40
SABINE	TX	48403	3.15	2.75	2.55	2.55	1.55
SAN AUGUSTINE	TX	48405	3.15	2.75	2.55	2.55	1.55
SAN JACINTO	TX	48407	3.30	2.90	2.70	2.70	1.70
SAN PATRICIO	TX	48409	3.65	3.25	3.05	3.05	2.05
SAN SABA	TX	48411	2.80	2.40	2.20	2.20	1.20
SCHLEICHER	TX	48413	2.80	2.40	2.20	2.20	1.20
SCURRY	TX	48415	2.60	2.20	2.00	2.00	1.00
SHACKELFORD	TX	48417	2.80	2.40	2.20	2.20	1.20
SHELBY	TX	48419	3.15	2.75	2.55	2.55	1.55
SHERMAN	TX	48421	2.40	2.00	1.80	1.80	0.80
SMITH	TX	48423	3.00	2.60	2.40	2.40	1.40
SOMERVELL	TX	48425	3.00	2.60	2.40	2.40	1.40
STARR	TX	48427	3.65	3.25	3.05	3.05	2.05
STEPHENS	TX	48429	2.80	2.40	2.20	2.20	1.20
STERLING	TX	48431	2.60	2.20	2.00	2.00	1.00
STONEWALL	TX	48433	2.60	2.20	2.00	2.00	1.00

County/parish/city	State	FIPS code	Current \$1000.52 Differential	Proposed \$1000.52 Differential 2A (Grade A)	Proposed \$1000.52 Differential 2B (Mkt/Bal)	Proposed \$1000.52 Differential 2C (Incentive)	Proposed \$1000.52 Differential 2A + 2B + 2C
SUTTON	TX	48435	2.80	2.40	2.20	2.20	1.20
SWISHER	TX	48437	2.40	2.00	1.80	1.80	0.80
TARRANT	TX	48439	3.00	2.60	2.40	2.40	1.40
TAYLOR	TX	48441	2.60	2.20	2.00	2.00	1.00
TERRELL	TX	48443	2.60	2.20	2.00	2.00	1.00
TERRY	TX	48445	2.40	2.00	1.80	1.80	0.80
THROCKMORTON	TX	48447	2.80	2.40	2.20	2.20	1.20
TITUS	TX	48449	3.00	2.60	2.40	2.40	1.40
TOM GREEN	TX	48451	2.80	2.40	2.20	2.20	1.20
TRAVIS	TX	48453	3.30	2.90	2.70	2.70	1.70
TRINITY	TX	48455	3.30	2.90	2.70	2.70	1.70
TYLER	TX	48457	3.30	2.90	2.70	2.70	1.70
UPSHUR	TX	48459	3.00	2.60	2.40	2.40	1.40
UPTON	TX	48461	2.40	2.00	1.80	1.80	0.80
UVALDE	TX	48463	3.30	2.90	2.70	2.70	1.70
VAL VERDE	TX	48465	2.80	2.40	2.20	2.20	1.20
VAN ZANDT	TX	48467	3.00	2.60	2.40	2.40	1.40
VICTORIA	TX	48469	3.65	3.25	3.05	3.05	2.05
WALKER	TX	48471	3.30	2.90	2.70	2.70	1.70
WALLER	TX	48473	3.60	3.20	3.00	3.00	2.00
WARD	TX	48475	2.40	2.00	1.80	1.80	0.80
WASHINGTON	TX	48477	3.30	2.90	2.70	2.70	1.70
WEBB	TX	48479	3.45	3.05	2.85	2.85	1.85
WHARTON	TX	48481	3.60	3.20	3.00	3.00	2.00

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WHEELER	TX	48483	2.40	2.00	1.80	1.80	0.80
WICHITA	TX	48485	2.80	2.40	2.20	2.20	1.20
WILBARGER	TX	48487	2.60	2.20	2.00	2.00	1.00
WILLACY	TX	48489	3.65	3.25	3.05	3.05	2.05
WILLIAMSON	TX	48491	3.30	2.90	2.70	2.70	1.70
WILSON	TX	48493	3.45	3.05	2.85	2.85	1.85
WINKLER	TX	48495	2.40	2.00	1.80	1.80	0.80
WISE	TX	48497	3.00	2.60	2.40	2.40	1.40
WOOD	TX	48499	3.00	2.60	2.40	2.40	1.40
YOAKUM	TX	48501	2.40	2.00	1.80	1.80	0.80
YOUNG	TX	48503	2.80	2.40	2.20	2.20	1.20
ZAPATA	TX	48505	3.65	3.25	3.05	3.05	2.05
ZAVALA	TX	48507	3.30	2.90	2.70	2.70	1.70
BEAVER	UT	49001	1.60	1.20	1.00	1.00	-
BOX ELDER	UT	49003	1.90	1.50	1.30	1.30	0.30
CACHE	UT	49005	1.90	1.50	1.30	1.30	0.30
CARBON	UT	49007	1.90	1.50	1.30	1.30	0.30
DAGGETT	UT	49009	1.90	1.50	1.30	1.30	0.30
DAVIS	UT	49011	1.90	1.50	1.30	1.30	0.30
DUCHESNE	UT	49013	1.90	1.50	1.30	1.30	0.30
EMERY	UT	49015	1.90	1.50	1.30	1.30	0.30
GARFIELD	UT	49017	1.60	1.20	1.00	1.00	-
GRAND	UT	49019	1.90	1.50	1.30	1.30	0.30
IRON	UT	49021	1.60	1.20	1.00	1.00	-

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JUAB	UT	49023	1.90	1.50	1.30	1.30	0.30
KANE	UT	49025	1.60	1.20	1.00	1.00	-
MILLARD	UT	49027	1.90	1.50	1.30	1.30	0.30
MORGAN	UT	49029	1.90	1.50	1.30	1.30	0.30
PIUTE	UT	49031	1.60	1.20	1.00	1.00	-
RICH	UT	49033	1.90	1.50	1.30	1.30	0.30
SALT LAKE	UT	49035	1.90	1.50	1.30	1.30	0.30
SAN JUAN	UT	49037	1.60	1.20	1.00	1.00	-
SANPETE	UT	49039	1.90	1.50	1.30	1.30	0.30
SEVIER	UT	49041	1.90	1.50	1.30	1.30	0.30
SUMMIT	UT	49043	1.90	1.50	1.30	1.30	0.30
TOOELE	UT	49045	1.90	1.50	1.30	1.30	0.30
UINTAH	UT	49047	1.90	1.50	1.30	1.30	0.30
UTAH	UT	49049	1.90	1.50	1.30	1.30	0.30
WASATCH	UT	49051	1.90	1.50	1.30	1.30	0.30
WASHINGTON	UT	49053	1.60	1.20	1.00	1.00	-
WAYNE	UT	49055	1.60	1.20	1.00	1.00	-
WEBER	UT	49057	1.90	1.50	1.30	1.30	0.30
ACCOMACK	VA	51001	3.00	2.60	2.40	2.40	1.40
ALBEMARLE	VA	51003	2.80	2.40	2.20	2.20	1.20
ALEXANDRIA CITY	VA	51510	3.00	2.60	2.40	2.40	1.40
ALLEGHANY	VA	51005	2.80	2.40	2.20	2.20	1.20
AMELIA	VA	51007	3.10	2.70	2.50	2.50	1.50
AMHERST	VA	51009	2.80	2.40	2.20	2.20	1.20

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APPOMATTOX	VA	51011	2.80	2.40	2.20	2.20	1.20
ARLINGTON	VA	51013	3.00	2.60	2.40	2.40	1.40
AUGUSTA	VA	51015	2.80	2.40	2.20	2.20	1.20
BATH	VA	51017	2.80	2.40	2.20	2.20	1.20
BEDFORD	VA	51019	2.80	2.40	2.20	2.20	1.20
BEDFORD CITY	VA	51515	2.80	2.40	2.20	2.20	1.20
BLAND	VA	51021	2.80	2.40	2.20	2.20	1.20
BOTETOURT	VA	51023	2.80	2.40	2.20	2.20	1.20
BRISTOL CITY	VA	51520	2.80	2.40	2.20	2.20	1.20
BRUNSWICK	VA	51025	3.10	2.70	2.50	2.50	1.50
BUCHANAN	VA	51027	2.80	2.40	2.20	2.20	1.20
BUCKINGHAM	VA	51029	2.80	2.40	2.20	2.20	1.20
BUENA VISTA CITY	VA	51530	2.80	2.40	2.20	2.20	1.20
CAMPBELL	VA	51031	2.80	2.40	2.20	2.20	1.20
CAROLINE	VA	51033	3.10	2.70	2.50	2.50	1.50
CARROLL	VA	51035	2.80	2.40	2.20	2.20	1.20
CHARLES CITY	VA	51036	3.10	2.70	2.50	2.50	1.50
CHARLOTTE	VA	51037	3.10	2.70	2.50	2.50	1.50
CHARLOTTESVILLE CITY	VA	51540	2.80	2.40	2.20	2.20	1.20
CHESAPEAKE CITY	VA	51550	3.20	2.80	2.60	2.60	1.60
CHESTERFIELD	VA	51041	3.10	2.70	2.50	2.50	1.50
CLARKE	VA	51043	2.80	2.40	2.20	2.20	1.20
CLIFTON FORGE CITY	VA	51560	2.80	2.40	2.20	2.20	1.20
COLONIAL HEIGHTS CITY	VA	51570	3.10	2.70	2.50	2.50	1.50

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COVINGTON CITY	VA	51580	2.80	2.40	2.20	2.20	1.20
CRAIG	VA	51045	2.80	2.40	2.20	2.20	1.20
CULPEPER	VA	51047	2.80	2.40	2.20	2.20	1.20
CUMBERLAND	VA	51049	2.80	2.40	2.20	2.20	1.20
DANVILLE CITY	VA	51590	2.80	2.40	2.20	2.20	1.20
DICKENSON	VA	51051	2.80	2.40	2.20	2.20	1.20
DINWIDDIE	VA	51053	3.10	2.70	2.50	2.50	1.50
EMPORIA CITY	VA	51595	3.10	2.70	2.50	2.50	1.50
ESSEX	VA	51057	3.10	2.70	2.50	2.50	1.50
FAIRFAX	VA	51059	3.00	2.60	2.40	2.40	1.40
FAIRFAX CITY	VA	51600	3.00	2.60	2.40	2.40	1.40
FALLS CHURCH CITY	VA	51610	3.00	2.60	2.40	2.40	1.40
FAUQUIER	VA	51061	3.00	2.60	2.40	2.40	1.40
FLOYD	VA	51063	2.80	2.40	2.20	2.20	1.20
FLUVANNA	VA	51065	2.80	2.40	2.20	2.20	1.20
FRANKLIN	VA	51067	2.80	2.40	2.20	2.20	1.20
FRANKLIN CITY	VA	51620	3.10	2.70	2.50	2.50	1.50
FREDERICK	VA	51069	2.80	2.40	2.20	2.20	1.20
FREDERICKSBURG CITY	VA	51630	2.80	2.40	2.20	2.20	1.20
GALAX CITY	VA	51640	2.80	2.40	2.20	2.20	1.20
GILES	VA	51071	2.80	2.40	2.20	2.20	1.20
GLOUCESTER	VA	51073	3.20	2.80	2.60	2.60	1.60
GOOCHLAND	VA	51075	3.10	2.70	2.50	2.50	1.50
GRAYSON	VA	51077	2.80	2.40	2.20	2.20	1.20

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GREENE	VA	51079	2.80	2.40	2.20	2.20	1.20
GREENSVILLE	VA	51081	3.10	2.70	2.50	2.50	1.50
HALIFAX	VA	51083	3.10	2.70	2.50	2.50	1.50
HAMPTON CITY	VA	51650	3.20	2.80	2.60	2.60	1.60
HANOVER	VA	51085	3.10	2.70	2.50	2.50	1.50
HARRISONBURG CITY	VA	51660	2.80	2.40	2.20	2.20	1.20
HENRICO	VA	51087	3.10	2.70	2.50	2.50	1.50
HENRY	VA	51089	2.80	2.40	2.20	2.20	1.20
HIGHLAND	VA	51091	2.80	2.40	2.20	2.20	1.20
HOPEWELL CITY	VA	51670	3.10	2.70	2.50	2.50	1.50
ISLE OF WIGHT	VA	51093	3.20	2.80	2.60	2.60	1.60
JAMES CITY	VA	51095	3.10	2.70	2.50	2.50	1.50
KING AND QUEEN	VA	51097	3.10	2.70	2.50	2.50	1.50
KING GEORGE	VA	51099	3.10	2.70	2.50	2.50	1.50
KING WILLIAM	VA	51101	3.10	2.70	2.50	2.50	1.50
LANCASTER	VA	51103	3.10	2.70	2.50	2.50	1.50
LEE	VA	51105	2.80	2.40	2.20	2.20	1.20
LEXINGTON CITY	VA	51678	2.80	2.40	2.20	2.20	1.20
LOUDOUN	VA	51107	3.00	2.60	2.40	2.40	1.40
LOUISA	VA	51109	2.80	2.40	2.20	2.20	1.20
LUNENBURG	VA	51111	3.10	2.70	2.50	2.50	1.50
LYNCHBURG CITY	VA	51680	2.80	2.40	2.20	2.20	1.20
MADISON	VA	51113	2.80	2.40	2.20	2.20	1.20
MANASSAS CITY	VA	51683	3.00	2.60	2.40	2.40	1.40

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MANASSAS PARK CITY	VA	51685	3.00	2.60	2.40	2.40	1.40
MARTINSVILLE CITY	VA	51690	2.80	2.40	2.20	2.20	1.20
MATHEWS	VA	51115	3.20	2.80	2.60	2.60	1.60
MECKLENBURG	VA	51117	3.10	2.70	2.50	2.50	1.50
MIDDLESEX	VA	51119	3.10	2.70	2.50	2.50	1.50
MONTGOMERY	VA	51121	2.80	2.40	2.20	2.20	1.20
NELSON	VA	51125	2.80	2.40	2.20	2.20	1.20
NEW KENT	VA	51127	3.10	2.70	2.50	2.50	1.50
NEWPORT NEWS CITY	VA	51700	3.20	2.80	2.60	2.60	1.60
NORFOLK CITY	VA	51710	3.20	2.80	2.60	2.60	1.60
NORTHAMPTON	VA	51131	3.00	2.60	2.40	2.40	1.40
NORTHUMBERLAND	VA	51133	3.10	2.70	2.50	2.50	1.50
NORTON CITY	VA	51720	2.80	2.40	2.20	2.20	1.20
NOTTOWAY	VA	51135	3.10	2.70	2.50	2.50	1.50
ORANGE	VA	51137	2.80	2.40	2.20	2.20	1.20
PAGE	VA	51139	2.80	2.40	2.20	2.20	1.20
PATRICK	VA	51141	2.80	2.40	2.20	2.20	1.20
PETERSBURG CITY	VA	51730	3.10	2.70	2.50	2.50	1.50
PITTSYLVANIA	VA	51143	2.80	2.40	2.20	2.20	1.20
POQUOSON CITY	VA	51735	3.20	2.80	2.60	2.60	1.60
PORTSMOUTH CITY	VA	51740	3.20	2.80	2.60	2.60	1.60
POWHATAN	VA	51145	3.10	2.70	2.50	2.50	1.50
PRINCE EDWARD	VA	51147	3.10	2.70	2.50	2.50	1.50
PRINCE GEORGE	VA	51149	3.10	2.70	2.50	2.50	1.50

