

Docket Clerk
AMS Fruit and Vegetable Programs
Market Order Administration Branch
USDA Mail Stop 0237
1400 Independence Avenue SW
Washington, DC 20250-0201

December 12, 2002

Dear Sir or Madam:

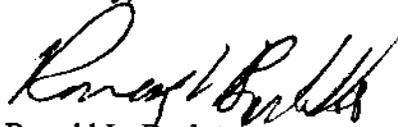
Being a hop farmer for over 30 years I grew hops under the last marketing order. I fully supported the last order and fully support the proposed order. I served on the advisory board of the last order and believe the marketing order should never have been removed. Under the stability that the marketing order brought to the industry, our operation was able to obtain base and grow, as needed. There have been dramatic upward and downward swings in prices since the last marketing order. The recent inventory build-up in grower's hands of alpha products (bales, pellets, and extracts) and the shrinking stocks being held by dealers and brewers has shifted more cost to the producer. Carrying inventory and the costs associated with holding those hops and the decline of forward contracting for alpha hops has created additional burden for the growers on a depressed market.

The proposed marketing order also addresses many concerns that people had with the previous order. Growers maintaining ownership of pool hops removes the complaint that excess hops were dumped cheaply into the market as packaged hops. The issue of new entry has been addressed by allowing new base to be issued, but doesn't burden the market during down times by only issuing base when salable is increased.

We have been our own worst enemy. The U.S. hop acreage has fluctuated from 20,000 to 50,000+ acres. These swings hurt everybody, with growers ^{run} out of business during each cycle. Many growers have the mentality that even during a depressed market that they must sell below their cost of production so that they can maintain their production share. At some point, even the efficient growers become inefficient in the sense that by reducing costs they start jeopardizing their yield per acre and quality. For example, not spraying sufficiently and causing mite damage and powdery mildew to flourish, thus reducing quality and yields. This attitude only makes the situation worse. With a stable market growers won't feel it is necessary to sell at any price and may ask for a fair and equitable return for their efforts.

The last and most important factor for a marketing order would help to control new plantings, once supply and demand are in balance. This would result in a reasonable and equitable return for the production of hops.

Sincerely,



Ronald L. Brulotte

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