



United States
Department of
Agriculture

Agricultural
Marketing
Service

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**Action Plan on Proposed Amendments
to the Pricing Provisions of all Federal Milk Marketing Orders**

June 1, 2023

USDA received a formal proposal on May 2, 2023, to amend the pricing provisions of all eleven Federal Milk Marketing Orders (FMMOs). The proposal requests USDA consider amending five provisions related to increasing manufacturing (make) allowances, returning to the “higher of” as the mover for Class I milk prices, updating the milk composition factors, removing barrel cheese from the Class III price formula, and updating the Class I price surface. The proposal was submitted by the National Milk Producers Federation (NMPF) and its 25 cooperative members who represent approximately two-thirds of the 28,000 U.S. commercial dairy farmers. NMPF contends the dairy marketplace has changed substantially since the current FMMO pricing system was adopted in 2000, and pricing provisions should be updated to reflect current market conditions.

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.

The following table outlines the initial timeframe of the formal rulemaking process, should the Secretary of Agriculture choose to proceed, to ensure the hearing concludes within 120 days of the publication of this Action Plan:

Pre-Hearing Steps	Anticipated Timeframe
Additional Proposals Requested	Additional proposals must be received by 5:00 p.m. (ET), Wednesday, June 14, 2023
Virtual Pre-hearing Information Session	Friday, June 16, 2023 – 10:00 a.m. (ET)
Modified Proposals Due	Tuesday, June 20, 2023 – 5:00 p.m. (ET)
Hearing Notice Published in Federal Register	Late July 2023
Tentative Hearing Start Date	August 23, 2023

If issued, a Notice of Hearing detailing the date, time, and location of the hearing, and the proposals under consideration would be published in the **Federal Register**. The Notice of Hearing also would detail the deadline for all data requests of the Dairy Program to ensure the requested data is available at the start of the hearing.

A copy of the submitted proposal can be found on the Dairy Program’s website: <https://www.ams.usda.gov/rules-regulations/moa/dairy/petitions>

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