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PRINCE WILLIAM	VA	51153	3.00	2.60	2.40	2.40	1.40
PULASKI	VA	51155	2.80	2.40	2.20	2.20	1.20
RADFORD CITY	VA	51750	2.80	2.40	2.20	2.20	1.20
RAPPAHANNOCK	VA	51157	2.80	2.40	2.20	2.20	1.20
RICHMOND	VA	51159	3.10	2.70	2.50	2.50	1.50
RICHMOND CITY	VA	51760	3.10	2.70	2.50	2.50	1.50
ROANOKE	VA	51161	2.80	2.40	2.20	2.20	1.20
ROANOKE CITY	VA	51770	2.80	2.40	2.20	2.20	1.20
ROCKBRIDGE	VA	51163	2.80	2.40	2.20	2.20	1.20
ROCKINGHAM	VA	51165	2.80	2.40	2.20	2.20	1.20
RUSSELL	VA	51167	2.80	2.40	2.20	2.20	1.20
SALEM CITY	VA	51775	2.80	2.40	2.20	2.20	1.20
SCOTT	VA	51169	2.80	2.40	2.20	2.20	1.20
SHENANDOAH	VA	51171	2.80	2.40	2.20	2.20	1.20
SMYTH	VA	51173	2.80	2.40	2.20	2.20	1.20
SOUTHAMPTON	VA	51175	3.10	2.70	2.50	2.50	1.50
SPOTSYLVANIA	VA	51177	2.80	2.40	2.20	2.20	1.20
STAFFORD	VA	51179	3.00	2.60	2.40	2.40	1.40
STAUNTON CITY	VA	51790	2.80	2.40	2.20	2.20	1.20
SUFFOLK CITY	VA	51800	3.20	2.80	2.60	2.60	1.60
SURRY	VA	51181	3.10	2.70	2.50	2.50	1.50
SUSSEX	VA	51183	3.10	2.70	2.50	2.50	1.50
TAZEWELL	VA	51185	2.80	2.40	2.20	2.20	1.20
VIRGINIA BEACH CITY	VA	51810	3.20	2.80	2.60	2.60	1.60

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WARREN	VA	51187	2.80	2.40	2.20	2.20	1.20
WASHINGTON	VA	51191	2.80	2.40	2.20	2.20	1.20
WAYNESBORO CITY	VA	51820	2.80	2.40	2.20	2.20	1.20
WESTMORELAND	VA	51193	3.10	2.70	2.50	2.50	1.50
WILLIAMSBURG CITY	VA	51830	3.10	2.70	2.50	2.50	1.50
WINCHESTER CITY	VA	51840	2.80	2.40	2.20	2.20	1.20
WISE	VA	51195	2.80	2.40	2.20	2.20	1.20
WYTHE	VA	51197	2.80	2.40	2.20	2.20	1.20
YORK	VA	51199	3.20	2.80	2.60	2.60	1.60
ADDISON	VT	50001	2.60	2.20	2.00	2.00	1.00
BENNINGTON	VT	50003	2.80	2.40	2.20	2.20	1.20
CALEDONIA	VT	50005	2.60	2.20	2.00	2.00	1.00
CHITTENDEN	VT	50007	2.50	2.10	1.90	1.90	0.90
ESSEX	VT	50009	2.40	2.00	1.80	1.80	0.80
FRANKLIN	VT	50011	2.40	2.00	1.80	1.80	0.80
GRAND ISLE	VT	50013	2.40	2.00	1.80	1.80	0.80
LAMOILLE	VT	50015	2.50	2.10	1.90	1.90	0.90
ORANGE	VT	50017	2.60	2.20	2.00	2.00	1.00
ORLEANS	VT	50019	2.40	2.00	1.80	1.80	0.80
RUTLAND	VT	50021	2.60	2.20	2.00	2.00	1.00
WASHINGTON	VT	50023	2.60	2.20	2.00	2.00	1.00
WINDHAM	VT	50025	2.80	2.40	2.20	2.20	1.20
WINDSOR	VT	50027	2.80	2.40	2.20	2.20	1.20
ADAMS	WA	53001	1.75	1.35	1.15	1.15	0.15

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ASOTIN	WA	53003	1.75	1.35	1.15	1.15	0.15
BENTON	WA	53005	1.75	1.35	1.15	1.15	0.15
CHELAN	WA	53007	1.75	1.35	1.15	1.15	0.15
CLALLAM	WA	53009	1.90	1.50	1.30	1.30	0.30
CLARK	WA	53011	1.90	1.50	1.30	1.30	0.30
COLUMBIA	WA	53013	1.75	1.35	1.15	1.15	0.15
COWLITZ	WA	53015	1.90	1.50	1.30	1.30	0.30
DOUGLAS	WA	53017	1.75	1.35	1.15	1.15	0.15
FERRY	WA	53019	1.90	1.50	1.30	1.30	0.30
FRANKLIN	WA	53021	1.75	1.35	1.15	1.15	0.15
GARFIELD	WA	53023	1.75	1.35	1.15	1.15	0.15
GRANT	WA	53025	1.75	1.35	1.15	1.15	0.15
GRAYS HARBOR	WA	53027	1.90	1.50	1.30	1.30	0.30
ISLAND	WA	53029	1.90	1.50	1.30	1.30	0.30
JEFFERSON	WA	53031	1.90	1.50	1.30	1.30	0.30
KING	WA	53033	1.90	1.50	1.30	1.30	0.30
KITSAP	WA	53035	1.90	1.50	1.30	1.30	0.30
KITTITAS	WA	53037	1.75	1.35	1.15	1.15	0.15
KLICKITAT	WA	53039	1.75	1.35	1.15	1.15	0.15
LEWIS	WA	53041	1.90	1.50	1.30	1.30	0.30
LINCOLN	WA	53043	1.90	1.50	1.30	1.30	0.30
MASON	WA	53045	1.90	1.50	1.30	1.30	0.30
OKANOGAN	WA	53047	1.75	1.35	1.15	1.15	0.15
PACIFIC	WA	53049	1.90	1.50	1.30	1.30	0.30

County/parish/city	State	FIPS code	Current \$1000.52 Differential	Proposed \$1000.52 Differential 2A (Grade A)	Proposed \$1000.52 Differential 2B (Mkt/Bal)	Proposed \$1000.52 Differential 2C (Incentive)	Proposed \$1000.52 Differential 2A + 2B + 2C
PEND OREILLE	WA	53051	1.90	1.50	1.30	1.30	0.30
PIERCE	WA	5303	1.90	1.50	1.30	1.30	0.30
SAN JUAN	WA	53055	1.90	1.50	1.30	1.30	0.30
SKAGIT	WA	53057	1.90	1.50	1.30	1.30	0.30
SKAMANIA	WA	53059	1.90	1.50	1.30	1.30	0.30
SNOHOMISH	WA	53061	1.90	1.50	1.30	1.30	0.30
SPOKANE	WA	53063	1.90	1.50	1.30	1.30	0.30
STEVENS	WA	53065	1.90	1.50	1.30	1.30	0.30
THURSTON	WA	53067	1.90	1.50	1.30	1.30	0.30
WAHKIAKUM	WA	53069	1.90	1.50	1.30	1.30	0.30
WALLA WALLA	WA	53071	1.75	1.35	1.15	1.15	0.15
WHATCOM	WA	53073	1.90	1.50	1.30	1.30	0.30
WHITMAN	WA	53075	1.90	1.50	1.30	1.30	0.30
YAKIMA	WA	53077	1.75	1.35	1.15	1.15	0.15
ADAMS	WI	55001	1.70	1.30	1.10	1.10	0.10
ASHLAND	WI	55003	1.70	1.30	1.10	1.10	0.10
BARRON	WI	55005	1.70	1.30	1.10	1.10	0.10
BAYFIELD	WI	55007	1.70	1.30	1.10	1.10	0.10
BROWN	WI	55009	1.75	1.35	1.15	1.15	0.15
BUFFALO	WI	55011	1.70	1.30	1.10	1.10	0.10
BURNETT	WI	55013	1.70	1.30	1.10	1.10	0.10
CALUMET	WI	55015	1.75	1.35	1.15	1.15	0.15
CHIPPEWA	WI	55017	1.70	1.30	1.10	1.10	0.10
CLARK	WI	55019	1.70	1.30	1.10	1.10	0.10

County/parish/city	State	FIPS code	Current \$1000.52 Differential	Proposed \$1000.52 Differential 2A (Grade A)	Proposed \$1000.52 Differential 2B (Mkt/Bal)	Proposed \$1000.52 Differential 2C (Incentive)	Proposed \$1000.52 Differential 2A + 2B + 2C
COLUMBIA	WI	55021	1.75	1.35	1.15	1.15	0.15
CRAWFORD	WI	55023	1.75	1.35	1.15	1.15	0.15
DANE	WI	55025	1.75	1.35	1.15	1.15	0.15
DODGE	WI	55027	1.75	1.35	1.15	1.15	0.15
DOOR	WI	55029	1.75	1.35	1.15	1.15	0.15
DOUGLAS	WI	55031	1.70	1.30	1.10	1.10	0.10
DUNN	WI	55033	1.70	1.30	1.10	1.10	0.10
EAU CLAIRE	WI	55035	1.70	1.30	1.10	1.10	0.10
FLORENCE	WI	55037	1.70	1.30	1.10	1.10	0.10
FOND DU LAC	WI	55039	1.75	1.35	1.15	1.15	0.15
FOREST	WI	55041	1.70	1.30	1.10	1.10	0.10
GRANT	WI	55043	1.75	1.35	1.15	1.15	0.15
GREEN	WI	55045	1.75	1.35	1.15	1.15	0.15
GREEN LAKE	WI	55047	1.70	1.30	1.10	1.10	0.10
IOWA	WI	55049	1.75	1.35	1.15	1.15	0.15
IRON	WI	55051	1.70	1.30	1.10	1.10	0.10
JACKSON	WI	55053	1.70	1.30	1.10	1.10	0.10
JEFFERSON	WI	55055	1.75	1.35	1.15	1.15	0.15
JUNEAU	WI	55057	1.70	1.30	1.10	1.10	0.10
KENOSHA	WI	55059	1.75	1.35	1.15	1.15	0.15
KEWAUNEE	WI	55061	1.75	1.35	1.15	1.15	0.15
LA CROSSE	WI	55063	1.70	1.30	1.10	1.10	0.10
LAFAYETTE	WI	55065	1.75	1.35	1.15	1.15	0.15
LANGLADE	WI	55067	1.70	1.30	1.10	1.10	0.10

County/parish/city	State	FIPS code	Current \$1000.52 Differential	Proposed \$1000.52 Differential 2A (Grade A)	Proposed \$1000.52 Differential 2B (Mkt/Bal)	Proposed \$1000.52 Differential 2C (Incentive)	Proposed \$1000.52 Differential 2A + 2B + 2C
LINCOLN	WI	55069	1.70	1.30	1.10	1.10	0.10
MANITOWOC	WI	55071	1.75	1.35	1.15	1.15	0.15
MARATHON	WI	55073	1.70	1.30	1.10	1.10	0.10
MARINETTE	WI	55075	1.70	1.30	1.10	1.10	0.10
MARQUETTE	WI	55077	1.70	1.30	1.10	1.10	0.10
MENOMINEE	WI	55078	1.70	1.30	1.10	1.10	0.10
MILWAUKEE	WI	55079	1.75	1.35	1.15	1.15	0.15
MONROE	WI	55081	1.70	1.30	1.10	1.10	0.10
OCONTO	WI	55083	1.70	1.30	1.10	1.10	0.10
ONEIDA	WI	55085	1.70	1.30	1.10	1.10	0.10
OUTAGAMIE	WI	55087	1.75	1.35	1.15	1.15	0.15
OZAUKEE	WI	55089	1.75	1.35	1.15	1.15	0.15
PEPIN	WI	55091	1.70	1.30	1.10	1.10	0.10
PIERCE	WI	55093	1.70	1.30	1.10	1.10	0.10
POLK	WI	55095	1.70	1.30	1.10	1.10	0.10
PORTAGE	WI	55097	1.70	1.30	1.10	1.10	0.10
PRICE	WI	55099	1.70	1.30	1.10	1.10	0.10
RACINE	WI	55101	1.75	1.35	1.15	1.15	0.15
RICHLAND	WI	55103	1.75	1.35	1.15	1.15	0.15
ROCK	WI	55105	1.75	1.35	1.15	1.15	0.15
RUSK	WI	55107	1.70	1.30	1.10	1.10	0.10
SAUK	WI	55111	1.75	1.35	1.15	1.15	0.15
SAWYER	WI	55113	1.70	1.30	1.10	1.10	0.10
SHAWANO	WI	55115	1.70	1.30	1.10	1.10	0.10

County/parish/city	State	FIPS code	Current \$1000.52 Differential	Proposed \$1000.52 Differential 2A (Grade A)	Proposed \$1000.52 Differential 2B (Mkt/Bal)	Proposed \$1000.52 Differential 2C (Incentive)	Proposed \$1000.52 Differential 2A + 2B + 2C
SHEBOYGAN	WI	55117	1.75	1.35	1.15	1.15	0.15
ST. CROIX	WI	55109	1.70	1.30	1.10	1.10	0.10
TAYLOR	WI	55119	1.70	1.30	1.10	1.10	0.10
TREMPEALEAU	WI	55121	1.70	1.30	1.10	1.10	0.10
VERNON	WI	55123	1.75	1.35	1.15	1.15	0.15
VILAS	WI	55125	1.70	1.30	1.10	1.10	0.10
WALWORTH	WI	55127	1.75	1.35	1.15	1.15	0.15
WASHBURN	WI	55129	1.70	1.30	1.10	1.10	0.10
WASHINGTON	WI	55131	1.75	1.35	1.15	1.15	0.15
WAUKESHA	WI	55133	1.75	1.35	1.15	1.15	0.15
WAUPACA	WI	55135	1.75	1.35	1.15	1.15	0.15
WAUSHARA	WI	55137	1.70	1.30	1.10	1.10	0.10
WINNEBAGO	WI	55139	1.75	1.35	1.15	1.15	0.15
WOOD	WI	55141	1.70	1.30	1.10	1.10	0.10
BARBOUR	WV	54001	2.30	1.90	1.70	1.70	0.70
BERKELEY	WV	54003	2.60	2.20	2.00	2.00	1.00
BOONE	WV	54005	2.20	1.80	1.60	1.60	0.60
BRAXTON	WV	54007	2.20	1.80	1.60	1.60	0.60
BROOKE	WV	54009	2.10	1.70	1.50	1.50	0.50
CABELL	WV	54011	2.20	1.80	1.60	1.60	0.60
CALHOUN	WV	54013	2.20	1.80	1.60	1.60	0.60
CLAY	WV	54015	2.20	1.80	1.60	1.60	0.60
DODDRIDGE	WV	54017	2.10	1.70	1.50	1.50	0.50
FAYETTE	WV	54019	2.20	1.80	1.60	1.60	0.60

County/parish/city	State	FIPS code	Current \$1000.52 Differential	Proposed \$1000.52 Differential 2A (Grade A)	Proposed \$1000.52 Differential 2B (Mkt/Bal)	Proposed \$1000.52 Differential 2C (Incentive)	Proposed \$1000.52 Differential 2A + 2B + 2C
GILMER	WV	54021	2.20	1.80	1.60	1.60	0.60
GRANT	WV	54023	2.60	2.20	2.00	2.00	1.00
GREENBRIER	WV	54025	2.20	1.80	1.60	1.60	0.60
HAMPSHIRE	WV	54027	2.60	2.20	2.00	2.00	1.00
HANCOCK	WV	54029	2.10	1.70	1.50	1.50	0.50
HARDY	WV	54031	2.60	2.20	2.00	2.00	1.00
HARRISON	WV	54033	2.10	1.70	1.50	1.50	0.50
JACKSON	WV	54035	2.20	1.80	1.60	1.60	0.60
JEFFERSON	WV	54037	2.60	2.20	2.00	2.00	1.00
KANAWHA	WV	54039	2.20	1.80	1.60	1.60	0.60
LEWIS	WV	54041	2.10	1.70	1.50	1.50	0.50
LINCOLN	WV	54043	2.20	1.80	1.60	1.60	0.60
LOGAN	WV	54045	2.20	1.80	1.60	1.60	0.60
MARION	WV	54049	2.10	1.70	1.50	1.50	0.50
MARSHALL	WV	54051	2.10	1.70	1.50	1.50	0.50
MASON	WV	54053	2.20	1.80	1.60	1.60	0.60
MCDOWELL	WV	54047	2.80	2.40	2.20	2.20	1.20
MERCER	WV	54055	2.80	2.40	2.20	2.20	1.20
MINERAL	WV	54057	2.60	2.20	2.00	2.00	1.00
MINGO	WV	54059	2.20	1.80	1.60	1.60	0.60
MONONGALIA	WV	54061	2.10	1.70	1.50	1.50	0.50
MONROE	WV	54063	2.20	1.80	1.60	1.60	0.60
MORGAN	WV	54065	2.60	2.20	2.00	2.00	1.00
NICHOLAS	WV	54067	2.20	1.80	1.60	1.60	0.60

