

Dairy Section information on Bonds

Total Bonds: 15

Total Letter of Credit (LOC): 4

Total Cash on Delivery (COD's) on file: 23

Largest Bond/LOC is for \$7,400,000

Smallest BOND/LOC is for \$455.23

CODs: most are held by small to medium sized cheese operations

Cash on Delivery is an agreement between one farm and one milk buyer on when the farm shall be paid for each delivery of milk. These are put into place to document what the payment agreements are for a farm not selling milk to a cooperative.

New Bonds/LOCs are issued each year by each processor required to hold one of these items based on milk purchasing. These items are required to be in place per statute 60 days prior to the expiration of their current Bond/LOC. Reminders about renewing these items are sent out to each business currently holding any of these three items in April each year. License renewals for Milk Handlers expire each year on August 31.

Who is not required to hold a Bond or LOC?

A milk handler who purchases fewer than 150,000 pounds of milk per month from a milk cooperative or marketing service.

