

Subject: Fwd: FMMO Update and New Stephenson Cost Survey
Date: Thursday, February 16, 2023 at 3:33:12 PM Eastern Standard Time
From: Chris Allen
To: [REDACTED]
Category: [REDACTED]
Attachments: image001.png, COP_Instructions.pdf

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From: Michael Dykes [REDACTED]
Sent: Thursday, February 16, 2023 2:04:25 PM
To: Michael Dykes [REDACTED]
Cc: Colin Newman [REDACTED]; Jessica Matsko [REDACTED]; Dave Carlin [REDACTED]; Mike Brown [REDACTED]
Subject: [External Sender] FMMO Update and New Stephenson Cost Survey



Good afternoon –

Last week, all five of IDFA's segment boards voted to authorize IDFA to file a petition with USDA requesting a federal order hearing to adjust make allowances for the four dairy commodities that are used in federal milk pricing formulas: cheddar cheese (40# blocks and barrels); dry whey products; butter; and nonfat dry milk. The Wisconsin Cheese Makers Association (WCMA) will make the same request to USDA. Current make allowances were set by USDA in 2008.

The next step is for IDFA's executive council officers to meet with NMPF leadership on March 13th to learn more about NMPF's proposal to adjust make allowances and any other items NMPF has developed to broaden the scope of the federal order hearing. If a united position emerges from that meeting, it would be considered and voted on by our segment boards. If there is not an agreement on a united position, IDFA would file the board-approved make allowance petition with USDA.

In anticipation of a possible USDA hearing to consider possible adjustments to make allowances, IDFA and WCMA have commissioned Dr. Mark Stephenson to update his most recent cost of processing study to capture manufacturing data from 2021-2022. Because the study released last year only includes cost data from October 2017 through December 2020, having updated survey data from 2021-2022 would provide a better understanding of the current cost challenges that the industry is facing, stemming in part from recent supply chain challenges and inflationary pressures.

Dr. Stephenson is now ready to collect updated cost information from any company or organization that manufactures cheddar cheese; dry whey; nonfat dry milk; and butter as all or part of their production. He has recently updated his data collection software to make it easier for industry members to participate. In addition, Dr. Stephenson will treat all submitted data confidentially and protect it from disclosure in the same way that he has previously protected past survey responses, and only blinded and aggregated data will be shared with USDA.

To ensure that the cost data are as robust as possible, both from a plant size and a geographic perspective, we urge all IDFA members that manufacture these products to submit their data to Dr. Stephenson using [this link](#). Instructions for completing the survey are attached and are also available on the survey website. Please check with your team to ensure that the appropriate person on your staff is tasked with filling out the survey.

The deadline for submitting data for the survey is **April 14, 2023**. If you have any questions about your company's participation in the survey, we encourage you to contact Dr. Stephenson directly at [REDACTED] or at [REDACTED] IDFA's chief economist, Mike Brown, can also assist so please feel free to reach out to him at [REDACTED]

Sincerely,

Michael

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