

**§ 1124.62 Computation of producer other solids price.**

The producer other solids price shall be computed by the market administrator each month as follows:

(a) Combine into one total the value computed pursuant to § 1124.60 (a) through (c) and (f) through (n) for all handlers who filed the reports prescribed by § 1124.30 for the month and who made the payments pursuant to § 1124.71 for the preceding month;

(b) Add an amount equal to not less than one-half of the unobligated balance in the producer-settlement fund;

(c) Divide the resulting amount by the total pounds of other solids in producer milk; and

(d) Subtract not less than 4 cents per hundredweight nor more than 5 cents per hundredweight of the total pounds of milk used in § 1124.61(c).

11. Revise § 1124.63 to read as follows:

**§ 1124.63 Announcement of producer prices.**

On or before the 14th day after the end of each month, the market administrator shall announce the following prices and information:

- (a) The protein price;
- (b) The other solids price;
- (c) The producer other solids price;
- (d) The butterfat price;
- (e) The average protein test and other solids test of producer milk; and
- (f) The statistical uniform price for milk containing 3.5 percent butterfat.

12. Amend § 1124.71 by revising paragraph (b)(3) to read as follows:

**§ 1124.71 Payments to the producer-settlement fund.**

\* \* \* \* \*

(b) \* \* \*

(3) The value at the statistical uniform price adjusted for the location of the plant(s) at which received (not to be less than zero) with respect to the total hundredweight of skim milk and butterfat in other source milk for which a value was computed or such handler pursuant to § 1124.60(k); and

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13. Amend § 1124.73 by revising paragraphs (a)(2)(ii), (a)(2)(iii), (c), (c)(1), and (f)(2) to read as follows:

**§ 1124.73 Payments to producers and to cooperative associations.**

(a) \* \* \*

(2) \* \* \*

(ii) Add the amount that results from multiplying the protein price for the month by the total pounds of protein in the milk received from the producer;

(iii) Add the amount that results from multiplying the producer other solids

price for the month by the total pounds of other solids in the milk received from the producer;

\* \* \* \* \*

(c) Each handler shall pay to each cooperative association which operates a pool plant, or the cooperative's duly authorized agent, for butterfat, protein, and other milk solids received from such plant in the form of fluid milk products as follows:

(1) On or before the second day prior to the date specified in paragraph (a)(1) of this section, for butterfat, protein, and other milk solids received during the first 15 days of the month at not less than the butterfat, protein, and other milk solids prices, respectively for the preceding month; and

\* \* \* \* \*

(f) \* \* \*

(2) The total pounds of milk delivered by the producer, the pounds of butterfat, protein, and other milk solids contained therein, and, unless previously provided, the pounds of milk in each delivery;

\* \* \* \* \*

14. Amend § 1124.75 by revising paragraphs (a)(1)(i) to read as follows:

**§ 1124.75 Payments by a handler operating partially regulated distributing plant.**

\* \* \* \* \*

(a) \* \* \*

(1)(i) The obligation that would have been computed pursuant to § 1124.60 at such plant shall be determined as though such plant were a pool plant. For purposes of such computation, receipts at such nonpool plant from a pool plant or an other order plant shall be assigned to the utilization at which classified at the pool plant or other order plant and transfers from such nonpool plant to a pool plant or an other order plant shall be classified as Class II or Class III milk if allocated to such class at the pool plant or other order plant and be valued at the uniform price, estimated uniform price or statistical uniform price of the respective order if so allocated to Class I milk, except that reconstituted skim milk in filled milk shall be valued at the Class III price. No obligation shall apply to Class I milk transferred to a pool plant or another order plant if such Class I utilization is assigned to receipts at the partially regulated distributing plant from pool plants and other order plants at which an equivalent amount of milk was classified and priced as Class I milk. There shall be included in the obligation so computed a charge in the amount specified in § 1124.60(k) and a credit in the amount specified in

§ 1124.71(b)(3) with respect to receipts from an unregulated supply plant, except that the credit for receipts of reconstituted skim milk in filled milk shall be at the Class III price, unless an obligation with respect to such plant is computed as specified in paragraph (a)(1)(ii) of this section; and

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*Proposed by Farmers Cooperative Creamery*

Proposal No. 3

Amend § 1124.7 by revising paragraph (b)(1) to read as follows:

**§ 1124.7 Pool plant.**

\* \* \* \* \*

(b) \* \* \*

(1) With respect to a supply plant operated by a cooperative association, the producer milk of its members which it caused to be delivered directly from their farms to pool distributing plants, for the purpose of this paragraph, may, upon written request to the market administrator prior to the month in which it is effective, have such deliveries considered as a receipt at the cooperative's supply plant and a shipment from the supply plant to pool distributing plants;

*Proposed by National All-Jersey Inc.*

Proposal No. 4

Modify the multiple component pricing plan in Order 1124 from the current two components (fat and solids-not-fat) to a three component plan (fat, protein, and other solids) as follows:

1. Butterfat. The butterfat price per pound, rounded to the nearest one-hundredth cent, is the Class II price plus an amount computed by multiplying the butterfat differential by 965 and dividing the resulting amount by one hundred.

2. Protein. The protein price per pound, rounded to the nearest one-hundredth cent, is 1.32 times the average monthly price per pound for 40-pound block Cheddar cheese on the National Cheese Exchange as reported by the Department plus 1.95 times the average monthly price per pound for whey powder (West) as reported by Dairy Market News.

3. Other solids price. This is a residual price. The other solids price per pound, rounded to the nearest one-hundredth cent, is computed by subtracting from the basic formula price, 3.5 times the butterfat price per pound and the protein price per pound times the M-W average protein content. The result is divided by Order 124 other solids content.