



U.S. Department of Agriculture
Agricultural Marketing Service
Dairy Program

**COOPERATIVE MARKETING ASSOCIATION
– REQUEST FOR QUALIFICATION,
PURSUANT TO SECTION 608C OF THE
AGRICULTURAL MARKETING AGREEMENT ACT OF
1937, AS AMENDED**

Complete each question and request for information in all sections. Submit this completed form and all requested information in pdf format to: sm.ams.cq@usda.gov.

This report may also be submitted via mail (FedEx, UPS, or another preferred carrier) to:

USDA-AMS-DAIRY PROGRAM
DIRECTOR, OPERATIONS AND ACCOUNTABILITY
DIVISION
ROOM 2530-SOUTH, STOP 0226
1400 INDEPENDENCE AVE., SW
WASHINGTON, DC 20250-0226

CURRENT NAME AND ADDRESS OF ASSOCIATION (Complete Mailing Address)

Name:

Address Line 1:

Phone #:

Address Line 2:

Fax #:

City:

State:

Zip:

Email Address:

Year Association was formed:

Marketing Area(s):

General Requirements – The general requirements for cooperative marketing association qualification are:

- The association must include members engaged in the production of Grade A milk.
- The members must be acting together in marketing milk that is regulated by a Federal Milk Order, or proposed order.
- The organization must be a cooperative marketing association of producers, qualified under the provisions of the Capper-Volstead Act (7 U.S.C. 291,192).
- The entire organization and all its activities must be under the control of its members.
- The cooperative association must have full authority in the sale of its members' milk.

Description of Sections in Information Report Guide

Section A – Association Control: Information in SECTION A should indicate whether the Association is controlled by its members. Loss of member control may occur if there is (1) undue influence by a dealer or its representatives, other nonmembers, a clique, or inactive members; (2) conflicting interests among management; (3) failure to follow the bylaws; or (4) lack of substantial member participation in directing Association Affairs.

Section B – Capital Stock & Voting: Information in SECTION B should demonstrate whether the Association observes the statutory limitation on voting or dividend payments. It should also show whether voting rights are restricted to active producer members.

Section C – Marketing: Information in SECTION C should describe the Association's marketing function(s). An association may engage in marketing without physically handling the product. Any one of the following activities may identify the applicants as a milk marketing association:

- Operates a milk plant that receives members' milk.
- Sells milk pursuant to written contracts between the association and its handler customers.
- Handler purchases of members' milk deliveries, are not from members as individuals, but from the association.
- Receives payments from handlers for members' milk deliveries and in turn pays the members.

Other information requested in this section relates to the proviso in the Agricultural Marketing Agreement Act that a qualifying association must not underprice its sales to any handler; to the association's method of distributing earnings; and the services it provides for the mutual benefit of its members.

Section D – Association Plants: Information in SECTION D is to be provided by associations that operate milk plants. It should give a general view of the applicant's physical marketing of members' milk. It should also indicate the reliance placed upon others in credit and leasing arrangements, the relative handling of nonmembers' products, and the identity of the Federal Orders under which the plants are regulated.

Section E – Marketing Services: If the Association applies for the marketing services exemption, indicate in SECTION E that the Association performs the following services: rendering market information to producers, verifying the weights of their milk deliveries, and sampling and testing the milk for content. The statements and descriptions given here should be detailed enough to provide a complete picture of the Association's performance.

DOCUMENTS REQUIRED

Copies of the following documents should be submitted:

1. Articles of incorporation, including amendments.
 2. Bylaws, including amendments.
 3. Samples of each type of stock certificate.
 4. Most recent balance sheet and operating statement, with auditor's report and notes (for existing cooperatives).
 5. Membership contracts, producer marketing agreements or membership agreements. If more than one form of contract or agreement is in effect, submit copies of each form.
 6. Written contracts between the Association and the purchasers of its milk.
 7. Manager's employment contract.
-

COMPLETE THE FOLLOWING SECTIONS:

SECTION A – Association Control *(To be answered by all applicants)*

A1. – Describe in detail the circumstances under which the Association was organized, including the names of the persons who started the Association and the immediate purpose in forming it. If the Association was formed more than 10 years ago, simply indicate the year the Association was formed.

