



ASSOCIATED MILK PRODUCERS, INC.
Southern Region

March 12, 1997



Mr. Richard McKee
Director, Dairy Division, AMS, USDA
PO Box 96456
Washington, DC 20090-6456

Response to Preliminary Report on Suggested Federal Milk Order
Consolidation

Dear Richard:

Associated Milk Producers, Inc. - Southern Region has submitted comments regarding the proposed federal order consolidation. That information was provided strictly with respect to the Southwest merger, as proposed by cooperatives located in the area. AMPI Southern Region has additional interest in the Southeast marketing area, and addresses that market in this letter.

Southern Missouri has long been a source of supplemental supply into the Southeast. Producer milk is regularly transported to regulated handlers located in the Southeast order area. The difference in blends among the present orders encourages movement from this milkshed into the high utilization Southeast market. Such movements are additionally encouraged by the closeness of proximity to regulated plants in the Southeast.

Northwest Arkansas is another area that should be included in the Southeast order. The two plants currently regulated under Southwest Plains regularly distribute packaged sales into the Little Rock area, regulated by order 1007. Under current Class I differentials, these plants would not be subject to changes in the price paid for milk supplies.

Attached is a proposal to amend the current Southeast language to include these areas in the order. Those counties in the former Paducah, order 1099, are included due to the regulation of a plant in Fulton, KY under the Southeast market. This plant was the only regulated facility in the former Paducah order, and would require the surrounding milkshed to supply this plant.



The fairly recent merger of the Southeast and its high utilization has brought an affinity to the milksheds surrounding the order area. While the area is deficit during the fall season, supplemental supplies are regularly shipped into the Southeast. The inclusion of the Southern Missouri milkshed alleviates the burden of procuring outside milk supplies during the deficit seasons. These recommended changes will improve the overall balance of the market, while stabilizing the relationships to order areas both to the north and west of the Southeast market.

Southern Region supports maintaining the current overall structure of the Southeast market. AMPI presents this opinion based on the continuance of the current order structure while supporting the noted amendments. We strongly support the consolidation of the areas in Arkansas and Missouri with the Southeast as competition and overlapping route sales are apparent in the area.

AMPI thanks you for the opportunity to share these views, and will provide any data necessary for back-up pertaining to these comments.

Sincerely,

A handwritten signature in cursive script that reads "Amy Clapper".

Amy Clapper
Associated Milk Producers, Inc.

cc: Sue Mosley, Market Administrator
Dr. Don Nicholson, Market Administrator
Jim Carroll

Enclosure



PART 1007 - MILK IN THE SOUTHEAST MARKETING AREA

PROPOSED AMENDMENT TO ADD COUNTIES IN NORTHWEST ARKANSAS, SOUTHERN MISSOURI,
AND THOSE KNOWN AS THE FORMER PADUCAH MARKETING AREA PART 1099.

§1007.2 Southeast marketing area.

The "Southeast marketing area," hereinafter called the "marketing area," means all territory within the bounds of the following Alabama, Florida, Georgia, Mississippi, Tennessee, Kentucky, Missouri and Arkansas counties....

Zone A

Missouri counties:

Butler, Carter, Douglas, Dunklin (north of State Highway 25), Howell, Oregon, Ozark, Ripley, Shannon, Stone, Taney, and Texas.

Zone B

Missouri counties:

New Madrid, Scott, and Mississippi.

Kentucky counties:

Fulton, Hickman, Carlisle, Crittenden, Ballard, McCracken, Graves, Calloway, Marshall, Livingston, Lyon, Caldwell, Trigg, Christian, and Todd.

Zone 1

Arkansas Counties:

Baxter, Benton, Boone, Carroll, Clay, Fulton, Greene, Izard, Lawrence, Madison, Marion, Randolph, Sharp, and Washington.

Missouri Counties:

Dunklin (south of State Highway 25) and Pemiscot.

Zone 4

Arkansas Counties:

Conway, Crawford, Crittenden, Cross, Faulkner, Franklin, Garland, Lee, Logan, Lonoke, Monroe, Montgomery, Perry, Polk, Prairie, Pulaski, Saline, Scott, Sebastian, St. Francis, White, Woodruff, and Yell.

§1007.52 Plant location adjustment for handlers.

(a)(1) For a plant located within one of the zones set forth in §1007.2, the adjustment (cents per hundredweight) shall be as follows:

Zone A.....Minus 89
Zone B.....Minus 63