County/parish/city	State	FIPS code	Current \$1000.52 Differential	Proposed \$1000.52 Differential 2A (Grade A)	Proposed \$1000.52 Differential 2B (Mkt/Bal)	Proposed \$1000.52 Differential 2C (Incentive)	Proposed \$1000.52 Differential 2A + 2B + 2C
OHIO	WV	54069	2.10	1.70	1.50	1.50	0.50
PENDLETON	WV	54071	2.60	2.20	2.00	2.00	1.00
PLEASANTS	WV	54073	2.20	1.80	1.60	1.60	0.60
POCAHONTAS	WV	54075	2.20	1.80	1.60	1.60	0.60
PRESTON	WV	54077	2.30	1.90	1.70	1.70	0.70
PUTNAM	WV	54079	2.20	1.80	1.60	1.60	0.60
RALEIGH	WV	54081	2.20	1.80	1.60	1.60	0.60
RANDOLPH	WV	54083	2.30	1.90	1.70	1.70	0.70
RITCHIE	WV	54085	2.20	1.80	1.60	1.60	0.60
ROANE	WV	54087	2.20	1.80	1.60	1.60	0.60
SUMMERS	WV	54089	2.20	1.80	1.60	1.60	0.60
TAYLOR	WV	54091	2.30	1.90	1.70	1.70	0.70
TUCKER	WV	54093	2.30	1.90	1.70	1.70	0.70
TYLER	WV	54095	2.10	1.70	1.50	1.50	0.50
UPSHUR	WV	54097	2.30	1.90	1.70	1.70	0.70
WAYNE	WV	54099	2.20	1.80	1.60	1.60	0.60
WEBSTER	WV	54101	2.20	1.80	1.60	1.60	0.60
WETZEL	WV	54103	2.10	1.70	1.50	1.50	0.50
WIRT	WV	54105	2.20	1.80	1.60	1.60	0.60
WOOD	WV	54107	2.20	1.80	1.60	1.60	0.60
WYOMING	WV	54109	2.20	1.80	1.60	1.60	0.60
ALBANY	WY	56001	1.90	1.50	1.30	1.30	0.30
BIG HORN	WY	56003	1.60	1.20	1.00	1.00	-
CAMPBELL	WY	56005	1.65	1.25	1.05	1.05	0.05

County/parish/city	State	FIPS code	Current \$1000.52 Differential	Proposed \$1000.52 Differential 2A (Grade A)	Proposed \$1000.52 Differential 2B (Mkt/Bal)	Proposed \$1000.52 Differential 2C (Incentive)	Proposed \$1000.52 Differential 2A + 2B + 2C
CARBON	WY	56007	1.90	1.50	1.30	1.30	0.30
CONVERSE	WY	56009	1.70	1.30	1.10	1.10	0.10
CROOK	WY	56011	1.65	1.25	1.05	1.05	0.05
FREMONT	WY	56013	1.60	1.20	1.00	1.00	-
GOSHEN	WY	56015	1.90	1.50	1.30	1.30	0.30
HOT SPRINGS	WY	56017	1.60	1.20	1.00	1.00	-
JOHNSON	WY	56019	1.65	1.25	1.05	1.05	0.05
LARAMIE	WY	56021	2.45	2.05	1.85	1.85	0.85
LINCOLN	WY	56023	1.60	1.20	1.00	1.00	-
NATRONA	WY	56025	1.70	1.30	1.10	1.10	0.10
NIOBRARA	WY	56027	1.70	1.30	1.10	1.10	0.10
PARK	WY	56029	1.60	1.20	1.00	1.00	-
PLATTE	WY	56031	1.90	1.50	1.30	1.30	0.30
SHERIDAN	WY	56033	1.60	1.20	1.00	1.00	-
SUBLETTE	WY	56035	1.60	1.20	1.00	1.00	-
SWEETWATER	WY	56037	1.90	1.50	1.30	1.30	0.30
TETON	WY	56039	1.60	1.20	1.00	1.00	-
UINTA	WY	56041	1.90	1.50	1.30	1.30	0.30
WASHAKIE	WY	56043	1.60	1.20	1.00	1.00	-
WESTON	WY	56045	1.70	1.30	1.10	1.10	0.10

EXHIBIT C

MIG Proposal 3 – Establish Assembly Credit of \$0.55

Order 1 - 7 C.F.R. § 1001.55 (new), § 1001.60 preamble revised, § 1001.60(j) (new) and amend § 1001.73(a)(2) and (b)(3):

New § 1001.55

- (a) “Each handler operating a pool distributing plant described in §1001.7(a), (b), (d), or (e) that receives milk from dairy farmers, each handler that transfers or diverts bulk milk from a pool plant to a pool distributing plant, and each handler described in §1000.9(c) that delivers producer milk to a pool distributing plant shall receive an assembly credit on the portion of such milk eligible for the credit pursuant to paragraph (b) of this section. The credit shall be computed by multiplying the hundredweight of milk eligible for the credit by \$0.56.
- (b) The following procedure shall be used to determine the amount of milk eligible for assembly credits pursuant to paragraph (a) of this section:
 - (1) At each pool distributing plant, determine the aggregate quantity of Class I milk, excluding beginning inventory of packaged fluid milk products;
 - (2) Subtract the quantity of packaged fluid milk products received at the pool distributing plant from other pool plants and from nonpool plants if such receipts are assigned to Class I;
 - (3) Subtract the quantity of bulk milk shipped from the pool distributing plant to other plants to the extent that such milk is classified as Class I milk;
 - (4) Subtract the quantity of bulk milk received at the pool distributing plant from other order plants and unregulated supply plants that is assigned to Class I pursuant to §§1000.43(d) and 1000.44; and
 - (5) Assign the remaining quantity pro rata to physical receipts during the month from:
 - (i) Producers;
 - (ii) Handlers described in §1000.9(c); and
 - (iii) Other pool plants.”

§ 1001.60 preamble – revise at end of first sentence of the preamble, strike “paragraph (i) of this section.” and insert “paragraphs (i) and (j) of this section.”

New § 1001.60(j) “Compute the amount of credits applicable pursuant to § 1001.55.”

§ 1001.73(a)(2) – revise by deleting the word “and” at the end of § 1001.73(a)(2)(v)(C);

Insert a new § 1001.73(a)(2)(v)(D) to read as follows “Add pro-rata, the portion of the credits calculated under § 1001.55 applicable to the producer milk received; and”;

And renumber existing § 1001.73(a)(2)(v)(D) as § 1001.73(a)(2)(v)(E);

Revise existing § 1001.73(b)(3)(ix) by inserting before “and from that sum” the following to read: “and to that sum add pro-rata, the portion of the credits calculated under § 1001.55 applicable to the producer milk received and”.

Order 5 - 7 C.F.R. § 1005.55 (new), § 1005.60 preamble revised, § 1005.60(h) (new) and amend § 1005.73(a)(2), and (b)(3):

New § 1005.55

- (a) “Each handler operating a pool distributing plant described in §1005.7(a), (b), (e), or (g) that receives milk from dairy farmers, each handler that transfers or diverts bulk milk from a pool plant to a pool distributing plant, and each handler described in §1000.9(c) that delivers producer milk to a pool distributing plant shall receive an assembly credit on the portion of such milk eligible for the credit pursuant to paragraph (b) of this section. The credit shall be computed by multiplying the hundredweight of milk eligible for the credit by \$0.56.
- (b) The following procedure shall be used to determine the amount of milk eligible for assembly credits pursuant to paragraph (a) of this section:
 - (1) At each pool distributing plant, determine the aggregate quantity of Class I milk, excluding beginning inventory of packaged fluid milk products;
 - (2) Subtract the quantity of packaged fluid milk products received at the pool distributing plant from other pool plants and from nonpool plants if such receipts are assigned to Class I;
 - (3) Subtract the quantity of bulk milk shipped from the pool distributing plant to other plants to the extent that such milk is classified as Class I milk;
 - (4) Subtract the quantity of bulk milk received at the pool distributing plant from other order plants and unregulated supply plants that is assigned to Class I pursuant to §§1000.43(d) and 1000.44; and
 - (5) Assign the remaining quantity pro rata to physical receipts during the month from:
 - (i) Producers;
 - (ii) Handlers described in §1000.9(c); and
 - (iii) Other pool plants.”

§ 1005.60 preamble – revise at end of first sentence of the preamble, strike “paragraph (f) of this section.” and insert “paragraphs (f) and (h) of this section.”

New § 1005.60(h) “Compute the amount of credits applicable pursuant to § 1005.55.”

Revise existing § 1005.73(a)(2)(iv)(C) by deleting the word “and” at the end of that paragraph;

Insert a new § 1005.73(a)(2)(iv)(D) reading as follows: “Add pro-rata, the portion of the credits calculated under § 1005.55 applicable to the producer milk received; and”;

Renumber existing § 1005.73(a)(2)(iv)(D) as § 1005.73(a)(2)(iv)(E);

Revise existing § 1005.73(b)(3) – insert before “and subtracting from this sum” the following: “add to this sum add the pro-rata portion of the credits calculated under § 1005.55 applicable to the producer milk received and”.

Order 6 - 7 C.F.R. § 1006.55 (new), § 1006.60 preamble revised, § 1006.60(j) (new) and amend § 1006.73(a)(2), and (b)(3):

New § 1006.55

- (a) “Each handler operating a pool distributing plant described in §1007.7(a), (b), (e), or (g) that receives milk from dairy farmers, each handler that transfers or diverts bulk milk from a pool plant to a pool distributing plant, and each handler described in §1000.9(c) that delivers producer milk to a pool distributing plant shall receive an assembly credit on the portion of such milk eligible for the credit pursuant to paragraph (b) of this section. The credit shall be computed by multiplying the hundredweight of milk eligible for the credit by \$0.56.
- (b) The following procedure shall be used to determine the amount of milk eligible for assembly credits pursuant to paragraph (a) of this section:
 - (1) At each pool distributing plant, determine the aggregate quantity of Class I milk, excluding beginning inventory of packaged fluid milk products;
 - (2) Subtract the quantity of packaged fluid milk products received at the pool distributing plant from other pool plants and from nonpool plants if such receipts are assigned to Class I;
 - (3) Subtract the quantity of bulk milk shipped from the pool distributing plant to other plants to the extent that such milk is classified as Class I milk;
 - (4) Subtract the quantity of bulk milk received at the pool distributing plant from other order plants and unregulated supply plants that is assigned to Class I pursuant to §§1000.43(d) and 1000.44; and
 - (5) Assign the remaining quantity pro rata to physical receipts during the month from:
 - (i) Producers;
 - (ii) Handlers described in §1000.9(c); and

(iii) Other pool plants.”

§ 1006.60 preamble – revise at end of first sentence of the preamble, strike “paragraph (f) of this section.” and insert “paragraphs (f) and (j) of this section.”

New § 1006.60(j)” Compute the amount of credits applicable pursuant to § 1006.55.”

Revise existing § 1006.73(a)(2)(iv)(C) by deleting the word “and” at the end of that paragraph;

Insert a new § 1006.73(a)(2)(iv)(D) to read as follows: “Add the pro-rata portion of the credits calculated under § 1006.55 applicable to the producer milk received; and”;

Renumber existing § 1006.73(a)(2)(iv)(D) as § 1006.73(a)(2)(iv)(E);

§ 1006.73(b)(3) – insert before “and subtracting from this sum” “and adding to this sum the pro-rata portion of the credits calculated under § 1006.55 applicable to the producer milk received and”.

Order 7 - 7 C.F.R. § 1007.55 (new), § 1007.60 preamble revised, § 1007.60(h) (new) and amend § 1007.73(a)(2), and (b)(3):

New § 1007.55

- (a) “Each handler operating a pool distributing plant described in §1007.7(a), (b), (e), or (g) that receives milk from dairy farmers, each handler that transfers or diverts bulk milk from a pool plant to a pool distributing plant, and each handler described in §1000.9(c) that delivers producer milk to a pool distributing plant shall receive an assembly credit on the portion of such milk eligible for the credit pursuant to paragraph (b) of this section. The credit shall be computed by multiplying the hundredweight of milk eligible for the credit by \$0.56.
- (b) The following procedure shall be used to determine the amount of milk eligible for assembly credits pursuant to paragraph (a) of this section:
 - (1) At each pool distributing plant, determine the aggregate quantity of Class I milk, excluding beginning inventory of packaged fluid milk products;
 - (2) Subtract the quantity of packaged fluid milk products received at the pool distributing plant from other pool plants and from nonpool plants if such receipts are assigned to Class I;
 - (3) Subtract the quantity of bulk milk shipped from the pool distributing plant to other plants to the extent that such milk is classified as Class I milk;

- (4) Subtract the quantity of bulk milk received at the pool distributing plant from other order plants and unregulated supply plants that is assigned to Class I pursuant to §§1000.43(d) and 1000.44; and
- (5) Assign the remaining quantity pro rata to physical receipts during the month from:
 - (i) Producers;
 - (ii) Handlers described in §1000.9(c); and
 - (iii) Other pool plants.”

§ 1007.60 preamble – revise at end of first sentence of the preamble, strike “paragraph (f) of this section.” and insert “paragraphs (f) and (h) of this section.”

New § 1007.60(h) “Compute the amount of credits applicable pursuant to § 1007.55.”

Revise § 1007.73(a)(2)(iv)(C) by deleting the word “and” at the end of that paragraph;

Insert a new § 1007.73(a)(2)(iv)(D) to read as follows: “Add pro-rata, the portion of the credits calculated under § 1007.55 applicable to the producer milk received; and”;

And renumber existing § 1007.73(a)(2)(iv)(D) as § 1007.73(a)(2)(iv)(E);

Revise existing § 1007.73(b)(3) – insert before “and subtracting from this sum” “and add to this sum the pro-rata portion of the credits calculated under § 1007.55 applicable to the producer milk received and”.

Order 30 – 7 C.F.R. § 1030.55 (revised) and amend § 1030.73(a)(2), (c)(2) and (c)(3):

At the end of § 1030.55(b) replace “\$0.08” with “\$0.56”;

§ 1030.73(a)(2) revise by inserting a new “(vi)” and add the following “plus pro-rata, the portion of the credits calculated under § 1030.55(b) applicable to the producer milk received;”

and renumbering existing (vi), (vii) and (viii) as (vii), (viii) and (ix).

Revise existing § 1030.73(c)(2)(ix) by inserting before the language that presently reads “and from that sum deduct” the following “and to that sum add the pro-rata portion of the credits calculated under § 1030.55(b) applicable to the producer milk received and”;

Revise existing § 1030.73(c)(3)(vi) by inserting before the language that presently reads “and from that sum deduct” the following “and to that sum add the pro-rata portion of the credits calculated under § 1030.55(b) applicable to the producer milk received and”.

Order 32 - 7 C.F.R. § 1032.55 (new), § 1032.60 preamble revised, § 1032.60(k) (new) and amend § 1032.73(a)(2), (c)(2) and (c)(3):

New § 1032.55

- (a) “Each handler operating a pool distributing plant described in §1032.7(a), (b), (e), or (i) that receives milk from dairy farmers, each handler that transfers or diverts bulk milk from a pool plant to a pool distributing plant, and each handler described in §1000.9(c) that delivers producer milk to a pool distributing plant shall receive an assembly credit on the portion of such milk eligible for the credit pursuant to paragraph (b) of this section. The credit shall be computed by multiplying the hundredweight of milk eligible for the credit by \$0.56.
- (b) The following procedure shall be used to determine the amount of milk eligible for assembly credits pursuant to paragraph (a) of this section:
 - (1) At each pool distributing plant, determine the aggregate quantity of Class I milk, excluding beginning inventory of packaged fluid milk products;
 - (2) Subtract the quantity of packaged fluid milk products received at the pool distributing plant from other pool plants and from nonpool plants if such receipts are assigned to Class I;
 - (3) Subtract the quantity of bulk milk shipped from the pool distributing plant to other plants to the extent that such milk is classified as Class I milk;
 - (4) Subtract the quantity of bulk milk received at the pool distributing plant from other order plants and unregulated supply plants that is assigned to Class I pursuant to §§1000.43(d) and 1000.44; and
 - (5) Assign the remaining quantity pro rata to physical receipts during the month from:
 - (i) Producers;
 - (ii) Handlers described in §1000.9(c); and
 - (iii) Other pool plants.”

