

March 31, 2023

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

Submitted via email

Dear Administrator Summers:

I write to you today expressing Edge Dairy Farmer Cooperative's opposition to the Federal Milk Marketing Order hearing petitions on make allowances submitted by the International Dairy Foods Association and the Wisconsin Cheesemakers Association. We urge USDA to consider the inequitable scope of the IDFA/WCMA petitions and the farm bill timeline when determining how to move forward.

For context, Edge is the third largest cooperative in the country in terms of milk volume, representing over 850 dairy farmer members across the Upper Midwest. As a verification cooperative, Edge directly represents the interest of farmers.

Our organization agrees flaws exist within the federal order system that need addressing. However, we must address them holistically. Edge requests that USDA refrain from moving forward with such a narrowly focused hearing.

We understand processors have experienced hardships throughout the past several years but so have producers. Any effort to fix only a small part of the federal order system that solely benefits processors — while having an adverse effect on farmers' milk checks — would be neither prudent nor fair. It is especially egregious in a year where dairy margins project to decline.

When the pandemic created massive volatility in dairy markets, Edge assembled a task force of Upper Midwestern dairy associations to explore solutions. While formulaic changes to the system are needed, they would only fix some of the issues in the short term. Edge remains focused on long-term solutions to position both farmers and processors for future success.

Edge proposes a two-pronged approach to milk pricing reform. First, allow more regional flexibility. Each federal order carries unique needs and product mixes, making sweeping changes difficult. We are working to update the authorizing language of the federal order system to let individual orders try new approaches that make sense for their geographies. Doing so would ensure their relevance in the future.

Second, Edge would like to see a set of standard contracting principles codified to improve business relations between farmers and processors. Both parties need the other to be successful. More

transparent relationships would prevent the discord seen in the past several years. If the orders are tweaked without more extensive improvements, we will find ourselves in the same position again in a few short years and risk the dissolution of federal orders, specifically in Federal Order 30.

The federal order hearing process is a long one — likely taking over a year to complete. By the time this potential make allowance hearing is complete, a new farm bill will either have passed or be in active consideration. We fully expect it to include legislative changes to the dairy pricing system.

As you know, a federal order hearing is costly, time-consuming and takes considerable staff resources. If the rules of the road may change amid the process, we believe it makes the most sense to delay any hearing, regardless of scope, until after the next farm bill is completed.

Sincerely,



Tim Trotter
CEO, Edge Dairy Farmer Cooperative

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