

What About a Negative PPD?

- If the PPD will be negative, it means that the Class III price is greater than the Uniform price. Under that circumstance, Class III plants would have to make an equalization payment *into* the pool for other plants to take a draw from.
- Remember, only Class I plants must be regulated. It is optional for all other plants. In this case, Class III plants might choose to depool their milk.
 - They are no longer bound by FMMO regulations
 - They get to keep the equalization payment
 - They get to pay producers whatever price they choose