

 **Pennsylvania Farm Bureau**

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August 13, 2007

Mr. John R. Mengel
Chief Economist
USDA/AMS/Dairy Programs
Office of the Chief Economist
STOP 0229 – Room 2753
1400 Independence Avenue, SW
Washington, DC 20520-0229

Sent via fax: (202) 690-0552

Re: Docket AMS-07-0047; DA-06-07 (Dairy Product Mandatory Price Reporting)

Dear Mr. Mengel:

On behalf of Pennsylvania's largest general farm organization, I am writing to express our support for the Dairy Product Mandatory Reporting interim final rule as reported in the Federal Register on July 3, 2007.

Our members feel strongly about the need for mandatory price reporting that is both timely and accurate. In fact, American Farm Bureau's 2007 Policy Book includes the following two policies. We support improving price discovery through mandatory reporting and auditing of prices and inventories. We also support working with others to pursue enforcement of mandatory, accurate and audited dairy product price and inventory surveys, including penalties for inaccurate reporting.

Complete and accurate dairy price information from as many processors as possible is critical to ensuring that prices in the marketplace accurately reflect supply and demand conditions. As indicated in the proposed regulation changes in the Federal Register, a one cent error in cheese or NFDM prices can mean millions of dollars either underpaid to producers or overpaid by processors. Also, since Class III and IV prices drive Class I and II prices, the pricing error could be further compounded in calculating those prices. While mandatory price reporting can save millions of dollars in understating and overstating prices, the cost to processors complying with this regulation are minimal. We believe the additional cost to regulated processors is well worth the investment in protecting accurate pricing for processors and producers in the future.

Thank you for the opportunity to offer comment on this issue.

Sincerely,



Carl T. Shaffer
President