

Ohio Dairy Producers

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"Supporting Ohio's Dairy Production Industry; Optimizing profitability and productivity; Addressing issues that affect dairy producers."

# Federal Order 33 Hearing Testimony Tom Fleming, Dairy Producer President of the Ohio Dairy Producers



Hello your honor, my name is Tom Fleming. I am a dairy producer and crop farmer from Allen County Ohio near Lima. My son and I currently milk 160 head and farm 270 acres. Today, I am here also as the president of the Ohio Dairy Producers organization representing our concerns regarding depooling in our local Federal Milk Marketing Order 33.

The Ohio Dairy Producers and I appreciate very much the opportunity to participate in this hearing, and express our concern over certain inequities that current Federal Order language allows. We also would like to thank the USDA Agricultural Marketing Service for responding so quickly and favorably to our request for a hearing.

The Ohio Dairy Producers organization is a group of non-partisan dairy producers from every region of the state who; regardless of size, marketing preference, breed, or production strategy share a genuine concern for the future of Ohio's dairy production industry. The mission of the Ohio Dairy Producers is to support Ohio's dairy production industry; increasing productivity and optimizing profitability by addressing issues that affect dairy producers.

ODP members include approximately 50 individual producer members as well as representatives from organizations such as Dairy Farmers of America Mideast Region, COBA/Select Sires, Inc., Ohio DHI, Continental Milk Products, Independent Milk Producers Association, Ohio Jersey Association, CRI/Genex, Inc., and the Ohio Grange. Together we represent a wide range and vast portion of dairy producers in Ohio on a broad range of issues.

The Ohio Dairy Producers is a group of non-partisan dairy producers from every geographic region of the state who; regardless of size, marketing preference, breed, or production strategy; share a genuine concern for the future of Ohio's dairy industry.

Recently, our membership has become increasingly concerned over the negative impact "depooling" has had on Producer Price Differentials. We are also concerned that such actions will continue to enhance producer pay price volatility and decrease producer confidence in the Federal Order 33 market structure. Current Order language provides certain handlers the option to share in the Federal Order pool when it is to their financial advantage and to disassociate from the pool when it is to their advantage.

In Federal Order 33, according to data provided by the Mideast Market Administrator's office, (see MA Exhibit # 7, DFA Request # 5) "depooling" reduced the Producer Price Differential received by producers by as much as \$.42 cwt in September 2003 and an even greater amount of \$1.66 in April of 2004. The Ohio State University Extension State Specialist for Dairy Markets and Policy, Cameron Thraen has estimated (see ODP Exhibit # \_\_\_\_\_ OSU Extension Paper "Depooling: A call to Action") that 1.87 billion pounds were taken out of FO 33 costing producers on the pool \$7.4 million in 2003 and 1.3 billion pounds in April and May 2004, at an estimated cost of \$21.3 million dollars to pooled producers.

ODP believes that the current Federal Order 33 language needs to be modified to help insure that those producers who wish to regularly supply the market and share in the Federal Order pool are not damaged by those who choose to do so only occasionally.

Currently, Orders 30 & 32 are considering proposals attempting to limit market "depooling". If addressed, their correction may lead to larger problems for Order 33 as it will become the balancing pool for others if nothing is done to change the current Federal Order 33 language as well. Distant milk will flow into the Mideast order in an ever-growing volume reducing the average PPD when the Uniform price is above the Class III price. This large volume of milk will equally disassociate itself with the Federal Order 33 pool when the prices are reversed causing additional economic harm to pooled Federal Order 33 producers. An example of this can be seen by looking at MA Exhibit # 7, Request # 2 where it is recorded that 10,334,097 pounds of distance Vermont milk were quickly pooled on the Mideast order in June and just as quickly disappeared in July.

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After much consideration and discussion, ODP decided to suggest two proposals, # 4 & # 6. These proposals will limit the ability of "depooled" milk to immediately regain access back into the pool.

Our submitted proposal # 4 seeks to establish a dairy farmer for other markets provision that would encourage a year-round pooling commitment and specify conditions for milk that was depooled to be repooled.

To provide an alternative but still accomplish the same purpose, we submitted proposal # 6 which seeks to establish a dairy farmer for other markets provision that would establish a maximum pooling limit of 115 percent of a prior month's pooled milk volume that could be pooled in a subsequent month. This proposal is very similar to proposal # 7 offered by DFA and MMPA.

