



National Milk Producers Federation

National Milk Producers Federation • 2101 Wilson Blvd., Arlington, VA 22201 • 703-243-6111 FAX 703-841-9328

Agri-Mark, Inc.

Arkansas Dairy Cooperative Association

Associated Milk Producers, Inc.

California Dairies, Inc.

Casa-Clay Creamery, Inc.

Continental Dairy Products, Inc.

Cooperative Milk Producers Assn.

Dairy Farmers of America, Inc.

Dairymen's Marketing Cooperative, Inc.

Dairyland Cooperative Inc.

Elkworth Cooperative Creamery

Farmers Cooperative Creamery

First District Association

Foremost Farms USA

Just Jersey Cooperative, Inc.

Land O'Lakes, Inc.

Lone Star Milk Producers, Inc.

Manitowoc Milk Producers Coop.

MD & VA Milk Producers Cooperative Association, Inc.

Michigan Milk Producers Assn.

Mid-West Dairymen's Company

Niagara Milk Cooperatives, Inc.

Northwest Dairy Association

Prairie Farms Dairy, Inc.

St. Albans Cooperative Creamery, Inc.

Scioto County Co-op Milk Producers' Assn.

Select Milk Producers, Inc.

Southeast Milk, Inc.

Swiss Valley Farms, Co.

Tillamook County Creamery Assn.

United Dairymen of Arizona

Uptate Farms Cooperative Inc.

Zia Milk Producers

June 23, 2005

Secretary of Agriculture Mike Johanns
1400 Independence Ave, SW
Washington, DC 20250

35-4284113
AMS

Dear Secretary Johanns,

The National Milk Producers Federation Board of Directors, representing dairy producers and their cooperatives that account for 75% of all the milk produced in the U.S., urges you to support prompt implementation of the USDA recommended decision regarding producer-handlers.

This decision was published in the Federal Register of April 13, 2005, Docket Nos. AO-368-A32, AO-271-A37. The recommended decision would limit the dairy producer-handler exemption to those producer-handlers with less than 3 million pounds of fluid milk products per month within the marketing area.

The current, unlimited producer-handler exemption violates the principle of producer equity upon which the federal market order system rests. Evidence in the hearing record demonstrates that the current exemption skews the system to afford a few larger producer-handlers a significant and unwarranted price advantage over other producers.

The decision is fair—it proposes to treat the “farm side” of the producer-handler’s business exactly as all farms are treated, and treat the “processor side” of their operations the same as all other plants are treated. Farms with over 3 million pounds of monthly production now produce more than 20% of the U.S. milk supply, which is more than half of U.S. fluid milk sales. The number of dairy farms of this size is increasing every year. The current exemption allows for the spread of these mega size producer-handlers and the undermining of viable market order systems that provide equity and orderly marketing for both small and large producers.

We urge you to support the recommended decision as published by USDA. Dairy producers and their cooperatives support the implementation of this decision as soon as possible.

Sincerely,
National Milk Producers Federation

Jerry Kozak, President/Chief Executive Officer

Charles Beckendorf, Chairman