

**Testimony of Tommy R Croner
March 8, 2005**

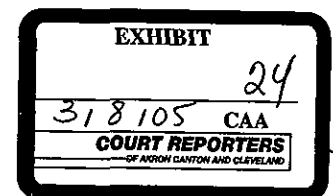
My name is Tommy R Croner. I live at 3872 Huckleberry Hwy, Berlin PA 15530-7701. This is located in Somerset County, the southwestern portion of Pennsylvania.

My son and I farm under the name of T Rich Inc. a family owned and operated dairy and potato farm. My family has farmed this land since 1780, and today we have a milking herd of 250 cows and grow 45 acres of potatoes plus forages on 700 acres.

I have been serving my fellow dairy farmers since 1989 as an elected representative of a dairy marketing cooperative. I have served on the Corporate Board of Directors of Dairy Farmers of America since its inception, currently serve as its Secretary Treasurer and Chairman of the Mideast Area Council. I also serve on the Board of Directors of National Milk Producers Federation, Pennsylvania Dairy Promotion Program, American Dairy Association Dairy Council Mid East, Mideast Milk Marketing Agency, National Dairy Holdings advisory Committee, and numerous other related dairy organizations.

I am here today as a dairy farmer concerned about improving the equality of the Federal Order system and not as an expert on Federal Orders.

I understand that depooling activities do not cause the negative PPDs. However depooling does impact the severity of negative PPDs. Additionally, it is my understanding that the Federal Order System was developed to provide an orderly marketing system, to allow all farmers shipping to markets of all milk uses, to share equally in the proceeds received from the market. I believe that when depooling occurs it creates an



unequal distribution of market proceeds, undermining the Federal Order objectives, allowing one classification of end use to take advantage of the system, by knowing what the prices actually are. Later, when conditions revert and it is again favorable to pool, this classification can come back to share in the blend. Such actions are unfair, and disruptive. My cooperative is criticized when we depool. Our members expect that we will act in their best interest at all times. We have to play by the rules as a defensive move, when others depool and have the ability to pay higher prices to their producers.

The Market Administrator in Federal Order 33 released information that indicates that the depooling activities reduced what the PPD would have been, by \$1.66 in April, \$.74 in May and \$.29 per cwt. in December of 2004. If I apply this same logic to our operation we would have received an additional \$7,062.84, \$3,013.34, and \$1,280.02 respectively in 2004 had there been no depooling. That would have paid our feed bill for June.

I understand that milk from areas outside of the Federal Order 33 boundaries is often pooled on this market, while quite a lot of this distant milk is never delivered to this market. I was lead to believe that this problem was fixed way back in 2001. My cooperative is the major supplier of milk to FO 33 and bears much of the cost of servicing this market. There is something wrong with this picture, when milk from other states like Wisconsin, share in our pool when it is convenient and advantageous to them. I don't want to appear selfish, and protectionist in my philosophy. I do not mind sharing pooling dollars with others. I do mind sharing pool dollars with those who do not help to serve the marketplace. We are a net deficit market, and need to bring milk into the market from outside the area from time to time.

Again referencing the FO 33 Market Administrator data. Only 6.3% of out-of-market milk from Illinois, Iowa, Minnesota, and Wisconsin in October 2004 pooled on Federal Order 33 was actually delivered to a fluid bottling plant in this market.

Another area I would hope that you would give consideration is referred to as a Transportation Credit. My cooperative is the major supplier to the FO 33 Fluid Market. Being a member of that cooperative I bear the bulk of the costs of supplying this market. I hate to keep talking about fairness, but I believe that the expenses of serving the marketplace are to be shared just like the revenues.

I know that the hearing process has a history of being long and drawn out often taking years. However, after meeting Deputy Administrator Dana Cole at the National Milk Producers Federation Annual Meeting In Reno in November, and the emergency action taken in the Southeast following the hurricanes of 2004, I was impressed with her enthusiasm and eagerness to speed up the process of these hearings and her department in general. I would hope that this hearing could get the benefit of her new approach.

Thank you for your patients and the opportunity to provide testimony on behalf of the nearly 2500 DFA members in FO 33 in support of Proposals #1, 2, 7, and 9.