

**SCHREIBER FOODS, INC.**

December 21, 2000

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Mr. Michael Dunn
Under Secretary of Agriculture
Marketing and Regulatory Programs
Administration Bldg.
14th and Independence
Washington, DC 20250

Dear Mr. Dunn:

Schreiber Foods, Inc. is a leading manufacturer of process cheese in the United States. Our company is a member of the National Cheese Institute and strongly supports the emergency motion for an issuance of an order staying the implementation of that portion of the Tentative Final Decision that provides for a separate Class III butterfat price.

Schreiber Foods attended the five-day hearing on proposed changes to the Class III and IV pricing. During the hearing the only proposal for a separate class III butterfat price made at the hearing was stricken, with the consent of the Department, as a proposal. No other proposals for a separate Class III butterfat price were discussed, testified about, or otherwise mentioned in the hearing or in subsequent briefs.

Granting of a stay would not negatively impact dairy farmers. In fact, the effect would be an increase in the Class III price without disrupting the value of cream used in different classes of milk.

In closing, Schreiber Foods would like to thank you for your timely attention to this matter.

Respectfully submitted,

Deborah Van Dyk
V.P. Industry & Regulatory Affairs

cc: Richard McKee
Dr. Keith Collins



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20250

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Ms. Deborah Van Dyk
Vice President
Industry and Regulatory Affairs
Schreiber Foods, Inc.
Post Office Box 19010
Green Bay, Wisconsin 54307-9010

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Dear Ms. Van Dyk:

Thank you for your comments on the tentative final decision filed on December 19, 2000. They will be filed with the Hearing Clerk and considered with other comments received in response to the tentative final decision issued November 29 in the process of formulating a final decision on amending the Class III and Class IV pricing formulas. An interim final rule was issued on December 21, after producers approved the amended orders. The interim amended orders will become effective for milk marketed on or after January 1, 2001.

As you may know by now, we have denied the motion for a stay of the implementation of the tentative final decision. The congressional mandate that we hold a hearing requires that any amendments adopted be effective on January 1, 2001. As a result of issuance of a tentative final decision instead of a final decision, interested persons have until February 5, 2001, to comment on the decision.

As stated in the decision, the current butterfat price does not reflect the value of butterfat used in cheese, and our attempt to adjust for that shortcoming in Federal order reform by incorporating a differential value for butterfat in the protein price formula results in a protein price that fails to reflect the value of protein in cheese. The Class III butterfat and protein price formulas in the tentative final decision do reflect the role of these components in contributing to cheese yield.

As we continue to be under *ex parte* rules, we cannot discuss the merits of the decision beyond the reasons stated for adoption of the tentatively adopted formulas in the decision. We look forward to receiving your further comments.

Thank you again for sharing your views.

Sincerely,

SIGNED

Isi A. Siddiqui
Under Secretary
Marketing and Regulatory Programs

AMS:DP:OFB:CBrenner:csw:jmm:720-2357:12/27/00:MRP-00-133

My docs:Schreiber-ltr.wpd

**Acting Chief, Order
Formulation Branch**