

**RECEIVED BY EMAIL – MARCH 4, 2009
(RECEIVED INTO AMSDAIRYCOMMENTS INBOX)**

To Ms. Dana Coale
Deputy Administrator, USDA/AMS/Dairy Programs—

I am writing to request that AMS hold public hearings regarding the proposal from NMPA and IDFA to eliminate the producer-handler provision exempting producer-handlers from pricing and pooling provisions; and would revise the current limit on monthly route disposition of packaged fluid milk required for exemption from pricing and pooling provisions as an exempt plant.

Describe the expected impact on the industry, including on producers and handlers, and on consumers. Explain/Quantify. This proposal would hurt existing producer-handlers in New Hampshire and New England by setting such a low limit on monthly production for exempt plants (450,000 lbs.). We do not have the giant producer-handler operations that are the reason behind this proposal. But the largest producer-handler in New Hampshire, with 400 cows, exceeds this cap. At a time when consumers are seeking locally produced and processed milk from local farms, this would reduce their opportunity to obtain the product they desire. It would hurt farms that have made the investment in facilities and marketing and are meeting that demand. Several other producer-handlers in our state do not exceed the 450,000 pound limit, but easily could if they grow their businesses to make room for a younger generation or to pay for upgraded and updated facilities. Such improvements and intergenerational succession planning should not be inhibited by this too-low ceiling on exempt plants.

5. What are the expected effects on small businesses as defined by the Regulatory Flexibility Act (5 U.S.C. 601-612)? Explain/Quantify. The New Hampshire producer-handler that would be affected by this regulatory change employs well under 500 people, and is by any account a small business.

6. How would the proposal increase or decrease costs to producers, handlers, others in the marketing chain, consumers, the Market Administrator offices and/or the Secretary? Explain/Quantify? This would increase costs for medium-sized producer-handlers that would no longer be exempt, therefore either making their continued operation economically unfeasible, or raising prices to consumers with the same result. The producer-handlers in our market (New England) are serving premium, niche markets, selling their products at higher prices than competitors.

We have a number of citizens and elected officials who are concerned about the impact of these proposed changes, and I suggest Concord, NH as a location for a public hearing.

Sincerely yours,

Lorraine S. Merrill
Commissioner
New Hampshire Department of Agriculture, Markets & Food
P.O. Box 2042
Concord NH 03302-2042
603-271-3551

lmerrill@agr.state.nh.us