



# UTAH FARMERS UNION

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To: Administrator of the Federal Milk Marketing Order,

12 April 2002

Prior to the final decision of Order Reform 2000 the Utah Farmers Union has spent a great deal of time and effort to encourage the administration at USDA not to put Utah and Idaho together in a New Federal Order. With the potential for financial damage to Utah producers it appears that the decision did not take into account the present or projected supply and demand conditions of the Fluid Market in the new order. While it is difficult to calculate the harm to Utah producers, some have estimated it to be approximately eight (8) percent.

If the intent of the Federal Order system is to provide fresh fluid milk to urban consumers from producers within a modest distance then the Order Reform 2000 has failed to meet its goal. The most troubling issue is that over the last 3 years the number of Utah families in dairy production has gone from 538 in January of 1999 to 403 in January of 2002. The majority of these producers were in rural Utah and the impact of those lost dollars in rural Utah communities has had a huge impact.

USDA has the opportunity to remedy this hardship that has been inflicted on Utah and Idaho milk producers who are faithfully serving the Fluid Market. The reduction in the amount of producer milk eligible for diversion to non-pool plants from 90 percent to 70 percent will increase the Class I utilization and will allow the small Utah producers to compete fairly in the market.

Utah Farmers Union strongly urges USDA to adopt the proposed change from 90 to 70 percent diversion limit. We are confident that an investigation will reveal adequate supplies of milk for fluid consumption are available and the potential for financial harm to Federal Order 135 producers would be reduced under the revised diversion percentages.

Utah Farmers Union also supports proposals 3,4,5,7,8 and 9 to be heard April 16, 2002 public hearing on proposed rulemaking.

A Friend of Family Farms,

Utah Farmers Union President  
Arthur L. Douglas