It is ODP's position that the adoption of either one of these proposals would serve to rectify the situation brought about by the "depooling" and "repooling" of large volumes of milk on Federal Order 33.

Please consider that neither I nor members of the ODP Board of Directors consider ourselves experts in Federal Order language, therefore ODP defers to the discretion of the USDA Agricultural Marketing Service in developing the best wording to accomplish the intent of our proposals.

Again, thanks for providing Ohio's dairy producers the opportunity to participate in this process and for your prompt consideration about our proposals!

Sincerely, Thoms Mening

Thomas Fleming President Ohio Dairy Producers

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Ohio State University Extension Ohio Agricultural Research and Development Center

> Cameron Thraen <u>Thraen.1@osu.edu</u> March 2004

# Milk and Revenue Pooling in the Mideast Federal Milk Market Order 33 A Discussion on the Facts.

# Introduction

Back in March of 2001 I wrote an article which appeared in Farm and Dairy in which I discussed how your milk check dollars were under attack from outside producer milk coming into the Mideast Federal Milk Marketing Order pool and diluting the value of producer milk and with it your producer price differential of PPD. Producers in the Mideast Federal Order responded to this situation by requesting an emergency hearing from the USDA Agricultural Marketing Service, Dairy Programs. This was successful and beginning August 2002 pooling qualifications became more stringent in the Mideast Order and much of the outside milk was prevented from qualifying on the pool and diluting the PPD. Notice that I said much and not all of the outside milk. Outside milk still continues to qualify with most of it coming from Wisconsin, with lesser amounts from Minnesota, Iowa and Illinois. This milk meets the August 2002 pool qualification requirements and amounts to an estimated 23 percent of pooled milk in the Mideast Order.

In this article I am going to address a new and equally serious issue that is the reverse side of the pool riding issue. I might call this the 'pool dodging' issue. Just as it was, and still is, advantageous to attach producer milk to a federal order pool with a larger PPD value than your own, it is also advantageous to remove that milk from that pool when it is apparent that the PPD value is going to be negative. This is called 'depooling'. By depooling your milk you allow your milk producers to retain a much larger share of Class III milk dollars and cause those producers who cannot depool to bear a larger cost. Depooling has always been a feature of Federal Milk Marketing Orders as pooling is required only of regulated Class I milk plants. It has now become a problem precisely because it is this large volume of extra-order milk now finding a convenient home on the Mideast Order that is swinging in and out of the order.

# Pricing and Equity Issues for the Mideast Federal Milk Marketing Order



This past summer beginning with the month of July, dairy producers across the United States became painfully aware that federal order reform initiated in January 2000 had not put an end to the irritating and largely misunderstood negative producer price differential (PPD). While this may seem like history at this point, you may be surprised to learn that it is very likely that you will experience a significant negative PPD for milk shipped this coming April. To understand why this has occurred and will continue to do so unless changes are made to the Mideast Federal Order 33 language read on. In this article I am using data from published Federal Milk Marketing Order reports. All calculations are mine based on this data and required assumptions. As such all errors and omissions are mine also mine.

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Each month, in a multiple-component pricing order (mpc), two aggregate dollar valuations for milk are computed by the respective Federal Market Administrator office. The first aggregate value is the total value of reported or 'pooled' milk utilized within the order. This valuation captures all of the dollar value of the milk used in all four federal order classes (Class I through Class IV). After a relative small adjustment for inventory, this dollar value is termed "Total Producer Milk Value" on the Federal Order producer prices report. In the Mideast Order, for August 2003 this amounted to \$124,800,370.48.

The second aggregate dollar valuation computed is the Class III value of the milk components, e.g., butterfat, protein, other-solids, shipped from dairy farms, and used to produce the products accounted for in the "Total Producer Milk Value". This second valuation does not carry an official term on the Federal Order Announcement of Producers Prices report, but for our purposes can be labeled "Total Producer Component Value". For August 2003 this amounted to \$137,679,155.22.

