



Maine Dairy Industry Association
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Mr. Bruce Summers Administrator
Agricultural Marketing Service
U.S. Department of Agriculture
1400 Independence Avenue, SW
Washington, DC 20250

July 12, 2023

Dear Administrator Summers:

I have written previously on behalf of the Maine Dairy Industry Association (“MDIA”) to oppose a single issue make allowance FMMO hearing, and to support a comprehensive hearing on FMMO issues along the lines of the proposal put forth by National Milk Producers Federation, with specific focus on the need for hearing on Class I differentials.

This letter requests additional inclusion of the organic milk price exemption proposal submitted by Milk Innovation Group’s (“MIG”). As explained below, the letter only advocates for the proposal’s inclusion to enable a hearing on the issue without expressing support for the specific proposal, itself. Further, as also explained below, the letter disassociates MDIA from MIG as the proponent of the proposal, both because of MIG’s membership and because of MIG’s combined submission of the organic proposal with other proposals that solely promote the interest of processors to the substantial detriment of dairy farmers.

As described in prior stakeholder letters, MDIA was created by state law to represent collectively the interests of all Maine dairy producers, who provide virtually all of the raw product supply for Maine fluid milk consumption and also an important contribution to the New England segment of the FMMO 1 regulated marketplace. Reflecting this positioning, MDIA advocates for the producer interest in the development of milk market regulation and policy in both state and federal proceedings.

Of direct concern for the issue addressed by this letter, organic producers make up about one-third of MDIA’s membership. Given that organic raw milk production is overwhelmingly for fluid utilization, this means that MDIA’s organic membership has a significant presence in the New England organic milk marketplace even more outsized than its positioning in the conventional marketplace. For both reasons, MDIA has a specific responsibility to advocate for its organic producers, if still within its overall mission to advocate for all Maine dairy producers.

MDIA’s board has concluded that a legitimate issue is undoubtedly raised about the uniform FMMO treatment of organic milk that does not in any way recognize that organic producers are almost always

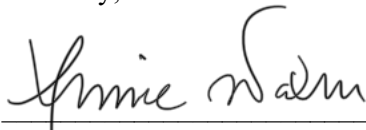
paid far more than the Class I price. It is also the fact that this and other issues about FMMO organic milk market regulation have been raised without much constructive assessment for many years, including a prior unsuccessful effort by the Organic Trade Association to convene a hearing.

At the same time, however, it is a long reach from recognition of a significant issue to the assertion that a blanket exemption is the solution. MDIA therefore expresses its support for MIG's proposal solely to advance the matter to a formal hearing, which may enable development of an evidentiary record that could provide answers to the many questions raised, or at least significantly advance the needed analysis.

Those questions include whether and how the proceeds of the exemption will actually be provided to the benefit of producers, and also whether those benefits for one group of farmers outweigh the associated cost to the remaining pool producers. It is in view of these questions that MDIA finds it necessary to disavow any association with MIG as the proponent for this process, much less the proposal itself.

MIG's membership is top heavy with dairy processors having a well-documented record of seeking either complete elimination of the federal order program, which is clearly to the detriment of producers, or other changes to federal Orders that serve only their interest without regard to the impact on producers. Here, in addition to the organic exemption proposal, MIG is also proposing the elimination of the base Class I differential. This is at best described as serving only the processor interest to the complete detriment of the producer, as well as being a proposal for piecemeal decimation of the federal Order Program.

Sincerely,



Annie Watson, President
Maine Dairy Industry Association

cc: Dana H. Coale, Deputy Administrator, Dairy Programs, AMS/USDA
Erin Taylor, Director, Order Formulation and Enforcement Division, USDA AMS-Dairy Programs