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From: "Sean W. Nolan" <JERSEYMILK@MSN.COM> on 03/23/2000 10:54 PM GMT
Please respond to "Sean W. Nolan" <JERSEYMILK@MSN.COM>

To: president@Whitehouse.GOV
cc:
Subject: Dairy Pricing

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FSA
AMS

[Connection Information]

CLIENT: 63.26.224.198 [63.26.224.198]
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URL: http://www.whitehouse.gov/WH/Mail/html/Mail_President.html

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[Message Information]

PURPOSE: Seek assistance from the White House
TOPIC: Agriculture
AFFILIATION: Small Business Owner or Employee
SUBJECT: Dairy Pricing

[Message]

Do you realize that about 95% (this number is from my own investigation of local retail grocers) of all dairy products in my local grocery stores can or do have some or are of all imported dairy content???

The Real Seal is getting harder and harder to find in all stores! The real seal means that the product is 100% USA dairy content, no import dairy content allowed!!!

The Federal order uses cheese to price milk produced by the farmer. Imported dairy products are mixed with regional milk products to produce this cheese. With this comes my concern that in the end our dairy price to the farmer is artificially lowered. The dairy processor has no accountability to the

dairy farmer to prevent over importing of these dairy products, but they have an incentive to over import, the incentive is that it keeps the price that they have to pay the farmer artificially low. We need to prevent the imported dairy product, from hurting the U.S. dairy farmer. It (imported dairy products) must be kept separate for accounting and dairy pricing purposes.

There are more and more corporate dairy farms being built in this country.

The processors are helping the corporate dairy farms and starving out the family farmer. The reason for this is the processors can buy into these corporate farms and not the family farms. There is a definite manipulation of the dairy market by the processors to complete the corporate buy out of all agriculture in the U.S. by unethical and possibly illegal means.

We must stop the processors and corporate America from destroying our family farms and controlling all of our food prices. The processors and corporate America think of only their pockets and not the families of this country.

With everyone touting how great this Country s economy is, it makes me wonder why the family farmers are living below the poverty level???

I have some ideas on how to fix this problem, some or all of which may correct the inconsistencies in the way the USDA has been helping the processors, and killing the small dairy farm family.

(1) Stop the corporate Processor (not the home farm processor) from owning

or being part owner in any livestock.

(2) Stop imported dairy products from having an effect on local dairy

pricing formulas.

(3) Put in effect dairy quotas on corporate dairies only, to prevent over

production and outlaw RBST hormone injections.

(4) Stop importation of Canadian over quota milk and other artificially

devalued dairy products. put tariffs on all artificially devalued dairy

products.

(5) Force Secretary Glickman to adhere to laws on the books and figure cost

of production into the federal milk order pricing formula.

(6) Immediate \$15.50 per hundredweight floor price under all milk. Although

the U.S. is currently a milk deficit nation, if real overproduction

occurs, farmers may be assessed the amount necessary to buy up surplus

for use to feed the poor in this country and other needy places in the

world. This price shall be in effect until a real solution can be found

that is agreed upon by dairy producers (not processors).

(7) Demand a full independent public accounting or GAO accounting of the

Chicago Mercantile Exchange (CME) and NASS survey, domestic milk production, commercial use, and imported dairy products. Also, an

accounting of the food storage system (and emergency food stores held

for world wide disaster).

(8) Any publicly paid university dairy economist or extension agent who

publishes milk production figures must be required to also publish side

by side total marketing, commercial disappearance and import figures.

Dairy farmers must be informed about the whole picture (not just what

the processor want s the farmer to know).

(9) Congressional hearings should be held at congressional district level

to allow farmers to present their ideas for real solutions (and inform

the farmer in time that they can testify, not after). Since co-ops no

longer represent us, neither farm organizations, co-ops, Ag Economist,

nor IDFA should be allowed to speak on our behalf. There needs to be a

national referendum on dairy plans where every dairy producer can vote

on proposed plans with NO BLOCK VOTE !!!

In response to S.R.2221

A temporary floor price of \$15.50 per hundredweight on all milk addresses the real crisis facing dairy producers and supporting business much more realistically than another taxpayer funded bailout

which only covers losses for 1-3 months.

Taxpayer funded bailouts lower our standing with the public without

addressing the real problems.

Taxpayer money would be better spent on an accounting of the Chicago

Mercantile Exchange, NASS survey and other potential corruption and

abuses in the dairy pricing system, also, on congressional hearings

with farmers seeking real solutions.

Generally speaking, most dairy producers will have no problem with processors paying on the basis of what they actually receive in the form of components provided that the following issues pertaining to Class III and Class IV

pricing Formulas are addressed:

(1) NASS commodity surveys - These are currently voluntary and are not

audited. There is also no penalty or culpability on the part of those

responding for false information submitted to the survey.

2.) Block/Barrel Cheddar Cheese Price - Block Cheddar is not adjusted to

39% moisture as Barrel Cheese is. This needs to be corrected.

3.) Component Testing Procedures - There is currently no universally

established number of times milk is tested for components.

Butterfat

readings can vary dramatically throughout the day and from day to day.

An accurate average can only be achieved by running an official test on

milk every time it is picked up at the farm. Also, there are the nagging questions of the possibly varying weight of a gallon of milk,

sample mishandling, accuracy of protein and butterfat testing equipment,

how this equipment is tested for calibration and, finally, a clear

definition of maximum allowable error percentages in solids testing.

These all need to be addressed.

4.) Incomplete Butterfat Calculation - Currently, the approximately 8% of

butterfat not used in making cheese is not factored into the formula for

its whey cream value.

5.) Class IV Formula - The yield divided currently used for butter/powder is 1.02. It should be .975 because of the 2.5% moisture

content of non-fat dry milk.

6.) Make Allowances - Clarification is needed in regard to way these are

used in the first place, and where the audited formula/survey that

produced these are, and why they were arbitrarily set at the current

levels.

7.) Producer Cost of Production - Agriculture Secretary Dan Glickman s

refusal to factor costs of production is in violation of 7 U.S.C.

Section 608c (18), of the 1937 Agricultural Marketing Agreements Act,

which indicates that cash costs of production for milk are to be addressed in determining minimum prices. Since Classes III and IV

currently are the basis for milk prices, the USDA has failed to incorporate this factor into the Class III and IV formulas. Since the

USDA currently announces a cash cost of production on a monthly, regional basis, this should be recalculated on a Federal Milk Marketing

Order basis, adjusted monthly and incorporated into the Class III and IV

pricing formulas.

Sincerely,
Sean W. Nolan
Dairy Farmer