

UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL MARKETING SERVICE

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**Mideast Federal Milk Order  
Hearing No. 33**

**Docket No. AO-166-A72;  
DA-05-01**

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**MMPA'S REPLY TO THE POST HEARING**  
**BRIEF OF FOREMOST FARMS AND ALTO DAIRY**

Foremost Farms USA Cooperative ("Foremost") and Alto Dairy  
Cooperative ("Alto") have requested that any transportation credit approved

in response to Proposal 9 apply to pool supply plant milk in addition to direct ship producer milk. Michigan Milk Producers Association ("MMPA") opposes the expansion of any transportation credit to any shipment other than shipment directly from farms to distributing plants, for two reasons:

First, pool proceeds should be used to assist only the most efficient movement of milk to pool distributing plants, namely from farms to the distributing plants. There are ample reserve supplies within Order 33 (central Michigan and northern Ohio) located within reasonable direct ship distances of Class I deficit regions in the Order to satisfy the Class I needs of the Order. Rasch testimony 1105-1106; Exhibit 7 Market Administrator's Office Statistical Data Compilation, DFA Requests 8(a)-8(e). There is no need to subsidize inefficient milk movement in or to Order 33 by extending any approved transportation credit to supply plant milk shipped to distributing plants.

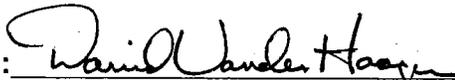
Second, extending the credit as requested by Foremost and Alto is inconsistent with the overall goal of the hearing proposals to tighten pool standards and reduce dilution of the blend price so that the fluid needs of the market are satisfied and those producers who are reasonably associated with the market and who meet the needs of the market on a regular every-day, every-week, every-month basis are fairly compensated for doing so. As noted by Mr. Rasch at 1106-1107 and confirmed in Market Administrator's

Statistical Data (Exhibit 7) DFA Request 3, small volumes of milk delivered from supply plants to pool distributing plants can be and has been leveraged to pool huge volumes of distant milk on the Mideast Federal Order. This sort of pool riding ought not be encouraged by an expansion of the requested transportation credit to accommodate plant to plant transfers.

Respectfully submitted,

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