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UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Marketing Service
Dairy Programs
FEDERAL MILK ORDERS 124 & 131

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November 15, 2005

TO: Interested Parties – Pacific Northwest and Arizona-Las Vegas Marketing Areas

FROM: James R. Daugherty, Market Administrator, Bothell, Washington

SUBJECT: Notice to Interested Parties: Proposals for an Emergency Hearing to Amend Class III and IV Price Formulas in all Federal Milk Marketing Orders.

Agri-Mark, Inc., a dairy farmer cooperative headquartered in Lawrence, MA, has requested the USDA hold an emergency public hearing to consider proposals to amend the Class III and IV product price formulas in all 10 Federal milk marketing orders. Consideration is being given to limit a public hearing to reconsideration of the manufacturing allowances for cheese, whey powder, butter and nonfat dry milk powder only.

Agri-Mark's request for an emergency public hearing has received written support from a number of interested parties including: Great Lakes Cheese of New York, Inc.; Associated Milk Producers, Inc., New Ulm, MN; Foremost Farms USA, Baraboo, WI; and Upstate Farms Cooperative, Inc., LeRoy, NY; Allied Federated Cooperatives, Inc. Canton, NY; Land O'Lakes, Inc., Carlisle, PA; and National Cheese Institute.

Agri-Mark's proposals and all letters received supporting a public hearing are available for inspection on the AMS Dairy Programs website: <http://www.ams.usda.gov/dairy/>.

A hearing notice will be issued and published in the near future in the Federal Register and will be posted on the AMS Dairy website.

Actions under the Federal milk order program are subject to the "Regulatory Flexibility Act." This Act seeks to ensure that, within the statutory authority of a program, the regulatory and informational requirements are tailored to the size and nature of small businesses. For the purpose of the Federal order program, a dairy farm is a "small business" if it has an annual gross revenue of less than \$750,000 resulting in a production guideline of 500,000 pounds per month. A handler is a "small business" if it has fewer than 500 employees. If the plant is part of a larger company operating multiple plants that collectively exceed the 500-employee limit, the plant will be considered a large business even if the local plant has fewer than 500 employees.

All known interested persons will be mailed a copy of the hearing notice. Anyone who desires to present evidence on proposals set forth in the hearing notice will have an opportunity to do so at the hearing.

Interested Parties

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Once a hearing notice is issued and until the issuance of a final decision, Department employees involved in the decisional process may not discuss the merits of a proceeding on an ex parte basis with any persons having an interest in the proceeding. For this purpose, the Market Administrator and his staff are considered to be involved in the decisional process. Thus, it is suggested that any discussions that you may wish to have with Department personnel regarding hearing proposals be initiated soon. Procedural matters may be discussed at any time.

If you have any questions concerning this notice or desire a copy of the present order, please contact this office

/s/ James R. Daugherty
James R. Daugherty