



1400 Independence Avenue, SW
Room 2530-S, STOP 0225
Washington, D.C. 20250-0225

July 24, 2023

Mr. Tim Trotter, CEO
Edge Dairy Farmer Cooperative
2763 Manitowoc Road
Suite B
Green Bay, Wisconsin 54311

Dear Mr. Trotter:

This letter is in reply to Edge Dairy Farmer Cooperative's (Edge) proposals submitted in response to a Request for Additional Proposals relating to the pricing provisions of the Federal milk marketing order (FMMO) program. USDA received Edge's four proposals on June 14, 2023, and subsequent modifications on June 20, 2023.

A Hearing Notice has been published in the Federal Register announcing a hearing will convene at 9:00 a.m. ET on Wednesday, August 23, 2023, at 502 East Event Centre in Carmel Indiana. Testimony and evidence will be taken on the following proposals submitted by Edge:

- Proposal 2, Option 1: Class III+; and
- Proposal 2, Option 2: Higher-of using announced skim milk prices.

We encourage Edge to participate in the hearing to provide evidence regarding why your proposals should be adopted. Please refer to the Hearing website (www.ams.usda.gov/rules-regulations/moa/dairy/hearings/national-fmmo-pricing-hearing) for full information on how to participate.

The Secretary has determined the hearing will be limited in scope to amendments directly impacting the uniform pricing formulas of all FMMOs. USDA received several proposals that did not relate directly to the uniform FMMO pricing formulas and are beyond the scope of the upcoming rulemaking. Not including the proposals in this rulemaking proceeding does not prevent Edge from offering the proposals for consideration in a separate rulemaking proceeding. Requirements for submitting a proposal are outlined in 7 CFR 900.22 and are outlined at www.ams.usda.gov/sites/default/files/media/DairyMarketingOrderAmendmentBrochure.pdf

Regarding proposals submitted by Edge specifically, the following will not be heard:

Proposal 1

Proposal 1 recommends providing producers with additional market information by creating universal milk check transparency requirements, including clarification of the value of pooled milk. As this change does not seek to amend the uniform FMMO pricing formulas, the proposal does not fall within the scope of this hearing and will not be heard at this time. However, since this issue does not affect prices, USDA encourages Edge to explore amendments on this subject through the informal rulemaking process.

Proposal 3

Proposal 3 seeks to dictate the time lag between when a manufacturing allowance change would be announced and when it could be implemented due to the impact on risk management programs utilized by dairy farmers and dairy processors. Testimony will be received at the hearing to consider how changes to FMMO pricing provisions could impact risk management positions and we encourage you to provide such information for the hearing record. Since instructions for implementation of changes are not contained within the regulations, this proposal is not contained in the Hearing Notice.

Proposal 4

Proposal 4 seeks to adjust Class III and IV make allowances and yields using a mandatory and audited USDA cost and yield survey. USDA does not currently have the legal authority to conduct a mandatory cost and yield survey. Congress must grant additional authority for USDA to conduct a mandatory cost and yield survey. Therefore, this proposal is denied.

Thank you for your interest in the FMMO program. We look forward to your participation in the hearing process.

Sincerely,

/s/

Dana H. Coale
Deputy Administrator
USDA-AMS-Dairy Program