

## NATIONAL FEDERAL MILK MARKETING ORDER PRICING FORMULA HEARING

DOCKET NO.: 23-J-0067; AMS-DA-23-0031

Before the Honorable Channing D. Strother, Judge

---000---

Carmel, Indiana
August 23, 2023

---000---

Reported by:

MYRA A. PISH, C.S.R. Certificate No. 11613

NATIONAL FEDERAL MILK MARKETING ORDER PRICING FORMULA HEARING APPEARANCES: 1 2 FOR THE USDA ORDER FORMULATION AND ENFORCEMENT DIVISION, USDA-AMS DAIRY PROGRAM: 3 Erin Taylor 4 Todd Wilson Lorie Cashman Brian Hill 5 Michelle McMurtray Bradley Vierra 6 Lauren Decker 7 Phoebe Bierman Brian Riordan 8 FOR THE AMERICAN FARM BUREAU FEDERATION: 9 Ryan Cryan Danny Munch 10 FOR THE INTERNATIONAL DAIRY FOODS ASSOCIATION: 11 12 Steve Rosenbaum FOR THE MILK INNOVATION GROUP: 13 14 Charles "Chip" English Ashley Vulin Grace Bulger 15 Sally Keefe 16 FOR THE NATIONAL ALL-JERSEY, INC.: 17 Erick Metzger John Vetne 18 19 FOR THE NATIONAL MILK PRODUCERS FEDERATION: 20 Nicole Hancock Peter Vitaliano 21 Jim Sleper Bradley Prowant 22 Chris Hoeger 23 FOR SELECT MILK PRODUCERS, INC.: 24 Ryan Miltner 25 26 27 28



```
1
     APPEARANCES:
     FOR THE EDGE DAIRY FARMER COOPERATIVE:
 2
 3
          Lucas Sjostrom
          Dr. Marin Bozic
 4
          Travis Senn
          Tim Trotter
 5
     FOR THE MAINE DAIRY INDUSTRY:
 6
          Daniel Smith
 7
 8
                              ---000---
 9
10
     (Please note: Appearances for all parties are subject to
11
     change daily, and may not be reported or listed on
12
     subsequent days' transcripts.)
13
14
                              ---000---
15
16
17
18
19
20
21
22
23
24
25
26
27
28
```



1	MASTER INDEX	
2	SESSIONS	
3	WEDNESDAY, AUGUST 23, 2023	PAGE
4	MORNING SESSION AFTERNOON SESSION	9 114
5	AFIERNOON SESSION	TT4
6		
7	000	
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		



## MASTER INDEX WITNESSES IN CHRONOLOGICAL ORDER WITNESSES: PAGE Lorie Cashman: Direct Examination by Mr. Hill Cross-Examination by Mr. English Cross-Examination by Mr. Miltner Cross-Examination by Mr. Smith Cross-Examination by Dr. Cryan Brian Riordon Direct Examination by Mr. Hill Cross-Examination by Mr. English Cross-Examination by Mr. Vetne Cross-Examination by Mr. Smith Cross-Examination by Mr. Miltner Dr. Peter Vitaliano Direct Examination by Ms. Hancock Cross-Examination by Mr. Rosenbaum Cross-Examination by Mr. Vetne Cross-Examination by Mr. Miltner ---000---



1		MASTER INDI	E X	
2		INDEX OF EXHIBITS		
3	NO.	DESCRIPTION	I.D.	EVD.
4	1	Federal Register Notice	53	53
5	2	Notice to Trade	53	53
6	3	Notice from Northeast Marketing Area	53	53
7		-		
8	4	Notice to Appalachian, Florida, Southeast Marketing		53
9	5	Notice from the Market Administrator to the	53	53
10		Upper Midwest Marketing Area	а	
11	6	Central Marketing Area from Their Market Administrator	53	53
12			F 2	F 2
13	7	Notice to the Mideast Marketing Area from Market A	53 Administrato	53 r
14	8	Notice to the California Marketing Area from their	53	53
15		Market Administrator		
16	9	Notice to the Pacific Northwest and Arizona Market	53 ting Areas	53
17	10	Notice to the Southwest	53	53
18	10	Marketing Area from the Market Administrator	55	55
19	1.1		6 50	5.3
20	11	Notice from the Department of Agriculture to the	OI 53	53
21		Interested State Governors		
22	12	Federal Milk Marketing Order 2023 Pricing Formula Hearing	3,	53
23		Proposed Regulatory Text Cha	anges	
24	13	Federal Milk Marketing Order 2023 Pricing Formula Hearing	a <b>,</b>	53
25		Proposed Regulatory Text Cha Marked-up Version	anges,	
26	14	Listing of Data Requests	57	
27	15	Announcement of Advanced Prices and Pricing Factors,	61	
28		January 2000 through August	of 2023	



