

EDGE'S MILK PRICING PRIORITIES: HOW WILL THEY AFFECT ME?

For the farmers:

Inside the federal order:

Contracting principles: If your processor pools your milk in the federal order, some contracting principles, like timely payments, are already in place. Edge's priorities would add extra protections such as written contracts, required contract termination notice and transparent pricing formulas.

FMMO Flexibility: For most geographies, Edge's flexibility provisions, known as uniform benefits, would not make sense, which is why this new approach would still need to go through a regional federal order hearing before implementation. Still, areas like the Upper Midwest could benefit from the elimination of PPDs, replaced by a "protein pool premium." In this system, each handler would be required to pay their patrons at least the market-wide commodity value of their product mix, plus the PPP.

Outside the federal order:

Contracting principles: If you are geographically outside an order or your processor is not pooling your milk, there are very few guardrails that must be followed. Our contracting principles would ensure that you have protections such as timely payments, verification of weights and components, and contract termination notices.

FMMO Flexibility: If you are outside the order, this would not affect you.

For the processors:

Inside the federal order:

Contracting principles: If you pool milk in the federal order, you are already subject to several contracting principles, like timely payments. Edge's priorities would require extra protections such as written contracts, required contract termination notice and transparent pricing formulas.

FMMO Flexibility: If the federal order you pool milk on implements a "uniform benefits" approach after vetting it through the hearing process, cash flow from the pool to each dairy manufacturer is always positive and equal per pound of protein pooled. You would be required to pay your patrons at least the market-wide commodity value of your product mix, plus that "protein pool premium" you receive from the pool. There would not be a uniform price among processors; rather, it would disincentivize depooling and encourage processors to continuously monitor and adjust their product mix as needed to pay competitive milk prices.

Outside the federal order:

Contracting principles: If you are geographically outside an order or your milk is not pooled, there are very few guardrails that must be followed. Our contracting principles would require protections such as timely payments, verification of weights and components and contract termination notices.

FMMO Flexibility: If you are outside the order, this would not affect you.

EDGE'S MILK PRICING PRIORITIES: HOW WILL THEY AFFECT ME?

For the federal order system:

Contracting principles: Neither of Edge's priorities would change the federal order system in the immediate term. Our contracting principles would not supersede any federal order regulations on payments or verification, making no immediate changes to the federal order system.

FMMO Flexibility: The proposal is not meant for national implementation; no immediate changes would be made to the current system. Rather, it would provide more flexibility to allow individual federal orders to call a hearing in their geography and consider implementing a new approach, such as our "uniform benefits" idea. This novel approach doesn't make sense for every geography and would be thoroughly vetted through a hearing process and approved by producers before implementation.

WHAT DOES EDGE WANT?



TRUST & TRANSPARENCY

Farmers are looking to align with processors they can believe in.



LONG-TERM VIABILITY

Any changes to how we price milk will need to stand the test of time.



SUSTAINED VALUE

More competition in the marketplace will build and sustain value for all.



FAIRNESS IN BUSINESS

Whether or not milk is pooled, farms should all be treated fairly.

WANT TO LEARN MORE?



VISIT OUR WEBSITE

www.voiceofmilk.com/FMMO has multiple resources to learn more about our priorities, including videos, documents and podcasts.



ASK OUR STAFF

We have multiple experts who welcome your questions and feedback! Reach out to Director of Public Affairs Karen Gefvert at the contact information below.

KAREN GEFVERT | DIRECTOR OF PUBLIC AFFAIRS
KGEFVERT@VOICEOFMILK.COM | (608) 617-2772

#VOICEOFMILK