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To: Interested Parties

From: Richard Fleming, Market Administrator, Carrollton, Texas

Subject: USDA Reconvenes National Public Hearing On Class III/IV Make Allowances

AMS NEWS RELEASE

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USDA RECONVENES NATIONAL PUBLIC HEARING ON PROPOSED AMENDMENTS TO ALL FEDERAL MILK ORDERS

WASHINGTON, Sept. 1, 2006 – The U. S. Department of Agriculture today announced that it will reconvene a national public hearing to consider proposals seeking to amend the Class III and Class IV milk price formula manufacturing allowances applicable to all federal milk marketing orders. The hearing will begin at 8:30 a.m. on Sept. 14 at the Holiday Inn Select, 15471 Royalton Road, Strongsville, Ohio 44136.

The public hearing originally was held Jan. 24-27 in Alexandria, Va. The purpose of reconvening this proceeding is to assure that any changes to manufacturing allowance factors used in federal order Class III and Class IV product price formulas are appropriate and reflective of manufacturing costs. Specifically, this proceeding is being reconvened to take into evidence only data on plant manufacturing costs compiled by Cornell University and other pertinent data that would be publicly available.

USDA has solicited and is currently receiving additional proposals regarding all aspects of the Class III and Class IV price formulas. These proposals are due on or before Sept. 30. USDA will hold an information session on these proposals after they have been received and analyzed.

The reconvened hearing notice will be published as a proposed rule in the Sept. 6, 2006, 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 reconvened hearing notice is available on AMS' web site: <http://www.ams.usda.gov/dairy/>.

For additional information, please contact our office.

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