

May 1, 2006

Re:

[Federal Register: February 28, 2006 (Volume 71, Number 39)]
[Proposed Rules]
[Page 9978-9979]
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**Whitney A. Rick, USDA/AMS/Dairy
Programs, Promotion and Research Branch,
Stop 0233--Room 2958-S, 1400
Independence Avenue, SW., Washington, DC 20250-0233**

Dear Ms. Rick:

The National Dairy Promotion should be rescinded. All discussion of the Act and the objectives of the Act place this promotion as a self-help activity. Implied in this description is a goal in which U.S. dairy producers supply is not in excess of consumer demand.

Since 1996 the U.S. has been a net importing dairy nation (see Dairy Yearbook <http://usda.mannlib.cornell.edu/data-sets/livestock/89032/> for supporting data). The figures used by USDA ERS do not include Milk Protein Concentrates (MPC). Adjusted for inflation the price dairy farmers will be receiving is projected to be the lowest ever.

Looking at imports for dairy (HTS 04) shows an increase year to date of over 9%. For MPC the increase of more than 88%. High Tier imports for the first quarter of this year show a 61% increase.

Personal Consumption Expenditures for dairy as reported by the Bureau of Economic Analysis indicate an increase of 7.5% in dairy consumption when compared to January through March of last year. Even with domestic milk production increases, there is still a need to import to meet demand.

Promotion under the program, if it could objectively demonstrate increasing demand, is simply stimulating more imports of dairy products, not a higher farm milk price. Clearly, dairy farmers are on an unending economic treadmill in which the National Dairy Promotion offers no benefit and therefore should be rescinded entirely.

s/ John Bunting
Delhi, NY 13753