In a multiple-component federal order market, such as our Mideast Federal Order 33, all producers are first paid for their milk components at the announced Class III butterfat, protein and other-solids prices. In aggregate, this total dollar value, after being adjusted for total somatic-cells, is the "Total Producer Component Value". In any given month, for the entire federal order market, this "Total Producer Component Value" is subtracted from the "Total Producer Milk Value". As a general rule, when this subtraction is carried out, there is a surplus of dollars not accounted for by the "Total Producer Component Value". For August 2003, this residual or excess producer milk value amounted to a negative \$12,878,784.74. Producers were paid, on a component basis, 12.8 million dollars more than the milk was valued at in each of the Class uses. These dollars, whether positive or negative, after an adjustment for producer location and a charge for producer reserve, are divided by the total amount of milk participating or pooled in the federal order for that month and paid back to producers on a hundredweight basis. For August 2003, the Total Producer Component Value, expressed on a hundredweight basis, for each participating pool producer (but not all producers) had to be adjusted by a minus \$1.20 cwt. This is the Producer Price Differential and for August 2003 it was negative.

How can the Total Producer Component Value exceed Total Producer Milk Value? Now you understand that the Producer Price Differential becomes negative only when the computation of "Total Producer Component Value" exceeds the "Total Producer Milk Value" for a given month. The question remains as to how, within the Federal Milk Marketing Order system, the Total Producer Milk Value would be less than the Total Producer Component Value?

The answer to this question is relative simple to explain. Federal Order pricing rules specify two different sets of average prices, computed over two different time periods, for the valuation of milk components used in Class I and Class II products and those used in Class III and Class IV products. For a given month, Class I and Class II valuation is determined largely by the sales-weighted average prices for butter, cheddar cheese, nonfat dry milk, and whey protein concentrate obtained during the first two weeks of the prior month. This is termed "Advanced Pricing". For August 2003, Class I and II value was set by the dairy commodity prices holding in the first two weeks of July 2003. This is not the same for computing Class III and Class IV valuation. For these classes of milk the valuation is set by dairy commodity prices holding during the month for which the valuation applies. For August 2003, Class III and Class IV value will be set by the dairy commodity prices holding during the month for which the valuation applies. For August 2003, Class III and Class IV value will be set by the dairy commodity prices holding during the month for which the valuation applies. For August 2003, Class III and Class IV value will be set by the dairy commodity prices holding during the month for which the valuation applies. For August 2003, Class III and Class IV value will be set by the dairy commodity prices holding during the month for which the valuation applies. For August 2003, Class III and Class IV value will be set by the dairy commodity prices holding during the month for which the valuation applies. For August 2003, Class III and Class IV value will be set by the dairy commodity prices holding during the month for which the valuation applies. For August 2003, Class III and Class IV value will be set by the dairy commodity prices holding during the month of August.

Now here comes the punch line which explains why, in a multiple-component pricing federal order such as our Mideast order, Total Producer Milk Value can fall short of Total Producer Component Value, for a given month. Whenever the market values for the dairy commodities, especially cheese and butter, are rising very rapidly, those prices used to assign value to Class I and II products will be based on earlier and much lower prices relative to those prices used to assign value to Class III and Class IV products. In short, the pricing rules, when implemented in a rapidly rising commodity price market, ensure that the Total Producer Component Value will exceed the Total Producer Milk Value.

# **Negative PPD's and Pricing Issues**

As I have discussed, the root cause of the negative PPD is reflected in the Total Producer Component Value exceeding the Total Producer Value of Milk in a given month. Class III value is computed in an identical manner across Federal Milk Orders. However, Class I value or price is not computed identically across orders. Each order has an associated Class I differential which is added to the Advanced Class I price computation to arrive at the announced advanced Class I price. The larger the Class I differential the more protection against negative PPD's afforded to the milk producers in that order. The \$3.25 base-zone Class I differential in the Northeast Federal Order 1 provides more protection than the \$2.00 base-zone Class I differential in the Mideast Federal Order 33, and more than the \$1.80 in the Upper Midwest Federal Order 30.

A direct result of this "differential protection" is that given the same market price conditions the negative value of the PPD will not be equal across the respective multiplecomponent federal orders. For example, comparing Federal Orders 1(Northeast), 30(Upper Midwest) and 33(Mideast), during the month of August, 2003, the negative PPD was greatest for the Upper Midwest at \$-1.58, second largest for the Mideast at a negative \$1.20 and least for the Northeast at a negative \$0.08 per hundredweight.

