

**Testimony Related to Doc. NO AO-14-A78, et al; DA-09-02; AMS-09-0007
National Public Hearing on Proposed Rulemaking On Producer Handlers
and Exempt Plant Status**

Jointly Submitted by

New Hampshire Department of Agriculture, Markets and Food
New York Department of Agriculture and Markets
Pennsylvania Department of Agriculture
Vermont Agency of Agriculture, Food and Markets
Wisconsin Department of Agriculture, Trade and Consumer Protection

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The New Hampshire Department of Agriculture, Markets and Food; New York Department of Agriculture and Markets; Pennsylvania Department of Agriculture; the Vermont Agency of Agriculture, Food and Markets and the Wisconsin Department of Agriculture, Trade and Consumer Protection (Hereinafter referred to collectively as “The States”) are testifying jointly in support of proposal number 8 related to the status of Producer - Handlers within the Federal Order System and the part of proposal number 2 that relates to Exempt Plants. Specifically, The States propose to retain the Producer - Handler exemption, establish a 2 million pound per month exemption for all Class I milk distributed in all Federal Orders, and to increase the limit for exempt plants from 150,000 to 450,000 per month.

The States all have strong dairy industries, with dairy farmers, dairy processing and proximity to consumers in a variety of urban areas. Each of these states has Producer-Handlers and all but New Hampshire has Exempt Plants. The States concur that having Producer-Handlers and Exempt Plants is not a threat to their overall dairy industries but that they are indeed a small but important aspect of their respective industries. These Producer-Handlers and Exempt Plants provide viable choices for consumer in The States who may seek to purchase more locally produced or niche dairy products. Below in Table 1 is information on numbers and volumes of Producer-Handlers and Exempt Plants relative to total milk production in our states

Table 1

State	# Producer – Handlers and Exempt Plants	Estimated Volume Producer-Handler & Exempt Plant pounds – year	Total State Volume – USDA data – year	Percentage PH and Exempt of total per year
New Hampshire ¹	2	11,400,000	0.299 billion	3.813%
New York ²	13	15,120,000	12.432 billion	0.122%
Pennsylvania ³	22	47,280,000	10.757 billion	0.440%
Vermont ⁴	2	18,600,000	2.575 billion	0.722%
Wisconsin ⁵	10	34,800,000	24.472 billion	0.142%

This information demonstrates that the milk volumes involved with Producer –Handlers and Exempt Plants is very small relative to total milk production. It would be difficult to argue that such small volumes, collectively or individually by handler, create significant inequities or disorderly marketing. The States acknowledge that one very large producer-handler (> 3m pounds per month) could be disruptive.

The States propose that the Producer-Handler exemption remain intact throughout the Federal Order system with the following limitations and clarifications. First, The States propose a monthly volume limit

¹ Discussion with New Hampshire Department Markets and Food and producer handlers.

² Route disposition reports to New York Department of Agriculture and Markets

³ Estimated volume by Pennsylvania Department of Agriculture.

⁴ Discussion with Vermont Agency of Agriculture Food and Markets with producer handler and exempt plant.

⁵ Estimated by using estimated herd and production sizes for an annual basis for each Producer Handler and Exempt Plant by Wisconsin Department of Agriculture, Trade and Consumer Protection

of 2 million or less pounds on all Class I milk sold in all orders. Second, the definitions and regulations governing Producer-Handlers should be uniform across the Federal Order System. And third ownership provisions should be clear and concise and that the ability to purchase a volume of milk to offset times of low milk production be allowed as stated in Northeast Federal Order 1 subpart B - definitions §1001.10 (b) & (c). The States also support that the monthly limit on distribution in all orders for Exempt Plants be increased to 450,000 pound per month.

Producer-Handler Exemption

The States support a uniform Producer-Handler exemption within the Federal Order System. The Producer- Handlers in the respective states all employ well under 500 people, and are by any account small businesses. At a time when consumers are seeking locally produced and processed milk from local farms, removing the Producer-Handler exemption would reduce the consumers' opportunity to obtain the product they desire. It would retard and hurt farms that have made the investment in facilities and marketing and are meeting that demand. Some of the Producer-Handlers in The States are new entities established within the last 5 years. Others have been in business for over 80 years. Each serves a defined niche such as cream line bottled milk, organic milk, milk free of artificial growth hormones, milk in glass bottles or milk specifically packaged for home delivery. All are focused on local markets. None of these Producer- Handlers or Exempt Plants in The States creates disorderly marketing currently nor will they if they are able to grow moderately in the future to the 2 million pound or 450,000 pound limit.