A2. – Were any milk dealers or their representatives, counsel, or employees instrumental in forming the Association? Are any now affiliated with the Association? If the answer to either question is "yes," give details. If the Association was formed more than 5 years ago, indicate "Not Applicable".

A3. – Describe the requirements for membership in the Association, including the method by which a person becomes a member.

A4. – How are members solicited? If members are solicited for the Association by any buyer or others outside of the Association, give details.

A5. – Is the sale of milk to a particular handler or delivery to a particular plant of a handler a requisite for membership? If so, explain the circumstances.

SECTION A – Association Control *(To be answered by all applicants)* – Continued

A6. – Does the action of any buyer in accepting or rejecting a producer's milk influence the Association in accepting members or in terminating membership?

		No.
A7.	– How many active members did the Association have at the end of last month?	
	– How many of these produced Grade A milk?	

A8. – What standards are applied in determining that a member is inactive?

		No.
A9.	– How many inactive members did the Association have at the end of last month?	

A10. – Do all the Association's current Directors meet the requirement for Directors as set forth in the bylaws and articles of incorporation? Explain any deviations.

A11. – List the officers and members of the Board of Directors and for each give the length of service as a director and/or officer, and the date his/her present term of office expires.

SECTION A – Association Control *(To be answered by all applicants)* – Continued

A12. – Are any persons other than active members now on the Board of Directors? If so, give details.

A13. – Submit a signed statement from the manager and each officer and director, listing any dairy industry marketing enterprises in which their engagement or interest through ownership or in any official or employee capacity would conflict with association responsibilities or indicate none below.

A14. – Give the number of meetings and approximate number of members present at meetings, during the last 12 months:

Meeting Type	No. of Meetings	No. Present
a) The Board of Directors		
b) The entire organization		
c) District or regional membership		

A15. – What persons are eligible to vote on the affairs of the Association?

A16. – How is a producer's membership terminated?

A17. – How long may a producer be inactive before their membership is terminated?

SECTION A – Association Control *(To be answered by all applicants)* – **Continued**

A18. – How often does your Association clear the voting rolls of inactive members?

A19. – How long do inactive members retain the right to vote on any business?

SECTION B – Capital Stock & Voting *(To be answered by all associations having capital stock)*

B1. – Give the number of shares of each class of capital stock outstanding and the rate of dividends paid on each class in the last 2 years.

B2. – What voting rights are attached to each class of capital stock outstanding? Indicate whether voting rights allow one vote to a share of stock or are limited to one vote to a member regardless of the number of shares owned.

B3. – If capital stock is acquired or held by non-producers or inactive producers, describe the circumstances. Give the number of shares of each class held by such persons.

B4. – Indicate how many shares of voting stock are held by:

	No.
a) Active producers	
b) Inactive producers	
c) Others (describe below)	

Description of Others:

B5. – What provision is made for retiring a voting block held by inactive producers and others?

SECTION C – Marketing *(To be answered by all applicants)*

C1. – Does the Association have full authority in the sale of members' milk? If so, cite documents which give such authority.

C2. – Describe in detail the ways in which the Association markets members' milk: negotiating milk sales (bargaining only), processing in own plant, etc. For a representative month, give the approximate quantities of milk being utilized in each manner.

C3. – Are any of Association's members also members of another dairy cooperative marketing association? If so, describe what marketing functions the Association performs for such members.

C4. – Are any other associations also members of the Association? If so, list their names (and whether they are qualified).

SECTION C – Marketing *(To be answered by all applicants) – Continued*

Select (X)

	Yes	No
C5. – Do all members market their milk through the Association?		
C6. – Do members have freedom of choice as to which buyer or plant they will deliver milk to?		
C7. – Does the Association guarantee a market for members' milk?		
C8. – Does the Association guarantee payment for members' milk?		
C9. – Does the Association take physical possession of the milk?		

If Yes for C9, specify in what manner:

C10. – Does the Association transport milk from members' farms to the buyer's plant? If so, indicate the extent to which the Association owns, leases, or operates the trucks, trailers, and tank assemblies.

