

# South East Dairy Farmers Association

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July 13, 2000

Office of the Hearing Clerk  
USDA-AMS  
Room 1081 South Building  
1400 Independence Ave., SW  
Washington, D.C. 20250

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OALJ/HCO

Re: Docket No. AO-14-A69. et.al; DA-00-03; Hearing on Class III and IV Milk Pricing Formulas

Brief and Proposed Findings and Conclusions filed on behalf of the South East Dairy Farmers Association

This brief is concerned with the proposal presented by Family Dairies, USA and the Midwest Dairy Coalition which would compute the basic formula price for Class I milk by using a weighted average of Class III and Class IV prices.

It is the position of the South East Dairy Farmers Association that this proposal is outside the announced scope of the hearing and should be denied for that reason. The hearing notice clearly stated that the purpose of the public hearing was to "...reconsider the Class III and Class IV milk pricing formulas included in the final rule for the consolidation and reform of Federal milk orders." There was nothing in the notice to suggest that the procedure for computing the basic formula price would be a matter for consideration at the hearing.

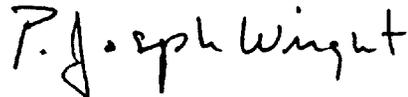
The issues relating to the procedures for computing the basic formula price were dealt with at length in the reform document, including the rationale for using the higher of the Class III or Class IV prices. It is our position that if this issue is to be revisited, it should be done at a separate hearing, properly noticed, at which all interested parties would have the opportunity to present proposals and testimony.

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Should the Department nevertheless decide to give further serious consideration to this proposal, the present hearing should be reopened so that all interested parties would have the opportunity to present evidence. However, because of the importance of this issue to all Federal order producers, this is not an option that we recommend.

For the reasons stated above, the proposal to use a weighted average of the Class III and Class IV prices as the Class I price mover should be denied.

Respectfully submitted,

A handwritten signature in black ink that reads "P. Joseph Wright". The signature is written in a cursive style with a large initial "P" and "J".

P. Joseph Wright, President