

ANY OR ALL SUCH ORDERS ARE TERMINATED, THIS ARTICLE SHALL AUTHORIZE THE COMMISSION TO ESTABLISH ONE OR MORE COMMISSION MARKETING ORDERS, AS HEREIN PROVIDED, IN THE REGION OR PARTS THEREOF AS DEFINED IN THE ORDER.

(B) A COMPACT OVER-ORDER PRICE ESTABLISHED PURSUANT TO THIS SECTION SHALL APPLY ONLY TO CLASS I MILK. SUCH OVER-ORDER PRICE SHALL NOT EXCEED \$1.50 PER GALLON. BEGINNING IN 1990, AND USING THAT YEAR AS A BASE, THE FOREGOING \$1.50 PER GALLON MAXIMUM SHALL BE ADJUSTED ANNUALLY BY THE RATE OF CHANGE IN THE CONSUMER PRICE INDEX AS REPORTED BY THE BUREAU OF LABOR STATISTICS OF THE UNITED STATES DEPARTMENT OF LABOR FOR PURPOSES OF THE POOLING AND EQUALIZATION OF AN OVER-ORDER PRICE, THE VALUE OF MILK USED IN OTHER USE CLASSIFICATIONS SHALL BE CALCULATED AT THE APPROPRIATE CLASS PRICE ESTABLISHED PURSUANT TO THE APPLICABLE FEDERAL ORDER OR STATE DAIRY REGULATION AND THE VALUE OF UNREGULATED MILK SHALL BE CALCULATED IN RELATION TO THE NEAREST PREVAILING CLASS PRICE IN ACCORDANCE WITH AND SUBJECT TO SUCH ADJUSTMENTS AS THE COMMISSION MAY PRESCRIBE IN REGULATIONS.

(C) A COMMISSION MARKETING ORDER SHALL APPLY TO ALL CLASSES AND USES OF MILK.

(D) THE COMMISSION IS HEREBY EMPOWERED TO ESTABLISH THE MINIMUM PRICE FOR MILK TO BE PAID BY POOL PLANTS, PARTIALLY REGULATED PLANTS AND ALL OTHER HANDLERS RECEIVING MILK FROM PRODUCERS LOCATED IN A REGULATED AREA. THIS PRICE SHALL BE ESTABLISHED EITHER AS A COMPACT OVER-ORDER PRICE OR BY ONE OR MORE COMMISSION MARKETING ORDERS. WHENEVER SUCH A PRICE HAS BEEN ESTABLISHED BY EITHER TYPE OF REGULATION, THE LEGAL OBLIGATION TO PAY SUCH PRICE SHALL BE DETERMINED SOLELY BY THE TERMS AND PURPOSE OF THE REGULATION WITHOUT REGARD TO THE SITUS OF THE TRANSFER OF TITLE, POSSESSION OR ANY OTHER FACTORS NOT RELATED TO THE PURPOSES OF THE REGULATION AND THIS COMPACT. PRODUCER-HANDLERS AS DEFINED IN AN APPLICABLE FEDERAL MARKET ORDER SHALL NOT BE SUBJECT TO A COMPACT OVER-ORDER PRICE. THE COMMISSION SHALL PROVIDE FOR SIMILAR TREATMENT OF PRODUCER-HANDLERS UNDER COMMISSION MARKETING ORDERS.

(E) IN DETERMINING THE PRICE, THE COMMISSION SHALL CONSIDER THE BALANCE BETWEEN PRODUCTION AND CONSUMPTION OF MILK AND MILK PRODUCTS IN THE REGULATED AREA, THE COSTS OF PRODUCTION INCLUDING, BUT NOT LIMITED TO THE PRICE OF FEED, THE COST OF LABOR INCLUDING THE REASONABLE VALUE OF THE PRODUCER'S OWN LABOR AND MANAGEMENT, MACHINERY EXPENSE, AND INTEREST EXPENSE, THE PREVAILING PRICE FOR MILK OUTSIDE THE REGULATED AREA, THE PURCHASING POWER OF THE PUBLIC AND THE PRICE NECESSARY TO YIELD A REASONABLE RETURN TO THE PRODUCER AND DISTRIBUTOR.

(F) WHEN ESTABLISHING A COMPACT OVER-ORDER PRICE, THE COMMISSION SHALL TAKE SUCH ACTION AS NECESSARY AND FEASIBLE TO ENSURE THAT THE OVER-ORDER PRICE DOES NOT CREATE AN INCENTIVE FOR PRODUCERS TO GENERATE ADDITIONAL SUPPLIES OF MILK.