

PR-2827

Office/Mailing Address:  
P.O. Box 1958  
Chino, California 91708-1958  
(714) 974-3323  
Fax (714) 974-2512



Plant Address:  
2751 Palo Verde  
Yuma, Arizona 85365  
(520) 726-3976  
Plant # 04-51

April 15, 1998



Mr. Rich Mc Kee  
Director, Dairy Division AMS  
United States Department of Agriculture  
P.O.Box 96456  
Washington D.C. 20090-6456

Re: Comments on the Producer/Handler Section of the Federal Milk Marketing Order  
Proposed Rule

Dear Mr. Mc Kee:

Sarah Farms Milk Products is part of a Producer/Handler operation with a milk processing plant located in Yuma, Arizona.

We appreciate the recognition in the Proposed Rule of the long standing policy of exempting from full regulation entities that operate as both a producer and a handler. This policy has often been specifically endorsed by Congress and has a sound legal foundation.

We note that the majority of public comments received to date and referenced in the text of the Proposed Rule supported the continuance of the status quo with regard to Producer/Handler regulation. The one comment that was received that asked for elimination of the P/H provisions is expressly denied in the Proposed Rule. The whole thrust of the Proposed Rule appears to be to either continue with the status quo, or liberalize the rule as in the case of your raising the route distribution limit for a totally exempt plant to 150,000 pounds per month of either raw or packaged milk.

Therefore we are surprised to discover the verbiage in the discussion of the Proposed Rule published on page 4939 of the Federal Register, Volume 63, #20 dated January 30, 1998 which says "Since a producer-handler must control its own distribution, it will not be allowed to have disposed of milk to any independent distributor." As we understand it, this is a new restriction that has never existed in the Federal Order system. Furthermore it runs contrary to the overall flow of P/H regulation which is to restrict how much and where a P/H can buy milk, but not restrict where a P/H can sell milk. We do not agree with this restriction and find it punitive and not in keeping with the stated overall goal of the Proposed Rule which is stated in the Federal Register as "... these changes are not intended to fully regulate any producer-handler that is currently exempt from regulation."

Mr. Rich McKee

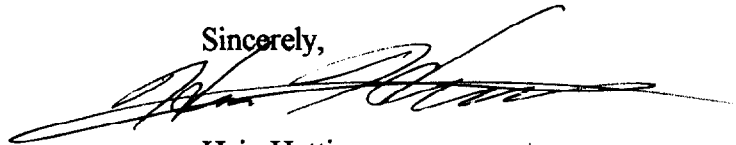
Page 2

It may be possible that we are misunderstanding your intention. When we read the specific order language, Section 1131.10 (e) on page 5080 of the Federal Register Volume 63, #20 dated January 30, 1998 which we think the troubling verbiage on page 4939 is referring to, it defines a producer-handler as a person who "disposes of no fluid milk products using the distribution system of another handler except for direct deliveries to retail outlets or to a pool handler's plant." We do not think that an independent distributor qualifies as a handler as defined in this section. If we are correct in that belief then there appears to be a contradiction between the order language and the verbiage on page 4939.

We ask that you clarify this issue and we strongly oppose any restriction on a producer-handler which would preclude the sale of milk to, or through an independent distributor.

We thank you for your consideration of our comments.

Sincerely,

A handwritten signature in black ink, appearing to read 'Hein Hettinga', with a long horizontal flourish extending to the right.

Hein Hettinga  
Owner