



Department of Agriculture and Food

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Deputy Commissioner

State of Utah

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Lieutenant Governor

December 14, 2007

Ms. Dana Coale, Deputy Administrator
USDA/AMS/Dairy Programs
STOP-0225-Room 2968-S
1400 Independence Ave., SW
Washington, DC 20250-0225

Dear Deputy Administrator:

We write this letter on behalf of the Utah dairy producers and the potential of Utah being incorporated into the Pacific Northwest Federal Milk Marketing Order 1124 ("Order 124"). The dairy industry is an integral part of our agriculture economy and it is essential that we implement and participate in programs that will maintain the economic viability of these dairy operations. If the actions of being included into this Order negatively impacts our local producers, we are not in support of such an act.

Utah has seen a decline of approximately 50% of its dairy farm operations over the past decade, yet cow numbers have remained fairly constant. At the same time, a strong fluid market has been established in the Utah metropolitan area and provides for a stable market for our producers.

We highly recommend and request considerations be made to include provisions that will maintain fair and equitable market price conditions for our local producers.

We recommend the following considerations be evaluated, which we believe would be in the best interest of Utah dairy producers:

1. Support order rules that make it necessary for pool participants to remain in the pool through out the year (at least 12 months) and require those not in the pool to enter over time, making it more difficult for them to take advantage of or avoid the loses of short-term market changes.
2. Adjust the diversion provision so there is minimal to no impact on Utah producers.
3. Allow provisions for a premium to be given to Utah producers for developing such a strong fluid milk market. Surrounding states (strong cheese states) want to capitalize on this, at the expense of Utah producers.

Just as a side note, if the outcome of these changes negatively impacts the local Utah market and Utah producers, we have been giving consideration to developing a State Order.

Thank you for you timely consideration of these comments and recommendations. We look forward to hearing from you. If you have any questions, please do not hesitate to contact our office.

Sincerely,

Leonard M. Blackham
Commissioner

Cc: Dairy Producers of Utah
Utah Dairy Commission