2 million pound limit for Producer-Handler Exemption

To insure consistency throughout the Federal Order System, the 2 million pound per month limit for Producer Handler Exemptions and definitions should be implemented in all orders.

The States proposed limit is based on the need to allow the dairy farm part of the Producer Handler business to achieve most of the economies of size in farming. The USDA-ERS Report titled Low Costs Drive Production to Large Dairy Farms (Amber Waves: Volume 5 Issue 4) indicates that farms achieve most, but not all, of their economies with herd sizes of 1000 cows; both operational and total costs. This is the basis for the 2 million pounds proposed exemption: assuming 1000 cows at 25,000 pounds per cow per year. The States believe this herd size level is reasonable given today's operational standards on dairy farms.

The States recognize that the current 3 million pound per month exempt limit in the Pacific Northwest Order and the Arizona-Las Vegas order establishes a precedent and represents an absolute upper bound for placing a cap on the Producer Handler exemption. In the hearing decision for the Pacific Northwest (Federal Register/Vol 70, NO. 70 Wednesday, April 13, 2005/Proposed Rules) where it was reasoned that a 3 million pound per month limit is in place for the USDA monitored Milk Producer Education Program (PEP). Fluid milk processors below 3 million pounds per month do not take part in the Milk PEP program. A NMPF witness (page 19642) concluded that the impact of an individual handler of this size or smaller is negligible and therefore rationalizes why smaller handlers are exempt from Milk PEP. Additionally a DFA witness testified (page 19643) that 3 million pounds is the level at which Producer Handlers achieve competitive equity with fully regulated handlers in terms of processing efficiency and at that level of route distribution has a significant value on producer milk.

The current number of producer-handlers represents a very small percentage of the total milk volume in the Federal Order System according to data provided by the Milk Market Administrator. The States propose a 2 million pound limit as a precautionary and justifiable size limit. Allowing for a 2 million

pound exemption for Producer-Handlers does not represent a large milk volume within the Federal Order System and will not disrupt orderly marketing of milk.

Also it may be useful for USDA to consider a circuit breaker in individual orders whenever Producer Handler and Exempt Plant volumes exceed 5 percent of the Class I pool volume. The States want to leave ample room for innovation and growth for Producer Handlers while not overly jeopardizing pool values for all farmers.

Cost of production for dairy farms and size economics for dairy processing are important economic factors that determine any competitive or cost advantages occurring under or outside order pricing and pooling regulations. Dairy farms lower costs of production as they grow in size and the same is true for processing facilities. The limit of 2 million pounds per month (1000 cow farm) does not generate significant cost benefits that offset the diseconomies of small processing plants. The limitation of 2 million pounds per month is considered a very small processing facility that would not garner economies of scale advantages relative to the large specialized processing plants of large companies or handlers. Moreover, USDA cost of production data on farms are consistently lower than uniform prices under orders. Any advantage to an exempt producer-handler from not being required to pay into the pool is more than offset by cost disadvantages at the farm and in the plant.

The table below shows USDA Cost of Production data available for some of the states within the federal orders along with the Class I and Statistical Uniform price for those federal orders for calendar year 2006 and 2007.

