

AFBF FEDERAL MILK MARKETING ORDER WORKING GROUP
BACKGROUND ON A 'NO' VOTE TERMINATING AN FMMO
JUNE 2019

Issue:

Dairy producers pooling, or marketing, milk affected by a Federal Milk Marketing Order (FMMO) must approve any changes to that FMMO through a referendum process.

No order issued, as amended, shall be effective unless the Secretary of Agriculture determines the issuance of the order is approved or favored by a two-thirds majority (of voting producers or voting milk volume). If a two-thirds majority is not received then the order is terminated.

The termination following a “no” vote on an order, as amended, has limited efforts to modify the FMMO program.

Background:

Through a referendum process, producers are able to approve changes to the FMMO program. No order issued, as amended, shall be effective unless the Secretary of Agriculture determines the issuance of the order is approved or favored by two-thirds of voting producers affected by the order or two-thirds of the voting milk volume pooling on the order.

If the amended FMMO is not approved by two-thirds of the voting producers or two-thirds of the voting milk volume pooling on the order, the FMMO is terminated.

Per the Congressional Research Service:

“In the event of a favorable vote, USDA will publish the final order in the Federal Register. An important feature of the approval process is that producers are required to vote on the order as amended, not just the amendment to the order. This requirement is not explicit in the statute. Instead, it represents a long-standing USDA approach in carrying out the federal milk marketing order program. Although the amendment process usually allows for conflicting views to be resolved in advance of the final vote, some producers may conceivably have to choose between an order with which they are dissatisfied and no order at all.”

In April 2004, FMMO 135, a marketing area covering dairy farmers in Utah, Southern Idaho and eastern Oregon, was terminated. Since 2000, this is the only order that has been terminated following a producer referendum.

A proposal to modify the Appalachian and Southeast FMMOs in 2018 was [withdrawn](#) by proponents because resources to advance the case for multiple component pricing in Orders 5 and 7 had to be re-directed to handle other pressing marketing issues.

Farm Bureau Policy Opposes:

A “no” vote on a referendum changing the order, causing elimination of the entire federal order.