

Statement by Senator Orrin G. Hatch
before the
Federal Milk Market Order Hearing in Salt Lake City
April 16, 2002

Thank you for holding this hearing on the federal milk marketing orders. I hope that as a result of what is discussed here today, something will be done to remedy the situation in which Utah's dairy industry was placed by the Federal Milk Marketing Order Reform Act of 2000.

In 1997 I fought the proposed realignment of the federal milk marketing order, because I felt that Utah and Utah's dairy industry would suffer unfairly as a result of it. I believed then, and still believe, that the decision to merge the Great Basin and the South West Idaho/East Oregon orders was a poor one. When the proposal to do so was first made, I wrote Secretary Glickman and asked that he reconsider, and the entire Utah congressional delegation joined me on this letter. I hope that a copy of it can be made part of the record of this hearing. Our letter asked the secretary to consider aligning the Great Basin Order with regions that were better matched with ours. These other regions, with their Class I utilization and markets, are more closely aligned with the Great Basin Order. We were concerned that *should* the milk marketing orders be realigned as proposed, it would have a devastating effect on Utah's dairy industry. I also organized two separate meetings in Washington between Utah dairy farmers and officials at the Agricultural Marketing Service prior to the finalization of the realignment to ensure that the decision makers fully understood what was at stake for Utah's dairy industry.

Despite our efforts, the secretary chose to place Utah together with Idaho in Order 135, and the result has been exactly as we feared. An imbalance was created that has inflicted significant financial harm to our dairies. This is evidenced by the fact that the total number of dairy families in Utah has dropped more than 25 percent, from 538 in 1999 to 403 in 2002. This is an alarming trend. The atmosphere created by the realignment of the milk marketing orders has forced one fourth of Utah's farmers to call it quits after a lifetime of hard work. Something must be done to put our farmers back on a level playing field.

I join the Utah Farm Bureau and the Utah Dairymen's Association in strongly supporting proposals 3, 4, 7, 8 and 9 of the Department of Agriculture's proposed rule to amend the milk marketing orders. I also support the request for a reduction in the amount of producer milk eligible for diversion to non-pool plants from 90 percent to 70 percent. This reduction will allow Utah dairies to compete fairly in the market and, together with the proposals I referred to above, will go a long way in removing the unfair difficulties that were placed upon them as a result of the milk marketing order changes.

It is my hope that the Department of Agriculture will seriously consider my views on this issue, as well as the views of Utah's hard working dairy farmers.

Thank you again for holding this hearing.