



Homeland Creamery, LLC
6506 Bowman Dairy Rd.
Julian, NC 27283
(336)-685-6455

Maple View Farm Milk Co., LLC
3109 Dairyland Road
Hillsborough, NC 27278
(919) 933-3600

Re: Petition to amend all Federal Milk Marketing Orders

From
Homeland Creamery, Julian, NC and/or
Maple View Farm, Hillsborough, NC

I am/we are currently classified as producer-handlers under the Appalachian federal order market (order 5). Several years ago we were commercial dairy farmers selling milk to a dairy cooperative. Because of the financial difficulties of maintaining a viable farming operation we investigated alternatives, including bottling and marketing our own milk. There is a growing market for specialty dairy products in our state of 9 million people and our plans and expectations have been met. My/our current volume of Class I sales is 175000 pounds per month.

I/we oppose the proposal made by the National Milk Producers Federation to eliminate producer-handlers. I/We feel this designation provides small businesses like ours with a viable and growing marketing opportunity. Our customers buy our milk because they know the source, they know we are a family farm and we can show them the practices we use. The alternative proposed by NMPF, that of an exempt plant, requires no such business structure or strict control over production and would create confusion in the minds of consumers. Therefore, we believe the producer-handler designation has value to certain consumers and producers and I/We propose that the producer-handler designation be retained. However, in recognition of the open-ended nature of this category, we propose a limit be placed on the size of business that can be so

categorized. In recognition of economies of scale in milk production and farm bottling, we propose a limit of 750,000 pounds of Class I sales per month.

In recognition of the fact that the specialty dairy product market opportunities are increasing and to create additional opportunities for small family farm dairy businesses I/we further support increasing the limit on the size of an exempt plant to sales of 750,000 pounds of Class I sales per month.

In summary, I/we believe that these limits will permit specialty dairy operations to achieve reasonable economies of scale, thereby providing consumers with products they desire at a reasonable cost, while at the same time preventing the kind of disruptions in mainstream commodity markets that have been documented as resulting from very large producer-distributors who compete directly with commodity milk products.

Therefore, I/we propose the following:

§ 1000.8 Nonpool plant.

Nonpool plant means any milk receiving, manufacturing, or processing plant other than a pool plant. The following categories of nonpool plants are further defined as follows:

(a) A plant fully regulated under another Federal order means a plant that is fully subject to the pricing and pooling provisions of another Federal order.

(b) Producer-handler plant means a plant operated by a producer-handler as defined under any Federal order ***provided such plant has route disposition and packaged sales of fluid milk products to other plants of 750,000 pounds or less during the month***

(c) Partially regulated distributing plant means a nonpool plant that is not a plant fully regulated under another Federal order, a producer-handler plant, or an exempt plant, from which there is route disposition in the marketing area during the month.

(d) Unregulated supply plant means a supply plant that does not qualify as a pool supply plant and is not a plant fully regulated under another Federal order, a producer-handler plant, or an exempt plant.

(e) An exempt plant means a plant described in this paragraph that is exempt from the pricing and pooling provisions of any order provided that the operator of the plant files reports as prescribed by the market administrator of any marketing area in which the plant distributes packaged fluid milk products to enable determination of the handler's exempt status:

(1) A plant that is operated by a governmental agency that has no route disposition in commercial channels;

(2) A plant that is operated by a duly accredited college or university disposing of fluid milk products only through the operation of its own facilities with no route disposition in commercial channels;

(3) A plant from which the total route disposition is for individuals or institutions for charitable purposes without remuneration; or

(4) A plant that in all markets has route disposition and packaged sales of fluid milk products to other plants of **750,000** pounds or less during the month,

Sincerely,

Christopher D. Bowman

Roger C. Nutter