# **Negative PPD's and Equity Issues**

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The second issue is a very important equity issue. Buyers of milk are in constant competition with each other for an adequate supply of milk to meet their plant and customer needs. To attract that supply, these buyers must pay producers the federally mandated blend price and generally a premium over and above the blend price. Class I handlers are not afforded the option under Federal Milk Order rules of depooling when market price conditions might signal such an action. So under normal conditions, Class I price exceeding Class III price, they must pay producers the blend price and any excess value must be paid into the Producer Settlement Fund (PSF) by Federal Order rules. Any over-order premiums that must be paid to be competitive in attracting a milk supply must come from their own operating margin. Class III milk buyers, such as cheese plants, under these same conditions must also pay producers the blend price. As the value of their milk is less than the blend price, these milk handlers withdraw the difference between the Uniform Price and the Class III price from the PSF. Any competitive premium must also come from their operating margins.

Now consider what happens when market price circumstances create conditions for negative PPDs. The equity situation changes significantly. Class I handlers are faced with a situation in which the Class I and Class II price is less than the Class III price. Now it is their turn to withdraw funds from the PSF because the use-value of their milk is less than the blend value paid to producers. They pay competitive premiums from their operating margins. This is a similar scenario to the Class III milk buyer in the example above. However, Class III milk users can depool, and in this circumstance it is economically rational to do so. With Class III price exceeding the blend price, the Class III plant, if it stayed in the market pool, would be required to pay into the PSF. By depooling their milk, they receive the use-value at the higher Class III price from which they can pay their producers both the competitive blend price and any over-order premiums required. In essence, the Class III user, by depooling, saves the payment into the PSF and uses this to pay a competitive premium to producers. This premium does not come from their operating margin but from the dollars saved by not contributing to the PSF. The ability to voluntarily depool tilts the playing field in favor of the Class III milk plants.

#### Why decide to depool?

Depooling is the action, on the part of a milk plant, to choose to not participate fully or partially, in the Federal Order milk pool. Pooling is compulsory for only Class I milk plants and their producers. For all others it is a voluntary decision influenced by Federal Milk Market Order rules on pooling. When the management of a manufacturing milk plant determines that the PPD for the month will be negative they know that the value of their milk in Class III will exceed the uniform or blend price. If they choose to stay in the Federal Order pool, they will be in the position where they will be required to pay their producers the uniform price, and rather than keeping the excess they will have to pay the excess of the Class III price over the blend price into the Federal Order settlement fund. By choosing depooling, they can keep all of the Class III value and not share it with the other producers in the federal order pool. In the Mideast Order there are few restriction on getting your producers milk back into the pool when the PPD becomes positive, in which case they earn a PPD premium. The depool-repool decision becomes a no-brainer. Stay in when advantageous and get out when advantageous.

#### What is the influence of depooling on the Producer Price Differential?

Depooling impacts the PPD by two means. First, milk is depooled when the Class III price exceeds the Class I price. By depooling milk in Class III use, Class I utilization increases and more weight is given to the lower Class I price in computing the Total Value of Producer Milk and this increases the deficit between the Total Value of Producer Milk and the value of Total Producer Component Value. Second by depooling producer milk, there is a smaller amount of milk remaining in the pool. The larger deficit is now divided over few pounds of milk and the PPD becomes a larger negative value. I call this PPD 'deepening'.

## Why we need a change to the Mideast Federal Order 33.

The recent occurrence of negative PPD's in multiple-component Federal Orders has lead to renewed discussion of federal order pooling requirements. In Federal Order 30, Cass-Clay Creamery, Inc, Dairy Farmers of America, Foremost Farms, USA, Land O'Lakes, Mid-West Dairyman's Company, and four other cooperatives representing producers in Federal Order 30 have filed a petition with the USDA / AMS / Dairy Programs requesting an emergency hearing on pooling requirements for Federal Milk Marketing Order 30. Here in Federal Order 33 we may want to consider the same action. My calculations, for the period July though October 2003, suggest that language making the depooling of milk more costly would have saved those producers whose milk continued to be pooled approximately 22 cents per hundredweight on their total milk shipments during these four months. This estimate is based on the assumption that a seasonally representative amount of milk would have remained on the Mideast Federal Order 33 pool during each of the months of July through October.

Let me be clear about this calculation. First the PPD aggregate value for June would have likely been positive and each of the months August through October remained negative; second, had more producer milk been required to stay in the pool, the sharing of this on a hundredweight basis would have been lower for each producer.

How costly was this for those producers whose milk remained on the Mideast pool? My estimate of this cost resulting from this "deepening" of the negative PPD was over nine million dollars in additional "give-back" for these four months. The best way to think about this is that while all producers were experiencing very good milk checks due to high Class III prices, those producers tied to the Mideast pool had to give back an estimated nine million dollars while those producers whose milk was taken off the pool did not have to share their Class III proceeds! Most of this depooled milk originates from Wisconsin, Minnesota, Illinois and Iowa.

