

(2) The total hundredweight for which a value is computed pursuant to § 1040.60(f).

(c) Subtract not less than 6 cents nor more than 7 cents per hundredweight. The result shall be the "producer price differential."

10. Section 1040.62 is revised to read as follows:

**§ 1040.62 Announcement of producer prices.**

On or before the 11th day after the end of each month, the market administrator shall announce the following prices and information:

- (a) The producer price differential;
- (b) The protein price;
- (c) The fluid carrier price;
- (d) The butterfat price;
- (e) The average butterfat content and protein content of producer milk; and
- (f) The statistical uniform price for milk containing 3.5 percent butterfat, computed by combining the Class III price and the producer price differential.

11. A new section 1040.63 is added under the new center heading "Producer Price Differential" to read as follows:

**§ 1040.63 Value of producer milk.**

The value of producer milk shall be the sum of:

- (a) The producer price differential computed pursuant to § 1040.61 and adjusted for location pursuant to § 1040.75, multiplied by the total hundredweight of producer milk received from the producer;
- (b) The butterfat price computed pursuant to § 1040.50(i), multiplied by the total pounds of butterfat contained in the producer milk received from the producer;
- (c) The protein price computed pursuant to § 1040.50(j), adjusted for somatic cell count pursuant to § 1040.50(l), multiplied by the total pounds of protein contained in the producer milk received from the producer; and
- (d) The fluid carrier price computed pursuant to § 1040.50(k), multiplied by the total hundredweight of fluid carrier contained in the producer milk received from the producer.

12. Section 1040.71 is amended by revising paragraphs (a)(1) and (a)(2) to read as follows:

**§ 1040.71 Payments to the producer-settlement fund.**

- (a) \* \* \*
  - (1) The total value of milk of the handler for such month as determined pursuant to § 1040.60.
  - (2) The sum of:

(i) An amount obtained by multiplying the total hundredweight of producer milk as determined pursuant to § 1040.44(c) by the producer price differential, excluding any applicable location adjustment pursuant to § 1040.75(a)(3);

(ii) An amount obtained by multiplying the total pounds of protein contained in producer milk by the protein price adjusted pursuant to § 1040.50(l) for the weighted average somatic cell content of the handler's receipts of milk;

(iii) An amount obtained by multiplying the total hundredweight of fluid carrier contained in producer milk by the fluid carrier price; and

(iv) An amount obtained by multiplying the pounds of skim milk and butterfat for which a value was computed pursuant to § 1040.60(f) by the producer price differential.

\* \* \* \* \*

13. Section 1040.73 is amended by revising the first sentence of paragraph (a), paragraph (b)(1)(ii), and paragraph (c), to read as follows:

**§ 1040.73 Payments to producers and to cooperative associations.**

- (a) Except as provided by paragraph (b) of this section, on or before the 15th day of each month, each handler (except a cooperative association) shall pay each producer for milk received from the producer during the preceding month not less than the value determined pursuant to § 1040.63 adjusted by the location differential pursuant to § 1040.75, less the payment made pursuant to paragraph (d) of this section. \* \* \*
- (b) \* \* \*
  - (1) \* \* \*
  - (ii) The total pounds of butterfat, total pounds of protein, and total pounds of fluid carrier contained in the producer's milk, and the average somatic cell count of the producer's milk;

\* \* \* \* \*

(c) On or before the 13th day after the end of each month, each handler shall pay a cooperative association which is a handler with respect to milk received by the handler from a pool plant operated by such cooperative association, or by bulk tank delivery pursuant to § 1040.9(c), not less than an amount computed pursuant to § 1040.63.

\* \* \* \* \*

14. Section 1040.74 is revised to read as follows:

**§ 1040.74 Butterfat differential.**

The butterfat differential, rounded to the nearest one-tenth cent, shall be 0.138 times the current month's butter

price less 0.0028 times the preceding month's average pay price per hundredweight, at test, for manufacturing grade milk in Minnesota and Wisconsin, using the "base month" series, adjusted pursuant to § 1040.51 (a) through (e), as reported by the Department. The butter price means the simple average for the month of the Chicago Mercantile Exchange, Grade A butter price as reported by the Department.

15. Section 1040.75 is amended by revising paragraphs (a)(1) and (c), to read as follows:

**§ 1040.75 Plant location adjustments for producers and on nonpool milk.**

(a) \* \* \*
 

- (1) May deduct from the producer price differential the rate per hundredweight applicable pursuant to § 1040.52(a)(1) or (2) for the location of the plant at which the milk was first physically received.

\* \* \* \* \*

(c) For purposes of computation pursuant to §§ 1040.71 and 1040.72, the statistical uniform price shall be adjusted at the rates set forth in § 1040.52 applicable at the location of the nonpool plant from which the other source milk was received except that the statistical uniform price, so adjusted, shall not be less than the Class III price.

16. Section 1040.76 is amended by revising paragraph (a)(4) and the third sentence of paragraph (b)(1)(ii), to read as follows:

**§ 1040.76 Payments by handler operating a partially regulated distributing plant.**

\* \* \* \* \*

(a) \* \* \*
 

- (4) Multiply the remaining pounds by the amount by which the Class I differential price exceeds the producer price differential, both prices to be applicable at the location of the partially regulated distributing plant (but not to be less than the Class III price); and

\* \* \* \* \*

(b) \* \* \*
 

- (1) \* \* \*
- (ii) \* \* \* Any such transfers remaining after the above allocation which are classified in Class I and for which a value is computed for the handler operating the partially regulated distributing plant pursuant to § 1040.60 shall be priced at the statistical uniform price (or at the weighted average price if such is provided) of the respective order regulating the handling of milk at the transferee-plant, with such statistical uniform price adjusted to the location of the nonpool plant (but not to be less than the lowest class price of the respective order), except that transfers