C11. – Does the Association pay commissions or fees on its sales to anyone including employees? If so, explain fully.

C12. – If the Association is a member or patron of any other dairy cooperative marketing associations or federated groups, name each association or group.

C13. – List the names of all handlers to whom milk has been sold during the most recent 12-month period. Indicate the percentage of the total volume of milk handled by the Association that was sold to each such handler.

SECTION C – Marketing *(To be answered by all applicants) – Continued*

C14. – If the Association marketed milk in the last 12 months, give the total value in dollars/pounds of:

a) Total value of cooperative members' milk marketed by the cooperative.		\$
b) Total value of milk marketed by the cooperative for nonmembers (include independent producers and/or producers who are members of another cooperative association).		\$
Explain how the value(s) was determined:		
c) Percent of non-cooperative milk value of the total milk value (e.g., $b/(a+b) \times 100$).		%
d) Total pounds of cooperative members' milk marketed by the cooperative.		lbs.
e) Total pounds of milk marketed by the cooperative for nonmembers (include independent producers and/or producers who are members of another cooperative association).		lbs.
f) Percent of non-cooperative pounds of the total pounds (e.g., $e/(d+e) \times 100$).		%

Select (X)

	Yes	No
C15. – Does the Association collect from handlers the proceeds of milk sales and pay its members directly?		

C16. – Describe any other services performed by the Association for its members in addition to those previously described.

SECTION D – Association Plants *(To be answered by all associations operating milk plants)***List all plants operated by the Association, giving name and location, and indicating:**

D1. – The nature of operations conducted at each plant, including the products manufactured, if any.

D2. – Whether each plant is owned or leased. If leased, submit a copy of the lease and other agreements relative to plant operation.

D3. – The number of members and nonmembers delivering to all plants operated by the Association.

SECTION E – Marketing Services

Select (X)

	Yes	No
E1. – Does the Association intend to file for an exemption from the Deduction for Marketing Services under 7 C.F.R. § 1000.86(b)?		

E2. – What marketing services, if any, does the Association offer:

Select (X)

	Yes	No
a) Field Service Personnel: Does the Association provide Marketing Services with Trained Field Service Representatives?		
b) Milk Weights Verification: Does the Association have a program to verify farm weights for members?		
c) Producer Component Pay Test: Does the Association provide component pay testing and/or payment and testing verification for members?		
d) Market Information: Does the Association provide market information to its members?		
e) What other services does the Association perform on behalf of members (if any, specify):		

E3. – Describe in detail the types and frequency of release of market information, if any, both formal and informal, supplied by the Association to its members. Submit a copy of the most recent publication(s).

Note: The exemption from the Deduction for Marketing Services is subject to additional survey questions, assessment, and analysis by Dairy Program and Market Administrator staff.

CERTIFICATION	
Name of Association:	
Title of Reporting Official:	
Name of Reporting Official:	
Signature of Reporting Official:	Date of Signature:

Purpose and Legal Citation of Request for Qualification (DA-25)

Purpose: Application for qualification of a cooperative marketing association is required to determine if certain privileges and exemptions under the Federal Milk Order program are justified.

Only a qualified cooperative association may engage in one or more of the following actions under the provisions of a Federal Milk Marketing Order: market milk on behalf of its member (and nonmember) producers; be designated as a handler under 7 C.F.R. § 1000.9(c) within a Federal Order and file a report of receipts and utilization; collect payments from milk handlers on behalf of members (and nonmembers); vote on behalf of producer-members in Federal Milk Order rulemaking referenda. In addition, a qualified cooperative association may be exempted from the marketing service assessment under 7 C.F.R. § 1000.86(b) if it meets additional performance criteria.

According to the paperwork reduction act of 1995, an agency may not conduct or sponsor a collection of information and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0581-0032. The time required to complete this information collection is estimated to average 2 hours per response, including the time for reviewing the instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This report is required by 7 CFR 900.353 from cooperatives seeking consideration as a qualified cooperative under the Federal Milk Order Program.

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotope, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

- 1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410;
- 2) fax: (202) 690-7442; or
- 3) email: program.intake@usda.gov.

USDA is an equal opportunity provider, employer, and lender.