	_					
1		MASTER INDE	X			
2	INDEX OF EXHIBITS					
3	NO.		.D.	EVD.		
4	16	Announcement of Class	62	EVD.		
5	10	and Component Prices	02			
6	17	Component Tests in Producer	63			
7		Milk By Order, January 2000 through May of 20	023			
8	18	Yearly Average Component	64			
9		Tests in Producer Milk By Order and All Market Combin	ned			
10		2000 to 2022				
11	19	Final Butter Sales and Weighted Average Price	66			
12	20	Final Cheddar 40-Pound	67			
13		Block Sales and Weighted Average Price				
14	21	Final Cheddar 500-Pound Barrel Sales	68			
15	22		60			
16	22	Final Cheddar 500-Pound Barrel Sales	69			
17	23	Final Nonfat Dry Milk Sales	69			
18	24	Weekly Dairy Product Sales Volumes	69			
19	25		70			
20	25	Monthly Dairy Product Sales Volumes in Pounds for	70			
21		Week Ending January 4th, 2014 Through the Week Ending July 1				
22	26	Annual Dairy Product Sales	71			
23		Volumes in Pounds, Week ending date January 4th,	2014,			
24	27	Through July 15th, 2023	70			
25		DPMRP Annual Dairy Product Sales Volumes	72			
26	28	Licensed Dairy Herds	74			
27	29	Monthly Mailbox Prices	74			
28	30	Table 14	78			



1		MASTER INDE	Х
2		INDEX OF EXHIBITS	
3	NO.	DESCRIPTION	I.D. EVD.
4	31	Other Uses Milk Pounds Pooled	79
5 6	32	Average Diesel Fuel Price	80
7	33	Regulated Pool Distributing Plants and Federal Order by M	
8	34	Regulated Pool Supply Plants and Federal Order Number by M	
9	35	Spot Milk Prices Relative to Class III Milk	83
11	36	U.S. Mozzarella Production	85
12	37	Advanced Class III and Class IV Skim Milk Pricing Fa	116 actors
13 14	38	Federal Order Statistical Uniform Milk Price	119
15	39	Adjustments to Federal Order Performance Standards	120
16 17	40	Requests to Change Performance Requirements by Order	121
18 19	41	Cooperative and Nonmember Producer Count	122
20	42	Number of Nonmember Producers and Volume Shipped	124
21	43	Protein Test Range	125
22		by Order, 2022	
23	60	MIG-1	42
24	61	Letter of August 23, 2023	47 47
25	62	Dr. Vitaliano Statement	150
26		00	
27			
28			



WEDNESDAY, AUGUST 23, 2023 - - MORNING SESSION

THE COURT: Let's come to order on the record.

Good morning, everyone. Welcome. Thank you for joining me here. It's August 23rd, 2023, at approximately

9:10 a.m., Eastern time, which is local time set.

We're gathered at 502 East Event Center, Carmel, Indiana. My name is Channing Strother. I'm USDA's chief administrative law judge. I will be presiding over this hearing.

This hearing is held pursuant to the Agricultural Marketing and Agreement Act of 1937, as amended in the Rules of Practice and Procedure hearing at 7 CFR Part 900.

The United States Department of Agriculture,
Agricultural Marketing Service, provided notice of this
hearing on July 24th, 2023, 88 Federal Register 47, 396.
Docket numbers, there are two of them, one from my office,
hearing clerks' office, and one for AMS. Our number is
23-J0067; it's AMS-DA-230001.

Pursuant to this notice, we are here to take testimony and other evidence on and to otherwise consider certain proposals to amend the pricing formulas in the 11 Federal Marketing -- Federal Milk Marketing Orders, FMMOs. Evidence will be taken on economic and marketing conditions related to the proposed amendments and any appropriate modifications to the marketing orders.

I will administer the hearing to allow the sworn testimony from or on behalf of interested parties, cross-examination of those witnesses by interested parties



2.

2.0

2.1

and their representatives, and submission of supporting documents as evidence.

Our hearing reporter, to my right, will transcribe verbatim what is said on the record, and that transcript and exhibits made a part of the record here will be made available on the AMS website.

