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DAIRY REVIEW

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In This Issue . . .

Dairy Options Pilot Program Training Session

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DAIRY OPTIONS PILOT PROGRAM MEETING SCHEDULED FOR JUNE 18, 2002

A Dairy Options Pilot Program, “Learning How To Use Dairy Futures and Options to Manage Risk”, will be held at the University of California Cooperative Extension Office in Orland on Tuesday, June 18, 2002, from 10:00 a.m. to 3:00 p.m. Lunch will be provided on-site at noon.

The Dairy Options Pilot Program is an innovative cost-share program in selected states and counties, and is designed to give producers an opportunity to learn how futures and option markets work, and, at the same time, give producers first-hand experience in buying put options contracts to insure a minimum price for their milk.

A “put option” is a contract traded on “futures” markets that gives the buyer the right, but not the obligation, to sell the underlying futures contract at a price known as the “strike price” on or before an established expiration date.

Those who can participate are producers who:

- Operate a farm located in a county selected for the program.
- Have a documented production history of at least 100,00 pounds during any consecutive 6-month period over the last 12 months (less than 17,000 pounds per month).
- Apply to participate.

This initial 4-hour training session will provide a good overview of how put options work, how to apply them to a dairy operation and the rules of the program. After attending the initial training, dairy producers can still choose not to participate in the DOPP. Signing the application does not obligate a producer to participate.

Reservations for the meeting are required and may be made by calling the Glenn County Cooperative Extension Office at (530) 865-1107.

***Dairy Options Pilot Program
Training Session
Tuesday - June 18, 2002
10:00 a.m. to 3:00 p.m.***

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