

Northeast Dairy Compact Commission

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costs to reimburse the Commodity Credit Corporation (CCC) at the end of its fiscal year for any surplus milk purchases. Should those funds not be needed because no surplus purchases were made by the CCC at the end of its fiscal year, it is to be disbursed as follows:

(1) Any producer who has received payment from a handler pursuant to § 1307.4 shall become eligible to receive a pro rata disbursement by submitting to the Commission documentation that the producer did not increase production of milk during and after the month on which the regional rate of production increase met or exceeded the national rate of production increase, as compared to the same period in the preceeding year. Such documentation shall be filed with the Commission not later than 45 days after the end of the fiscal year.

(2) The Commission shall calculate the amount of refund to be provided to each eligible producer by taking into account the total amount of retained proceeds, the total production of milk by all producers eligible for refunds, and the total amount of production by each eligible producer.

(d) Beginning with the August 1998 pool, subtract from the total value computed pursuant to paragraph (a) of this section, an amount estimated by the Commission for the purpose of retaining a reserve for payment of obligations pursuant to § 1301.13(e) of this chapter. Surplus funds from this reserve shall be returned to the producer-settlement fund.

(e) Subtract 7.5 cents per hundredweight from the basic over-order producer price computed pursuant to this section and deposit that amount in the supply management-settlement fund, provided that the resultant over-order producer price is at least 25 cents.

(f) Add an amount equal to not less than one-half of the unobligated balance of the producer-settlement fund at the close of business on the 8th day after the end of the month;

(g) Divide the resulting amount by the sum of the following for all handlers included in these computations:

(1) The total hundredweight of producer milk;

(2) The total hundredweight for which a value is computed pursuant to § 1306.2(a); and

(h) Subtract not less than four (4) cents nor more than five (5) cents for the purpose of retaining a cash balance in the producer-settlement fund. The result shall be the basic over-order producer price for the month.

[62 FR 62826, Nov. 25, 1997, as amended at 63 FR 46388, Sept. 1, 1998; 65 FR 34580, May 31, 2000]

§ 1306.4 Announcement of basic over-order producer price.

The compact commission shall announce publicly on or before: The 13th day after the end of each month the over-order producer price resulting from the adjustment of the basic over-order producer price for such month, as computed under § 1306.3.

PART 1307—PAYMENTS FOR MILK

Sec.

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AUTHORITY: 7 U.S.C. 7256.

SOURCE: 62 FR 29645, May 30, 1997, unless otherwise noted.

§ 1307.1 Producer-settlement fund.

(a) The compact commission shall establish and maintain a separate fund known as the *producer-settlement fund*. It shall deposit into the fund all amounts received from handlers under § 1307.3, § 1307.7, and § 1307.8 of this Chapter and the amount subtracted under § 1306.3(h). It shall pay from the fund all amounts due handlers under § 1307.3, § 1307.7, and § 1307.8 and the amount added under § 1306.3(d) subject to their right to offset any amounts due from the handler under these sections and under § 1308.1 of this chapter.

(b) All amounts subtracted under § 1306.3(h), including interest earned thereon, shall remain in the producer-

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settlement fund as an obligated balance until it is withdrawn for the purpose of effectuating §1306.3(d).

(c) The compact commission shall place all monies subtracted under §1306.3(b), 1306.3(c), 1306.3(d), and 1306.3(h) in an interest-bearing bank account or accounts in a bank or banks duly approved as a Federal depository for such monies, or invest them in short-term U.S. Government securities.

[62 FR 62826, Nov. 25, 1997, as amended at 65 FR 34580, May 31, 2000]

§ 1307.2 Handlers' producer-settlement fund debits and credits.

On or before the 13th day after the end of the month, the compact commission shall render a statement to each handler showing the amount of the handler's producer-settlement fund debit or credit, as calculated in this section.

(a) The producer-settlement fund debit for each plant and each cooperative association in its capacity as a handler under §1301.9 (d) of this chapter shall be the value computed pursuant to §§1306.1 and 1306.2.

(b) The producer-settlement fund credit for each plant and each cooperative association in its capacity as a handler under §1301.9 (d) shall be computed as specified in this paragraph.

(1) Multiply the quantities of producer milk that were reported by pool plants pursuant to §1303.1 and the quantities or route disposition in the marketing area by partially regulated plants for which a value was determined pursuant to §1306.2(a) by the basic over-order producer price computed under §1306.3.

(2) For any cooperative association in its capacity as a handler under §1301.9 (d), multiply the quantities of all producer milk reported pursuant to §1303.1(c) by the basic over-order producer price computed under §1306.3.

[62 FR 62826, Nov. 25, 1997, as amended at 65 FR 16121, Mar. 27, 2000]

§ 1307.3 Payments to and from the producer-settlement fund.

(a) On or before the 15th day after the end of the month, each handler shall pay to the compact commission the handler's producer-settlement fund

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debit for the month as determined under Sec. 1307.2(a).

(b) On or before the 16th day after the end of the month, the compact commission shall pay to each handler the handler's producer-settlement fund credit for the month as determined under Sec. 1307.2(b). If the unobligated balance in the producer-settlement fund is insufficient to make such payments, the compact commission shall reduce uniformly such payments and shall complete them as soon as the funds are available.

[65 FR 16122, Mar. 27, 2000]

§ 1307.4 Method of payment.

If the combined total of the handler's producer-settlement fund debit for the month as determined under §1307.2(a) and the handler's obligation for the month as determined under §1308.1 of this chapter is greater than \$25,000, then the handler must make payment to the compact commission by electronic transfer of funds on or before the 18th day after the end of the month.

[64 FR 23538, May 3, 1999]

§ 1307.5 Payments to producers.

(a) For milk received during the month, payment shall be made so that it is received by each producer no later than the day after the payment date required in section 1307.3(b). Each handler shall make payment to each producer for the milk received from him during the month at not less than the basic over-order producer price per hundredweight computer under Sec. 1306.3. If the handler has not received full payment for the compact commission under Sec. 1307.3(b) by the date payments are due under this paragraph, he may reduce pro rata his payments to producers by an amount not to exceed such underpayment. Such payments shall be completed after receipt of the balance due from the compact commission by the next following date for making payments under this paragraph.

(b) If the handler's net payment to a producer is for an amount less than the total amount due the producer under this section, the burden shall rest upon the handler to prove to the compact