

August 30, 2006

Sue L. Mosley
Market Administrator
Southeast Marketing Area - Federal Order 7
P O Box 491778
Lawrenceville, Georgia 30043

Dear Mrs. Mosley,

I am appalled and dismayed by your decision yesterday to modify the milk definition of market association policy "to lessen the administrative burden on handlers supplying the Southeast Marketing Area". As most are aware, this was first proposed in April 2005 by a consortium of co-ops whose majority control is outside the generally accepted definition of the Southeast United States. At that time, Georgia Milk Producers immediately questioned the impact on the producer price and requested that your office provide an economic analysis of its impact. The study your office conducted concluded that there would indeed be an adverse impact on Southeast producer milk prices in the range of 5 to 15 cents/100#. You are to be commended for putting any action on hold at that time and not implementing any change.

You and I were present in a meeting with Mrs. Dana Coale, Deputy Administrator of Dairy Programs, USDA, in her office in Washington, D.C. on May 23, 2006. At that meeting we discussed the plight of the Southeast dairy producer and the fact that something had to be done to "change the present federal order rules" or the remaining Southeast producers will be driven out of business. I raised the question of how this could be done, since the co-ops representing the majority of the milk in the Southeast are controlled by majorities whose financial interests are outside the true Southeast. I asked the question: "Won't USDA have to acquiesce to the requests of these co-ops since 'they represent the milk' in the area?" Mrs. Coale's answer (and I believe you concurred as well) was refreshing: "We know there is a serious problem with the Southeast Orders (5 & 7) and would welcome proposals that would address this problem (producers exiting the business and an ever widening deficit of milk). You provide evidence to prove your case and USDA will do the right thing." (This quotation is admittedly paraphrased, but I believe conveys the intent of the assurance.)

I am having a hard time reconciling this commitment of three months ago with the action taken yesterday. You provided your own evidence with the study you did last year at Georgia Milk's request. Georgia Milk Producers strongly urges you to reconsider and retract this regrettable decision.

Although Georgia (and Southeast) dairymen must look to you, USDA, and Capitol Hill for a change of the rules if any of us are going to survive, it gives personal meaning to the joke: "I'm here from the government, and I'm here to help you". And this time, it's not very funny.

Sincerely,



Tom Thompson
President, Georgia Milk Producers, Inc.

Cc: Dana Coale, Deputy Administer of Dairy Programs, USDA
All Georgia dairymen