



April 5, 2023

The Honorable Tom Vilsack
Secretary
U.S. Department of Agriculture
1400 Independence Ave., S.W.
Washington, DC 20250

Dear Secretary Vilsack,

We stand together, the undersigned members of the International Dairy Foods Association (IDFA), in strong opposition to the proposals submitted separately by IDFA and the Wisconsin Cheese Makers Association (WCMA). These narrowly focused proposals call for a Federal Milk Marketing Order (FMMO) hearing to address changes to manufacturing allowances in the FMMO pricing formulas.

Our organizations, representing a significant portion of the processing capacity and milk utilization of IDFA, were part of the final discussions on this proposal along with other selected members of the association. Given the urgency of this matter, we feel an obligation to share our concerns.

Combined, we own 104 dairy processing and manufacturing plants across the United States, utilizing a substantial portion of the nation's milk supply. The investment into U.S. farmer-owned processing and manufacturing, which represents more than 13,500 dairy farmers from across the country, has steadily increased to support milk markets for producers, products for customers, and nutrition for consumers.

Our cooperatives share a significant responsibility to ensure a strong, reliable milk supply and a strong, reliable dairy processing and manufacturing sector. Therefore, we understand updates to the FMMO require a balanced, measured approach that considers the needs of both dairy farmers and dairy processors and manufacturers to ensure we have a system that supports the health and longevity of our industry.

That is why we have worked with National Milk Producers Federation (NMPF) member cooperatives across the U.S. to reach support for more comprehensive FMMO modernization, which is scheduled to be submitted to USDA this month.

The approach of the IDFA proposal only addresses one aspect of the entire order and creates winners and losers that will ultimately cause harm to the entire dairy industry. The IDFA/WCMA proposals call for make allowance changes that are based off unreliable data, either statistical derivatives of dated cost surveys or more recent surveys that were not mandatory or audited. Use of this questionable information could impact the U.S. average all-milk price negatively by \$1.42 per hundredweight. A drop in milk price of this magnitude, especially without additional updates to the FMMO, would create challenges for America's family dairy farms.

The narrowly focused submitted proposals lack the necessary details for meaningful improvements and it is imperative the industry avoids addressing one problem in a myopic manner that will create avoidable harm to the processing and producer community. We support a need to adjust the make allowance, and we equally understand the need to restore the previous "higher of" Class I mover considering the disproportionate risk borne by farmers under the current formula, both of which the forthcoming NMPF proposal will address.



Based on the IDFA/WCMA proposals focused on addressing only one issue and the opportunity on the horizon to take a more holistic approach for modernization, we urge you to not grant the request for a national FMMO hearing on the single issue of adjusting manufacturing allowances.

Sincerely,

Brad Anderson
President and Chief
Executive Officer
California Dairies, Inc.

Dennis Rodenbaugh
President and Chief Executive Officer
Dairy Farmers of America, Inc.

Beth Ford
President and Chief
Executive Officer
Land O'Lakes, Inc.

Jay Bryant
Chief Executive Officer
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CC: Bruce Summers, Administrator, Agricultural Marketing Service,
U.S. Department of Agriculture
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U.S. Department of Agriculture