EXHIBIT NO. 21
Metropolitan

Statement of James Reed

Docket No. AO-313-A48 et al DA-04-06

December 6, 2004

Kansas City, Mo.

My name is James Reed. My address is Rt. 1 Box 83, Esbon, Kansas, which is located in north central Kansas. I operate a family dairy farm along with my wife and my parents. We are member-owners of Dairy Farmers of America, Inc. and market all our milk through the cooperative. The Reed family earns its livelihood from the dairy and participates off the farm in the dairy industry.

I currently serve as president of the Kansas Dairy Association ("KDA"). The KDA is the professional trade organization for the Kansas dairy industry, and is the only Kansas organization specifically representing the dairy interest at the state capitol and in Washington, DC. We represent 99.5% of the state's 492 dairy farms, which produce 1.338 billion pounds of milk annually. We are led by a thirteen-member board of directors. At our September board meeting the board unanimously voted to support the proposals put forth by DFA.

I am not a technical expert in the inner workings of Federal Orders, and do not expect to answer many technical questions about them or the proposal. Because of my position, I get many questions from producers across my state asking me to explain negative PPD's and why they occur. I explain to them about pooling and depooling and the effects they have. This is very unsettling to our dairy producers.

The main issues I would like to discuss today are depooling and the effect it has on dairy farmers' income, and the use of risk management tools, such as hedging.

All dairy farmers deliver to a market. It may be a Class I market or a Class III market and all share in the blend price of that market. However, with the volatile prices in the market today, it is essential that those producers who wish to supply a market and share in the blend price, should be able to do so without being adversely affected by those that wish to do so only when it is directly advantageous to them. Most of my state's producers agree that if you are going to share in the market returns you should be in the pool day in and day out, not just when it is most profitable to you. It does not sound reasonable to us to be able to pick and choose.

In the matter of risk management, our farm, like many across the state, regularly forward contracts our milk to assure a profitable price. Predicting the price of milk in the future is very difficult, but it is something we are learning to do to insure our businesses future. However, when negative PPD's occur at the rate they did last spring, it becomes almost impossible to know what price level we can live with in relationship to advance selling, as the price we were trying to achieve was destroyed by factors that are almost impossible to predict.

Congress has instructed the USDA to take an active roll in educating and encouraging dairy farmers to use risk management tools. But the situation we find ourselves in now precludes us from using the futures market as our basis. We have no way of knowing where the PPD will fall, as it would be impossible to predict where the Class I and Class II prices will be in relationship to one another and how much milk will be pooled or depooled, because the present regulations are much too lax. We would encourage the Secretary to take this into serious consideration in making her/his decision.

Thank you for listening to my concerns, and I will try to answer any questions that you have.

James Reed