§ 1032.60 preamble – revise at end of first sentence of the preamble, strike “paragraph (j) of this section.” and insert “paragraphs (j) and (k) of this section.”;

New § 1032.60(k) “Compute the amount of credits applicable pursuant to § 1032.55.”;

§ 1032.73(a)(2) – Insert a new § 1032.73(a)(2)(vi) “Plus the pro-rata portion of the credits calculated under § 1032.55 applicable to the producer milk received;”;

And renumber existing § 1032.73(a)(2)(vi), (vii) and (viii) as § 1032.73(a)(2)(vii), (viii) and (ix);

Revise existing § 1032.73(c)(2)(ix) by inserting before “and from that sum deduct” the following: “and to that sum add the pro-rata portion of the credits calculated under § 1032.55 applicable to the producer milk received and”;

§ 1032.73(c)(3)(vi) by inserting before “and from that sum deduct” the following: “and to that sum add the pro-rata portion of the credits calculated under § 1032.55 applicable to the producer milk received and”.

Order 33 - 7 C.F.R. § 1033.55 (new), § 1033.60 preamble revised, § 1033.60(k) (new) and amend § 1033.73(a)(2), (c)(2) and (c)(3):

New § 1033.55

- (a) “Each handler operating a pool distributing plant described in §1033.7(a), (b), or (j) that receives milk from dairy farmers, each handler that transfers or diverts bulk milk from a pool plant to a pool distributing plant, and each handler described in §1000.9(c) that delivers producer milk to a pool distributing plant shall receive an assembly credit on the portion of such milk eligible for the credit pursuant to paragraph (b) of this section. The credit shall be computed by multiplying the hundredweight of milk eligible for the credit by \$0.56.
- (b) The following procedure shall be used to determine the amount of milk eligible for assembly credits pursuant to paragraph (a) of this section:
 - (1) At each pool distributing plant, determine the aggregate quantity of Class I milk, excluding beginning inventory of packaged fluid milk products;
 - (2) Subtract the quantity of packaged fluid milk products received at the pool distributing plant from other pool plants and from nonpool plants if such receipts are assigned to Class I;
 - (3) Subtract the quantity of bulk milk shipped from the pool distributing plant to other plants to the extent that such milk is classified as Class I milk;
 - (4) Subtract the quantity of bulk milk received at the pool distributing plant from other order plants and unregulated supply plants that is assigned to Class I pursuant to §§1000.43(d) and 1000.44; and
 - (5) Assign the remaining quantity pro rata to physical receipts during the month from:
 - (i) Producers;
 - (ii) Handlers described in §1000.9(c); and
 - (iii) Other pool plants.”

§ 1033.60 preamble – revise at end of first sentence of the preamble, strike “paragraph (j) of this section.” and insert “paragraphs (j) and (k) of this section.”

New § 1033.60(k) “Compute the amount of credits applicable pursuant to § 1033.55.”

§ 1033.73(a)(2) – Insert a new § 1033.73(a)(2)(vi) “Plus pro-rata, the portion of the credits calculated under § 1033.55 applicable to the producer milk received;”;

And renumber existing § 1033.73(a)(2)(vi), (vii) and (viii) as § 1033.73(a)(2)(vii), (viii) and (ix);

Revise existing § 1001.73(b)(3)(ix) by inserting before “and from that sum deduct” the following: “and to that sum add the pro-rata portion of the credits calculated under § 1033.55 applicable to the producer milk received and”.

Order 51 – 7 C.F.R. § 1051.55 (new), § 1033.60 preamble revised, § 1033.60(j) (new) and amend § 1033.73(a)(2), (c)(2) and (c)(3):

New § 1051.55

- (a) “Each handler operating a pool distributing plant described in §1051.7(a), (b), (d), or (f) that receives milk from dairy farmers, each handler that transfers or diverts bulk milk from a pool plant to a pool distributing plant, and each handler described in §1000.9(c) that delivers producer milk to a pool distributing plant shall receive an assembly credit on the portion of such milk eligible for the credit pursuant to paragraph (b) of this section. The credit shall be computed by multiplying the hundredweight of milk eligible for the credit by \$0.56.
- (b) The following procedure shall be used to determine the amount of milk eligible for assembly credits pursuant to paragraph (a) of this section:
 - (1) At each pool distributing plant, determine the aggregate quantity of Class I milk, excluding beginning inventory of packaged fluid milk products;
 - (2) Subtract the quantity of packaged fluid milk products received at the pool distributing plant from other pool plants and from nonpool plants if such receipts are assigned to Class I;
 - (3) Subtract the quantity of bulk milk shipped from the pool distributing plant to other plants to the extent that such milk is classified as Class I milk;
 - (4) Subtract the quantity of bulk milk received at the pool distributing plant from other order plants and unregulated supply plants that is assigned to Class I pursuant to §§1000.43(d) and 1000.44; and
 - (5) Assign the remaining quantity pro rata to physical receipts during the month from:
 - (i) Producers;
 - (ii) Handlers described in §1000.9(c); and

(iii) Other pool plants.”

§ 1051.60 preamble – NOTE - the existing preamble presently includes a reference to a 1051.60(j) although there is not yet such a subparagraph, we are proposing adoption of that below so there appears to be no need to amend the preamble.

New § 1051.60(j) “Compute the amount of credits applicable pursuant to § 1051.55.”

§ 1051.73(a)(2) – Insert a new § 1033.73(a)(2)(v) “Plus the pro-rata portion of the credits calculated under § 1051.55 applicable to the producer milk received;”

And renumber § 1051.73(a)(2)(v), (vi), (vii) and (viii) as § 1033.73(a)(2)(vi), (vii), (viii) and (ix);

§ 1051.73(c)(2) revise by deleting “and” after “(vii)”, insert a new “(viii)” and add the following “Plus the pro-rata portion of the credits calculated under § 1051.55 applicable to the producer milk received; and”; and renumber “(viii)” as “(ix)” replacing in that subparagraph “(vii)” with “(viii)”;

§ 1051.73(c)(3) revise by deleting “and” after “(iv)”, insert a new “(v)” and add the following “Plus the pro-rata portion of the credits calculated under § 1051.55 applicable to the producer milk received; and”; and renumber “(v)” as “(vi)” replacing in that subparagraph “(v)” with “(vi)”.

Order 124 – 7 C.F.R. § 1124.55 (new), § 1124.60 preamble revised, § 1124.60(j) (new) and amend § 1124.73(a)(2), (c)(2) and (c)(3):

New § 1124.55

- (a) “Each handler operating a pool distributing plant described in §1124.7(a), (b), or (e) that receives milk from dairy farmers, each handler that transfers or diverts bulk milk from a pool plant to a pool distributing plant, and each handler described in §1000.9(c) that delivers producer milk to a pool distributing plant shall receive an assembly credit on the portion of such milk eligible for the credit pursuant to paragraph (b) of this section. The credit shall be computed by multiplying the hundredweight of milk eligible for the credit by \$0.08.
- (b) The following procedure shall be used to determine the amount of milk eligible for assembly credits pursuant to paragraph (a) of this section:
 - (1) At each pool distributing plant, determine the aggregate quantity of Class I milk, excluding beginning inventory of packaged fluid milk products;
 - (2) Subtract the quantity of packaged fluid milk products received at the pool distributing plant from other pool plants and from nonpool plants if such receipts are assigned to Class I;

- (3) Subtract the quantity of bulk milk shipped from the pool distributing plant to other plants to the extent that such milk is classified as Class I milk;
- (4) Subtract the quantity of bulk milk received at the pool distributing plant from other order plants and unregulated supply plants that is assigned to Class I pursuant to §§1000.43(d) and 1000.44; and
- (5) Assign the remaining quantity pro rata to physical receipts during the month from:
 - (i) Producers;
 - (ii) Handlers described in §1000.9(c); and
 - (iii) Other pool plants.”

§ 1124.60 preamble – revise at end of first sentence of the preamble, strike “paragraph (i) of this section.” and insert “paragraphs (i) and (j) of this section.”

New § 1124.60(j) “Compute the amount of credits applicable pursuant to § 1124.55.”

§ 1124.73(a)(2) – Insert a new § 1124.73(a)(2)(v) “Plus the pro-rata portion of the credits calculated under § 1124.55 applicable to the producer milk received; and”;

And renumber existing § 1124.73(a)(2)(v), (vi) and (vii) as § 1124.73(a)(2)(vi), (vii) and (viii);

§ 1124.73(c)(2) revise by deleting “and” after “(vii)”, insert a new “(viii)” and the following “Plus the pro-rata portion of the credits calculated under § 1124.55 applicable to the producer milk received; and”; and renumber “(viii)” as “(ix)” replacing in that subparagraph “(vii)” with “(viii)”.

§ 1124.73(c)(3) revise by deleting “and” after “(iv)”, insert a new “(v)” and the following “Plus the pro-rata portion of the credits calculated under § 1124.55 applicable to the producer milk received; and”; and renumber “(v)” as “(vi)” replacing in that subparagraph “(iv)” with “(v)”.

Order 126 – 7 C.F.R. § 1126.55 (new), § 1126.60 preamble revised, § 1126.60(k) (new) and amend § 1126.73(a)(2) and (b)(3):

New § 1126.55

- (a) “Each handler operating a pool distributing plant described in §1126.7(a), (b), (e) or (h) that receives milk from dairy farmers, each handler that transfers or diverts bulk milk from a pool plant to a pool distributing plant, and each handler described in §1000.9(c) that delivers producer milk to a pool distributing plant shall receive an assembly credit on the portion of such milk eligible for the credit pursuant to paragraph (b) of this section. The credit shall be computed by multiplying the hundredweight of milk eligible for the credit by \$0.08.

- (b) The following procedure shall be used to determine the amount of milk eligible for assembly credits pursuant to paragraph (a) of this section:
- (1) At each pool distributing plant, determine the aggregate quantity of Class I milk, excluding beginning inventory of packaged fluid milk products;
 - (2) Subtract the quantity of packaged fluid milk products received at the pool distributing plant from other pool plants and from nonpool plants if such receipts are assigned to Class I;
 - (3) Subtract the quantity of bulk milk shipped from the pool distributing plant to other plants to the extent that such milk is classified as Class I milk;
 - (4) Subtract the quantity of bulk milk received at the pool distributing plant from other order plants and unregulated supply plants that is assigned to Class I pursuant to §§1000.43(d) and 1000.44; and
 - (5) Assign the remaining quantity pro rata to physical receipts during the month from:
 - (i) Producers;
 - (ii) Handlers described in §1000.9(c); and
 - (iii) Other pool plants.”

§ 1126.60 preamble – revise at end of first sentence of the preamble, strike “paragraph (j) of this section.” and insert “paragraphs (j) and (k) of this section.”

New § 1126.60(k) “Compute the amount of credits applicable pursuant to § 1126.55.”

Revise existing § 1126.73(a)(2)(vi) by deleting “and” after 1126.73(a)(2)(vi)(C) and insert a new § 1126.73(a)(2)(vi)(D) “Plus the pro-rata portion of the credits calculated under § 1126.55 applicable to the producer milk received; and”;

And renumber existing § 1126.73(a)(2)(vi)(D) as § 1126.73(a)(2)(vi)(E);

Revise existing § 1126.73(b)(3)(ix) revise by adding at the end at the end of the only sentence before the “.” the following: “and add the pro-rata portion of the credits calculated under § 1126.55 applicable to the producer milk received”.

Order 131 – 7 C.F.R. § 1131.55 (new), § 1131.60 preamble revised, § 1131.60(g) (new) and amend § 1131.73(a)(2) and (b)(3):

New § 1131.55

- (a) “Each handler operating a pool distributing plant described in §1131.7(a), (b), (e) or (h) that receives milk from dairy farmers, each handler that transfers or diverts bulk milk from a pool plant to a pool distributing plant, and each handler

described in §1000.9(c) that delivers producer milk to a pool distributing plant shall receive an assembly credit on the portion of such milk eligible for the credit pursuant to paragraph (b) of this section. The credit shall be computed by multiplying the hundredweight of milk eligible for the credit by \$0.08.

- (b) The following procedure shall be used to determine the amount of milk eligible for assembly credits pursuant to paragraph (a) of this section:
- (1) At each pool distributing plant, determine the aggregate quantity of Class I milk, excluding beginning inventory of packaged fluid milk products;
 - (2) Subtract the quantity of packaged fluid milk products received at the pool distributing plant from other pool plants and from nonpool plants if such receipts are assigned to Class I;
 - (3) Subtract the quantity of bulk milk shipped from the pool distributing plant to other plants to the extent that such milk is classified as Class I milk;
 - (4) Subtract the quantity of bulk milk received at the pool distributing plant from other order plants and unregulated supply plants that is assigned to Class I pursuant to §§1000.43(d) and 1000.44; and
 - (5) Assign the remaining quantity pro rata to physical receipts during the month from:
 - (i) Producers;
 - (ii) Handlers described in §1000.9(c); and
 - (iii) Other pool plants.”

§ 1131.60 preamble – revise at end of first sentence of the preamble, strike “paragraph (f) of this section.” and insert “paragraphs (f) and (g) of this section.”

New § 1131.60(g) “Compute the amount of credits applicable pursuant to § 1131.55.”

Revise existing § 1131.73(a)(2) by deleting “and” after 1131.73(a)(2)(iv)(C) and inserting a new § 1131.73(a)(2)(iv)(D) that reads as follows: “Add pro-rata, the portion of the credits calculated under § 1131.55 applicable to the producer milk received; and”;

And renumber existing § 1131.73(a)(2)(iv)(D) as § 1131.73(a)(2)(iv)(E);

Revise existing § 1131.73(b)(3) by inserting before the existing language “and subtracting from this sum,” the following - “and adding to that sum, the pro-rata portion of the credits calculated under § 1131.55 applicable to the producer milk received and”.

EXHIBIT D

MIG Proposal 4 – Establish Specialty Milk Balancing Credit

Order 1 - 7 C.F.R. § 1001.56 (new), § 1001.60 preamble revised, § 1001.60(j) (new) and amend § 1001.73(a)(2) and (b)(3):

New § 1001.56

- (a) “Each handler operating a pool distributing plant described in §1001.7(a), (b), (d), or (e) that receives milk from dairy farmers, each handler that transfers or diverts bulk milk from a pool plant to a pool distributing plant, and each handler described in §1000.9(c) that delivers producer milk to a pool distributing plant shall receive a handling credit on the portion of such milk eligible (“eligible milk”) for the credit pursuant to paragraphs (b) through (d) of this section. The credit shall be computed by multiplying the hundredweight of milk eligible for the credit by \$0.60.
- (b) For purposes of this section, eligible milk means:
 - (1) USDA certified organic milk, certified organic pursuant to 7 U.S.C. §§ 65-1 – 6522 and 7 C.F.R. Part 205;
 - (2) Grass-fed milk, certified as 100% grass-fed by a state or third-party certifier; or
 - (3) A2 milk, milk mostly lacking a form of beta-casein proteins called A1, and instead has mostly the A2 form of beta-casein; and
 - (5) Eligible milk may only receive one credit under paragraph (a) of this section regardless of whether such milk is eligible under more than one of subparagraphs (1) through (3) above.
- (c) If a handler elects to receive a handling credit pursuant to this section on eligible milk, it shall make an annual election no later than July 1 of each year, effective August 1 of that year; provided however, that for the first year that this section is effective or that a handler who first processes and packages eligible milk, such election shall be permitted within 30 days of such date and such election shall be effective beginning the first day of the month that begins more than 27 days following notice of such election and such election shall be effective until the immediately following July 31.
- (d) The following procedure shall be used to determine the amount of eligible milk that for which a handling credit is applied pursuant to this section:
 - (1) At each electing pool distributing plant, determine the aggregate quantity of eligible Class I milk, excluding beginning inventory of packaged fluid milk products;
 - (2) Subtract the quantity of eligible packaged fluid milk products received at the electing pool distributing plant from other pool plants and from nonpool plants if such receipts are assigned to Class I;
 - (3) Subtract the quantity of eligible bulk milk shipped from the electing pool distributing plant to other plants to the extent that such milk is classified as Class I milk;

- (4) Subtract the quantity of eligible bulk milk received at the electing pool distributing plant from other order plants and unregulated supply plants that is assigned to Class I pursuant to §§1000.43(d) and 1000.44; and
- (5) Assign the remaining quantity of eligible milk pro rata to physical receipts during the month from:
 - (i) Producers;
 - (ii) Handlers described in §1000.9(c); and
 - (iii) Other pool plants.”
- (e) A handler who has made the election under paragraph (c) of this section shall not be eligible to use the volume of eligible milk to qualify non eligible milk for diversion. This paragraph does not affect the eligibility to divert eligible milk based upon the pounds of eligible milk physically received by the handler.
- (f) A handler who has made the election under paragraph (c) of this section shall not while its annual election is effective be entitled to any payment from the producer-settlement fund under § 1001.72 of the order with respect to any eligible milk.
- (g) An election made pursuant to paragraph (c) of this section shall not affect a handler’s obligation to make payments under §§ 1000.85 and 1000.86 with respect to any eligible milk.
- (h) Any handler making the annual election under paragraph (c) of this section shall make available to the market administrator the books and records necessary to satisfy the market administrator that the milk subject to the election qualifies as eligible milk.
- (i) Any eligible milk subject to a handler election under paragraph (c) of this section shall be treated as other source milk pursuant to § 1000.14 if received by any other handler and packaged and sold as other than eligible milk products.
- (j) As to any handler making the annual election under paragraph (c) of this section, the market administrator may investigate the removal of a producer of eligible milk from an electing handler’s monthly report; if the market administrator determines, after investigation and an opportunity to be heard, that an electing handler altered the reporting of such milk for the purpose of evading the provisions of this section or for the purpose of maximizing handling credit, if any, under paragraph (a) of this section, the market administrator may, in his discretion, require that the electing handler instead forego the handling credit otherwise available under this section for the month, for multiple months in that year, or the remainder of the annual election year.