Table 2

	2006		2006		2007		2007	
USDA COP	Operating	Total	Class I	SUP	operating	Total	Class I	SUP
Northeast VT, NY, PA	\$ 12.91	\$ 22.68	\$ 15.13	\$ 13.53	\$ 15.56	\$ 25.76	\$ 21.39	\$ 19.92
Appalachian - VA, TN, KY	\$ 14.61	\$ 28.32	\$ 14.98	\$ 13.99	\$ 16.57	\$ 30.41	\$ 21.19	\$ 20.36
Southeast - GA, MO, TN	\$ 13.43	\$ 25.90	\$ 14.98	\$ 13.90	\$ 15.70	\$ 28.63	\$ 21.20	\$ 20.09
Florida	\$ 13.15	\$ 19.95	\$ 15.88	\$ 15.23	\$ 14.57	\$ 21.44	\$ 22.01	\$ 21.29
Mideast - OH, MI, IN	\$ 11.47	\$ 20.12	\$ 13.75	\$ 12.40	\$ 12.93	\$ 21.57	\$ 20.12	\$ 18.75
Upper Midwest - MN, WI, IL	\$ 11.50	\$ 21.12	\$ 13.55	\$ 12.04	\$ 12.72	\$ 22.77	\$ 19.94	\$ 18.41
Central -IA, IL	\$ 11.60	\$ 21.56	\$ 13.88	\$ 12.26	\$ 13.24	\$ 23.82	\$ 20.12	\$ 18.67
Southwest - NM, TX	\$ 9.63	\$ 13.97	\$ 14.88	\$ 13.16	\$ 11.92	\$ 16.49	\$ 21.09	\$ 19.35
Arizona - Las Vegas - CA	\$ 10.47	\$ 14.45	\$ 14.10	\$ 13.71	\$ 11.90	\$ 16.00	\$ 20.47	\$ 18.95
Pacific Northwest - WA, OR, ID	\$ 11.60	\$ 18.50	\$ 13.65	\$ 11.95	\$ 13.24	\$ 20.43	\$ 20.04	\$ 18.62

USDA Cost of Production and Federal Order Pricing

In 2006, a very low price year, the Class I price was greater than the operating costs as reported by USDA in all Federal Orders. However the Class I price was less than the total cost of production as reported by USDA in all but one order – the Southwest order. The fact that the Class I price is lower than the total cost of production without question takes away the argument that producer-handlers enjoy any milk price advantage and clearly warrants a continued exemption.

In 2006, a very low milk price year, the Statistical Uniform price was greater than the operating costs in all but the Appalachian order. However, the Statistical Uniform price was never greater than the total cost of production recorded by USDA. A producer-handler must manage the farm as well as the processing facility. If producer-handlers were required to take part in the pooling and payment provisions of the federal order – the statistical uniform price would not meet the cost of production for the majority of farms. Therefore there is not raw milk cost advantage for producer-handlers but in fact a cost disadvantage.

Calendar year 2007 was a record setting year for milk prices but cost of production rose as well. In all Federal Orders the Statistical Uniform Price was greater than the operating costs reported by USDA. As seen in 2006, the Statistical Uniform price was lower than the total cost of production reported by USDA except for two Federal Orders - Southwest and Arizona-Las Vegas. In high price years, in certain federal orders there may be a raw milk price advantage but prices fluctuate.

In 2007, the Class I price exceeded operating costs in all Federal Orders. The Class I price exceeded the total cost of production in 4 of the 11 federal orders – the majority of the federal orders have total costs of production higher than the Class I price even in high price years.

There are advantages of scale for cost of production – larger farms have lower costs of production. According to the publication “Profits, Costs and Changing Structure of Dairy Farming”, USDA ERS – ERR-47 2002, published in 2007, “farms with a 1,000 or more cows realized average costs 15.4% below those in the next smaller class (500 – 999 cows) and 24% below farms with 200 – 499 cows”. A size requirement of 2 million pounds per month represents dairy farms milking 1,000 cows depending on production per cow. According to USDA ERS, these farms do have a some lower, but not the lowest cost of production. A 2 million pound cap clearly does not insure that the Class I or Statistical Uniform price would cover total cost of production in all Federal Orders.

In the low price year of 2006, the Class I and Statistical Uniform price did not cover the total cost of production, reduced by 15.4% as shown by USDA, in 7 out of the 10 Federal Orders. In low cost years, there is very little price advantage if Class I and Statistical Uniform Price prices do not cover the cost of production. The numbers change for high price years with 5 Federal Orders showing Class I and Statistical Uniform prices above total costs of production and 5 Federal Orders below. Table below shows this data.

