USDA
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Washington D.C 20250

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Dear Sirs!

I am writing about decoupling Class I price in federal orders from the Class III or Class IV price two months earlier!

Class III & IV products are items that can be stored for months. Class I is needed to be sold by 2 weeks. no com parsion!

Please price Class I by a hearing process reflecting the conditions of the regions of the nation. EX: wage scale. unemployment rate, Cost of energy, Cost of ag services (Vet, milker repairs, interest, Taxes, Urban expansion, etc.) Feed cost, Herd replacements.

For each 100 milk cows in Order I we got paid a Blend price of about $5,000 less the month of Aug and July of 2006 than in 2005.

Had we been paid by a formula for Class I these two months and Class I usage of 43 to 48% we would have been short less than $3,000.

Also back several years ago when price of butter went a way up for several months the price of fluid milk Class I should not shot thru the roof in price. It caused many problems for fluid plant managers in meeting pre arranged commitments in prices.

A steady increase with little backing up is best for the industry.

I'm opposed to make - allowance. Get the costs in the market place!

Yours in 40 years of dairying,
Ken Mummert