§ 1001.60 preamble – revise at end of first sentence of the preamble, strike “paragraph (i) of this section.” and insert “paragraphs (i) and (j) of this section.”

New § 1001.60(j) “Compute the amount of credits applicable pursuant to § 1001.56.”

§ 1001.73(a)(2) – revise by deleting the word “and” at the end of § 1001.73(a)(2)(v)(C);

Insert a new § 1001.73(a)(2)(v)(D) to read as follows “Add pro-rata, the portion of the credits calculated under § 1001.56 applicable to the producer milk received; and”;

And renumber existing § 1001.73(a)(2)(v)(D) as § 1001.73(a)(2)(v)(E);

Revise existing § 1001.73(b)(3)(ix) by inserting before “and from that sum” the following to read: “and to that sum add pro-rata, the portion of the credits calculated under § 1001.56 applicable to the producer milk received and”.

Order 5 - 7 C.F.R. § 1005.56 (new), § 1005.60 preamble revised, § 1005.60(h) (new) and amend § 1005.73(a)(2), and (b)(3):

New § 1005.56

- (a) “Each handler operating a pool distributing plant described in §1005.7(a), (b), (e), or (g) that receives milk from dairy farmers, each handler that transfers or diverts bulk milk from a pool plant to a pool distributing plant, and each handler described in §1000.9(c) that delivers producer milk to a pool distributing plant shall receive an assembly credit on the portion of such milk eligible (“eligible milk”) for the credit pursuant to paragraphs (b) through (d) of this section. The credit shall be computed by multiplying the hundredweight of milk eligible for the credit by \$0.60.
- (b) For purposes of this section, eligible milk means:
 - (1) USDA certified organic milk, certified organic pursuant to 7 U.S.C. §§ 65-1 – 6522 and 7 C.F.R. Part 205;
 - (2) Grass-fed milk, certified as 100% grass-fed by a state or third-party certifier; or
 - (3) A2 milk, milk mostly lacking a form of beta-casein proteins called A1, and instead has mostly the A2 form of beta-casein; and
 - (5) Eligible milk may only receive one credit under paragraph (a) of this section regardless of whether such milk is eligible under more than one of subparagraphs (1) through (4) above.
- (c) If a handler elects to receive a handling credit pursuant to this section on eligible milk, it shall make an annual election no later than July 1 of each year, effective August 1 of that year; provided however, that for the first year that this section is effective or that a handler who first processes and packages eligible milk, such election shall be permitted within 30 days of such date and such election shall be effective beginning the first day of the month that begins more than 27 days following notice of such election and such election shall be effective until the immediately following July 31.
- (d) The following procedure shall be used to determine the amount of eligible milk that for which a handling credit is applied pursuant to this section:
 - (1) At each electing pool distributing plant, determine the aggregate quantity of eligible Class I milk, excluding beginning inventory of packaged fluid milk products;

- (2) Subtract the quantity of eligible packaged fluid milk products received at the electing pool distributing plant from other pool plants and from nonpool plants if such receipts are assigned to Class I;
 - (3) Subtract the quantity of eligible bulk milk shipped from the electing pool distributing plant to other plants to the extent that such milk is classified as Class I milk;
 - (4) Subtract the quantity of eligible bulk milk received at the electing pool distributing plant from other order plants and unregulated supply plants that is assigned to Class I pursuant to §§1000.43(d) and 1000.44; and
 - (5) Assign the remaining quantity of eligible milk pro rata to physical receipts during the month from:
 - (i) Producers;
 - (ii) Handlers described in §1000.9(c); and
 - (iii) Other pool plants.”
- (e) A handler who has made the election under paragraph (c) of this section shall not be eligible to use the volume of eligible milk to qualify non eligible milk for diversion. This paragraph does not affect the eligibility to divert eligible milk based upon the pounds of eligible milk physically received by the handler.
- (f) A handler who has made the election under paragraph (c) of this section shall not while its annual election is effective be entitled to any payment from the producer-settlement fund under § 1005.72 of the order with respect to any eligible milk.
- (g) An election made pursuant to paragraph (c) of this section shall not affect a handler’s obligation to make payments under §§ 1000.85 and 1000.86 with respect to any eligible milk.
- (h) Any handler making the annual election under paragraph (c) of this section shall make available to the market administrator the books and records necessary to satisfy the market administrator that the milk subject to the election qualifies as eligible milk.
- (i) Any eligible milk subject to a handler election under paragraph (c) of this section shall be treated as other source milk pursuant to § 1000.14 if received by any other handler and packaged and sold as other than eligible milk products.
- (j) As to any handler making the annual election under paragraph (c) of this section, the market administrator may investigate the removal of a producer of eligible milk from an electing handler’s monthly report; if the market administrator determines, after investigation and an opportunity to be heard, that an electing handler altered the reporting of such milk for the purpose of evading the provisions of this section or for the purpose of maximizing handling credit, if any, under paragraph (a) of this section, the market administrator may, in his discretion, require that the electing handler instead forego the handling credit otherwise available under this section for the month, for multiple months in that year, or the remainder of the annual election year.

§ 1005.60 preamble – revise at end of first sentence of the preamble, strike “paragraph (f) of this section.” and insert “paragraphs (f) and (h) of this section.”

New § 1005.60(h) “Compute the amount of credits applicable pursuant to § 1005.56.”

Revise existing § 1005.73(a)(2)(iv)(C) by deleting the word “and” at the end of that paragraph;

Insert a new § 1005.73(a)(2)(iv)(D) reading as follows: “Add pro-rata, the portion of the credits calculated under § 1005.56 applicable to the producer milk received; and”;

Renumber existing § 1005.73(a)(2)(iv)(D) as § 1005.73(a)(2)(iv)(E);

Revise existing § 1005.73(b)(3) – insert before “and subtracting from this sum” the following: “add to this sum add the pro-rata portion of the credits calculated under § 1005.56 applicable to the producer milk received and”.

Order 6 - 7 C.F.R. § 1006.56 (new), § 1006.60 preamble revised, § 1006.60(j) (new) and amend § 1006.73(a)(2), and (b)(3):

New § 1006.56

- (a) “Each handler operating a pool distributing plant described in §1007.7(a), (b), (e), or (g) that receives milk from dairy farmers, each handler that transfers or diverts bulk milk from a pool plant to a pool distributing plant, and each handler described in §1000.9(c) that delivers producer milk to a pool distributing plant shall receive an assembly credit on the portion of such milk eligible (“eligible milk”) for the credit pursuant to paragraphs (b) through (d) of this section. The credit shall be computed by multiplying the hundredweight of milk eligible for the credit by \$0.60.
- (b) For purposes of this section, eligible milk means:
 - (1) USDA certified organic milk, certified organic pursuant to 7 U.S.C. §§ 65-1 – 6522 and 7 C.F.R. Part 205;
 - (2) Grass-fed milk, certified as 100% grass-fed by a state or third-party certifier; or
 - (3) A2 milk, milk mostly lacking a form of beta-casein proteins called A1, and instead has mostly the A2 form of beta-casein; and
 - (5) Eligible milk may only receive one credit under paragraph (a) of this section regardless of whether such milk is eligible under more than one of subparagraphs (1) through (4) above.
- (c) If a handler elects to receive a handling credit pursuant to this section on eligible milk, it shall make an annual election no later than July 1 of each year, effective August 1 of that year; provided however, that for the first year that this section is effective or that a handler who first processes and packages eligible milk, such election shall be permitted within 30 days of such date and such election shall be effective beginning the first day of

the month that begins more than 27 days following notice of such election and such election shall be effective until the immediately following July 31.

- (d) The following procedure shall be used to determine the amount of eligible milk that for which a handling credit is applied pursuant to this section:
- (1) At each electing pool distributing plant, determine the aggregate quantity of eligible Class I milk, excluding beginning inventory of packaged fluid milk products;
 - (2) Subtract the quantity of eligible packaged fluid milk products received at the electing pool distributing plant from other pool plants and from nonpool plants if such receipts are assigned to Class I;
 - (3) Subtract the quantity of eligible bulk milk shipped from the electing pool distributing plant to other plants to the extent that such milk is classified as Class I milk;
 - (4) Subtract the quantity of eligible bulk milk received at the electing pool distributing plant from other order plants and unregulated supply plants that is assigned to Class I pursuant to §§1000.43(d) and 1000.44; and
 - (5) Assign the remaining quantity of eligible milk pro rata to physical receipts during the month from:
 - (i) Producers;
 - (ii) Handlers described in §1000.9(c); and
 - (iii) Other pool plants.”
- (e) A handler who has made the election under paragraph (c) of this section shall not be eligible to use the volume of eligible milk to qualify non eligible milk for diversion. This paragraph does not affect the eligibility to divert eligible milk based upon the pounds of eligible milk physically received by the handler.
- (f) A handler who has made the election under paragraph (c) of this section shall not while its annual election is effective be entitled to any payment from the producer-settlement fund under § 1006.72 of the order with respect to any eligible milk.
- (g) An election made pursuant to paragraph (c) of this section shall not affect a handler’s obligation to make payments under §§ 1000.85 and 1000.86 with respect to any eligible milk.
- (h) Any handler making the annual election under paragraph (c) of this section shall make available to the market administrator the books and records necessary to satisfy the market administrator that the milk subject to the election qualifies as eligible milk.
- (i) Any eligible milk subject to a handler election under paragraph (c) of this section shall be treated as other source milk pursuant to § 1000.14 if received by any other handler and packaged and sold as other than eligible milk products.

- (j) As to any handler making the annual election under paragraph (c) of this section, the market administrator may investigate the removal of a producer of eligible milk from an electing handler's monthly report; if the market administrator determines, after investigation and an opportunity to be heard, that an electing handler altered the reporting of such milk for the purpose of evading the provisions of this section or for the purpose of maximizing handling credit, if any, under paragraph (a) of this section, the market administrator may, in his discretion, require that the electing handler instead forego the handling credit otherwise available under this section for the month, for multiple months in that year, or the remainder of the annual election year.

§ 1006.60 preamble – revise at end of first sentence of the preamble, strike “paragraph (f) of this section.” and insert “paragraphs (f) and (j) of this section.”

New § 1006.60(j)” Compute the amount of credits applicable pursuant to § 1006.56.”

Revise existing § 1006.73(a)(2)(iv)(C) by deleting the word “and” at the end of that paragraph;

Insert a new § 1006.73(a)(2)(iv)(D) to read as follows: “Add the pro-rata portion of the credits calculated under § 1006.56 applicable to the producer milk received; and”;

Renumber existing § 1006.73(a)(2)(iv)(D) as § 1006.73(a)(2)(iv)(E);

§ 1006.73(b)(3) – insert before “and subtracting from this sum” “and adding to this sum the pro-rata portion of the credits calculated under § 1006.56 applicable to the producer milk received and”.

Order 7 - 7 C.F.R. § 1007.56 (new), § 1007.60 preamble revised, § 1007.60(h) (new) and amend § 1007.73(a)(2), and (b)(3):

New § 1007.56

- (a) “Each handler operating a pool distributing plant described in §1007.7(a), (b), (e), or (g) that receives milk from dairy farmers, each handler that transfers or diverts bulk milk from a pool plant to a pool distributing plant, and each handler described in §1000.9(c) that delivers producer milk to a pool distributing plant shall receive an assembly credit on the portion of such milk eligible (“eligible milk”) for the credit pursuant to paragraphs (b) through (d) of this section. The credit shall be computed by multiplying the hundredweight of milk eligible for the credit by \$0.60.
- (b) For purposes of this section, eligible milk means:
 - (1) USDA certified organic milk, certified organic pursuant to 7 U.S.C. §§ 65-1 – 6522 and 7 C.F.R. Part 205;
 - (2) Grass-fed milk, certified as 100% grass-fed by a state or third-party certifier; or
 - (3) A2 milk, milk mostly lacking a form of beta-casein proteins called A1, and instead has mostly the A2 form of beta-casein; and

- (5) Eligible milk may only receive one credit under paragraph (a) of this section regardless of whether such milk is eligible under more than one of subparagraphs (1) through (4) above.
- (c) If a handler elects to receive a handling credit pursuant to this section on eligible milk, it shall make an annual election no later than July 1 of each year, effective August 1 of that year; provided however, that for the first year that this section is effective or that a handler who first processes and packages eligible milk, such election shall be permitted within 30 days of such date and such election shall be effective beginning the first day of the month that begins more than 27 days following notice of such election and such election shall be effective until the immediately following July 31.
- (d) The following procedure shall be used to determine the amount of eligible milk that for which a handling credit is applied pursuant to this section:
- (1) At each electing pool distributing plant, determine the aggregate quantity of eligible Class I milk, excluding beginning inventory of packaged fluid milk products;
 - (2) Subtract the quantity of eligible packaged fluid milk products received at the electing pool distributing plant from other pool plants and from nonpool plants if such receipts are assigned to Class I;
 - (3) Subtract the quantity of eligible bulk milk shipped from the electing pool distributing plant to other plants to the extent that such milk is classified as Class I milk;
 - (4) Subtract the quantity of eligible bulk milk received at the electing pool distributing plant from other order plants and unregulated supply plants that is assigned to Class I pursuant to §§1000.43(d) and 1000.44; and
 - (5) Assign the remaining quantity of eligible milk pro rata to physical receipts during the month from:
 - (i) Producers;
 - (ii) Handlers described in §1000.9(c); and
 - (iii) Other pool plants.”
- (e) A handler who has made the election under paragraph (c) of this section shall not be eligible to use the volume of eligible milk to qualify non eligible milk for diversion. This paragraph does not affect the eligibility to divert eligible milk based upon the pounds of eligible milk physically received by the handler.
- (f) A handler who has made the election under paragraph (c) of this section shall not while its annual election is effective be entitled to any payment from the producer-settlement fund under § 1007.72 of the order with respect to any eligible milk.
- (g) An election made pursuant to paragraph (c) of this section shall not affect a handler’s obligation to make payments under §§ 1000.85 and 1000.86 with respect to any eligible milk.

- (h) Any handler making the annual election under paragraph (c) of this section shall make available to the market administrator the books and records necessary to satisfy the market administrator that the milk subject to the election qualifies as eligible milk.
- (i) Any eligible milk subject to a handler election under paragraph (c) of this section shall be treated as other source milk pursuant to § 1000.14 if received by any other handler and packaged and sold as other than eligible milk products.
- (j) As to any handler making the annual election under paragraph (c) of this section, the market administrator may investigate the removal of a producer of eligible milk from an electing handler's monthly report; if the market administrator determines, after investigation and an opportunity to be heard, that an electing handler altered the reporting of such milk for the purpose of evading the provisions of this section or for the purpose of maximizing handling credit, if any, under paragraph (a) of this section, the market administrator may, in his discretion, require that the electing handler instead forego the handling credit otherwise available under this section for the month, for multiple months in that year, or the remainder of the annual election year.