As I understand it -- and I should confirm this -- we think the transcript will be available in about two weeks, after the close of the hearing. Okay.

As set out in the notice of hearing, certain testimony will be taken virtually, namely that of certain dairy farmers. I want to say I understand also that this hearing, as the deputy administrator indicated, is being broadcast on the Internet.

Part of my duties here are to ensure that the hearing adheres to the requirements set forth in the applicable legal provisions, including that the information gathered during this hearing is pertinent to the subject matter of the Federal Register notice.

Among other things, if a witness makes comments or testifies to matters outside the scope of the contents of the Federal Register notice, or for that matter, is asked about matters outside the scope of the Federal Register notice, I have the authority to interrupt and not allow the witness to continue. Of course, my interruption may come after objection.

I will not be issuing a decision in this matter.

Rather, others at USDA will utilize the records we develop



2.

2.0

2.1

in determining whether and how to amend the Federal Milk Marketing Orders.

As an initial step, we will take, on the record, appearances of all participants, including USDA personnel, technical support people, and industry proponents. I ask each of you to state and spell your name, give your professional title, and describe your role in this hearing, including identifying on whose behalf you are testifying.

Let's start with the USDA, AMS.

Ms. Taylor?

MS. TAYLOR: Good morning. My name is Erin Taylor, E-R-I-N, T-A-Y-L-O-R. I am the director of the order formulation and enforcement division with the Agricultural Marketing Service Dairy Program.

MR. WILSON: I'm Todd Wilson, T-O-D-D, W-I-L-S-O-N. I'm with USDA Dairy Programs.

MS. CASHMAN: Good morning, my name is Lorie Cashman, L-O-R-I-E, C-A-S-H-M-A-N. I am director of the economics division for AMS Dairy Program, and I will be presenting data.

MR. HILL: I am Brian Hill, B-R-I-A-N, H-I-L-L. United States Department of Agriculture's office of the general counsel, representing the Agricultural Marketing Service.

MS. McMURTRAY: Good morning. Michelle McMurtray, M-I-C-H-E-L-L-E, M-C-M-U-R-T-R-A-Y. I'm an attorney with the Department of Agriculture representing the



2.

2.0

2.1

1 Agricultural Marketing Service. 2. MR. VIERRA: Bradley Vierra, B-R-A-D-L-E-Y, V-I-E-R-R-A, with USDA Dairy Program. 3 MS. DECKER: Good morning, Lauren Decker, 4 L-A-U-R-E-N, D-E-C-K-E-R, USDA Dairy Program. 5 6 MS. BIERMAN: Hi, I'm Phoebe Bierman, P-H-O-E-B-E, 7 B-I-E-R-M-A-N, and I'm with the USDA Dairy Program. THE COURT: Will you be gathering the exhibits for 8 9 us and manning them? 10 MS. BIERMAN: Yes. 11 THE COURT: And just by way of explanation, this 12 is a ministerial task, so I don't think there's any issue 13 of any ex parte issues here, but it relieves the hearing 14 reporter of trying to keep track of things and trying to 15 take things down, so we decided to take this approach this So that's where the exhibits -- official copies of 16 17 the exhibits will go. 18 Anyone else from AMS? Oh, yes, sir. 19 MR. RIORDON: Good morning. I'm Brian Riordon. I'm a supervisory agricultural economist with the 2.0 2.1 Northeast Milk Marketing Order. I'm here today to enter 22 testimony as a witness and provide specific data as 23 requested by proponents. 24 THE COURT: Welcome. 25 Anyone else from AMS? 26 I don't really have an order to do this. 27 should be next? Maybe the party presenting the first



witness.

1 MR. RIORDON: May I spell my name for the --2. THE COURT: You may. 3 MR. RIORDON: Brian Riordon, B-R-I-A-N, 4 R-I-O-R-D-O-N. THE COURT: Okay. Who is next? I think that's 5 6 all the AMS. 7 Okay. First table, as I look down on my left. 8 NMPF, if I can read that. MS. HANCOCK: Hi, I'm Nicole Hancock. I'm with 9 10 Stoel Rives, and I represent National Milk Producers 11 Federation. 12 THE COURT: Ms. Hancock, thank you. If you could 13 spell your name? 14 MS. HANCOCK: N-I-C-O-L-E. Hancock is 15 H-A-N-C-O-C-K. THE COURT: Stoel Rives is a law firm. 16 17 MR. VITALIANO: I'm Peter Vitaliano, P-E-T-E-R, V-I-T-A-L-I-A-N-O, the Vice President for economic policy 18 19 and market research, National Milk Producers Federation. And I'll be testifying on behalf of National Milk 2.0 2.1 Producers Federation. 22 THE COURT: Welcome, Mr. Vitaliano. 23 MR. SLEPER: Jim Sleper, J-I-M, S-L-E-P-E-R. represent Sleper Consulting, LLC. I'm a consultant with 24 25 National Milk. 26 THE COURT: Mr. Sleper. 27 MR. PROWANT: Good morning, Bradley Prowant, 28 B-R-A-D-L-E-Y, P-R-O-W-A-N-T, also with the law firm Stoel