Table 3

Cost of Production	2006		Operating	total	2007		operating	total
	Class I	SUP	Reduce	reduce	Class I	SUP	reduce	reduce
			15.40%	15.40%			15.40%	15.40%
Northeast VT, NY, PA	\$15.13	\$13.53	\$10.92	\$19.19	\$21.39	\$19.92	\$13.16	\$21.79
Appalachian - VA, TN, KY	\$14.98	\$13.99	\$12.36	\$23.96	\$21.19	\$20.36	\$14.02	\$25.73
Southeast - GA, MO, TN	\$14.98	\$13.90	\$11.36	\$21.91	\$21.20	\$20.09	\$13.28	\$24.22
Florida	\$15.88	\$15.23	\$11.12	\$16.88	\$22.01	\$21.29	\$12.33	\$18.14
Midwest – OH, MI, IN	\$13.75	\$12.40	\$9.70	\$17.02	\$20.12	\$18.75	\$10.94	\$18.25
Upper Midwest - MN, WI, IL	\$13.55	\$12.04	\$9.73	\$17.87	\$19.94	\$18.41	\$10.76	\$19.26
Central -IA, IL	\$13.88	\$12.26	\$9.81	\$18.24	\$20.12	\$18.67	\$11.20	\$20.15
Southwest - NM, TX	\$14.88	\$13.16	\$8.15	\$11.82	\$21.09	\$19.35	\$10.08	\$13.95
Arizona – Las Vegas - CA	\$14.10	\$13.71	\$8.86	\$12.22	\$20.47	\$18.95	\$10.07	\$13.54
Pacific Northwest - WA, OR, ID	\$13.65	\$11.95	\$9.81	\$15.65	\$20.04	\$18.62	\$11.20	\$17.28

USDA Cost of Production reduced by 15.4% and Federal Order Prices

A 2 million pound limit for producer-handlers across the federal order system would allow dairy farmers who choose to process their own milk some advantage of economy of scale on the farm but does not insure a milk price versus cost of production advantage in all years or in all Federal Orders. Without a raw milk price advantage there should be no threat of disorderly marketing.

Processing efficiency must also be taken into account. A limit of 2 million pounds of milk per month translates into 233,000 gallons of milk per month or 58,000 gallons processed per week. In a Journal of Dairy Science article; 85:984-991 – Fluid Milk Processing Costs: Current State and Comparisons by T.J. Dalton, G. K. Criner and J. Halloran; 2002; four state of the art models were used in the comparison: one processing 335,000 gallons per week, one processing 400,000 per week, one blow molding bottles at 400,000 gallons per week and one blow molding bottles and processing 600,000 gallons per week. These models that are state of the art are all 3 to 4 times larger than the producer-handler limit proposed at 58,000 gallons per week.

This research concludes that there are clear economies of scale associated with processing size. To reduce per-unit production costs, a higher volume of milk must be processed to distribute the fixed production investment over more products. The volume under the potential restriction of 58,000 gallons per week would not allow for the potential reduction in per unit costs providing any cost advantage to the producer-handler within this proposed size limit.

Furthermore, the research cited changes in the industry from 1993 to 2000. A plant processing 400,000 gallons of milk per week in 1993 would need to grow to process 600,000 gallons per week in 2000 to be able to gain the economies of scale sufficient to offset technology and industry cost increases. Once again a limit of 58,000 gallons per week does not provide any cost efficiency to a processor.

Based on this study on processing volumes and efficiencies, the production limit of 2 million pounds per month milk per month for producer-handlers would not result in a cost benefit at the processing level. In other words there is no chance for a Producer-Handler to achieve cost economies on the farm, in processing or in distribution that would offset any cost savings from not paying into the Class I pool.

Grandfather Clause

The States support a hard cap of 2 million pounds per month for producer-handlers in all Federal Orders. Attempting to add a grandfathering language adds complexity to regulations and is not necessary with a hard cap as The States propose. Audits need only to focus on volumes processed and distributed.

Unique Branding

The Producer-Handlers in The States are marketing unique brands produced at their farm and processing location. These Producer-Handlers operate one farm and processing facility and the products produced are specifically labeled for sale in their local communities. The States do not support Producer-Handlers banding together across geographic locations to produce a brand for mass distribution. The States support the direct connection between the farm producing the raw product and the processing facility. The States also support the ability of these so defined Producer-Handlers to market product under various labels to meet the current market demand and distribution in their specific location and consumer base.

Ownership and Proof of Location

The States support the Milk Market Administrator in the collection of adequate proof needed to determine that the care and ownership of the cows, ability to produce milk for Class I volume and of the processing facility indicate producer-handler status. This is well defined within Federal Order language and does not need to be altered. The burden of proof is on the producer-handlers to provide adequate records for the milk market administrator on farm ownership and milk volume processed per month.

Milk Volume Supplementation

The States support the producer-handler's ability under the current Federal Order in the Northeast as referenced in subpart B - definitions §1001.10 (b) & (c) and the Upper Midwest to purchase up to 150,000 pounds per month of milk that is fully subject to the pricing and pooling provisions of the so mentioned Federal Orders or any other Federal Order.

