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April 19, 2006

Hearing Clerk  
U.S. Department of Agriculture  
Stop 9200-Room 1031  
1400 Independence Avenue, SW  
Washington, DC 20250-9200

Re: Upper Midwest Marketing Area Recommended Decision

Dear Hearing Clerk:

Six copies of this letter are enclosed. These comments address the decision recommendations regarding pooling and an increase in the administrative assessment.

Grande Cheese Company is a proprietary cheese processor manufacturing ... *"The finest Italian cheeses money can buy!"*<sup>®</sup> We are located in Wisconsin, employing more than 600 Associates and buying milk direct from the farm. We purchase more than 1.5 billion pounds annually from what many consider the finest milk supply in the country. Our cheeses are sold nationally and our whey products are sold globally. All of our plants are, or can be, regulated by the Federal Milk Marketing Order.

Grande is concerned the continued tweaking of this regulatory system known as the Federal Market Order drives the details further and further from the market reality, generally described as a shrinking world with markets taking on a broader and broader scope. This decision, limiting the movement of milk, does not reflect that reality.

On a specific issue, we question the approach of addressing depooling as a solution to negative PPDs. Negative PPDs are not the result of depooling. Negative PPDs are an issue imbedded in the formulas and timeframes used to calculate regulated prices. That USDA did not address the negative PPDs directly, but adopted limits on depooling as a way to share the pain, is a major disappointment. You needed to address the formulas.

The Midwestern Orders, and in particular Order 30, will, if farmers vote to approve the changes, lower the milk price they receive on approximately 80% of the milk produced, while 20% of the milk will receive a significantly higher price. There is no added income; some farms win and more farms lose – a zero sum game.

Please do what you can to contain this regulatory system, thereby allowing the best of the free market an opportunity to create wealth for farmers and processors, and value for consumers.

Sincerely,

John Fridirici  
Vice President  
Milk Marketing and Procurement

JIF/slr

c: Dana Coale  
IDFA