1 Rives, and also representing National Milk Producers 2. Federation. THE COURT: Welcome, Counsel. 3 MR. PROWANT: Thank you. 4 I'm Chris Hoeger, C-H-R-I-S, 5 MR. HOEGER: 6 H-O-E-G-E-R. I'm Vice President for Prairie Farms Dairy. 7 THE COURT: Okay. Is that everyone for National 8 Milk? 9 Next? Yes, sir. 10 MR. ENGLISH: Good morning, your Honor. My name 11 is Chip English. I'm with Davis Wright Tremaine. 12 represent the Milk Innovation Group. 13 Online, but here later in the proceeding, will be 14 Ashley Vulin, V-U-L-I-N, also with Davis Wright Tremaine. 15 And other people live will introduce themselves in a 16 moment. 17 The members of the Milk Innovation Group are: Anderson Erickson, A-N-D-E-R-S-O-N, E-R-I-C-K-S-O-N, Dairy 18 Company, Inc.; Aurora Organic Dairy, A-U-R-O-R-A, Organic 19 2.0 Dairy; Crystal Creamery, C-R-Y-S-T-A-L, Creamery; Danone 2.1 North America, D-A-N-O-N-E; Fairlife, F-A-I-R-L-I-F-E; HP, 22 H-P, Hood, LLC; Organic Valley/Cropp, C-R-O-P-P, 23 Cooperative; Shamrock Foods Company, S-H-A-M-R-O-C-K; 24 Shehadey Family Foods, S-H-E-H-A-D-E-Y, which encompasses 25 Producers Dairy Foods, P-R-O-D-U-C-E-R-S, Model Dairy, 26 M-O-D-E-L, and Umpqua Dairy Products, U-M-P-Q-U-A, Dairy 27 Products, Company; and Turner Dairy Farms, T-U-R-N-E-R, 28 Dairy Farms.





THE COURT:

28

Thank you, Mr. Metzger.

MR. VETNE: My name is John Vetne, V-E-T-N-E, from Bluefield, West Virginia, formerly of Maine, and I'm a consultant for National All-Jersey.

> THE COURT: Thank you, Mr. Vetne.

MR. LOWE: Good morning. My name's Randale Lowe, R-A-N-D-A-L-E, L-O-W-E, also with National All-Jersey.

> THE COURT: Thank you, Mr. Lowe.

MR. ROSENBAUM: I'm Steven, with a V, Rosenbaum, R-O-S-E-N-B-A-U-M, representing the International Dairy Foods Association. And there will be others with me as the hearing proceeds, and I'll have them introduce themselves when they come.

THE COURT: Thank you, Mr. Rosenbaum.

MR. SJOSTROM: Good morning. My name is Lucas Sjostrom, L-U-C-A-S, S-J-O-S-T-R-O-M. I'm a managing director of the Edge Dairy Farmer Cooperative. We have got some flight delays. Dr. Marin Bozic, Travis Senn, and Tim Trotter will be here later today, and we will likely have farmers testify also and state their names at that time.

THE COURT: Thank you.

MR. MILTNER: Good morning. My name is Ryan Miltner, M-I-L-T-N-E-R. I'm an attorney with the firm of Miltner Reed, that's R-E-E-D, from Ohio. I'm here representing Select Milk Producers, Incorporated, for the proponents of three different proposals in the hearing today. As we present our testimony, of course, we'll have different people up to testify, and when they arrive,



1

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

2.0

2.1

22

23

24

25

26

27

we'll put their information on the record. Thank you.

THE COURT: Very well, Mr. Miltner. Thank you.

MR. SMITH: Good morning. My name is Daniel Smith, S-M-I-T-H, represent the Maine Dairy Industry Association.

THE COURT: Thank you, Mr. Smith.

Anyone else? Seeing none.

