



1400 Independence Avenue, SW
Room 2055-S, STOP 0201
Washington, D.C. 20250-0201

April 28, 2023

Mike Brown
Chief Economist
International Dairy Foods Association
1250 H Street NW, Suite 900
Washington, DC 20005

Dear Mr. Brown:

Thank you for submitting the March 30, 2023, proposal on behalf of the International Dairy Foods Association (IDFA), which requests that the U.S. Department of Agriculture (USDA) hold a hearing to amend the 11 Federal milk marketing orders (FMMO). The IDFA proposal would amend the manufacturing (make) allowances contained in the Class III and IV price formulas, using the most recently available industry cost data.

Your petition cites cost study numbers calculated by the Dairy Institute of California, as well as a cost study currently being updated, but not yet completed, by Dr. Mark Stephenson. As precedent for requesting a hearing without specific, proposed make allowances, your letter cites two FMMO hearings held in the mid-2000's without specific make allowance values noticed for consideration.

While the referenced hearings were requested without noticing specific make allowance values, rulemaking procedures have changed as a result of the 2008 Farm Bill, which amended Section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c). The amendment directed the Secretary of Agriculture (Secretary) to issue supplementary rules of practice defining the guidelines and timeframes for the rulemaking process relating to amendments of orders. Specifically, the Secretary must evaluate a proposal and determine how to proceed within 30 days of its receipt. As part of the evaluation, USDA assesses potential impacts of adopting the proposed regulatory change. Without specific make allowance values to analyze, USDA cannot conduct such an analysis for use in evaluating potential impacts of the proposal.

Therefore, USDA requests additional information regarding the specific make allowance values to be considered to assist the Secretary in deciding whether to initiate an FMMO rulemaking proceeding on this issue.

Thank you in advance for providing this information.

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce Summers", written over a horizontal line.

Bruce Summers
Administrator