



"The Cooperative Built on Trust"

May 5, 2016

The Honorable Tom Vilsack
Secretary
United States Department of Agriculture
1400 Independence Avenue, SW
Washington, DC 20250

Re: Organic Trade Association (OTA) proposal for a national federal order hearing
Sent via U.S. mail and electronic mail to agsec@usda.gov

Dear Mr. Secretary:

Southeast Milk, Inc. (SMI) is a Florida based dairy cooperative. The 2.7 billion lbs. of milk produced annually by its 154 members is marketed to fluid processors in the Florida and Southeast federal milk marketing orders, including one plant owned by the cooperative. SMI also markets organic milk. Some of its members are organic producers, plus additional organic milk is purchased from other cooperatives.

SMI opposes OTA's request for a national federal order hearing to consider a modified Wichita option for organic milk for the following reasons:

1. A basic provision of federal orders is the pooling of milk receipts, and paying dairy farmers a blend or uniform price. The OTA proposal violates this basic provision by allowing the exemption of organic milk from inclusion in the pool. Such practice reduces the total dollars in the pool, resulting in a lower blend price to dairy farmers.
2. The OTA proposal would prompt disorderly marketing by establishing a precedent in which milk with "special" characteristics could seek exemption from pooling. Such practice undermines the federal order system, and could lead to its collapse.
3. As a purchaser and marketer of organic milk, we are concerned the OTA proposal may give some organic milk processors a competitive advantage over others. This again leads to disorderly marketing, and is contrary to the purpose of federal orders.

SMI strongly encourages the Secretary to deny OTA's request for a national federal order hearing.

Sincerely,

Paul W. Bikowitz
Chief Executive Officer

cc: Dana Coale, AMS Deputy Administrator for Dairy Programs
Via U.S. mail and electronic mail to Dana.Coale@ams.usda.gov

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