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March 12, 2009

Dana Coale, Deputy Administrator
USDA/AMS Dairy programs
STOP—0231—Room 2971
1400 Independence Ave., SW
Washington, DC 20250—0225

Re: Petitions by NMPF and IDFA to eliminate the Producer—Handler Status

Dear Ms. Coale:

I would appreciate an opportunity to share my views on the proposal to amend the Federal Marketing Order #1. As the owner-operator of a fourth generation dairy home delivery business, and a former producer-handler, I currently purchase my milk from Hatchland Farm in North Haverhill, NH. My business services approximately 3200 families throughout Boston's South Shore.

Hatchland, a family run dairy farm, is presently exempt from paying into the pool under the current producer-handler regulations. Howard Hatch, the owner-operator of Hatchland Dairy, with my encouragement, installed a bottling plant about fifteen years ago. It was Howard's hope that the new plant would turn his marginally profitable dairy farm into a business that could support his growing family. This enterprise required a substantial investment on Howard's part, as well as considerable financial risk, but Howard was willing to take this step in hopes of creating a growing business that his family could profit from. His daring, combined with a lot of old-fashioned hard work, has finally paid off and Hatchland Farm now supports Howard and his wife, as well as their son's and daughter's families. Becoming producer-handlers has enabled a second generation of Hatches to remain in rural New Hampshire and earn a living from the land that they love, a rare thing in this day and age.

The proposed change in the producer-handler regulations would severely compromise the business that Howard and his family have sacrificed to build. It is doubtful that Hatchland Farm would survive this change as the additional payment into the pool would make the resulting cost of the Hatchland milk uncompetitive in the marketplace. Already, the cost of doing business on this scale results in a premium price by the time the milk gets to market. Hatchland is one of the mid-sized enterprises that would be adversely effected by this amendment, too big to be exempt from paying into the pool, and too small to still be able to produce milk at a reasonable profit.

As I am sure you are aware, less than one percent of the milk sold in the US is sold by producer-handlers. I believe that this proposal will penalize a small group

of farmers whose entrepreneurial spirits have allowed them to earn a living doing something that they love. The low limits proposed for producer-handlers will cast too large a "net" that will entangle the mid-sized farms that should be exempt from paying into the pool. Mega-farms that produce above 1,500,000 pounds per month, or those that milk more than seven hundred and fifty cows, should be classified with pooled plants since they are producing quantities of milk sufficient to actually disrupt the market place. I ask that you carefully consider the difference between family farms and milk factories as you continue to review the proposal to amend the producer-handler status.

Respectfully,

John Hornstra
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