In terms of overall procedures, and the deputy administrator went into this a little bit, but henceforth, we're going to be starting the hearing day at 8:00 a.m., as she said, and most days we expect to conclude at around 5:00 p.m. I am not sure whether we can go past that at all -- or I guess we can go past that a little bit. I hate to break up -- try not to carry witnesses over, so we don't have to, for more than one day, but -- and we can play some of this stuff by ear as we go along.

I don't know if we're going to -- we had discussed the possibility of trying to wrap early on Fridays, because some of us have to catch planes, but I don't know whether that's still on the table or not. We are under time pressure here.

Ms. Taylor?

MS. TAYLOR: Thanks, Judge.

Yes, we -- we would like to -- and this week we are not doing virtual testimony, so we'll still be able to go to around 5:00. But the Fridays where we will have dairy farmers testifying virtually, we would -- that ends around 3:00, and then if everyone's amenable, we would



2.

2.1

conclude for the day at that point -- at that time.

THE COURT: Very well.

As typical, I'm going to take a lunch break. I think we can do lunch in an hour. There do seem to be some places to eat nearby. We can talk about other arrangements later in the week, I think as things develop, as I think they might.

I expect to take one midmorning and one midafternoon break, I'm thinking 10 to 15 minutes each. If our hearing reporter needs something more -- if my hearing reporter needs anything at all, she has my authority to interrupt me, ask or make whatever suggestions are necessary. She's among -- I'm not important compared to her in this room.

Okay. We'll convene Monday through Friday, except for Thursday, September 21st; Friday, September 22nd, which are days the hearing room is not available. There is also the Labor Day holiday, as I recall.

These hearings may go on continuously for as long as seven weeks, although we'll see.

We can discuss the following matters in more details as we get closer to the end of the hearing, but I'll provide some preview now.

We are going to need to establish post-hearing procedural dates. My hope is that parties will be able to work out dates we all can agree to. As I said earlier, I'm not going to be the one to write the decision, so I will have less say in it than I might normally.



2.

2.0

2.1

And the dates, I think we'll key them to the date the transcript is posted on the AMS website. I would expect that all the exhibits, documentary exhibits entered into this proceeding, would be posted by that time as well.

I think we'll need a date for proposed transcript corrections, another date for objections to proposed transcript corrections. Corrections are to go to what is actually said. They are not an opportunity to add testimony to the transcript or to change testimony.

It would be useful for participants to try to work out and stipulate the transcript corrections. It may not be possible, especially given the number of participants in this matter, but my office will need some time thereafter to determine and issue transcript corrections.

The next date would be first, and maybe the only briefing date, depending on what the participants or what the particular AMS, whoever is writing the decision, wants. And I want you to think of -- if we have more than one brief, think about whether they are simultaneous briefs, initial in answering, or step briefs, versus someone going first, someone answering, and someone having a reply brief.

I say no sandbagging. That is, if you have got a position, state it in your first brief, don't wait for some kind of reply when other parties do not have the opportunity to respond.

Now, for the presentation of witnesses. We have



2.

2.1

an order of proposals to be heard that we will be following. That's on the -- made available on the AMS website section established for this proceeding.

But the first topic we'll take up, I guess, is called USDA Impact Analysis and Data. AMS, as I understand it, has a list of witnesses who will testify. I will bring up those witnesses in order.

We also have, I guess before then, a number of exhibits that are put in, sometimes legally required as part of this case, that are not sponsored by any particular witness but go into the record, such as the notice, Federal Register notice of the proceeding, and other documents relating to that.

When a witness takes the stand, I'll swear the witness in, where they should be asked to state and spell their name for the record, or they can just go ahead on their own and do it, or I can do the asking, we'll see.

But the regulations also provide that the witness provide their occupation and address. However, in deference to concerns about public disclosure of personal protected information, I'd ask that witnesses not divulge an address that is a personal residence, but instead, ensure that the reporter has a working regular mailing address for you, whatever that address is.

Before going into their -- if they have a statement -- or before going into their testimony, I think we will have the witness identify each of their proposed exhibits. We will mark each one for identification, but



2.

2.0

2.1

will not enter them into the record until after the direct and cross-examination of the witness, in case anyone's got any objection to that -- to the exhibit.

As I noted, the AMS will be collecting the exhibits officially. Corner table down there.

Again, part of my duties are to keep out anything that's -- that's irrelevant or immaterial to what we're supposed to be considering here based on the notice.