Exempt Plants

The States support the proposal to increase the limit for Exempt Plants from 150,000 pounds to 450,000 pounds. As stated by the National Milk Producer Federation in their original proposal, "Given the growth in average farm size, and the growing economies of size in milk processing, it is reasonable to increase the size exemption to 450,000 pounds per month, and we propose to do so. For perspective, this is equal to the production of about 260 cows, or twice the size of the average dairy herd in the U.S. This would exempt 30 to 35 plants that are now regulated or partially regulated, as well as all but the 10 to 15 largest current producer-handlers. Plants this small cannot and do not compete with large modern plants on cost alone, with or without the pricing advantage offered by producer-handler status; some 100 such plants already do compete in Federal order markets primarily on the basis of additional value added."

In conclusion, The States jointly agree, and support such with this testimony, to keep the Producer-Handler Exemption, cap the exemption at 2 million pounds of fluid milk sales per month, and to increase the Exempt Plant cap to 450,000 pounds per month.

Public Hearing Officials:

I am writing to support the proposal to preserve the producer-handler status and exempt plant status in federal orders.

More specifically, I support the monthly volume cap of 2 million pounds of fluid milk sales distribution for both producer-handlers and exempt plants. Grandfathering and unique label considerations are not necessary and would be complex to administer. Having the flexibility to grow is very important to our business and 2 million pounds as a cap as justified in the Northeast and Midwest orders is a reasonable cap to allow for growth without unduly affecting the pool for other farmers. Having the flexibility to be a producer handler or exempt plant is important for two reasons: 1) paper work reduction and 2) some need to purchase other milk to meet short term demands.

Thank you for your consideration of our position on this matter.

Sincerely

Emma H. Rissler
Emma H. Rissler

MAY 1, 2009

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Sincerely



HIGHFIELD DAIRY

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Sincerely

Melanie Reich, owner of Mountainview Farms

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Our business would support an overall cap of 5 percent of each order's total fluid milk sales that could come from producer handlers or exempt plants. When the volume reaches beyond that amount, USDA would call a new hearing to reexamine the exemptions.

Thank you for your consideration of our position on this matter.

Sincerely

H. John Hochman

Paul S Hoch

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TANNER BROS. & SONS INC.
1070 HATBORO ROAD
IVYLAND, PA 18974

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Sincerely

Donald T Tanner
Tom Tanner Sr

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Sincerely

Joe C. Meyer Jr

*Meyer Dairy Store
State College pa 16801*

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Thank you for your consideration of our position on this matter.

Sincerely

Paul A. Kolb

Kolbe Farm Store

151 Kolb Rd.
Spring City, Pa 19475
610-495-7841

05/01/2009 12:44 FAX 717 787 1873

PA AGRIC FOOD SAFETY

002

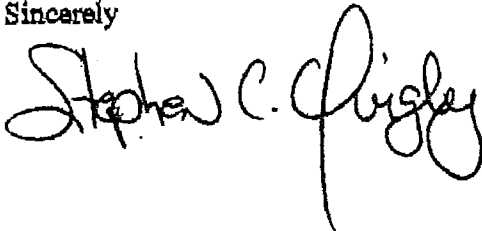
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Thank you for your consideration of our position on this matter.

Sincerely



Public Hearing Officials:

I am writing to support the proposal to preserve the producer-handler status and exempt plant status in federal orders.

More specifically, I support the monthly volume cap of 3 million pounds of fluid milk sales distribution for both producer-handlers and exempt plants. Grandfathering and unique label considerations are not necessary and would be complex to administer. Having the flexibility to grow is very important to our business and 3 million pounds as a cap as justified in the Pacific Northwest order is a reasonable cap to allow for growth without unduly affecting the pool for other farmers. Having the flexibility to be a producer handler or exempt plant is important for two reasons: 1) paper work reduction and 2) some need to purchase other milk to meet short term demands.

Our business would support an overall cap of 5 percent of each order's total fluid milk sales that could come from producer handlers or exempt plants. When the volume reaches beyond that amount, USDA would call a new hearing to reexamine the exemptions.

Thank you for your consideration of our position on this matter.

