

**(5) Department**

The term “Department” means the Department of Agriculture.

**(6) Research**

The term “research” means market research to support advertising and promotion efforts, including educational activities, research directed to product characteristics, product development, including new products or improved technology in production, manufacturing or processing of milk and the products of milk.

**(7) Secretary**

The term “Secretary” means the Secretary of Agriculture.

**(8) United States**

The term “United States”, except as used in sections 6410 through 6412 of this title, means the 48 contiguous States in the continental United States and the District of Columbia.

(Pub. L. 101-624, title XIX, §1999C, Nov. 28, 1990, 104 Stat. 3915; Pub. L. 103-72, §2(a), Aug. 11, 1993, 107 Stat. 717; Pub. L. 104-127, title I, §146(c), Apr. 4, 1996, 110 Stat. 918; Pub. L. 107-171, title I, §1506(a), (b), May 13, 2002, 116 Stat. 210.)

**AMENDMENTS**

2002—Par. (3). Pub. L. 107-171, §1506(a), added par. (3) and struck out heading and text of former par. (3). Text read as follows: “The term ‘fluid milk product’—

“(A) means any of the following products in fluid or frozen form: milk, skim milk, lowfat milk, milk drinks, buttermilk, filled milk, and milkshake and ice milk mixes containing less than 20 percent total solids, including any such products that are flavored, cultured, modified with added nonfat milk solids, concentrated (if in a consumer-type package), or re-constituted; and

“(B) does not include evaporated or condensed milk (plain or sweetened), evaporated or condensed skim milk (plain or sweetened), formulas specially prepared for infant feeding or dietary use that are packaged in hermetically sealed glass or all-metal containers, any product that contains by weight less than 6.5 percent nonfat milk solids, and whey.”

Par. (4). Pub. L. 107-171, §1506(b), substituted “3,000,000 pounds of fluid milk products in consumer-type packages per month (excluding products delivered directly to the place of residence of a consumer)” for “500,000 pounds of fluid milk products in consumer-type packages per month”.

1996—Par. (6). Pub. L. 104-127 amended heading and text of par. (6) generally. Text read as follows: “The term ‘research’—

“(A) means market research limited to the support of advertising and promotion efforts, including educational activities; and

“(B) does not include research directed to product characteristics such as nutrients; product development including new products; or improved technology in production, manufacturing or processing; or any other efforts not directly applicable to measuring or increasing the effectiveness of advertising activities in expanding sales of fluid milk products.”

1993—Par. (4). Pub. L. 103-72 amended par. (4) generally. Prior to amendment, par. (4) read as follows: “The term ‘fluid milk processor’ means any person who processes and markets commercially fluid milk products in consumer-type packages.”

**§ 6403. Authority to issue orders****(a) In general**

To effectuate the declared policy under section 6401(b) of this title, the Secretary shall

issue and from time to time may amend, orders applicable to all fluid milk processors, authorizing—

(1) the collection of assessments on fluid milk products subject to this chapter; and

(2) the use of the assessments to provide research and advertising in a manner prescribed by this chapter.

**(b) Scope**

Any order issued under this chapter shall be national in scope.

**(c) One order**

Not more than one order shall be in effect under this chapter at any one time.

(Pub. L. 101-624, title XIX, §1999D, Nov. 28, 1990, 104 Stat. 3916.)

**§ 6404. Notice and comment**

Not later than 60 days after the Secretary receives a request for the issuance of an order under this chapter, and a specific proposal for an order from individual fluid milk processors that marketed during a representative period, as determined by the Secretary, not less than 30 percent of the volume of fluid milk products marketed by all processors, the Secretary shall publish the proposed order and give due notice and opportunity for public comment on the proposed order.

(Pub. L. 101-624, title XIX, §1999E, Nov. 28, 1990, 104 Stat. 3916.)

**SECTION REFERRED TO IN OTHER SECTIONS**

This section is referred to in section 6405 of this title.

**§ 6405. Findings and issuance of orders****(a) In general**

After notice and opportunity for public comment are given, as provided in section 6404 of this title, the Secretary shall issue an order, taking into consideration the comments received and including in the order provisions necessary to ensure that the order is in conformity with the requirements and the declared policy of this chapter.

**(b) Effective date**

Such order shall be issued and, if approved by fluid milk processors as provided in section 6413 of this title, shall become effective not later than 180 days following publication of the proposed order.

(Pub. L. 101-624, title XIX, §1999F, Nov. 28, 1990, 104 Stat. 3916.)

