

## United States Senate

WASHINGTON, DC 20510

January 17, 2001

The Honorable Dan Glickman  
Secretary,  
United States Department of Agriculture  
Room 200-A  
Administration Building  
1400 Independence Ave., SW  
Washington, D.C. 20250

35-4169048  
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Dear Secretary Glickman:

We write regarding the unintended results of the United States Department of Agriculture's (USDA) tentative final decision regarding the Class III and IV pricing formulas in all federal milk orders. We are deeply concerned that this new rule may cause disruption and difficulty for the manufactures of cream cheese.

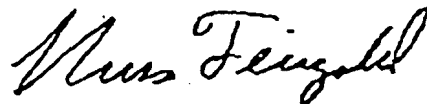
Under USDA's tentative final decision for the Class III and IV pricing formulas, the value of cream at the federal order minimum price will, for the first time, be significantly different depending whether that cream is used in Class II, Class III, or Class IV products. Last year, the value of cream at the federal order minimum price was nearly the same for Class II and IV, and only slightly higher for Class III. Under the tentative decision, however, the same Class III cream would have been valued 26% higher than the price of Class IV cream.

This increase has tremendous implications for the marketing of cream. Specifically, we have heard from a number of producers of cream cheese that this increase has disrupted their supply chain, and could hurt their ability to effectively market their product.

We appreciate the attention you and your staff have given to the concerns of Wisconsin's dairy industry. However, we urge you to take steps to address the concerns of cream cheese manufacturers when you publish your final rule on the Class III and IV pricing formulas later this year.

With respect and appreciation, we look forward to working with you on this important issue.

Sincerely,



Russell D. Feingold  
United States Senator



Herb Kohl  
United States Senator