In addition to the direct cost of 'pool-deeping' on producers' milk checks, there is the equally serious problem of the equity as discussed in the companion article. The ability to depool becomes a liability when an estimated 23 percent of your normal pooled milk takes a walk and does not contribute to the normal pricing obligations, only to return when advantageous. This puts Class I milk plants, and their producers, at a serious financial disadvantage compared to other plants and their milk suppliers.

It also raised the important question as to how important is this extra-order milk anyway? By my estimate 328 million pounds of milk moved out and then back into the Mideast Federal Order during the period July through October 2003 without causing any real disruption in the market. How can this milk be essential to orderly marketing in the Mideast Federal Order?

## What should and can we do about this situation?

What we cannot do is sit on our hands while those in surrounding Federal Orders actively move to adopt language that will severely limit the ability to repool, after depooling, on that order. Doing so would make the Mideast Federal Order the balancing pool for others.

The Federal Order language spells out clearly what can be done about this and how to go about making necessary modifications to the Mideast Federal Order. The best recourse at this point is to contact the Federal Order 33 Market Administrator Office in Cleveland, Ohio. You can send your written concerns to David Walker, Market Administrator, 7851 Freeway Circle, P.O. Box 30128, Cleveland, Ohio 44130. Written comments are preferred over phone calls. You can also contact the USDA / Agricultural Marketing Service, Dairy Programs, Richard McKee at 202-720-4392 or email to Richard.McKee@usda.gov.

Changing the language in the federal order to make it more difficult to depool and then subsequently re-enter the market pool would impact on the equity issue just discussed. It would not however address the pricing issues. These would require more extensive modifications to the federal order price rules. Remember, however, that opening up a federal milk marketing order for change should be done with caution and only if truly warranted. After an order has been opened for change, producers vote on the package deal and not just the changes. The new order (old language plus new language) must be accepted by a 2/3rds vote of the eligible producers to become effective. Otherwise the order is terminated.

Cameron Thraen The Ohio State University Extension, State Specialist Dairy Markets and Policy

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> > July 20, 2004

# Depooling: A call to action.

Recall that in my last article in Farm and Dairy, I discussed both the Producer Price Differential and depooling of milk and its consequences on the milk price. In this article I am going to take a closer look at the same issues for April and May 2004. Do not put this down or move to another column. If your milk is pooled on Federal Order 33 you will want to read this column. Data recently made public by the Federal Order 33 Market Administrator Office shines a very bright light on the financial cost of depooling in our Mideast federal order, and the cost of not taking action. Let's begin.

First a short refresher. Milk not destined for a bottling plant is pooled on a voluntary basis. That means that milk used in all but Class I can be depooled. Depooling occurs when a buyer decides not to participate in the market pool. This decision is made at the end of each month, after all class prices are known. The decision not to participate in the market pool is determined by the relative position of the Class prices to the Uniform price (utilization weighted average of Class I through Class IV prices) A Class II, III, or IV price which exceeds the Uniform price signals reduced pooling of that class. For a more complete explanation go to my Ohio Dairy Web 2004 website: <a href="http://aede.osu.edu/programs/ohiodairy">http://aede.osu.edu/programs/ohiodairy</a>.

# Losses begin in 2003.

According to detailed data compiled by the Mideast Federal Order 33 the total volume of milk depooled during 2003 was 1.87 billion pounds. Ninety three percent of this total was Class III milk removed from the market pool during the months of July through October. And what was the cost of this collective decision to not participate in the market pool? A significant \$7.4 million dollars! If your milk was pooled during this period you lost an average of 18 cents per hundredweight on your total shipment for these four months.

# Cost soars in 2004!

Milk depooled from Class III during April and May totaled 1.3 billion pounds. The cost to producers who remained pooled on the Mideast federal order was a staggering \$21.3 million dollars. Yes, that is right, go back and read that number again. How does this



affect your bottom line? Take your total milk shipment for April and May and multiply it by a \$1.19 and that is what you lost as a direct result of the collective decision to depool milk on the Mideast Order during these two months.

