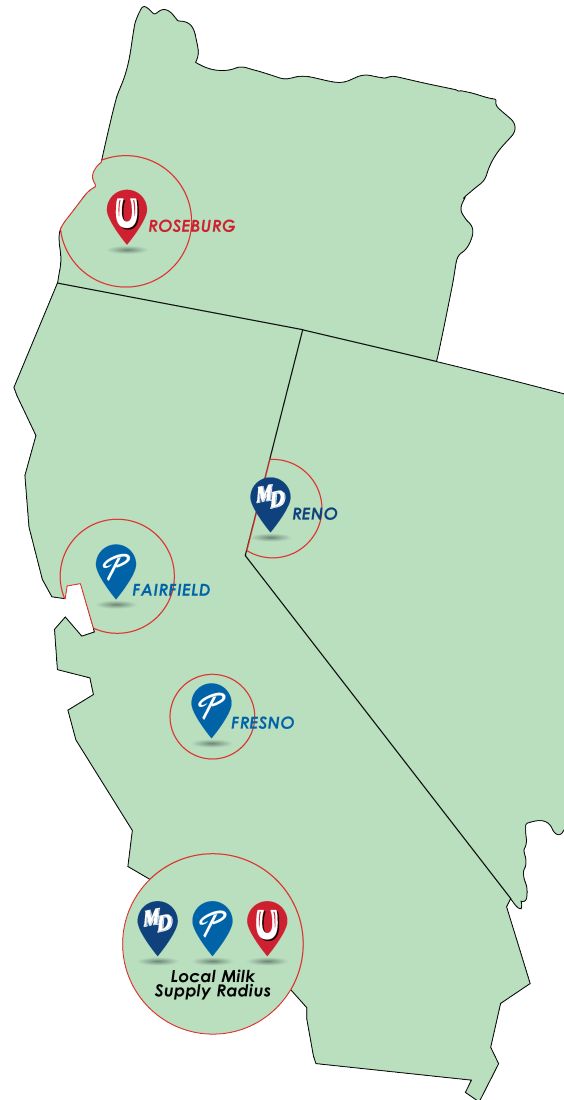


Jed Ellis
Shehadey Family Foods, LLC

Strong West Coast Brands



Shehadey Family Foods Manufacturing Facilities



- Fairfield, CA – Producers Dairy
- Fresno, CA – Producers Dairy
- Reno, NV – Model Dairy
- Roseburg, OR – Umpqua Dairy

Shehadey Family Foods Supports Proposal 20

- **Grade A**

- Unaware of any Class II, III, or IV operation receiving Grade B milk

- **Balancing**

- Reduced variability in daily milk receipts
- Added additional silos and milk receiving staff
- Seven days a week receiving
- Orders placed in advance, with weekly forecasts
- Already pay a premium to suppliers for balancing

- **Incentive to Serve Class I**

- Abundant supply of milk
- Dean bankruptcy
- What about consumers?

Shehadey Family Foods Opposes Proposal 19

- Shehadey’s Fresno and Reno plants have an ample supply of milk
- USDSS reflects this reality and set a low differential
- But NMPF raised it significantly, despite no meaningful traffic or other supply issues

Table 2								
Notes: * Source Hearing Exhibit 301 ^ Calculated								

Milk Supplies in California

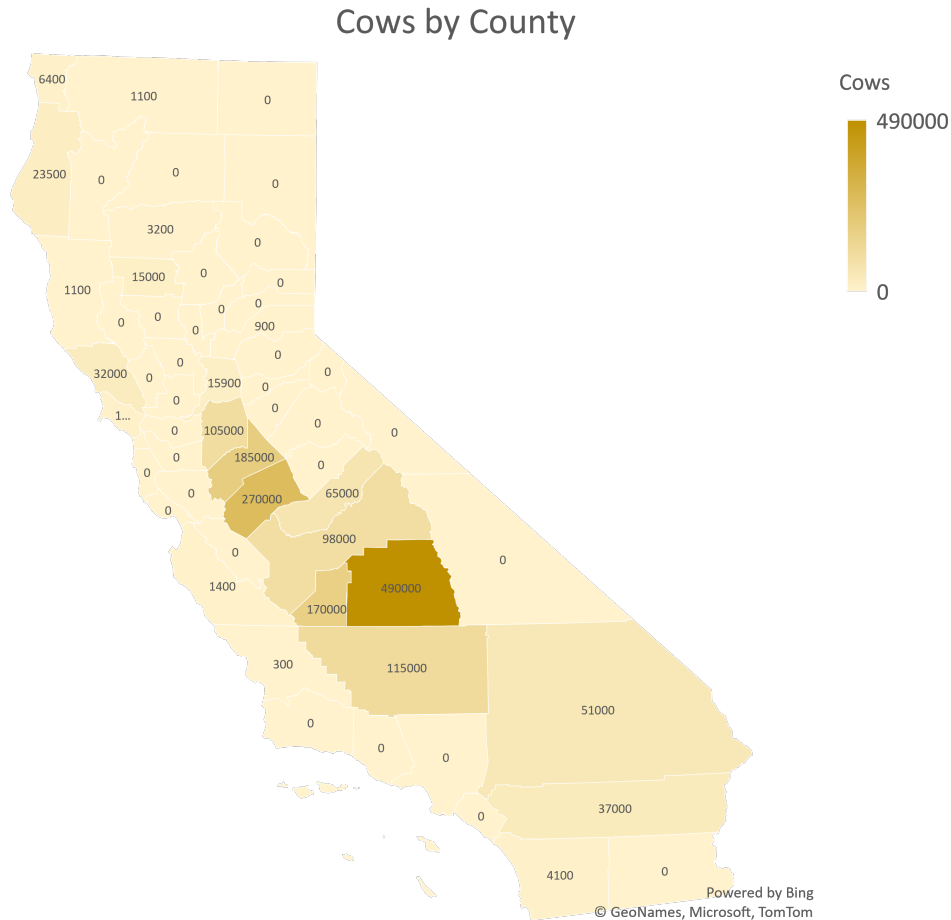


		Table 1		
Region	2022 Cows	2020 Cows	2022 % of CA Milk Supply	2020 % of CA Milk Supply
Central California	1,499,700	1,505,700	88%	88%
Inland Desert	88,000	88,000	5%	5%
Northern California	50,300	49,800	3%	3%
Bay Area	42,600	42,000	3%	2%
North Central	16,800	16,900	1%	1%
Southern California	4,100	4,100	0%	0%
Total	1,701,500	1,706,500		
Change	(5,000)			

Proposal 19 Does Not Help Class I Suppliers

- With low Class I utilization, the pool dilutes the differential
- Class I processors need to be able to pay their suppliers more directly
- Class I processors do not control cooperative members' pay
- In fact, the current system does not sufficiently support Class I suppliers – this is why MIG proposed directing more of the differential to those suppliers instead of into the pool

Shehadey Family Foods Opposes Proposal 21

- All four of our facilities are over 25% Class I which requires us to be fully regulated and pooled facilities
- Many large Class II processor competitors do not pool
- There is no economic rationale that would warrant charging two plants producing identical products to pay different prices for their raw milk just because one plant also processes Class I products
- This type of change would only further disadvantage Class I processors, and constitute a barrier to those plants also operating Class II product lines