



March 14, 2016

The Honorable Tom Vilsack
Secretary
United States Department of Agriculture
1400 Independence Avenue, SW
Washington, DC 20250

Re: Opposition to the Modified Wichita Option for Organic Milk

Dear Mr. Secretary:

For over 78 years farmer-owned Prairie Farms Dairy Inc. has provided fresh and locally-sourced dairy products to U.S. consumers. Prairie Farms has over 650 member dairy farmers and markets approximately 1.8 billion pounds of milk in five of the ten Federal Milk Marketing Orders (FMMO). Prairie Farms joins a number of dairy farmer cooperatives and processor organizations in their unified opposition to the proposal by the Organic Trade Association (OTA) for modified FMMO provisions for organic milk handlers.

OTA's FMMO proposal would provide a competitive advantage of approximately \$50 million dollars per year to organic milk processors over conventional fluid milk processors in consumer-facing channels. As a result, the dairy farmer owners of Prairie Farms Dairy could lose market share in these channels to organic milk processors if OTA's proposal were adopted. Both the decline in the regulated milk price and the loss of market share represent disorderly fluctuations in milk supplies and prices and runs counter to the stated goal of the Agricultural Marketing and Agreement Act.

At present a number of our dairy farmer members are engaged in or have begun making the financial investments necessary for the three year transition into organic milk production. These transitioning farmers are clearly responding to market-based price signals and are evidence that supply is adjusting to accommodate organic milk demand. Importantly, these transitioning dairy farmer owners of Prairie Farms Dairy Inc. along with all other dairy farmers in the U.S. would certainly face disorderly marketing conditions if OTA's FMMO proposal were adopted.

Importantly, the Department recently amended the Mideast FMMO to prevent the type of de facto FMMO exemption currently sought by OTA (Milk in the Mideast Marketing Area Final Decision 2012). During that hearing the Department changed the definition of a pool plant to prevent handlers from organizing route sales in such a manner as to ensure FMMO exemption.

PRAIRIE FARMS DAIRY, INC.

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Now, just four years removed from that decision, OTA is proposing alternative pool payment provisions that would effectively exempt organic handlers from the pool and would run counter to the Department's 2012 efforts. As was the case in 2012, and for the reasons stated above, we request that the Department protect the integrity of the FMMO program by denying the hearing request.

Sincerely,

A handwritten signature in black ink, appearing to read "Ed Mullins". The signature is written in a cursive, flowing style.

Ed Mullins
Executive Vice President
Chief Executive Officer

cc: Dana Coale, Deputy Administrator, Dairy Programs