

August 9, 2011

John R. Mengel, Chief Economist
USDA/AMS/Dairy Programs
Office of the Chief Economist
STOP 0229 – Room 2753
1400 Independence Avenue, SW.
Washington, D.C. 20250-0229

RE: Dairy Product Mandatory Reporting
Docket No. AMS-DA-10-0089; DA-11-01
Federal Register 76, No. 112, pages 34004-34007, June 10, 2011

Dear Mr. Mengel:

Thank you for the opportunity to provide comments on the proposed Dairy Product Mandatory Reporting rule (proposed rule). These comments are filed on behalf of Land O'Lakes, Inc.

Land O'Lakes is a dairy cooperative with 3,000 dairy farmer member-owners. The cooperative has a national membership base, whose members are pooled on six different Federal milk marketing orders. Land O'Lakes owns and operates three cheese plants and a butter/powder plant regulated under the Federal orders.

Land O'Lakes has a number of concerns regarding the proposed rule to communicate to the Agricultural Marketing Service (AMS) in the spirit of clarification and further ensuring the submission of accurate and timely sales reporting.

Proposed New Timetable for Submission of Sales Report

Land O'Lakes understands that the deadline for submitting weekly sales reports will be moved ahead from the current deadline to Tuesday 12 noon local time. Land O'Lakes plans to make every effort to meet this new deadline, but wants to inform the AMS that moving this deadline ahead may increase the likelihood of the need for Land O'Lakes to send in revisions to previously submitted reports.

To elaborate, under the current reporting deadline of Wednesday 12 noon Land O'Lakes accesses the data base that creates the weekly NFDN sales report on Tuesday mornings from our California offices. This schedule allowed ample time to capture the vast majority of the appropriate NFDN sales that got invoiced by 12 midnight of the previous Saturday. It also has allowed staff to thoroughly review the accuracy of the sales report.

We chose to access the data on Tuesday morning because occasionally invoices issued late Saturday did not get posted in time to be included in this sales report. Under the new deadline of 12 noon Tuesday we will now need to run the report on Monday morning to allow staff time to thoroughly review the accuracy of the sales report before the 12 noon Tuesday deadline. However, moving the deadline ahead to 12 noon Tuesday will increase the likelihood of an

incomplete sales report, since not all invoices may have been entered into the data base thereby requiring Land O'Lakes to submit revisions to correct reports previously submitted.

Moving the deadline to earlier than 12 noon Tuesday because of a federal holiday occurring on a Monday, Tuesday or Wednesday will make the submission of complete sales information even more difficult due to our internal data collection schedule and accordingly increase the likelihood of more revisions to reports previously submitted.

Revisions to Reports Previously Submitted

On a related issue, the proposed rule provides no guidance as to how dairy manufacturers should submit revisions to reports previously submitted to the AMS. Land O'Lakes encourages the AMS to provide detailed instructions for dairy manufacturers on how to submit such revisions.

Beta-Testing the Electronic Submission Technology

Land O'Lakes strongly supports the AMS plan to beta test the electronic submission technology and would welcome the opportunity to actively participate in any outreach and testing activities. Please feel free to contact me regarding how Land O'Lakes can participate in outreach and testing activities.

Helping to Ensure Timely Reporting

Land O'Lakes encourages the AMS to provide weekly notices to dairy manufacturers reminding them of the reporting deadlines for the following week. In the past, National Agricultural Statistics Service staff provided weekly reminders. Land O'Lakes found these reminders to be most useful for ensuring the timely submission of the weekly sales reports.

Thank you for your consideration of our comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas Wegner", with a stylized flourish at the end.

Thomas Wegner
Director of Economics and Dairy Policy
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