§ 1007.60 preamble – revise at end of first sentence of the preamble, strike “paragraph (f) of this section.” and insert “paragraphs (f) and (h) of this section.”

New § 1007.60(h) “Compute the amount of credits applicable pursuant to § 1007.56.”

Revise § 1007.73(a)(2)(iv)(C) by deleting the word “and” at the end of that paragraph;

Insert a new § 1007.73(a)(2)(iv)(D) to read as follows: “Add pro-rata, the portion of the credits calculated under § 1007.56 applicable to the producer milk received; and”;

And renumber existing § 1007.73(a)(2)(iv)(D) as § 1007.73(a)(2)(iv)(E);

Revise existing § 1007.73(b)(3) – insert before “and subtracting from this sum” “and add to this sum the pro-rata portion of the credits calculated under § 1007.56 applicable to the producer milk received and”.

Order 30 – 7 C.F.R. § 1030.56 (revised), revise § 1030.60(k), and amend § 1030.73(a)(2), (c)(2) and (c)(3):

New § 1030.56

- (a) “Each handler operating a pool distributing plant described in §1001.7(a), (b), (d), or (e) that receives milk from dairy farmers, each handler that transfers or diverts bulk milk from a pool plant to a pool distributing plant, and each handler described in §1000.9(c) that delivers producer milk to a pool distributing plant shall receive a handling credit on the portion of such milk eligible (“eligible milk”) for the credit pursuant to paragraphs (b) through (d) of this section. The credit shall be computed by multiplying the hundredweight of milk eligible for the credit by \$0.60.

- (b) For purposes of this section, eligible milk means:
- (1) USDA certified organic milk, certified organic pursuant to 7 U.S.C. §§ 65-1 – 6522 and 7 C.F.R. Part 205;
 - (2) Grass-fed milk, certified as 100% grass-fed by a state or third-party certifier; or
 - (3) A2 milk, milk mostly lacking a form of beta-casein proteins called A1, and instead has mostly the A2 form of beta-casein; and
 - (5) Eligible milk may only receive one credit under paragraph (a) of this section regardless of whether such milk is eligible under more than one of subparagraphs (1) through (4) above.
- (c) If a handler elects to receive a handling credit pursuant to this section on eligible milk, it shall make an annual election no later than July 1 of each year, effective August 1 of that year; provided however, that for the first year that this section is effective or that a handler who first processes and packages eligible milk, such election shall be permitted within 30 days of such date and such election shall be effective beginning the first day of the month that begins more than 27 days following notice of such election and such election shall be effective until the immediately following July 31.
- (d) The following procedure shall be used to determine the amount of eligible milk that for which a handling credit is applied pursuant to this section:
- (1) At each electing pool distributing plant, determine the aggregate quantity of eligible Class I milk, excluding beginning inventory of packaged fluid milk products;
 - (2) Subtract the quantity of eligible packaged fluid milk products received at the electing pool distributing plant from other pool plants and from nonpool plants if such receipts are assigned to Class I;
 - (3) Subtract the quantity of eligible bulk milk shipped from the electing pool distributing plant to other plants to the extent that such milk is classified as Class I milk;
 - (4) Subtract the quantity of eligible bulk milk received at the electing pool distributing plant from other order plants and unregulated supply plants that is assigned to Class I pursuant to §§1000.43(d) and 1000.44; and
 - (5) Assign the remaining quantity of eligible milk pro rata to physical receipts during the month from:
 - (i) Producers;
 - (ii) Handlers described in §1000.9(c); and
 - (iii) Other pool plants.”
- (e) A handler who has made the election under paragraph (c) of this section shall not be eligible to use the volume of eligible milk to qualify non eligible milk for diversion. This paragraph does not affect the eligibility to divert eligible milk based upon the pounds of eligible milk physically received by the handler.

- (f) A handler who has made the election under paragraph (c) of this section shall not while its annual election is effective be entitled to any payment from the producer-settlement fund under § 1030.72 of the order with respect to any eligible milk.
- (g) An election made pursuant to paragraph (c) of this section shall not affect a handler's obligation to make payments under §§ 1000.85 and 1000.86 with respect to any eligible milk.
- (h) Any handler making the annual election under paragraph (c) of this section shall make available to the market administrator the books and records necessary to satisfy the market administrator that the milk subject to the election qualifies as eligible milk.
- (i) Any eligible milk subject to a handler election under paragraph (c) of this section shall be treated as other source milk pursuant to § 1000.14 if received by any other handler and packaged and sold as other than eligible milk products.
- (j) As to any handler making the annual election under paragraph (c) of this section, the market administrator may investigate the removal of a producer of eligible milk from an electing handler's monthly report; if the market administrator determines, after investigation and an opportunity to be heard, that an electing handler altered the reporting of such milk for the purpose of evading the provisions of this section or for the purpose of maximizing handling credit, if any, under paragraph (a) of this section, the market administrator may, in his discretion, require that the electing handler instead forego the handling credit otherwise available under this section for the month, for multiple months in that year, or the remainder of the annual election year.

Revise § 1030.60(k) by adding “and § 1030.56” after “pursuant to § 1030.55” and before the “.”

§ 1030.73(a)(2) revise by inserting a new “(vi)” and add the following “plus pro-rata, the portion of the credits calculated under § 1030.56 applicable to the producer milk received;”

and renumbering existing (vi), (vii) and (viii) as (vii), (viii) and (ix).

Revise existing § 1030.73(c)(2)(ix) by inserting before the language that presently reads “and from that sum deduct” the following “and to that sum add the pro-rata portion of the credits calculated under § 1030.56 applicable to the producer milk received and”;

Revise existing § 1030.73(c)(3)(vi) by inserting before the language that presently reads “and from that sum deduct” the following “and to that sum add the pro-rata portion of the credits calculated under § 1030.56 applicable to the producer milk received and”.

Order 32 - 7 C.F.R. § 1032.56 (new), § 1032.60 preamble revised, § 1032.60(k) (new) and amend § 1032.73(a)(2), (c)(2) and (c)(3):

New § 1032.56

- (a) “Each handler operating a pool distributing plant described in §1032.7(a), (b), (e), or (i) that receives milk from dairy farmers, each handler that transfers or diverts bulk milk from a pool plant to a pool distributing plant, and each handler described in §1000.9(c) that delivers producer milk to a pool distributing plant shall receive an assembly credit on the portion of such milk eligible (“eligible milk”) for the credit pursuant to paragraphs (b) through (d) of this section. The credit shall be computed by multiplying the hundredweight of milk eligible for the credit by \$0.60.
- (b) For purposes of this section, eligible milk means:
 - (1) USDA certified organic milk, certified organic pursuant to 7 U.S.C. §§ 65-1 – 6522 and 7 C.F.R. Part 205;
 - (2) Grass-fed milk, certified as 100% grass-fed by a state or third-party certifier; or
 - (3) A2 milk, milk mostly lacking a form of beta-casein proteins called A1, and instead has mostly the A2 form of beta-casein; and
 - (5) Eligible milk may only receive one credit under paragraph (a) of this section regardless of whether such milk is eligible under more than one of subparagraphs (1) through (4) above.
- (c) If a handler elects to receive a handling credit pursuant to this section on eligible milk, it shall make an annual election no later than July 1 of each year, effective August 1 of that year; provided however, that for the first year that this section is effective or that a handler who first processes and packages eligible milk, such election shall be permitted within 30 days of such date and such election shall be effective beginning the first day of the month that begins more than 27 days following notice of such election and such election shall be effective until the immediately following July 31.
- (d) The following procedure shall be used to determine the amount of eligible milk that for which a handling credit is applied pursuant to this section:
 - (1) At each electing pool distributing plant, determine the aggregate quantity of eligible Class I milk, excluding beginning inventory of packaged fluid milk products;
 - (2) Subtract the quantity of eligible packaged fluid milk products received at the electing pool distributing plant from other pool plants and from nonpool plants if such receipts are assigned to Class I;
 - (3) Subtract the quantity of eligible bulk milk shipped from the electing pool distributing plant to other plants to the extent that such milk is classified as Class I milk;
 - (4) Subtract the quantity of eligible bulk milk received at the electing pool distributing plant from other order plants and unregulated supply plants that is assigned to Class I pursuant to §§1000.43(d) and 1000.44; and
 - (5) Assign the remaining quantity of eligible milk pro rata to physical receipts during the month from:
 - (i) Producers;

(ii) Handlers described in §1000.9(c); and
(iii) Other pool plants.”

- (e) A handler who has made the election under paragraph (c) of this section shall not be eligible to use the volume of eligible milk to qualify non eligible milk for diversion. This paragraph does not affect the eligibility to divert eligible milk based upon the pounds of eligible milk physically received by the handler.
- (f) A handler who has made the election under paragraph (c) of this section shall not while its annual election is effective be entitled to any payment from the producer-settlement fund under § 1032.72 of the order with respect to any eligible milk.
- (g) An election made pursuant to paragraph (c) of this section shall not affect a handler’s obligation to make payments under §§ 1000.85 and 1000.86 with respect to any eligible milk.
- (h) Any handler making the annual election under paragraph (c) of this section shall make available to the market administrator the books and records necessary to satisfy the market administrator that the milk subject to the election qualifies as eligible milk.
- (i) Any eligible milk subject to a handler election under paragraph (c) of this section shall be treated as other source milk pursuant to § 1000.14 if received by any other handler and packaged and sold as other than eligible milk products.
- (j) As to any handler making the annual election under paragraph (c) of this section, the market administrator may investigate the removal of a producer of eligible milk from an electing handler’s monthly report; if the market administrator determines, after investigation and an opportunity to be heard, that an electing handler altered the reporting of such milk for the purpose of evading the provisions of this section or for the purpose of maximizing handling credit, if any, under paragraph (a) of this section, the market administrator may, in his discretion, require that the electing handler instead forego the handling credit otherwise available under this section for the month, for multiple months in that year, or the remainder of the annual election year.

§ 1032.60 preamble – revise at end of first sentence of the preamble, strike “paragraph (j) of this section.” and insert “paragraphs (j) and (k) of this section.”;

New § 1032.60(k) “Compute the amount of credits applicable pursuant to § 1032.56.”;

§ 1032.73(a)(2) – Insert a new § 1032.73(a)(2)(vi) “Plus the pro-rata portion of the credits calculated under § 1032.56 applicable to the producer milk received.”;

And renumber existing § 1032.73(a)(2)(vi), (vii) and (viii) as § 1032.73(a)(2)(vii), (viii) and (ix);

Revise existing § 1032.73(c)(2)(ix) by inserting before “and from that sum deduct” the following: “and to that sum add the pro-rata portion of the credits calculated under § 1032.56 applicable to the producer milk received and”;

§ 1032.73(c)(3)(vi) by inserting before “and from that sum deduct” the following: “and to that sum add the pro-rata portion of the credits calculated under § 1032.56 applicable to the producer milk received and”.

Order 33 - 7 C.F.R. § 1033.56 (new), § 1033.60 preamble revised, § 1033.60(k) (new) and amend § 1033.73(a)(2), (c)(2) and (c)(3):

New § 1033.56

- (a) “Each handler operating a pool distributing plant described in §1033.7(a), (b), or (j) that receives milk from dairy farmers, each handler that transfers or diverts bulk milk from a pool plant to a pool distributing plant, and each handler described in §1000.9(c) that delivers producer milk to a pool distributing plant shall receive an assembly credit on the portion of such milk eligible (“eligible milk”) for the credit pursuant to paragraphs (b) through (d) of this section. The credit shall be computed by multiplying the hundredweight of milk eligible for the credit by \$0.60.
- (b) For purposes of this section, eligible milk means:
 - (1) USDA certified organic milk, certified organic pursuant to 7 U.S.C. §§ 65-1 – 6522 and 7 C.F.R. Part 205;
 - (2) Grass-fed milk, certified as 100% grass-fed by a state or third-party certifier; or
 - (3) A2 milk, milk mostly lacking a form of beta-casein proteins called A1, and instead has mostly the A2 form of beta-casein; and
 - (5) Eligible milk may only receive one credit under paragraph (a) of this section regardless of whether such milk is eligible under more than one of subparagraphs (1) through (4) above.
- (c) If a handler elects to receive a handling credit pursuant to this section on eligible milk, it shall make an annual election no later than July 1 of each year, effective August 1 of that year; provided however, that for the first year that this section is effective or that a handler who first processes and packages eligible milk, such election shall be permitted within 30 days of such date and such election shall be effective beginning the first day of the month that begins more than 27 days following notice of such election and such election shall be effective until the immediately following July 31.
- (d) The following procedure shall be used to determine the amount of eligible milk that for which a handling credit is applied pursuant to this section:
 - (1) At each electing pool distributing plant, determine the aggregate quantity of eligible Class I milk, excluding beginning inventory of packaged fluid milk products;
 - (2) Subtract the quantity of eligible packaged fluid milk products received at the electing pool distributing plant from other pool plants and from nonpool plants if such receipts are assigned to Class I;

- (3) Subtract the quantity of eligible bulk milk shipped from the electing pool distributing plant to other plants to the extent that such milk is classified as Class I milk;
- (4) Subtract the quantity of eligible bulk milk received at the electing pool distributing plant from other order plants and unregulated supply plants that is assigned to Class I pursuant to §§1000.43(d) and 1000.44; and
- (5) Assign the remaining quantity of eligible milk pro rata to physical receipts during the month from:
 - (i) Producers;
 - (ii) Handlers described in §1000.9(c); and
 - (iii) Other pool plants.”
- (e) A handler who has made the election under paragraph (c) of this section shall not be eligible to use the volume of eligible milk to qualify non eligible milk for diversion. This paragraph does not affect the eligibility to divert eligible milk based upon the pounds of eligible milk physically received by the handler.
- (f) A handler who has made the election under paragraph (c) of this section shall not while its annual election is effective be entitled to any payment from the producer-settlement fund under § 1033.72 of the order with respect to any eligible milk.
- (g) An election made pursuant to paragraph (c) of this section shall not affect a handler’s obligation to make payments under §§ 1000.85 and 1000.86 with respect to any eligible milk.
- (h) Any handler making the annual election under paragraph (c) of this section shall make available to the market administrator the books and records necessary to satisfy the market administrator that the milk subject to the election qualifies as eligible milk.
- (i) Any eligible milk subject to a handler election under paragraph (c) of this section shall be treated as other source milk pursuant to § 1000.14 if received by any other handler and packaged and sold as other than eligible milk products.
- (j) As to any handler making the annual election under paragraph (c) of this section, the market administrator may investigate the removal of a producer of eligible milk from an electing handler’s monthly report; if the market administrator determines, after investigation and an opportunity to be heard, that an electing handler altered the reporting of such milk for the purpose of evading the provisions of this section or for the purpose of maximizing handling credit, if any, under paragraph (a) of this section, the market administrator may, in his discretion, require that the electing handler instead forego the handling credit otherwise available under this section for the month, for multiple months in that year, or the remainder of the annual election year.

§ 1033.60 preamble – revise at end of first sentence of the preamble, strike “paragraph (j) of this section.” and insert “paragraphs (j) and (k) of this section.”

New § 1033.60(k) “Compute the amount of credits applicable pursuant to § 1033.56.”

§ 1033.73(a)(2) – Insert a new § 1033.73(a)(2)(vi) “Plus pro-rata, the portion of the credits calculated under § 1033.56 applicable to the producer milk received;”;

And renumber existing § 1033.73(a)(2)(vi), (vii) and (viii) as § 1033.73(a)(2)(vii), (viii) and (ix);

Revise existing § 1001.73(b)(3)(ix) by inserting before “and from that sum deduct” the following: “and to that sum add the pro-rata portion of the credits calculated under § 1033.56 applicable to the producer milk received and”.