Sincerely

Calvin Ditch

Maplehofe Dairy

**Castle Rock Organic Dairy LLC**

S13240 Young Road
Osseo, WI 54758

Voice: 715-597-0085

Fax: 715-597-0065

April 30, 2009

Gino Tosi
Senior Marketing Specialist
USDA Stop 0231-Room 2971
1400 Independence Ave, SW
Washington, DC 20250-0231

Mr. Tosi:

My business, Castle Rock Organic Dairy, is currently regulated as an Exempt Plant under the Midwest Federal Milk Marketing Order. I am writing to inform you that the State of Wisconsin is representing me in the hearing (Doc. No AO-14-A78) and that I fully support its proposal to preserve the producer-handler status and exempt plant status in federal orders.

More specifically, I support the monthly volume cap of 2 million pounds of fluid milk sales distribution for producer-handlers and 450,000 pounds for exempt plants as represented by the States of Wisconsin, Vermont, Pennsylvania, New York and New Hampshire. Grandfathering and unique label considerations are not necessary and would be complex to administer. Having the flexibility to grow is very important to our business and 2 million pounds as a cap is a reasonable cap to allow for growth without unduly affecting the pool for other farmers. Having the flexibility to be a producer handler or exempt plant is important for two reasons: 1) paper work reduction and 2) some need to purchase other milk to meet short term demands.

Thank you for your consideration of our position on this matter.

Sincerely,

Carla Kostka
Castle Rock Organic Dairy

**WEBER'S FARM STORE, INC.
9706 COUNTY ROAD H
MARSHFIELD, WI 54449**

April 30, 2009

Gino Tosi
Senior Marketing Specialist
USDA Stop 0231-Room 2971
1400 Independence Ave, SW
Washington, DC 20250-0231


Mr. Tosi:

My business, Weber's Farm Store, Inc, is currently regulated as an Exempt Plant under the Midwest Federal Milk Marketing Order. I am writing to inform you that the State of Wisconsin is representing me in the hearing (Doc. No AO-14-A78) and that I fully support its proposal to preserve the producer-handler status and exempt plant status in federal orders.

More specifically, I support the monthly volume cap of 2 million pounds of fluid milk sales distribution for producer-handlers and 450,000 pounds for exempt plants as represented by the States of Wisconsin, Vermont, Pennsylvania, New York and New Hampshire. Grandfathering and unique label considerations are not necessary and would be complex to administer. Having the flexibility to grow is very important to our business and 2 million pounds as a cap is a reasonable cap to allow for growth without unduly affecting the pool for other farmers. Having the flexibility to be a producer handler or exempt plant is important for two reasons: 1) paper work reduction and 2) some need to purchase other milk to meet short term demands.

Thank you for your consideration of our position on this matter.

Sincerely,



Ken Heiman, President
Weber's Farm Store, Inc.

Apr. 30. 2009 9:33AM

No. 0395 P. 2

April 30, 2009

Gino Tosi
Senior Marketing Specialist
USDA Stop 0231-Room 2971
1400 Independence Ave, SW
Washington, DC 20250-0231

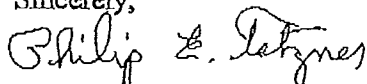
Mr. Tosi:

My business, Tetzner Dairy, is currently regulated as a Producer-Handler under the Midwest Federal Milk Marketing Order. I am writing to inform you that the State of Wisconsin is representing me in the hearing (Doc. No AO-14-A78) and that I fully support its proposal to preserve the producer-handler status and exempt plant status in federal orders.

More specifically, I support the monthly volume cap of 2 million pounds of fluid milk sales distribution for producer-handlers and 450,000 pounds for exempt plants as represented by the States of Wisconsin, Vermont, Pennsylvania, New York and New Hampshire. Grandfathering and unique label considerations are not necessary and would be complex to administer. Having the flexibility to grow is very important to our business and 2 million pounds as a cap is a reasonable cap to allow for growth without unduly affecting the pool for other farmers. Having the flexibility to be a producer handler or exempt plant is important for two reasons: 1) paper work reduction and 2) some need to purchase other milk to meet short term demands,

Thank you for your consideration of our position on this matter.

