



FOR-329

ASSOCIATED MILK PRODUCERS, INC.
Southern Region



November 12, 1996

Mr. Richard McKee
Director, Dairy Division, AMS, USDA
PO Box 96456
Washington, DC 20090-6456

Proposed Merger of Federal Milk Orders in the Southwest
Reiteration and confirmation of proposal

Dear Richard:

On July 2, 1996, *Associated Milk Producers, Inc., Mid-America Dairymen's Association, United Dairymen of Arizona and Western Dairymen's Cooperative, Inc.* submitted a letter to merge certain specified areas into a single federal milk marketing order in the Southwest. The merged order area should be all of the States of Arizona, Colorado, New Mexico, Oklahoma and Texas. Further, Cheyenne, WY and environs should be part of the merged area to recognize overlapping packaged fluid milk disposition emanating from that city.

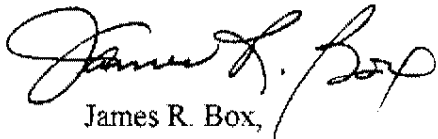
One of the notable dates described in your letter of May 2, 1996, to the industry will occur in the near future. On or around December 1, 1996, the industry will be informed of the Department's recommendation for merged order areas and recommended pricing surfaces in those merged order areas. We trust the Department, in its deliberation of reforming the geographical areas of federal milk marketing orders, will consider the proposal submitted collectively as one by the Southwest cooperatives named above.

The four cooperatives represent the overwhelming majority of producer milk pooled currently on the several orders proposed for merger. Significant overlap among the cooperatives occurs in the course of normal business from both the supply and balancing operation perspectives. Sufficient economic justification and plain logic exists for the Department to proceed with announcing the area as proposed by proponents. To do otherwise would create unnecessary burden on proponents in restructuring the Department's recommended order area in this part of the country.

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Thank you for this opportunity to reiterate the position of the proponents. This letter is submitted to confirm the original position taken by the proponents.

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "James R. Box".

James R. Box,
AMPI, for the named proponents

cc: Messrs. Albright, Fleming and Nicholson, Market Administrators, and
Blakeslee, Girard and Yando, Cooperative Associations