Order 51 – 7 C.F.R. § 1051.56 (new), § 1033.60 preamble revised, § 1033.60(j) (new) and amend § 1033.73(a)(2), (c)(2) and (c)(3):

New § 1051.56

- (a) “Each handler operating a pool distributing plant described in §1051.7(a), (b), (d), or (f) that receives milk from dairy farmers, each handler that transfers or diverts bulk milk from a pool plant to a pool distributing plant, and each handler described in §1000.9(c) that delivers producer milk to a pool distributing plant shall receive an assembly credit on the portion of such milk eligible (“eligible milk”) for the credit pursuant to paragraphs (b) through (d) of this section. The credit shall be computed by multiplying the hundredweight of milk eligible for the credit by \$0.60.
- (b) For purposes of this section, eligible milk means:
 - (1) USDA certified organic milk, certified organic pursuant to 7 U.S.C. §§ 65-1 – 6522 and 7 C.F.R. Part 205;
 - (2) Grass-fed milk, certified as 100% grass-fed by a state or third-party certifier; or
 - (3) A2 milk, milk mostly lacking a form of beta-casein proteins called A1, and instead has mostly the A2 form of beta-casein; and
 - (5) Eligible milk may only receive one credit under paragraph (a) of this section regardless of whether such milk is eligible under more than one of subparagraphs (1) through (4) above.
- (c) If a handler elects to receive a handling credit pursuant to this section on eligible milk, it shall make an annual election no later than July 1 of each year, effective August 1 of that year; provided however, that for the first year that this section is effective or that a handler who first processes and packages eligible milk, such election shall be permitted within 30 days of such date and such election shall be effective beginning the first day of the month that begins more than 27 days following notice of such election and such election shall be effective until the immediately following July 31.
- (d) The following procedure shall be used to determine the amount of eligible milk that for which a handling credit is applied pursuant to this section:

- (1) At each electing pool distributing plant, determine the aggregate quantity of eligible Class I milk, excluding beginning inventory of packaged fluid milk products;
 - (2) Subtract the quantity of eligible packaged fluid milk products received at the electing pool distributing plant from other pool plants and from nonpool plants if such receipts are assigned to Class I;
 - (3) Subtract the quantity of eligible bulk milk shipped from the electing pool distributing plant to other plants to the extent that such milk is classified as Class I milk;
 - (4) Subtract the quantity of eligible bulk milk received at the electing pool distributing plant from other order plants and unregulated supply plants that is assigned to Class I pursuant to §§1000.43(d) and 1000.44; and
 - (5) Assign the remaining quantity of eligible milk pro rata to physical receipts during the month from:
 - (i) Producers;
 - (ii) Handlers described in §1000.9(c); and
 - (iii) Other pool plants.”
- (e) A handler who has made the election under paragraph (c) of this section shall not be eligible to use the volume of eligible milk to qualify non eligible milk for diversion. This paragraph does not affect the eligibility to divert eligible milk based upon the pounds of eligible milk physically received by the handler.
- (f) A handler who has made the election under paragraph (c) of this section shall not while its annual election is effective be entitled to any payment from the producer-settlement fund under § 1001.72 of the order with respect to any eligible milk.
- (g) An election made pursuant to paragraph (c) of this section shall not affect a handler’s obligation to make payments under §§ 1000.85 and 1000.86 with respect to any eligible milk.
- (h) Any handler making the annual election under paragraph (c) of this section shall make available to the market administrator the books and records necessary to satisfy the market administrator that the milk subject to the election qualifies as eligible milk.
- (i) Any eligible milk subject to a handler election under paragraph (c) of this section shall be treated as other source milk pursuant to § 1000.14 if received by any other handler and packaged and sold as other than eligible milk products.
- (j) As to any handler making the annual election under paragraph (c) of this section, the market administrator may investigate the removal of a producer of eligible milk from an electing handler’s monthly report; if the market administrator determines, after investigation and an opportunity to be heard, that an electing handler altered the reporting of such milk for the purpose of evading the provisions of this section or for the purpose of maximizing handling credit, if any, under paragraph (a) of this section, the market

administrator may, in his discretion, require that the electing handler instead forego the handling credit otherwise available under this section for the month, for multiple months in that year, or the remainder of the annual election year.

§ 1051.60 preamble – NOTE - the existing preamble presently includes a reference to a 1051.60(j) although there is not yet such a subparagraph, we are proposing adoption of that below so there appears to be no need to amend the preamble.

New § 1051.60(j) “Compute the amount of credits applicable pursuant to § 1051.56.”

§ 1051.73(a)(2) – Insert a new § 1033.73(a)(2)(v) “Plus the pro-rata portion of the credits calculated under § 1051.56 applicable to the producer milk received;”

And renumber § 1051.73(a)(2)(v), (vi), (vii) and (viii) as § 1033.73(a)(2)(vi), (vii), (viii) and (ix);

§ 1051.73(c)(2) revise by deleting “and” after “(vii)”, insert a new “(viii)” and add the following “Plus the pro-rata portion of the credits calculated under § 1051.56 applicable to the producer milk received; and”; and renumber “(viii)” as “(ix)” replacing in that subparagraph “(vii)” with “(viii)”;

§ 1051.73(c)(3) revise by deleting “and” after “(iv)”, insert a new “(v)” and add the following “Plus the pro-rata portion of the credits calculated under § 1051.56 applicable to the producer milk received; and”; and renumber “(v)” as “(vi)” replacing in that subparagraph “(v)” with “(vi)”.

Order 124 – 7 C.F.R. § 1124.56 (new), § 1124.60 preamble revised, § 1124.60(j) (new) and amend § 1124.73(a)(2), (c)(2) and (c)(3):

New § 1124.56

- (a) “Each handler operating a pool distributing plant described in §1124.7(a), (b), or (e) that receives milk from dairy farmers, each handler that transfers or diverts bulk milk from a pool plant to a pool distributing plant, and each handler described in §1000.9(c) that delivers producer milk to a pool distributing plant shall receive an assembly credit on the portion of such milk eligible (“eligible milk”) for the credit pursuant to paragraphs (b) through (d) of this section. The credit shall be computed by multiplying the hundredweight of milk eligible for the credit by \$0.60.
- (b) For purposes of this section, eligible milk means:
 - (1) USDA certified organic milk, certified organic pursuant to 7 U.S.C. §§ 65-1 – 6522 and 7 C.F.R. Part 205;
 - (2) Grass-fed milk, certified as 100% grass-fed by a state or third-party certifier; or

- (3) A2 milk, milk mostly lacking a form of beta-casein proteins called A1, and instead has mostly the A2 form of beta-casein; and
 - (5) Eligible milk may only receive one credit under paragraph (a) of this section regardless of whether such milk is eligible under more than one of subparagraphs (1) through (4) above.
- (c) If a handler elects to receive a handling credit pursuant to this section on eligible milk, it shall make an annual election no later than July 1 of each year, effective August 1 of that year; provided however, that for the first year that this section is effective or that a handler who first processes and packages eligible milk, such election shall be permitted within 30 days of such date and such election shall be effective beginning the first day of the month that begins more than 27 days following notice of such election and such election shall be effective until the immediately following July 31.
- (d) The following procedure shall be used to determine the amount of eligible milk that for which a handling credit is applied pursuant to this section:
- (1) At each electing pool distributing plant, determine the aggregate quantity of eligible Class I milk, excluding beginning inventory of packaged fluid milk products;
 - (2) Subtract the quantity of eligible packaged fluid milk products received at the electing pool distributing plant from other pool plants and from nonpool plants if such receipts are assigned to Class I;
 - (3) Subtract the quantity of eligible bulk milk shipped from the electing pool distributing plant to other plants to the extent that such milk is classified as Class I milk;
 - (4) Subtract the quantity of eligible bulk milk received at the electing pool distributing plant from other order plants and unregulated supply plants that is assigned to Class I pursuant to §§1000.43(d) and 1000.44; and
 - (5) Assign the remaining quantity of eligible milk pro rata to physical receipts during the month from:
 - (i) Producers;
 - (ii) Handlers described in §1000.9(c); and
 - (iii) Other pool plants.”
- (e) A handler who has made the election under paragraph (c) of this section shall not be eligible to use the volume of eligible milk to qualify non eligible milk for diversion. This paragraph does not affect the eligibility to divert eligible milk based upon the pounds of eligible milk physically received by the handler.
- (f) A handler who has made the election under paragraph (c) of this section shall not while its annual election is effective be entitled to any payment from the producer-settlement fund under § 1124.72 of the order with respect to any eligible milk.

- (g) An election made pursuant to paragraph (c) of this section shall not affect a handler's obligation to make payments under §§ 1000.85 and 1000.86 with respect to any eligible milk.
- (h) Any handler making the annual election under paragraph (c) of this section shall make available to the market administrator the books and records necessary to satisfy the market administrator that the milk subject to the election qualifies as eligible milk.
- (i) Any eligible milk subject to a handler election under paragraph (c) of this section shall be treated as other source milk pursuant to § 1000.14 if received by any other handler and packaged and sold as other than eligible milk products.
- (j) As to any handler making the annual election under paragraph (c) of this section, the market administrator may investigate the removal of a producer of eligible milk from an electing handler's monthly report; if the market administrator determines, after investigation and an opportunity to be heard, that an electing handler altered the reporting of such milk for the purpose of evading the provisions of this section or for the purpose of maximizing handling credit, if any, under paragraph (a) of this section, the market administrator may, in his discretion, require that the electing handler instead forego the handling credit otherwise available under this section for the month, for multiple months in that year, or the remainder of the annual election year.

§ 1124.60 preamble – revise at end of first sentence of the preamble, strike “paragraph (i) of this section.” and insert “paragraphs (i) and (j) of this section.”

New § 1124.60(j) “Compute the amount of credits applicable pursuant to § 1124.56.”

§ 1124.73(a)(2) – Insert a new § 1124.73(a)(2)(v) “Plus the pro-rata portion of the credits calculated under § 1124.56 applicable to the producer milk received; and”;

And renumber existing § 1124.73(a)(2)(v), (vi) and (vii) as § 1124.73(a)(2)(vi), (vii) and (viii);

§ 1124.73(c)(2) revise by deleting “and” after “(vii)”, insert a new “(viii)” and the following “Plus the pro-rata portion of the credits calculated under § 1124.56 applicable to the producer milk received; and”; and renumber “(viii)” as “(ix)” replacing in that subparagraph “(vii)” with “(viii)”.

§ 1124.73(c)(3) revise by deleting “and” after “(iv)”, insert a new “(v)” and the following “Plus the pro-rata portion of the credits calculated under § 1124.56 applicable to the producer milk received; and”; and renumber “(v)” as “(vi)” replacing in that subparagraph “(iv)” with “(v)”.

Order 126 – 7 C.F.R. § 1126.56 (new), § 1126.60 preamble revised, § 1126.60(k) (new) and amend § 1126.73(a)(2) and (b)(3):

New § 1126.56

- (a) “Each handler operating a pool distributing plant described in §1126.7(a), (b), (e) or (h) that receives milk from dairy farmers, each handler that transfers or diverts bulk milk from a pool plant to a pool distributing plant, and each handler described in §1000.9(c) that delivers producer milk to a pool distributing plant shall receive an assembly credit on the portion of such milk eligible (“eligible milk”) for the credit pursuant to paragraphs (b) through (d) of this section. The credit shall be computed by multiplying the hundredweight of milk eligible for the credit by \$0.60.
- (b) For purposes of this section, eligible milk means:
 - (1) USDA certified organic milk, certified organic pursuant to 7 U.S.C. §§ 65-1 – 6522 and 7 C.F.R. Part 205;
 - (2) Grass-fed milk, certified as 100% grass-fed by a state or third-party certifier; or
 - (3) A2 milk, milk mostly lacking a form of beta-casein proteins called A1, and instead has mostly the A2 form of beta-casein; and
 - (5) Eligible milk may only receive one credit under paragraph (a) of this section regardless of whether such milk is eligible under more than one of subparagraphs (1) through (4) above.
- (c) If a handler elects to receive a handling credit pursuant to this section on eligible milk, it shall make an annual election no later than July 1 of each year, effective August 1 of that year; provided however, that for the first year that this section is effective or that a handler who first processes and packages eligible milk, such election shall be permitted within 30 days of such date and such election shall be effective beginning the first day of the month that begins more than 27 days following notice of such election and such election shall be effective until the immediately following July 31.
- (d) The following procedure shall be used to determine the amount of eligible milk that for which a handling credit is applied pursuant to this section:
 - (1) At each electing pool distributing plant, determine the aggregate quantity of eligible Class I milk, excluding beginning inventory of packaged fluid milk products;
 - (2) Subtract the quantity of eligible packaged fluid milk products received at the electing pool distributing plant from other pool plants and from nonpool plants if such receipts are assigned to Class I;
 - (3) Subtract the quantity of eligible bulk milk shipped from the electing pool distributing plant to other plants to the extent that such milk is classified as Class I milk;
 - (4) Subtract the quantity of eligible bulk milk received at the electing pool distributing plant from other order plants and unregulated supply plants that is assigned to Class I pursuant to §§1000.43(d) and 1000.44; and
 - (5) Assign the remaining quantity of eligible milk pro rata to physical receipts during the month from:

(i) Producers;

- (ii) Handlers described in §1000.9(c); and
- (iii) Other pool plants.”

- (e) A handler who has made the election under paragraph (c) of this section shall not be eligible to use the volume of eligible milk to qualify non eligible milk for diversion. This paragraph does not affect the eligibility to divert eligible milk based upon the pounds of eligible milk physically received by the handler.
- (f) A handler who has made the election under paragraph (c) of this section shall not while its annual election is effective be entitled to any payment from the producer-settlement fund under § 1126.72 of the order with respect to any eligible milk.
- (g) An election made pursuant to paragraph (c) of this section shall not affect a handler’s obligation to make payments under §§ 1000.85 and 1000.86 with respect to any eligible milk.
- (h) Any handler making the annual election under paragraph (c) of this section shall make available to the market administrator the books and records necessary to satisfy the market administrator that the milk subject to the election qualifies as eligible milk.
- (i) Any eligible milk subject to a handler election under paragraph (c) of this section shall be treated as other source milk pursuant to § 1000.14 if received by any other handler and packaged and sold as other than eligible milk products.
- (j) As to any handler making the annual election under paragraph (c) of this section, the market administrator may investigate the removal of a producer of eligible milk from an electing handler’s monthly report; if the market administrator determines, after investigation and an opportunity to be heard, that an electing handler altered the reporting of such milk for the purpose of evading the provisions of this section or for the purpose of maximizing handling credit, if any, under paragraph (a) of this section, the market administrator may, in his discretion, require that the electing handler instead forego the handling credit otherwise available under this section for the month, for multiple months in that year, or the remainder of the annual election year.

§ 1126.60 preamble – revise at end of first sentence of the preamble, strike “paragraph (j) of this section.” and insert “paragraphs (j) and (k) of this section.”

New § 1126.60(k) “Compute the amount of credits applicable pursuant to § 1126.55.”

Revise existing § 1126.73(a)(2)(vi) by deleting “and” after 1126.73(a)(2)(vi)(C) and insert a new § 1126.73(a)(2)(vi)(D) “Plus the pro-rata portion of the credits calculated under § 1126.55 applicable to the producer milk received; and”;

And renumber existing § 1126.73(a)(2)(vi)(D) as § 1126.73(a)(2)(vi)(E);

Revise existing § 1126.73(b)(3)(ix) revise by adding at the end at the end of the only sentence before the “.” the following: “and add the pro-rata portion of the credits calculated under § 1126.55 applicable to the producer milk received”.

