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Dana H. Coale, Deputy Administrator
Dairy Programs, USDA, AMS
1400 Independence Avenue SW
Washington, DC 20250

March 4, 2011

Dear Ms Coale:

The Maine Dairy Industry Association (MDIA) continues its interest in developing a basic formula price based on competitive prices paid for Grade A milk.

Your office generously provided data for the Federal Order system that illustrated the most competitive counties across the whole system. That information was original and very helpful.

A new issue has arisen as the National Milk Producers Federation (NMPF) has expressed an interest in capturing competitive pay prices on a regional basis. We would like to explore this idea.

Therefore, we hereby request that you use the same data as was used earlier to measure competition for the whole system, by county, to measure competition for each of the eight NMPF-identified regions, again by county. Those regions are outlined on the attached map.

For this new analysis, we request that the information identify only the most competitive counties for each region that, when combined, include 25 percent of the milk for each region. The regional, county-based analyses would again rely on the Herfindahl-Hirschman Index, and start with the lowest indexed or most competitive county. Also, we would like to have identified the highest Herfindahl-Hirschman Index that applies to any county included in each of these regional groupings of counties.

Thank you for your consideration of this request.

Sincerely,

/s/ Daniel Smith

/s/ Paul Christ

Daniel Smith

Paul Christ

on behalf of MDIA

Eight US Milksheds

