

USDA Proposes To Implement Forward Contracting

WASHINGTON (USDA) — Under a new pilot program mandated by Congress, dairy farmers marketing their milk under Federal milk marketing orders (FMMO) will be able to enter into forward pricing contracts with proprietary handlers who purchase their milk.

Forward contracting is voluntary for both dairy farmers and milk handlers. All other Federal milk order regulations are unchanged. The pilot program expires after Dec. 31, 2004.

As provided in the legislation, the pilot program will only apply to federally regulated milk used for manufactured dairy products. Fluid milk (Class I) is not eligible for forward contracting under the pilot program.

Under the proposed rule for the pilot program, a handler will be able to enter into forward contracts with dairy farmers and cooperative associations for any milk receipts that do not exceed the handler's manufacturing uses of milk for the month.

Manufacturing uses include milk used for cream products, yogurt, dry milk, butter, and all types of cheeses. For the volume of milk covered by forward contracts, a handler is exempt from paying minimum Federal order price(s) to producers and cooperative associations. Instead, prices as agreed to in the forward contract will be paid.

Handlers participating in the pilot program are still subject to all other provisions of an order and must still keep records and submit reports now required under the FMMO program.

Handlers must make available to the market administrator such records as are determined necessary to verify and establish the handler's obligations under the order. Handlers also will be required to submit to the market administrator a copy of the forward contract with each producer or cooperative, as well as a disclosure statement signed by the producer or cooperative association.

A signed disclosure statement verifies that a producer received a USDA Fact Sheet that describes the nature of the pilot program and risks involved. The Fact Sheet also provides useful guidelines and tips that producers should consider in deciding whether to enter into a forward contract.

The Fact Sheet is available from any market administrator,

or can be downloaded from AMS' web site, at: www.ams.usda.gov/dairy. Questions and answers related to the pilot program also are available on the web site, or from market administrator offices (listed below).

The proposed rule also will require that every forward contract under the pilot program contain a clause that gives the producer the opportunity to change his or her mind within three days of signing the contract. Forward contracts that do not contain this 3-day right to rescind clause will not be considered valid contracts for purposes of this pilot program.

The proposed rule also will require that first-time contracts not be written for more than six months, and that no contract may extend beyond Dec. 31, 2004. These provisions are intended to help producers become familiar with a new method for pricing their milk and managing risk.

The proposed rule for the pilot program will be published in the March 1, 2000 Federal Register.

Comments should be submitted no later than March 16. Comments should be submitted to Nicholas Memoli, Order Formulation Branch, Dairy Programs, USDA/AMS, Rm 2971 South Building, P.O. Box 96456, Washington DC 20090-6456. Comments may also be sent by fax to (202) 690-0552 or by e-mail to nicholas.memoli@usda.gov.

Information is available from market administrator offices:

Northeast: Erik F. Rasmussen
USDA/AMS/Dairy Programs
P.O. Box 1478 (FT Point Station), Boston, MA. 02205-1478
Tel. (617) 542-8966; email: Erik.Rasmussen@USDA.GOV

Appalachian: Arnold M. Stallings
USDA/AMS/Dairy Programs
P.O. Box 18030, Louisville, KY. 40261-0030
Tel. (502) 499-0040; email: Arnold.Stallings@USDA.GOV

Florida and Southeast: Sue L. Mosley
USDA/AMS/Dairy Programs
P.O. Box 1208, Norcross, GA. 30091-1208
Tel. (770) 448-1194; email: Sue.Mosley@USDA.GOV

Midwest: Marvin A. Baumer
USDA/AMS/Dairy Programs
P.O. Box 30128, Cleveland, OH. 44130-0128
Tel. (440) 826-3220; email: Marvin.Baumer@USDA.GOV

Tour Pa.'s Professional Horse Farms

(Continued from Page A33)

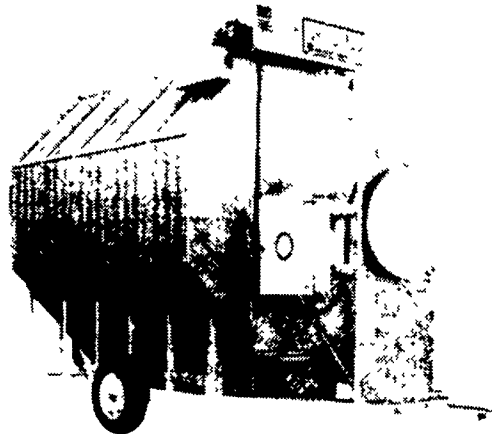
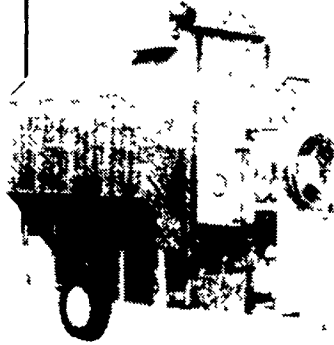
- Windy Ridge Farm/Outlaw Stables, RR 5 Box 595, Newport, PA 17074. (717) 444-2555. Thoroughbreds, Clydesdales, Thoroughdales, ponies, hunter/ jumper, equitation. Trail rides, lessons, wagon rides, training, lessons.

