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Steven J. Rosenbaum, Esq.  
Covington & Burling  
1201 Pennsylvania Avenue, NW.  
Washington, D.C. 20004-2401

Dear Mr. Rosenbaum:

We have received the National Cheese Institute (NCI) motion to stay implementation of the portion of the tentative final decision that provides for a separate Class III butterfat price, and have determined that the motion should be denied. As stated in the decision, the current butterfat price does not reflect the value of butterfat used in cheese, and our attempt to adjust for that shortcoming in Federal order reform by incorporating a differential value for butterfat in the protein price formula results in a protein price that fails to reflect the value of protein in cheese. The Class III butterfat and protein price formulas in the tentative final decision do reflect the role of these components in contributing to cheese yield.

As we continue to be under *ex parte* rules, we cannot discuss the merits of the decision beyond the reasons stated for adoption of the tentatively adopted formulas in the decision. The period during which interested parties have been invited to submit comments on the decision is in effect until February 5, 2001. Your motion and our response will be filed with the Hearing Clerk as a comment, and we look forward to receiving your further comments.

Sincerely,

/s/ Enrique E. Figueroa, Ph.D.

 Michael V. Dunn  
Under Secretary  
Marketing and Regulatory Programs

cc: National Cheese Institute  
1250 H Street NW., Suite 900  
Washington, D.C. 20005

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