



# National Milk Producers Federation

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December 3, 2007

**Sent by FAX: (202) 690-0552**

John R. Mengel, Chief Economist  
USDA/AMS/Dairy Programs  
STOP 0229 – Room 2753  
1400 Independence Avenue, SW  
Washington, DC 20250-0229

RE: Dairy Product Mandatory Reporting [Doc. # AMS-07-0047; DA-06-07]

Dear John,

The National Milk Producers Federation (NMPF) consists of 33 member dairy farmer cooperative associations, representing two-thirds of the nation's 60,000 commercial dairy farmers. As the voice of America's dairy producers in Washington, NMPF pursues action that advances the well-being of dairy producers and the cooperatives they own, including the operators of many of the manufacturing plants that would be responsible for reporting under the interim final rule referenced above and the final rule resulting from the present reopened request for comments.

NMPF has vigorously pursued meaningful mandatory dairy product price reporting for the last 7 years, working with Congress, with the National Agricultural Statistics Service, the Secretary of Agriculture, and finally, the Agricultural Marketing Service. Our original comments under this docket outline this history and the extreme importance of effective mandatory price reporting to NMPF and to U.S. dairy farmers.

We hope that this reopened comment period does not delay a final rule. There should be **no gap in enforcement of mandatory reporting** and urge AMS staff to establish a final rule before the interim rule expires on July 3, 2008.

The notice of the reopening of the comment period (72 FR 62105) requested comment on several specific issues. NMPF makes the following recommendations in response to this request.

**Kosher products** should be included in all four price surveys. Nearly all butter and nonfat dry milk, and most dry whey production is kosher, by some standard, as is a substantial amount of cheddar cheese. Especially in the bulk forms included in the price survey, they represent the mainstream of dairy product manufacture. More important, excluding kosher products from the survey would require USDA to formally define "kosher". In practice, if not in theory, there is a wide variety of standards for kosher dairy production: USDA should not have to rule on those standards.

Jerry Kozak, President/Chief Executive Officer

Charles Beckendorf, Chairman

[www.nmpf.org](http://www.nmpf.org)

- Agri-Mark, Inc.
- Arkansas Dairy Cooperative Association
- Associated Milk Producers, Inc.
- Cass-Clay Creamery, Inc.
- Continental Dairy Products, Inc.
- Cooperative Milk Producers Assn.
- Dairy Farmers of America, Inc.
- Dairymen's Marketing Cooperative, Inc.
- Dairylea Cooperative Inc.
- Ellsworth Cooperative Creamery
- Farmers Cooperative Creamery
- First District Association
- Foremost Farms USA
- Humboldt Creamery
- Just Jersey Cooperative, Inc.
- Land O'Lakes, Inc.
- Lone Star Milk Producers, Inc.
- Manitowoc Milk Producers Coop.
- MD & VA Milk Producers Cooperative Association, Inc.
- Michigan Milk Producers Assn.
- Mid-West Dairymen's Company
- Northwest Dairy Association
- Prairie Farms Dairy, Inc.
- St. Albans Cooperative Creamery, Inc.
- Scioto County Co-op Milk Producers' Assn.
- Select Milk Producers, Inc.
- Southeast Milk, Inc.
- Swiss Valley Farms, Co.
- Tillamook County Creamery Assn.
- United Dairymen of Arizona
- Upstate Niagara Cooperative, Inc.
- Zia Milk Producers

Products made “from milk from cows not treated with recombinant bovine somatotropin (**rBST**)” should be included in all four surveys without distinction, for several reasons.

First, according to USDA’s Animal and Plant Health Inspection Service, only 15% of U.S. dairy herds include cows treated with rBST. (NAHMS Dairy 2007 Part I: Reference of Dairy Cattle Health and Management Practices in the United States, 2007, p. 79)<sup>1</sup> This means that the bulk of the U.S. milk supply is made without the use of rBST and many products are made with such milk, even if they are not marketed as such.

Second, a growing number of processors are producing and marketing products made “from milk from cows not treated with rBST.” If this trend led quickly to the bulk of dairy products being so made and marketed, the survey would be badly compromised.

Third, manufacturing plants may have mixed sales, of products made “from milk from cows not treated with rBST” and products not so labeled. Excluding one will complicate reporting and auditing for all.

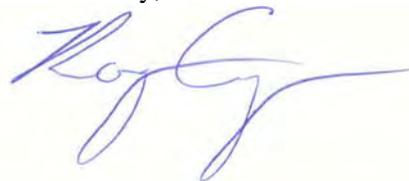
Finally, as with kosher, excluding “rBST-free” products would require USDA to define and verify the category and its labeling. This would be in appropriate.

For all these reasons, NMPF believes that dairy products made “from milk from cows not treated with recombinant bovine somatotropin (**rBST**)” should be included in all four surveys.

**A transaction size threshold** should be established for reporting sales in these surveys. The standard 40,000-pound carload lot size defines the basic economies of scale for bulk dairy product transactions. Transactions of at least a full carload can capture these economies, but products distributed in smaller lots to multiple customers have an added value at an added cost. Therefore, it would be appropriate to set a limit somewhat below 40,000 pounds: we propose 30,000 pounds. This would clearly include all transactions of a full carload or more, while excluding nearly all small lots. A threshold of 30,000 pounds should not exclude any important part of the surveyed volumes, but avoid any implicit invitation to reorganize distribution to evade reporting.

We thank USDA and the Secretary for the opportunity to comment on this rule, and would be happy to offer any desired assistance in its prompt and effective completion.

Sincerely,



Roger Cryan  
Vice President,  
Milk Marketing and Economics

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<sup>1</sup> [http://www.aphis.usda.gov/vs/ceah/ncahs/nahms/dairy/dairy07/Dairy2007\\_Pt1.pdf](http://www.aphis.usda.gov/vs/ceah/ncahs/nahms/dairy/dairy07/Dairy2007_Pt1.pdf)