

PR-635

WESTERN UNITED DAIRYMEN

Testimony

Before the
House of Representatives
Subcommittee on Dairy, Livestock and Poultry
March 26, 1998



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March 18, 1998

The Honorable Richard Pombo
Chairman, Subcommittee on Dairy, Livestock and Poultry
United States House of Representatives
Washington, DC 20515

Dear Chairman Pombo and Members of the Subcommittee:

We are very appreciative of your efforts in calling and conducting this meeting. We know that there will be a variety of views presented. We do not wish to take very much time so we will be brief.

Western United Dairymen worked diligently during 1995 to make sure the Farm Bill contained an opportunity for California to be one of the orders established in the reform. We also worked to have the ability to re-blend our pool proceeds. As you know, both of these items were included in the Fair Act.

Following passage of the Fair Act, Western United Dairymen acted swiftly to form a 20-member statewide committee to study federal milk marketing orders (FMMO) and their possible use in California. We had several open meetings with USDA representatives in which they clearly spelled out their total reliance on the cooperatives to indicate producer's opinion regarding forming an order. During the process, we even sent to USDA a proposed order. From May 1996 to the present, we have held 10 committee meetings and attended many other meetings around the nation.

After fully analyzing the data available at each meeting, the committee recommended to the Western United Dairymen board of directors that they postpone any action on a California FMMO until several questions could be definitively answered. Many of these questions cannot be answered until the final order is published. A sample of our questions would include the following:

1. What will the final survey, make allowance and yield numbers be?
2. What is the allowable depooling volume in the pool?
3. How will out-of-order milk be handled in relation to quota?

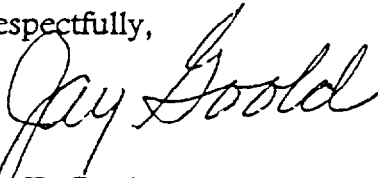
We believe Western United Dairymen has acted in absolute good faith in all of our contacts with the legislature and USDA personnel as we have pursued quality input into the reform procedures. The USDA's draft proposal has moved a long way toward the California system. We applaud that movement.

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We are deeply concerned that procedures that have been laid out for us by top USDA personnel are somehow being subverted in a rush to develop a FMMO for California. We believe the original procedures should be followed and integrity in the system maintained.

Comparisons are currently being made in California between the state system and the federal order draft proposal. Our preference would be for USDA to publish their final proposal so that accurate analysis can be made along with a correct understanding of the voting procedures. We see no need for USDA to continue drafting a California proposal until the final national draft is complete.

Respectfully,

A handwritten signature in cursive script that reads "Jay Goold". The signature is written in black ink and is positioned above the typed name.

Jay F. Goold
Executive Vice President

JG/kb