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## United States Senate

WASHINGTON, DC 20510-4402

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May 16, 1997

The Honorable Dan Glickman Office of the Secretary Department of Agriculture Washington, D.C 20250

Dear Mr. Secretary:

We understand the Dairy Division of the Agricultural Marketing Service is in the process of realigning the federal milk marketing orders pursuant to the 1996 Farm Bill. We fear that the realignment proposal currently under consideration by your division could have a devastating effect on Utah's dairy industry. For that reason, we urge you to consider other options with regard to Utah's realignment.

The Great Basin Marketing Order (Order 139), which includes southern Nevada and Utah, has about 40 percent Class I fluid milk utilization, 50 percent Class III utilization, and little or no powder milk production. However, the new proposed Federal Order Map Report issued recently by the USDA proposes to merge the Great Basin Order with the South West Idaho/East Oregon Marketing Order (Order 135). Unlike the Great Basin Order, Order 135 has traditionally been a cheese market with only about 7 percent Class I fluid milk utilization and over 90 percent Class III utilization. In addition, the SW Idaho/East Oregon region has much greater competition among processors than the Great Basin This means that our dairy farmers will receive a lower price for their milk. More important, however, is the disparity in the two regions' utilization of Class I fluid milk. As you know, combining a region with a high utilization of Class II and III milk together with a region such as Utah, with a high Class I utilization, will draw down the price of Class I milk for the latter.

For these reasons, we believe that the proposal to merge the Great Basin and the SW Idahc/East Oregon orders would jeopardize Utah's dairy industry. We ask that you reconsider this proposal and examine aligning the Great Basin Order with other regions that are better matched for our region, such as Arizona (Order 131), Western Colorado (Order 134), or Eastern Colorado (Order 137). These orders, with their Class I utilization and markets, are more closely aligned with the Great Basin Order.

May 16, 1997 Page 2

We hope that you will take into consideration our request for a more equitable milk marketing realignment for Utah. We recognize the difficulties you face in realigning the marketing orders, and we commend you for providing a very open process that allows for a great deal of input from the interested parties.

Sincerely,

Orrin G. Hatch

United States Senator

James V. Hansen

Member of Congress

Chris Cannon

Member of Congress

Robert F. Bennett

United States Senator

Member of Congress