

# AMS NEWS RELEASE

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## USDA SETS HEARING ON PROPOSED AMENDMENTS TO ALL FEDERAL MILK ORDERS

Washington, D.C., Jan. 4, 2006 – The U. S. Department of Agriculture today announced that it will hold a national public hearing to consider a proposal seeking to amend the Class III and Class IV milk price formula manufacturing allowances for all Federal milk marketing orders. USDA will take evidence at the hearing to determine whether emergency marketing conditions exist that would warrant omission of a recommended decision. The hearing will begin at 8:30 a.m. on Jan. 24, 2006, at the Sheraton Suites Old Town Alexandria, 801 North Saint Asaph Street, Alexandria, VA 22314.

The hearing was requested by Agri-Mark Dairy Cooperative to reconsider the manufacturing cost allowances provided for in the pricing formulas for cheese, whey powder, butter, and nonfat dry milk powder. The proponent stated that the current fixed allowances were calculated using 1998-2000 California and Department of Agriculture Cooperative Service surveys. While the product price formulas have been amended since 2000, the proponent claims that manufacturing costs have continued to increase, leaving them unable to recoup these additional costs from the marketplace.

The hearing notice will be published as a proposed rule in the Jan. 5 Federal Register. Copies of the hearing notice may be obtained from the USDA/AMS/Dairy Programs, STOP 0231 - Rm. 2971, 1400 Independence Avenue, SW, Washington, D.C. 20250-0231. The hearing notice is available on AMS' web site: [www.ams.usda.gov/dairy](http://www.ams.usda.gov/dairy).

The hearing notice and additional information is available from the following market administrator office: David Z. Walker, USDA/AMS/Dairy Programs, P.O. Box 5102, Brunswick, OH 44212, Tel. (330) 225-4758, e-mail: [dwalker@fmmaclev.com](mailto:dwalker@fmmaclev.com).