**SECTION REFERRED TO IN OTHER SECTIONS**

This section is referred to in section 6413 of this title.

**§ 6406. Regulations**

The Secretary may issue such regulations as may be necessary to carry out this chapter and the powers vested in the Secretary by this chapter.

(Pub. L. 101-624, title XIX, §1999G, Nov. 28, 1990, 104 Stat. 3916.)

**§ 6407. Required terms in orders****(a) In general**

Each order issued under this chapter shall contain the terms and conditions prescribed in this section.

**(b) National Processor Advertising and Promotion Board****(1) Establishment**

The order shall establish a National Processor Advertising and Promotion Board to administer the order.

**(2) Service to entire industry**

In administering the order, the Board shall carry out programs and projects that will provide maximum benefit to the fluid milk industry and promote only fluid milk products. The Board shall, to the extent practicable, ensure that advertising coverage in each region is proportionate to the funds collected from each region.

**(3) Regions**

The Secretary shall establish not less than 12 nor more than 15 regions in order to ensure appropriate geographic representation on the Board.

**(4) Board membership**

The Board shall consist of one member appointed by the Secretary, from among fluid milk processors, to represent each of the regions established under paragraph (3), with the membership representing, to the extent practicable, differing sizes of operations. The Secretary shall appoint five additional at-large members to the Board, of which at least three shall be fluid milk processors and at least one shall be from the general public.

**(5) Terms of office**

The members of the Board shall serve for terms of 3 years, except that the members appointed to the initial Board shall serve, proportionately, for terms of 1, 2, and 3 years, as determined by the Secretary. No member shall serve for more than 2 consecutive terms, except that the members that are selected to serve for the initial term of 1 or 2 years shall be eligible to be reappointed for a 3-year term.

**(6) Compensation**

Each member of the Board shall serve without compensation, but shall be reimbursed for necessary and reasonable expenses incurred in the performance of duties of the Board.

**(c) Powers and duties of Board**

The order shall define the powers and duties of the Board, which shall include the power and duty—

- (1) to administer the order in accordance with the terms and conditions of the order;
- (2) to make rules to effectuate the terms and conditions of the order;
- (3) to receive, investigate, and report to the Secretary complaints of violations of the order;
- (4) to develop and recommend such rules, regulations, and amendments to the order to the Secretary for approval as may be nec-

essary for the development and execution of programs or projects to carry out the order;

(5) to employ such persons as the Board considers necessary and determine the compensation and define the duties of the persons;

(6) to prepare and submit for the approval of the Secretary, prior to the beginning of each fiscal year, a fiscal year budget of the anticipated expenses in the administration of the order, including the probable costs of all programs and projects;

(7) to develop programs and projects, subject to subsection (d) of this section;

(8) to enter into contracts or agreements, with the approval of the Secretary, to develop and carry out programs or projects of research and advertising;

(9) to carry out advertising or research, and pay the costs of the projects with funds collected pursuant to section 6409 of this title;

(10) to keep minutes, books, and records that reflect all of the acts and transactions of the Board, and promptly report minutes of each Board meeting to the Secretary;

(11) to furnish the Secretary with such other information as the Secretary may require; and

(12) to invest funds collected by the Board pursuant to subsection (g) of this section.

**(d) Plans and budgets****(1) Budgets**

The order shall require the Board, prior to the beginning of each fiscal year, or as may be necessary after the beginning of the fiscal year, to develop budgets of the anticipated expenses and disbursements of the Board in the implementation of the order, including projected costs of research and advertising. The budget shall be submitted to the Secretary and be effective on the approval of the Secretary.

**(2) Incurring expenses**

The Board may incur such expenses for research or advertising of fluid milk products, and other expenses for the administration, maintenance, and functioning of the Board, as may be authorized by the Secretary. The expenses shall include any implementation, administrative, and referendum costs incurred by the Department.

**(3) Paying expenses**

The funds to cover the expenses referred to in paragraph (2) shall be paid from assessments collected under section 6409 of this title.

**(4) Limitation on spending**

Effective 1 year after the date of the establishment of the Board, the Board shall not spend in excess of 5 percent of the assessments collected for the administration of the Board.

**(e) Prohibition on branded advertising**

A program or project conducted under this chapter shall not make any reference to private brand names or use false or unwarranted claims on behalf of fluid milk products, or false or unwarranted statements with respect to the attributes or use of any competing products, except that this subsection shall not preclude the