Order 131 – 7 C.F.R. § 1131.56 (new), § 1131.60 preamble revised, § 1131.60(g) (new) and amend § 1131.73(a)(2) and (b)(3):

New § 1131.56

- (a) “Each handler operating a pool distributing plant described in § 1131.7(a), (b), (e) or (h) that receives milk from dairy farmers, each handler that transfers or diverts bulk milk from a pool plant to a pool distributing plant, and each handler described in § 1000.9(c) that delivers producer milk to a pool distributing plant shall receive an assembly credit on the portion of such milk eligible (“eligible milk”) for the credit pursuant to paragraphs (b) through (d) of this section. The credit shall be computed by multiplying the hundredweight of milk eligible for the credit by \$0.60.
- (b) For purposes of this section, eligible milk means:
 - (1) USDA certified organic milk, certified organic pursuant to 7 U.S.C. §§ 65-1 – 6522 and 7 C.F.R. Part 205;
 - (2) Grass-fed milk, certified as 100% grass-fed by a state or third-party certifier; or
 - (3) A2 milk, milk mostly lacking a form of beta-casein proteins called A1, and instead has mostly the A2 form of beta-casein; and
 - (5) Eligible milk may only receive one credit under paragraph (a) of this section regardless of whether such milk is eligible under more than one of subparagraphs (1) through (4) above.
- (c) If a handler elects to receive a handling credit pursuant to this section on eligible milk, it shall make an annual election no later than July 1 of each year, effective August 1 of that year; provided however, that for the first year that this section is effective or that a handler who first processes and packages eligible milk, such election shall be permitted within 30 days of such date and such election shall be effective beginning the first day of the month that begins more than 27 days following notice of such election and such election shall be effective until the immediately following July 31.
- (d) The following procedure shall be used to determine the amount of eligible milk that for which a handling credit is applied pursuant to this section:
 - (1) At each electing pool distributing plant, determine the aggregate quantity of eligible Class I milk, excluding beginning inventory of packaged fluid milk products;
 - (2) Subtract the quantity of eligible packaged fluid milk products received at the electing pool distributing plant from other pool plants and from nonpool plants if such receipts are assigned to Class I;
 - (3) Subtract the quantity of eligible bulk milk shipped from the electing pool distributing plant to other plants to the extent that such milk is classified as Class I milk;

- (4) Subtract the quantity of eligible bulk milk received at the electing pool distributing plant from other order plants and unregulated supply plants that is assigned to Class I pursuant to §§1000.43(d) and 1000.44; and
- (5) Assign the remaining quantity of eligible milk pro rata to physical receipts during the month from:
 - (i) Producers;
 - (ii) Handlers described in §1000.9(c); and
 - (iii) Other pool plants.”
- (e) A handler who has made the election under paragraph (c) of this section shall not be eligible to use the volume of eligible milk to qualify non eligible milk for diversion. This paragraph does not affect the eligibility to divert eligible milk based upon the pounds of eligible milk physically received by the handler.
- (f) A handler who has made the election under paragraph (c) of this section shall not while its annual election is effective be entitled to any payment from the producer-settlement fund under § 1131.72 of the order with respect to any eligible milk.
- (g) An election made pursuant to paragraph (c) of this section shall not affect a handler’s obligation to make payments under §§ 1000.85 and 1000.86 with respect to any eligible milk.
- (h) Any handler making the annual election under paragraph (c) of this section shall make available to the market administrator the books and records necessary to satisfy the market administrator that the milk subject to the election qualifies as eligible milk.
- (i) Any eligible milk subject to a handler election under paragraph (c) of this section shall be treated as other source milk pursuant to § 1000.14 if received by any other handler and packaged and sold as other than eligible milk products.
- (j) As to any handler making the annual election under paragraph (c) of this section, the market administrator may investigate the removal of a producer of eligible milk from an electing handler’s monthly report; if the market administrator determines, after investigation and an opportunity to be heard, that an electing handler altered the reporting of such milk for the purpose of evading the provisions of this section or for the purpose of maximizing handling credit, if any, under paragraph (a) of this section, the market administrator may, in his discretion, require that the electing handler instead forego the handling credit otherwise available under this section for the month, for multiple months in that year, or the remainder of the annual election year.

§ 1131.60 preamble – revise at end of first sentence of the preamble, strike “paragraph (f) of this section.” and insert “paragraphs (f) and (g) of this section.”

New § 1131.60(g) “Compute the amount of credits applicable pursuant to § 1131.56.”

Revise existing § 1131.73(a)(2) by deleting “and” after 1131.73(a)(2)(iv)(C) and inserting a new § 1131.73(a)(2)(iv)(D) that reads as follows: “Add pro-rata, the portion of the credits calculated under § 1131.56 applicable to the producer milk received; and”;

And renumber existing § 1131.73(a)(2)(iv)(D) as § 1131.73(a)(2)(iv)(E);

Revise existing § 1131.73(b)(3) by inserting before the existing language “and subtracting from this sum,” the following - “and adding to that sum, the pro-rata portion of the credits calculated under § 1131.56 applicable to the producer milk received and”.

EXHIBIT E

MIG Proposal 5 – Update ESL Shrinkage

This proposal amends 7 C.F.R. § 1000.43 as follows. **Additions are red font. Deletions are red strikethrough font.**

§ 1000.43 General classification rules.

In determining the classification of producer milk pursuant to § 1000.44, the following rules shall apply:

- (a) Each month the market administrator shall correct for mathematical and other obvious errors all reports filed pursuant to § __.30 of each Federal milk order and shall compute separately for each pool plant, for each handler described in § 1000.9(c) and § 1135.11 of this chapter, the pounds of skim milk and butterfat, respectively, in each class in accordance with §§ 1000.40 and 1000.42, and paragraph (b) of this section.
- (b) Shrinkage and Overage. For purposes of classifying all milk reported by a handler pursuant to § __.30 of each Federal milk order the market administrator shall determine the shrinkage or overage of skim milk and butterfat for each pool plant and each handler described in § 1000.9(c) and § 1135.11 of this chapter by subtracting total utilization from total receipts. Any positive difference shall be shrinkage, and any negative difference shall be overage.
 - (1) Shrinkage incurred by pool plants qualified pursuant to § __.7 of any Federal milk order shall be assigned to the lowest-priced class to the extent that such shrinkage does not exceed:
 - (i) Two percent, **except for a pool plant qualified pursuant to § __.7(b) of any Federal milk order and any partially regulated distributing plant to the extent it processes ultra-pasteurized or aseptically-processed fluid milk and cream products two percent plus any additional percentage calculated pursuant to § 1000.43(b)(1)(v), of the total quantity of milk physically received at the plant directly from producers' farms on the basis of farm weights and tests;**
 - (ii) Plus 1.5 percent, **except for a pool plant qualified pursuant to § __.7(b) or any partially regulated distributing plant to the extent it processes ultra-pasteurized or aseptically-processed fluid milk and cream products, of any Federal milk order 1.5 percent plus any additional percentage calculated pursuant to § 1000.43(b)(1)(v), of the quantity of bulk milk physically received on a basis other than farm weights and tests, excluding concentrated milk received by agreement for other than Class I use;**
 - (iii) Plus .5 percent, **except for a pool plant qualified pursuant to § __.7(b) or any partially regulated distributing plant to the extent it processes ultra-pasteurized or aseptically-processed fluid milk and cream products, of any Federal milk order .5 percent plus any additional percentage calculated pursuant to § 1000.43(b)(1)(v), of the quantity of milk diverted by the plant operator to another plant on a basis other than farm weights and tests; and**

- (iv) Minus 1.5 percent of the quantity of bulk milk transferred to other plants, excluding concentrated milk transferred by agreement for other than Class I use.
 - (v) The additional percentage to be added pursuant to subparagraphs (i), (ii) and (iii) for a pool plant qualified pursuant to § __.7(b) of any Federal milk order and any partially regulated distributing plant to the extent it processes ultra-pasteurized or aseptically-processed fluid milk and cream products is the percentage of ultra-pasteurized or aseptically-processed fluid milk and cream products of the total fluid milk and cream products produced by the plant during the month times .03, rounded to the nearest tenth of a percent.
- (2) A handler described in § 1000.9(c) or § 1135.11 of this chapter that delivers milk to plants on a basis other than farm weights and tests shall receive a lowest-priced-class shrinkage allowance of .5 percent of the total quantity of such milk picked up at producers' farms.
 - (3) Shrinkage in excess of the amounts provided in paragraphs (b)(1) and (2) of this section shall be assigned to existing utilization in series starting with Class I. The shrinkage assigned pursuant to this paragraph shall be added to the handler's reported utilization and the result shall be known as the gross utilization in each class.
- (c) If any of the water but none of the nonfat solids contained in the milk from which a product is made is removed before the product is utilized or disposed of by the handler, the pounds of skim milk in such product that are to be considered under this part as used or disposed of by the handler shall be an amount equivalent to the nonfat milk solids contained in such product plus all of the water originally associated with such solids. If any of the nonfat solids contained in the milk from which a product is made are removed before the product is utilized or disposed of by the handler, the pounds of skim milk in such product that are to be considered under this part as used or disposed of by the handler shall be an amount equivalent to the nonfat milk solids contained in such product plus all of the water and nonfat solids originally associated with such solids determined on a protein equivalent basis.
 - (d) Skim milk and butterfat contained in receipts of bulk concentrated fluid milk and nonfluid milk products that are reconstituted for fluid use shall be assigned to Class I use, up to the reconstituted portion of labeled reconstituted fluid milk products, on a pro rata basis (except for any Class I use of specific concentrated receipts that is established by the handler) prior to any assignments under § 1000.44. Any remaining skim milk and butterfat in concentrated receipts shall be assigned to uses under § 1000.44 on a pro rata basis, unless a specific use of such receipts is established by the handler.

EXHIBIT F

MIG Proposal 6 – USDA Certified Organic Milk Exemption from Pool Obligation

This proposal amends 7 C.F.R. § 1000 as follows. **Additions are red font. Deletions are red strikethrough font.**

§ 1000.14 Other source milk.

(d) Receipts of any USDA certified organic milk not used to produce USDA certified organic products.

§ 1000.15 Fluid milk product.

(b) The term fluid milk product shall not include.

- (1) Any product that contains less than 6.5 percent nonfat milk solids and contains less than 2.25 percent true milk protein; whey; plain or sweetened evaporated milk/skim milk; sweetened condensed milk/skim milk; yogurt containing beverages with 20 or more percent yogurt by weight and kefir; products especially prepared for infant feeding or dietary use (meal replacement) that are packaged in hermetically sealed containers; and products that meet the compositional standards specified in paragraph (a) of this section but contain no fluid milk products included in paragraph (a) of this section
- (2) The quantity of skim milk equivalent in any modified product specified in paragraph (a) of this section that is greater than an equal volume of an unmodified product of the same nature and butterfat content.
- (3) Any USDA certified organic product meeting the requirements specified in paragraph (a) of this section and §1000.50(r).**

§ 1000.16 Fluid cream product.

Fluid cream product means cream (other than plastic cream or frozen cream), including sterilized cream, or a mixture of cream and milk or skim milk containing 9 percent or more butterfat, with or without the addition of other ingredients. **The term fluid cream product shall not include USDA certified organic products and that meet the requirements §1000.50(r).**

§ 1000.20 USDA Certified Organic Milk.

USDA certified organic milk means milk that has been certified organic pursuant to 7 U.S.C. §6501 *et seq.* and 7 C.F.R. §205 *et seq.*

§ 1000.50 Class prices, component prices, and advanced pricing factors.

(r) *USDA Certified Organic Milk.* All USDA Certified Organic Milk that receives a producer pay price which meets or exceeds the Class I price defined under subparts (a) – (c) of this Section shall be excluded from mandatory pooling and exempt from the producer-settlement fund payments of a handler under §1000.70 so long as each of the handler’s payments to producers, dairy farmers, and cooperative associations for USDA certified organic milk satisfies the price requirement.



1400 Independence Avenue, SW
Room 2530-S, STOP 0225
Washington, D.C. 20250-0225

July 24, 2023

Mr. Charles M. English, Jr.
Ms. Ashley L. Vulin
Davis Wright Tremaine LLP
Suite 3300
920 Fifth Avenue
Seattle, WA 98104-1610

Dear Mr. English and Ms. Vulin:

This letter is in reply to Milk Innovation Group's (MIG) proposals submitted in response to a Request for Additional Proposals relating to the pricing provisions of the Federal milk marketing order (FMMO) program. USDA received MIG's six proposals on June 14, 2023, and subsequent modifications on June 20, 2023.

A Hearing Notice has been published in the Federal Register announcing a hearing will convene at 9:00 a.m. ET on Wednesday, August 23, 2023, at 502 East Event Centre in Carmel, Indiana. Testimony and evidence will be taken on the following proposals submitted by MIG:

- Proposal 1 to adopt an average-of plus rolling adjuster for the base Class I skim milk price; and
- Proposal 2 to update the base Class I differential from \$1.60 to \$0.00.

We encourage MIG to participate in the hearing to provide evidence regarding why your proposals should be adopted. Please refer to the Hearing website (www.ams.usda.gov/rules-regulations/moa/dairy/hearings/national-fmmo-pricing-hearing) for full information on how to participate.

The Secretary has determined the hearing will be limited in scope to amendments directly impacting the uniform pricing formulas used in FMMOs. USDA received several proposals that did not relate directly to the uniform FMMO pricing formulas and have been determined to be beyond the scope of the upcoming rulemaking. Not including the proposals in this rulemaking proceeding does not prevent MIG from offering the proposals for consideration in a separate rulemaking proceeding. Requirements for submitting a proposal are outlined in 7 CFR 900.22 and are outlined at www.ams.usda.gov/sites/default/files/media/DairyMarketingOrderAmendmentBrochure.pdf.

Mr. English/Ms. Vulin

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Regarding proposals submitted by MIG specifically, the following will not be considered at this time:

Proposal 3 and Proposal 4

Proposals 3 and 4 seek to adopt amendments that would provide direct financial incentives to producers for supplying Class I plants. Proposal 3 aims to establish a nationwide assembly credit to Class I handlers against their pool obligation that would be paid to the plants' dairy farmers suppliers. Proposal 4 would establish a handler balancing credit, payable to producers who supply specialty fluid milk (e.g., A-2, grass-fed, organic) to Class I plants. These proposals do not seek to amend the uniform FMMO pricing formulas. Rather, these proposals seek to redirect part of the handler minimum classified milk price to those dairy farmers who supply the Class I handler. Accordingly, these proposals do not fall within the scope of this hearing and will not be heard at this time.

Proposal 5

Proposal 5 seeks to increase the amount of allowable extended shelf-life shrinkage and consequently the amount of milk that can be priced at the lowest classified price for the month. As this change does not seek to amend the uniform FMMO pricing formulas, the proposal does not fall within the scope of this hearing and will not be heard at this time.

Proposal 6

Proposal 6 seeks to exempt organic milk from FMMO pricing and pooling provisions if it is priced above the Class I minimum price. As this change does not seek to amend the uniform FMMO pricing formulas, the proposal does not fall within the scope of this hearing and will not be heard at this time.

Thank you for your interest in the FMMO program. We look forward to your participation in the rulemaking process.

Sincerely,

Dana H. Coale

Dana H. Coale
Deputy Administrator
USDA-AMS-Dairy Program

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

Aurora Organic Dairy Corporation

(b) County of Residence of First Listed Plaintiff (EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)

Ashley Vulin, Charles English, Chris Swift
Davis Wright Tremaine LLP, 560 SW 10th Avenue, Ste 700, Portland, OR, 97205, (503) 241-2300

DEFENDANTS

Brooke C. Rollins, in her official capacity as Secretary of Agriculture; and United States Department of Agriculture

County of Residence of First Listed Defendant (IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff
3 Federal Question (U.S. Government Not a Party)
2 U.S. Government Defendant
4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- Citizen of This State
Citizen of Another State
Citizen or Subject of a Foreign Country
PTF DEF
1 1 Incorporated or Principal Place of Business In This State
2 2 Incorporated and Principal Place of Business In Another State
3 3 Foreign Nation
4 4
5 5
6 6

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Table with 5 columns: CONTRACT, REAL PROPERTY, TORTS, CIVIL RIGHTS, PRISONER PETITIONS, FORFEITURE/PENALTY, LABOR, IMMIGRATION, BANKRUPTCY, SOCIAL SECURITY, FEDERAL TAX SUITS, OTHER STATUTES. Includes various legal categories like Insurance, Motor Vehicle, Personal Injury, etc.

V. ORIGIN (Place an "X" in One Box Only)

- 1 Original Proceeding
2 Removed from State Court
3 Remanded from Appellate Court
4 Reinstated or Reopened
5 Transferred from Another District
6 Multidistrict Litigation

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity): 7 U.S.C. § 608c(5)

Brief description of cause: Challenges USDA's Federal Milk Marketing Order

AP Docket

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. DEMAND \$

CHECK YES only if demanded in complaint: JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE

DOCKET NUMBER

DATE 04/24/2026 SIGNATURE OF ATTORNEY OF RECORD s/ Chris Swift

FOR OFFICE USE ONLY

RECEIPT # AMOUNT APPLYING IFP JUDGE MAG. JUDGE