



STATE OF NEW YORK
DEPARTMENT OF AGRICULTURE AND MARKETS
DIVISION OF MILK CONTROL & DAIRY SERVICES
10B Airline Drive, Albany, New York 12235
1-800-554-4501
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PRODUCER – DEALER LETTER (template)

Re: Milk Dealer License & Dairy Promotion Obligation

As a follow up to our conversation regarding your consideration to become a producer-dealer, I am enclosing an Application for a Milk Dealer's License (cow's milk only) which you will need to complete and submit to us for approval before you begin operation. A license is valid for one year. The initial license fee is \$100.

For license renewals, the fee is adjusted, if necessary, depending on the volume of milk handled the preceding year. The \$100 fee covers a dealer who handles up to 4,000 pounds per day during the highest month of the year. For each additional 4,000 pounds of milk handled per day; the license fee increases \$40 up to a maximum of \$7,500. Any milk used to make manufactured products is excluded from license fee computation. If all of your milk is used in manufacturing, the license fee is a flat \$100.

In addition, if you are located within the Northeast Milk Marketing Area, you need to apply to the Market Administrator to be designated as a producer-handler and to find out what the requirements are to maintain such status. Their telephone number is 518-452-4410. This requirement would not apply if you have no packaged sales of fluid milk products.

There are some other changes and responsibilities that you should be aware of in becoming a dealer. Instead of your Dairy Promotion obligations being deducted from your producer pay price and remitted by your current dealer or cooperative, you will be responsible for paying the assessments directly. This involves submitting a monthly report of your milk production along with payment of \$.10 per cwt. to the State Promotion Order (our office) and payment of \$.05 per cwt. to the National Dairy Promotion Order. As a dealer, you are required to file a monthly plant report in which you detail the receipt and utilization of milk at your plant and a packaged fluid milk sales report twice a year (May and October). Once you become licensed, these forms will be mailed to you.

If you have any questions, please feel free to contact JoAnn Lawton, Supervisor of Milk Licensing, at 518-457-4142 or me, at 518-457-5731.

Sincerely,

Charles Huff
Chief, Licensing & Auditing Section