

Via email and fax

<u>Dana.Coale@usda.gov</u>

202-690-3410

Ms. Dana Coale Deputy Administrator USDA April 27, 2020

Dear Ms. Coale,

In the wake of an unprecedented decrease in dairy commodity prices due to the COVID19 crisis, Upper Midwest Marketing Agency, on behalf of some of its members, request that the USDA set a **minimum Class I Price Mover for all Federal Milk Orders at \$15.68 per cwt.** in an effort to help maintain milk prices necessary to save our dairy farmers. A \$15.68 per cwt. Class I mover represents the average of the mover for March, April and May. We ask that the USDA make this change expeditiously and consider these needed changes as an <u>emergency provision</u> needed to maintain orderly marketing and to assure that an adequate supply of milk remains available.

The Class I Price Mover is based on a combination of Class III and Class IV prices, plus \$.74. The Class III and Class IV prices are calculated by using the surveyed commodity prices for butter, cheese, skim milk powder, and whey. When this system was established, no one thought we would ever be in a situation where all commodity prices would collapse at the same time to the levels we are seeing today. Due to this unprecedented collapse of commodity prices, we believe the Market Administrators must set a minimum level for the Class I Price Mover.

We believe the Federal Order system has "emergency action" leeway that would allow for Market Administrators to take dramatic actions to assure the objectives of the Federal Order system are met. The COVID19 crisis certainly constitutes an "emergency" causing us to consider the actions proposed above.

Thank you for your consideration.

Sincerely,

/s/

Vince Martens, President
Vince.Martens@ForemostFarms.com

On behalf of the following UMMA members: Dairy Farmers of America, Inc., First District Association, Foremost Farms USA, Coop., Land O'Lakes, Inc., National Farmers Organization, Plainview Milk Products

Cc: Vic Halverson, Market Administrator, FMMO30