

GORDON H. SMITH  
OREGON

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INDIAN AFFAIRS

SPECIAL COMMITTEE ON AGING

# United States Senate

WASHINGTON, DC 20510-3704

May 25, 2005

05-4282468  
AMS

Mary Waters, Assistant Secretary  
for Congressional Relations  
U.S. Department of Agriculture  
213A Whitten Building, 1400 Independence Avenue S.W.  
Washington, DC 20250

Dear Assistant Secretary Waters:

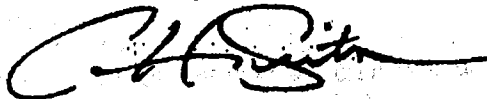
Please find enclosed a copy of a letter I recently received from Mr. Orville Roth, Chairman of Roth IGA Supermarkets, regarding his concerns with a proposed USDA rule imposing a huge tax on four independent family farms in the Pacific Northwest and Arizona to subsidize large dairy cooperatives and major producers.

Because I want to do everything possible to be responsive to the concerns and requests of my constituents, I would be grateful if you would give Mr. Roth's thoughts every possible consideration within the confines of the reviewing process.

If you wish to respond to this letter, please contact my Portland office at 121 SW Salmon Street, Suite 1250, Portland, OR 97204.

Thank you for your attention to this matter.

Sincerely,



Gordon H. Smith  
United States Senator

GHS:gs  
Enclosure

# Roth's

**Your Family Markets**

4895 Indian School Road, N.E. Salem, Oregon 97305  
Phone (503) 393-7684 FAX (503) 393-4456

May 18, 2005

The Honorable Gordon Smith  
United States Senate  
One World Trade Center  
121 SW Salmon St., Suite 1250  
Portland, OR 97204

Dear Senator Smith:

It has come to our attention that the United States Department of Agriculture (USDA) has proposed a rule that we believe would unfairly restrict the operation of family-owned dairies that produce and process their own milk products.

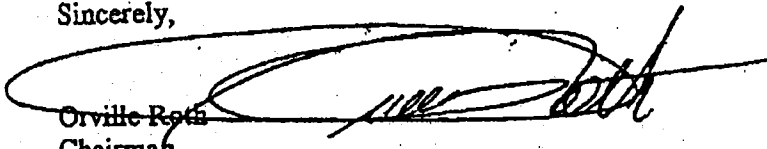
In a recommendation issued on April 13, 2005, USDA sided with large, powerful dairy interests including Dairy Farmers of America (the largest dairy cooperative in the nation) and Dean Foods (the largest milk processor in the nation). Here's what they plan: Tax four independent family farms located in the Pacific Northwest and Arizona over one million dollars each per year and give that money to others in the dairy industry. Consumers get stuck with higher prices while the big guys increase their profits.

Roth's has done business with Mallorie's Dairy of Silverton for over 42 years. Mallorie's has successfully competed with the large national dairy cooperatives for over 50 years. This proposed ruling would be a devastating, if not fatal, blow to a long-time Oregon family-owned enterprise.

The open period for comments ends on June 13, 2005. We are very troubled that USDA would enact rules that increase the price of milk to the consumer and that limit competition in the marketplace. Oregon prides itself on a state which supports small businesses, and we find this proposed ruling to be alarming.

Anything you can do to help our local dairy would be appreciated.

Sincerely,

  
Orville Roth  
Chairman

Silverton • Woodburn • McMinnville • Lebanon • Independence • Keizer • Stayton  
Salem (Lancaster, Vista, Sunnyslope, West Salem and Hayesville Center)