Sincerely,



Phillip Tetzner
Tetzner Dairy

April 30, 2009

Gino Tosi
Senior Marketing Specialist
USDA Stop 0231-Room 2971
1400 Independence Ave, SW
Washington, DC 20250-0231

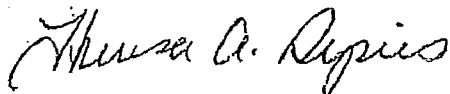
Mr. Tosi:

My business, Springbrook Organic Dairy, is currently regulated as a Producer-Handler under the Midwest Federal Milk Marketing Order. I am writing to inform you that the State of Wisconsin is representing me in the hearing (Doc. No AO-14-A78) and that I fully support its proposal to preserve the producer-handler status and exempt plant status in federal orders.

More specifically, I support the monthly volume cap of 2 million pounds of fluid milk sales distribution for producer-handlers and 450,000 pounds for exempt plants as represented by the States of Wisconsin, Vermont, Pennsylvania, New York and New Hampshire. Grandfathering and unique label considerations are not necessary and would be complex to administer. Having the flexibility to grow is very important to our business and 2 million pounds as a cap is a reasonable cap to allow for growth without unduly affecting the pool for other farmers. Having the flexibility to be a producer handler or exempt plant is important for two reasons: 1) paper work reduction and 2) some need to purchase other milk to meet short term demands.

Thank you for your consideration of our position on this matter.

Sincerely,



Theresa Depies
Springbrook Organic Dairy





Taste the local difference!

W4192 Bristol Rd. • Columbus, WI 53925 • 608-445-2010
www.sassycowcreamery.com

April 30, 2009

Gino Tosi
Senior Marketing Specialist
USDA Stop 0231-Room 2971
1400 Independence Ave, SW
Washington, DC 20250-0231

Mr. Tosi:

My business, Sassy Cow Creamery, is currently regulated as a Producer-Handler under the Midwest Federal Milk Marketing Order. I am writing to inform you that the State of Wisconsin is representing me in the hearing (Doc. No AO-14-A78) and that I fully support its proposal to preserve the producer-handler status and exempt plant status in federal orders.

More specifically, I support the monthly volume cap of 2 million pounds of fluid milk sales distribution for producer-handlers and 450,000 pounds for exempt plants as represented by the States of Wisconsin, Vermont, Pennsylvania, New York and New Hampshire. Grandfathering and unique label considerations are not necessary and would be complex to administer. Having the flexibility to grow is very important to our business and 2 million pounds as a cap is a reasonable cap to allow for growth without unduly affecting the pool for other farmers. Having the flexibility to be a producer handler or exempt plant is important for two reasons: 1) paper work reduction and 2) some need to purchase other milk to meet short term demands.

Thank you for your consideration of our position on this matter.

Sincerely,

James Baerwolf
Sassy Cow Creamery

Red Barn Dairy Products, LLC
W3933 Highview Dr
Appleton, WI 54913
cowsfirst@new.rr.com

April 30, 2009

Gino Tosi
Senior Marketing Specialist
USDA Stop 0231-Room 2971
1400 Independence Ave, SW
Washington, DC 20250-0231

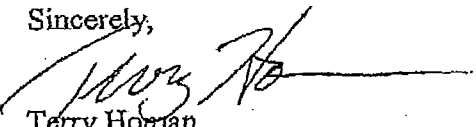
Mr. Tosi:

My business, Red Barn Dairy Products, LLC, is currently regulated as a Producer-Handler under the Midwest Federal Milk Marketing Order. I am writing to inform you that the State of Wisconsin is representing me in the hearing (Doc. No AO-14-A78) and that I fully support its proposal to preserve the producer-handler status and exempt plant status in federal orders.

More specifically, I support the monthly volume cap of 2 million pounds of fluid milk sales distribution for producer-handlers and 450,000 pounds for exempt plants as represented by the States of Wisconsin, Vermont, Pennsylvania, New York and New Hampshire. Grandfathering and unique label considerations are not necessary and would be complex to administer. Having the flexibility to grow is very important to our business and 2 million pounds as a cap is a reasonable cap to allow for growth without unduly affecting the pool for other farmers. Having the flexibility to be a producer handler or exempt plant is important for two reasons: 1) paper work reduction and 2) some need to purchase other milk to meet short term demands.

Thank you for your consideration of our position on this matter.

