



News Release

National Milk Producers Federation • 2101 Wilson Blvd., Arlington, VA 22201 • 703-243-6111 FAX 703-841-9328

FOR IMMEDIATE RELEASE
Thursday, May 10, 2007

Contact: Christopher Galen
(703) 243-6111 ext. 356
E-Mail: Cgalen@nmpf.org

NMPF FEDERAL MILK MARKETING ORDER TASK FORCE MEETS TO BEGIN IDENTIFYING KEY ISSUES TO IMPROVE SYSTEM

CHICAGO, IL – The National Milk Producers Federation’s new campaign to improve the existing Federal Milk Marketing Order system got underway earlier this week in Chicago, as members of the NMPF Federal Order task force met to discuss what types of changes will most benefit dairy farmers and the cooperatives they own, along with milk processors.

The fourteen participants in this first task force meeting identified a number of areas of concern during the meeting on Tuesday. These include the Federal Order hearing process and the length of time it takes to process changes in the system, price discovery, transportation cost recovery, manufacturing costs and classified pricing.

“After hearing the task force members’ individual concerns with Federal Orders, it is clear that there is lots of diversity of opinion within the group,” noted Dave Fuhrmann, CEO of Foremost Farms of Baraboo, WI, and task force chairman. “This means it will be a challenge to come to agreement on everything. However, we must pursue reaching agreement where consensus is possible, because I believe cooperatives are impacted the most by Federal Orders and, therefore, have a vested interest in making the system work.”

Fuhrmann noted that the task force members did all concur that the industry is better with the Federal Order system than without it, and their efforts would focus on building up the system, not dismantling it.

-more-

He also said that a self-help effort such as this one, undertaken by NMPF, “is preferable to a government-mandated one,” which is what some in Congress are discussing. “What we do here will have a real-world impact on the dairy sector,” Fuhrmann said.

The task force agreed that deadlines need to set for the Federal Order hearing process. All members expressed concern over the length of time it takes from point at which a request for a hearing is filed with USDA, to a final decision being issued. The ongoing hearing examining Class III and IV manufacturing allowances is an apt illustration of how long such hearings can take, task force members agreed.

A significant part of the meeting was spent talking about price discovery options. At its next meeting in June, this pricing issue will be explored by task force members in greater depth, with outside experts being invited to present their thoughts on the speed and efficacy of how prices are set by the system.

“Our members understand that NMPF and its member cooperatives don’t exist in a vacuum when it comes to the Federal Order system,” said Jerry Kozak, NMPF President and CEO. “The plan is to expand participation in this process to others in the industry, with the goal of being able to move forward with improvements to the Federal Milk Marketing Order system in a year.”

The National Milk Producers Federation, based in Arlington, VA, develops and carries out policies that advance the well being of dairy producers and the cooperatives they own. The members of NMPF’s 32 cooperatives produce the majority of the U.S. milk supply, making NMPF the voice of nearly 50,000 dairy producers on Capitol Hill and with government agencies.

###