Now I am sure you have heard the argument that these are not really dollars lost to producers in the federal order, but instead are collected primarily by cooperatives to be paid out to producer members at a later date. Therefore, there is no need for alarm or concern. Let's look at the facts on this point. The following is a hypothetical example designed to mirror what is very likely going on in the Mideast order.

# Yes, but we all gain...don't we?

First consider three different types of plants pooling milk on the Mideast order. The first is a small supply plant with a 35 percent Class III utilization and a location differential of a plus 10 cents. The second is a large volume supply plant with a 35 percent Class III utilization and a location differential of zero. The third is a manufacturing plant with an 85 percent Class III utilization and a location differential in the Mideast order of a minus 25 cents from the base zone. The Class III price for April is \$19.66. The Uniform or Blend price is \$15.88. The gain-loss calculations by depooling for each of the three types of plants is shown in the following table. All prices are for hundredweights of milk.

	Small Supply Plant	Large Supply Plant	Manufacturing Plant
Class III Percent	35	35	85
Location Differential	+0.10	+0.00	- 0.25
Class III Price	\$19.66	\$19.66	\$19.66
Less: Location adjusted Uniform Price	\$15.98	\$15.88	\$15.63
Dollars Gained by not pooling Class III milk	\$3.68	\$3.78	\$4.03
Average gain on Total Milk #	\$1.288	\$1.323	\$3.425
PPD Impact	minus \$1.66	minus \$1.66	minus \$1.66
Net Producer Impact	minus \$0.372	minus \$0.337	plus \$1.765
# Dollars gained are weigh	ted by the plant's Class III	percent.	

Looking at these numbers it appears that the decision to not pool is the right one based on the dollars earned by receiving the Class III price and paying out only the adjusted Uniform price. However gain is earned only on the milk that is Class III. When weighted by the Class III percent the apparent gain is reduced significantly for both the small and large supply plants. The manufacturing plant still gains considerably even with the large negative location differential.

If this were the end of the story then perhaps the argument is correct that these dollars will eventually be paid back to cooperative members supplying milk to these plants. Unfortunately this is not the end. Remember the depooling of such a large amount of milk has reduced all producers Uniform pay price by an additional \$1.66. The last row in the table shows the net price impact on producers. The negative impact of the PPD swamps the gain from depooling and all producers are worse off. The only real winner is the manufacturing plant pooling and depooling distant milk on the Mideast Order. This manufacturing plant earns a positive \$1.765 per hundredweight. Some or all of this gain may flow back to producers provided the manufacturing plant is supplied by a cooperative. If the plant's milk is supplied from independent producers then the distribution of this gain is determined by the plant owners.

Looking at the Federal Order data, one does not have to speculate as to why milk pooled on the Mideast Order, coming from Wisconsin, Minnesota, and Iowa dropped 93 percent from 318 million pounds in January to 22 million pounds in April. And you can bet the cow that it will come right back again now that the Class III price is under the Uniform price earning a positive producer price differential. Federal orders are about ensuring orderly marketing and this is not orderly marketing!

## What can you do about this situation?

What you cannot do is sit on your hands while those in surrounding Federal Orders actively move to adopt language that will severely limit the ability to freely move milk onto and out of the order. As I remarked in my last column in this paper, the major cooperatives representing membership in the Upper Midwest Federal Order 30 are requesting just such a change for Federal Order 30. Recently Dairy Farmers of America and Prairie Farms Dairy, Inc. have requested a change in the pooling provisions for the Central Federal Order 32.

Doing nothing in the Mideast order will make the Mideast Order the balancing pool for others. Distant milk will flow into the Mideast order in an ever growing volume reducing the average PPD when the Class III price is below the Uniform price. During periods of price volatility, and it appears that this is becoming more likely, this large volume of milk will just as quickly be depooled imposing yet another price penalty on our producers.

The Federal Order language spells out clearly what can be done about this and how to go about making necessary modifications to the Mideast Federal Order. Dairy cooperatives have taken a leadership role in Federal Orders 30 and 32, but they have not done so to date in the Mideast Order. Why not is a good question? Be reminded that Federal Milk marketing orders belong to the producers of the order and an individual producer can get the ball rolling. The best recourse at this point is to contact the USDA. All that is required is a formal request to amend the order language for the purpose of tightening up on depooling and limiting the economic damage being caused the current lax order provision. Fancy language is not required. Send your written request to Deputy Administrator: Stop 0225, Room 2968-S; USDA, AMS, Dairy; 1400 Independence Avenue, SW; Washington, DC 20250-0225.