Sincerely,



Terry Horton
Red Barn Dairy Products, LLC



April 30, 2009

Gino Tosi
Senior Marketing Specialist
USDA Stop 0231-Room 2971
1400 Independence Ave, SW
Washington, DC 20250-0231

Mr. Tosi:

My business, LW Dairy, is currently regulated as an Exempt Plant under the Midwest Federal Milk Marketing Order. I am writing to inform you that the State of Wisconsin is representing me in the hearing (Doc. No AO-14-A78) and that I fully support its proposal to preserve the producer-handler status and exempt plant status in federal orders.

More specifically, I support the monthly volume cap of 2 million pounds of fluid milk sales distribution for producer-handlers and 450,000 pounds for exempt plants as represented by the States of Wisconsin, Vermont, Pennsylvania, New York and New Hampshire. Grandfathering and unique label considerations are not necessary and would be complex to administer. Having the flexibility to grow is very important to our business and 2 million pounds as a cap is a reasonable cap to allow for growth without unduly affecting the pool for other farmers. Having the flexibility to be a producer handler or exempt plant is important for two reasons: 1) paper work reduction and 2) some need to purchase other milk to meet short term demands.

Thank you for your consideration of our position on this matter.

Sincerely,


Lawrence and Maria Westhoff
LW Dairy



527 State Road 35 • Osceola, WI 54020
Bus. 715-294-4090 • Cell 715-417-0123
Fax 715-755-3696

April 30, 2009

Gino Tosi
Senior Marketing Specialist
USDA Stop 0231-Room 2971
1400 Independence Ave, SW
Washington, DC 20250-0231

Mr. Tosi:

My business, Crystal Ball farms, is currently regulated as an Exempt Plant under the Midwest Federal Milk Marketing Order. I am writing to inform you that the State of Wisconsin is representing me in the hearing (Doc. No AO-14-A78) and that I fully support its proposal to preserve the producer-handler status and exempt plant status in federal orders.

More specifically, I support the monthly volume cap of 2 million pounds of fluid milk sales distribution for producer-handlers and 450,000 pounds for exempt plants as represented by the States of Wisconsin, Vermont, Pennsylvania, New York and New Hampshire. Grandfathering and unique label considerations are not necessary and would be complex to administer. Having the flexibility to grow is very important to our business and 2 million pounds as a cap is a reasonable cap to allow for growth without unduly affecting the pool for other farmers. Having the flexibility to be a producer handler or exempt plant is important for two reasons: 1) paper work reduction and 2) some need to purchase other milk to meet short term demands.

Thank you for your consideration of our position on this matter.

Sincerely,

Troy DeRosier
Crystal Ball Farms

26
26- Joint Testimony from NH, NY, PA, VT and WI
Specializing In On Farm Processing

200/2002

05/01/2009 14:29 FAX



Blue Marble Family Farm, LLC
 7571 Kirch Drive (Plant)
 100 Quail Ridge Drive (Admin. Office)
 Barneveld, WI 53507
 Ph 608-924-2721 Fax 608-924-2425
bluemarblefamilyfarm@yahoo.com
www.bluemarblefamilyfarm.com

April 30, 2009

Gino Tosi
 Senior Marketing Specialist
 USDA Stop 0231-Room 2971
 1400 Independence Ave, SW
 Washington, DC 20250-0231

Mr. Tosi:

My business, Blue Marble Family Farm, is currently regulated as an Exempt Plant under the Midwest Federal Milk Marketing Order. I am writing to inform you that the State of Wisconsin is representing me in the hearing (Doc. No AO-14-A78) and that I fully support its proposal to preserve the producer-handler status and exempt plant status in federal orders.

More specifically, I support the monthly volume cap of 2 million pounds of fluid milk sales distribution for producer-handlers and 450,000 pounds for exempt plants as represented by the States of Wisconsin, Vermont, Pennsylvania, New York and New Hampshire. Grandfathering and unique label considerations are not necessary and would be complex to administer. Having the flexibility to grow is very important to our business and 2 million pounds as a cap is a reasonable cap to allow for growth without unduly affecting the pool for other farmers. Having the flexibility to be a producer handler or exempt plant is important for two reasons: 1) paper work reduction and 2) some need to purchase other milk to meet short term demands.

Thank you for your consideration of our position on this matter.

Sincerely,

Nick Kirch
 Blue Marble Family Farm

OUR MISSION STATEMENT: TO CREATE A RELATIONSHIP BETWEEN THE FARMER AND THE CONSUMER
 FOR THE SUSTAINABILITY OF THE EARTH.

27- Joint Testimony from NH, NY, PA, VT and WI

