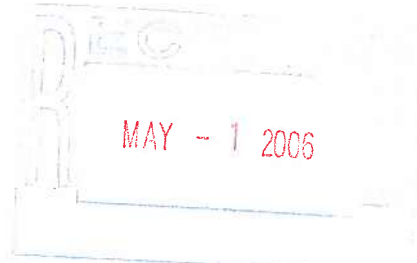




**NATIONAL
FARMERS
UNION**

May 1, 2006

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



Re: Docket No. DA-06-04, February 28, 2006, pg. 9978-9979

Dear Mr. Rick:

On behalf of the family farm and ranch members of the National Farmers Union (NFU), I am pleased to respond to the Agricultural Marketing Service's (AMS) request for comments on review of the National Dairy Promotion and Research Program dated February 28, 2006.

National Farmers Union supports a voluntary checkoff, with producer participation determined at the point of sale. Our support for producer-financed commodity research and promotion programs is determined by the extent to which producers who are actively involved in production agriculture controls the programs.

I would urge AMS to review our grassroots-driven policy, which is written by our farm and ranch members each year. National Farmers Union will support programs financed from the proceeds of sales by producers of agricultural commodities, only if the following criteria are met:

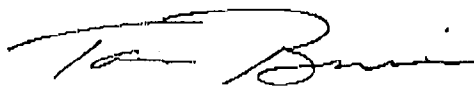
- a) Research and promotion programs are for the sole financial benefit of domestic family farmers;
- b) Disbursement of funds collected is controlled solely by boards of nonprocessing domestic producers elected by the domestic producers assessed, and the operations of the program are solely controlled by those domestic producer boards;
- c) Members of national producer-funded boards shall be nominated and elected by producers, with the election process supervised by the FSA, and nominations and balloting conducted by mail;
- d) It shall be mandatory that all eligible producers be provided a ballot by FSA for all elections and referendums;
- e) Approval is by 60 percent of producers voting in a referendum by mail prior to implementation of the order, with spouses allowed to vote individually, and no bloc voting allowed;
- f) The outcome of producer referendums should be determined solely on the basis of one vote per person;
- g) Changes in levies and administrative and operational procedures should be submitted to producers affected and subject to approval by a simple majority vote;
- h) Periodic review referendums should be financed and conducted by the federal government every fifth year, with no producer funds used to influence the voters within the six months preceding the election. A simple majority of producers voting in a referendum shall be able to recall a commodity checkoff program. USDA shall make available the total number of producers;
- i) The assessment should also be collected from those producers who are currently exempted by virtue of being in a vertically integrated operation;

- j) Periodic independent, outside evaluations and audits should be conducted to ensure that the benefits of the program outweigh the costs to producers, with copies of the audits available to all who pay the assessments;
- k) Procedures should be provided to enable producers to immediately obtain refunds of the research and promotion funds they were assessed;
- l) Research funds generated through producer assessments should not be used as a substitute for publicly generated research funding;
- m) The producer has the right to designate the use of the funding he or she contributes for research, promotion, expanded cooperative development or nutrition programs;
- n) Prohibiting the use of dairy producers' checkoff money to conduct research into the use of casein and/or MPCs in the making of cheese and other dairy products, or to promote anything other than U.S.-produced natural dairy products;
- o) Mandatory producer assessments should not go to organizations that engage in lobbying. No funds should be donated or contracts provided to organizations that carry out political or lobbying activities or to their shared staff, even if records are kept which separate their activity. Criminal penalties should be assessed for using funds for personal, political or lobbying activities;
- p) The payment of a mandatory commodity checkoff must not constitute membership in a producer organization; and
- q) Producer-funded research should remain the property of the producers. Patents granted as a result of the research should also belong to the producers. Royalties collected should be returned to the producers' research fund.

Finally, our members would like assurance the research and promotion activities are directed toward enhancing income for family farmers; and we would encourage prohibiting producer assessments unless it can be clearly demonstrated that producer income is substantially increased by the activities.

Thank you for the opportunity to respond to the request for comments on the National Dairy Promotion and Research Program.

Sincerely,



Tom Buis, President
National Farmers Union