

DOCKET SECTION

BEFORE THE
POSTAL RATE COMMISSION

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POSTAL RATE AND FEE CHANGES, 1997

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY
DOCKET NO. R97-1

STATEMENT BY INTERVENOR
OHIO POULTRY ASSOCIATION
PURSUANT TO RULE 92

(February 16, 1998)

The Ohio Poultry Association (OPA) submits the following information in accordance with Commission Rule 92, 39 CFR, sec. 3001.92.

(a) Description of Intervenor

The OPA is a trade association formed in 1948. Its members consist of 230 chicken and turkey producers, egg processors, and hatcheries that either are located in Ohio or sell in Ohio and "allied" industries that supply goods and services to producers and processors. We are also intervening for the Nebraska, Iowa, and Texas poultry industries on this issue, whose descriptions are similar.

(b) Usage of Postal Services

Our members make use of the U.S. Postal service for its special services/special handling deliveries of chicks and other hatchery items. One of our hatchery members, for example, spent \$13,375 per month on postage last year. This hatchery pays \$12.93 to \$17.21 to ship an order of 100 chicks, (depending on zone) and \$14.05 to \$21.83 to ship an order of 300. The U.S. Postal Service holds a monopoly in this area, and no other service ships live poultry. These birds are purchased by 4-H and Future Farmers of America

members and small family farmers, and the increase unjustly affects the business of these hatcheries.

(d) Intervenor's Postage Costs.

See attached table of one hatchery's costs

(e) Financial Impact of Rate Changes

Under the proposed Rate Commission action, U.S. Postal Service rates for special services/special handling are slated to increase by about 221%. The hatchery mentioned above has calculated that under the new rates it would pay \$29.99 (234% increase) to \$35.04 (204%) to ship an order of 100 chicks and \$31.59 (225%) to \$40.26 (184%) to ship an order of 300.

(f) Absorption/Avoidance of Rate Charges

The ability to pass these costs on will be limited, because the small farms have been economically affected. They will quit growing poultry and instead choose another, more easily obtainable species.

(g) Demand for Postal Services

The U.S. Postal Service is the only carrier that presently delivers live chicks. If the deliberation of the Commission results in an increase, it would clearly and materially affect the ability of members to continue making use of the service. However, at present, no private service provides this delivery.

Conclusion

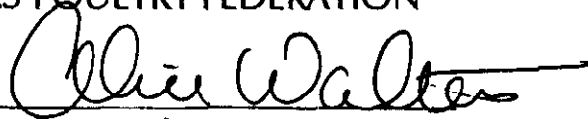
The USDA has outlined a strategy to aid the survival of America's small farms. This study represents the Clinton administration's announced efforts to

address the needs of family farms. Many government initiatives have been undertaken to help small farmers. The U.S. Postal Service's initiative only serves to hurt them.

Respectfully submitted,

OHIO POULTRY ASSOCIATION
IOWA POULTRY ASSOCIATION
NEBRASKA POULTRY INDUSTRIES
TEXAS POULTRY FEDERATION

By:



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February 16, 1998

CERTIFICATE OF SERVICE

I hereby certify that I have this date caused the foregoing document to be served upon all participants of record in this proceeding in accordance with Section 12 of the Rules of Practice.



February 16, 1998



MT. HEALTHY HATCHERIES, INC.

9839 WINTON ROAD
MT. HEALTHY, OHIO 45231

(513) 521-6900

1-800-451-5603

FAX# (513) 521-6902

POSTAL ZONE	100 CHICKS 12 LBS.		200 CHICKS 24 LBS.		250 CHICKS 31 LBS.		300 CHICKS 36 LBS.	
	NEW	OLD	NEW	OLD	NEW	OLD	NEW	OLD
1 & 2	5.99 +24.00 \$29.99	5.32 +7.50 \$12.82	6.90 +24.00 \$30.90	6.02 +7.50 \$13.52	7.33 +24.00 \$31.33	6.35 +7.50 \$13.85	7.59 +24.00 \$31.59	6.55 +7.50 \$14.05
DIFFERENCE		\$17.17		\$17.38		\$17.48		\$17.54
3	7.03 +24.00 \$31.03	6.12 +7.50 \$13.62	8.48 +24.00 \$32.48	7.21 +7.50 \$14.71	9.05 +24.00 \$33.05	7.87 +7.50 15.17	9.42 +24.00 \$33.42	7.96 +7.50 \$15.46
DIFFERENCE		\$17.41		\$17.74		\$17.88		\$17.96
4	8.88 +24.00 \$32.88	7.54 +7.50 \$15.04	11.20 +24.00 \$35.20	9.33 +7.50 \$16.83	12.15 +24.00 \$36.15	10.06 +7.50 \$17.56	12.73 +24.00 \$36.73	10.50 +7.50 \$18.00
DIFFERENCE		\$17.84		\$18.37		\$18.59		\$18.73
5	11.04 +24.00 \$35.04	9.71 +7.50 \$17.21	14.37 +24.00 \$38.37	12.55 +7.50 \$20.05	12.15 +24.00 \$39.58	13.67 +7.50 \$21.17	16.28 +24.00 \$40.26	14.33 +7.50 \$21.83
DIFFERENCE		\$17.83		\$18.32		\$18.41		\$18.43

***LAST YEAR WE SHIPPED 10,432 ORDERS .

***LAST YEAR WE USED \$107,000.00 IN POSTAGE FROM JANUARY through THE BEGINNING OF SEPTEMBER.

ZONE	100 CHICKS 12 LBS. REG.	PRIORITY	200 CHICKS 24 LBS.	250 CHICKS 31 LBS	300 CHICKS 36 LBS
1 & 2 DIFFERENCE	29.99 \$20.99	9.00	30.90 \$16.75	31.33 \$14.48	31.59 \$12.44
3 DIFFERENCE	31.03 \$22.03	9.00	32.45 \$18.30	33.05 \$16.20	33.42 \$14.27
4 DIFFERENCE	32.88 \$21.73	11.15	35.20 \$15.45	36.15 \$11.40	36.73 \$8.43
5 DIFFERENCE	35.04 \$22.29	12.75	38.37 \$17.32	39.58 \$13.18	40.25 \$10.01

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ZONE	OLD PRIORITY	NEW	OLD PRIORITY	NEW	OLD PRIORITY	NEW	OLD PRIORITY	NEW
1 & 2 & 3 DIFFERENCE	8.70 \$0.30	9.00	13.85 \$0.30	14.15	16.90 \$0.05	16.85	19.05 \$0.10	19.15
4 DIFFERENCE	10.55 \$0.80	11.15	18.25 1 \$1.50	19.75	22.70 \$2.05	24.75	25.90 \$2.40	26.30
5 DIFFERENCE	12.10 \$0.55	12.75	20.85 \$0.20	21.05	25.90 \$0.50	26.40	29.55 \$0.70	30.25

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