



April 20, 2006

Whitney A. Rick
Chief, Promotion and Research Branch
USDA/AMS/Dairy Programs
STOP 0233 – Room 2958-S
1400 Independence Avenue, SW
Washington, D.C. 20250-0233

APR 24 2006

Re: Comments in Response to Section 610 Review of National Dairy Promotion and Research Program, Federal Register Vol. 71, No. 3, February 28, 2006, Page 9978-9979 [Docket No. DA-06-04]

The Dairy Research and Promotion Order (the Order) (7 CFR 1150) is authorized by the Dairy Production Stabilization Act of 1983 (the Act) (7 U.S.C. 4501 *et seq.*). Congress declared it in the public interest to develop and implement a coordinated program of promotion designed to strengthen the dairy industry's position in the marketplace and to maintain and expand domestic and foreign markets and uses for fluid milk and dairy products produced in the United States. The dairy checkoff program represents the effective manifestation of this public policy.

The checkoff program is funded by dairy producers for the benefit of dairy producers. Programs executed pursuant to the Order are funded by a mandatory assessment of 15 cents per hundredweight on all milk produced in the 48 contiguous states and marketed commercially. Producers can receive a credit of up to 10 cents a hundredweight for payments made to any qualified State or regional dairy product promotion, research or nutrition education program. This guarantees that dairy producers' contributions are tailored toward locally-oriented promotional and research efforts. The rest of the checkoff funds go toward the national program administered by the National Dairy Promotion and Research Board. The Board is composed of 36 dairy farmers representing 13 regions of the contiguous United States, all of whom are appointed by the Secretary of Agriculture.

The intent of the Section 610 review is to determine whether rules such as the Order should be continued without change, amended or rescinded, consistent with the stated objectives of applicable statutes, in order to minimize any significant economic impact of the rules upon a substantial number of small entities.

The small entities impacted by the Order are dairy producers. The program is administered in such a manner so as to minimize the burden placed on the producers. The assessments are typically collected by the processor purchasing milk from the producers; therefore, paying the assessment is simply part of the process of selling milk. No onerous recordkeeping requirements are placed on the producer, and the recordkeeping required of the processor collecting and remitting the assessments is extremely minimal.

The Act allows the Secretary of Agriculture to conduct a referendum at any time to determine whether producers favor the termination or suspension of the Order. Further, the Act requires the Secretary to conduct such a referendum upon request of 10 percent of producers subject to the Order. Therefore, dairy farmers who are unsatisfied with the Order, including the small enterprises which the Section 610 review intends to protect, are given the ability to request a referendum on the Order's continuance. To date, no producer-requested referendum has occurred, thus demonstrating the dairy checkoff program's great support among producers of all sizes.

Congress, through the Act, authorized the establishment of the checkoff program and declared it a public policy to strengthen the dairy industry's position in the marketplace. The dairy checkoff program faithfully and effectively carries out this policy, and its benefits accrue to producers of all sizes. The program is paid for by dairy farmers for dairy farmers and by all accounts operates successfully and efficiently. Therefore, the Order should be continued without change.

Sincerely,

A handwritten signature in cursive script that reads "Paul Rovey". The signature is fluid and includes a long horizontal flourish extending to the right.

Paul E. Rovey
Chairman
Dairy Management Inc.