York Area

- Lauxmont Farms Equestrian Center, 1215 Long Level Rd., Wrightsville, PA 17368. (717) 252-9870. Boarding, hunt seat, dressage, and equitation lessons, training, breed thoroughbreds.

- Lost & Found Horse Rescue, 852 Valley Rd., York, PA 17403. (717) 428-9701. Emergency stabling, rehabilitation and adoption services for abused, neglected, and discarded equines.

NOW! OPERATE CONTINUOUS FLOW OR AUTOMATIC BATCH WITH THE SAME DRYER!



- Economically priced
- Fully automatic
- Outstanding efficiency
- High capacity

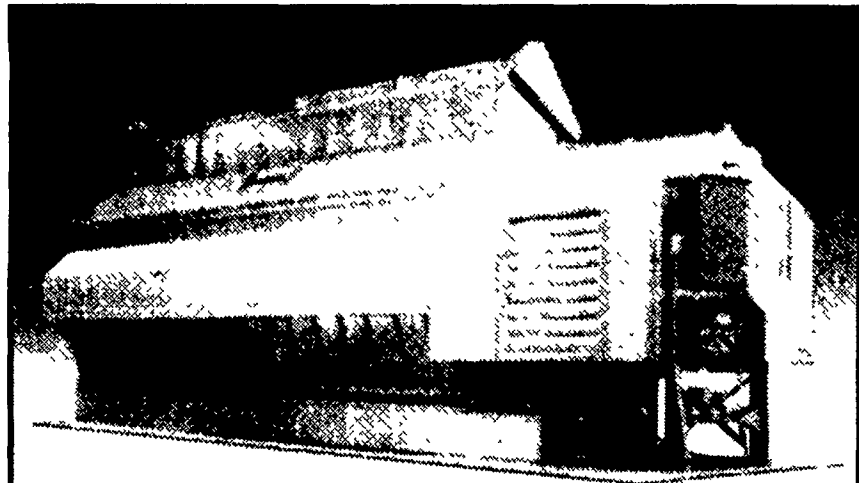
Here are the dryers for the farmer who has more to do at harvest time than just dry grain.

The new CF/AB Series from Farm Fans are designed to allow drying of either CONTINUOUS FLOW or AUTOMATIC BATCH models.

These dryers are specifically designed for full heat application for combination drying and drieration. However, when operating AUTOMATIC BATCH, you can also select Dry and Cool application.

ASK US
ABOUT...

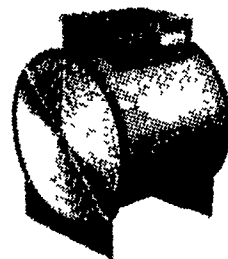
FARM FANS C-SERIES GRAIN DRYERS



C2160 shown

Only the Leader Delivers such Design Excellence

- Continuous flow full heat or dry and cool
- 2/3, 1/3 split plenum gives you the ability to maintain high capacity
- Capacities range from 300 up to 1,660 bph!
- Available with vane axial fans or centrifugal fans
- Low-profile design
- Fully automatic operation and safety controls



High Performance
Axial Flow
Aeration Fans
1/2 to 10 hp



FARM FANS, INC.
DIVISION OF **FFI** CORPORATION

Customer Appreciation Day

TAM Systems, Inc. cordially invites you to our annual Customer Appreciation Meeting. This year the meeting will be held on **Wednesday, March 22, 2000** with the location at: **Inn Dillsburg, US Rt. 15N, Dillsburg, PA**

Registration: 8:30 am

Time: 9:00 am till 2:00 pm (approximately)

Topics to be covered:

- Grain Storage w/update on Government Grain Storage Program
- Grain Drying
- Aeration
- Farm Safety
- Questions and Answers

Guest Speakers:

- Steve Curtis - Farm Fans
- Tim Polley - Farm Fans
- Galen Julius - TAM Systems, Inc.

*Coffee/Donuts and Lunch will be provided.
RSVP needed by March 14, 2000*



Phone (717) 432-9738
Fax (717) 432-8389
e-mail: hrlife@tamsystemsinc.com

1248 South Mountain Road, Dillsburg, PA
GRAIN DRYING, STORAGE, AND PROCESSING THE AGRI INDUSTRY TRUSTS!