Also, to preclude any unduly repetitious testimony or questioning. Failure to -- again, I may do this on my own or pursuant to an objection -- but failure to object may waive any objection of that material.

Participants and witnesses, cross-examiners, are to address each other through me rather than directly to each other, to maintain order.

Everyone try to speak clearly and slowly, one person at a time, so that the hearing reporter can get down correctly what is said in her transcript.

A participant proffering the witness goes first in asking questions, next will be other participants, and AMS will go last.

Thanks for bearing with me through all that.

So I think we have come to the time to put in unsponsored exhibits.

Mr. English.

MR. ENGLISH: If I may, your Honor, it may make sense to discuss a couple prospective ground rules or issues, if I may.



1

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

2.0

2.1

22

23

24

25

26

27

First, we -- all of industry, I think we learned last week, either Thursday or Friday, Friday in my case -- that the typical economic -- preliminary economic analysis that USDA performs will not be available at the beginning of the proceeding, I think I understood that maybe at the end of the proceeding.

I want to note that this is the first hearing where I have been at, and I have done a lot of these, where that's the case. That impacts the fact that we had all staged witnesses in a certain way. So we're going to have witnesses here as we can.

I just wanted everybody to know, I had that conversation with Ms. Taylor last week, but I think on the record I wanted to note that, you know, there are some factual witnesses who had already made their plane reservations. The experts are here on Issue 1.

I think similar to that, the reality is that as opposed to the economist, the professional consultants who will be here, that there are fact witnesses who, you know, they run a business, small businesses, whether they are farmers or processors. And they may show up later in the hearing but talk about multiple issues, because the issues interrelate.

And I think my conversation procedure with USDA suggests that's going to be okay. We'll do the best we can to move through the issues. But I think it's fair to say that there are -- the way the hearing was set up with Issue 1 affecting Class I components, and then Issues 4



2.

2.1

and 5 affecting Class I, Class I processors are stuck with, you know, the end of the proceeding.

And one other thing I would like to just discuss, and this is something we did in California at the last proceeding that I was at, there may be witnesses where it makes sense that two witnesses for a company appear: One will give testimony, and then the two will be available for cross-examination. In our experience, it makes it more efficient.

You know, it's up to you, your Honor, whether you are amenable to that, whether USDA is amenable to that, but we have certainly done that in the past. And I know of at least one entity testifying on Issue 3 where that would be very helpful.

So I just -- I wanted to at least lay those out and let anybody else talk about things like that, and at least have the conversation now rather than surprise people.

THE COURT: Thank you, Mr. English. If you can stay at the lectern for a minute, I'm going to ask for AMS's thoughts on those things.

But on the -- and thanks for the preview of what may be coming up, as I understand it.

I'm really here to serve the public interest and to serve the participants in how they want to run this hearing as -- as they can decide what is best for them.

You all are going to know this case much better than I ever do.



2.

2.1

On the -- as I understand, there's an economic report that's pertinent to the matters we are talking about here that will not be available now, but may come in later. And the question is what to do about that, and you don't want to exclude -- if I have this right -- you don't want to exclude further testimony on something that doesn't come in until later.

Do I have that right?

MR. ENGLISH: Well, that was going to be my position, but I think I learned yesterday that it may not come in until the very end. Under the theory that if it's not coming in at the beginning, putting it in the middle sort of disadvantages the people who already went. Putting it at the end sort of puts us all in the same boat, which I'm -- you know, I'm okay with.

I was actually getting at a slightly different issue, which is the administrative issue that, at least in California, and in my experience otherwise, the economic analysis is large enough that the examination of it would likely have taken at least a day or so.

And we, who have done these a long time, therefore, staged our witnesses based upon the anticipation that the analysis would be after the data that we're discussing, be the next thing. And then as a result, at least we, and I think probably others, thought about their testimony coming staged on that.

And so while our experts are here, the fact issue is on Issue 1, who are actually going to come during



2.

2.0

2.1

Issue 1 as opposed to later in the hearing, aren't going to be here by Friday, and it may be that we end up moving to Issue 2 because -- and then have to go back to Issue 1, because that's the time they had scheduled. And they are, you know, businesspeople who really just can't jump around and do this, unlike those of us who do this for a living.

So that's what I was getting at. And, again, I, you know, procedurally had a brief conversation with USDA about that.

THE COURT: Okay.

Mr. Hill, can you address these?

MR. HILL: Yes. There is no objection to them doing that. We understand the position that they are in, and so we have no objection.

THE COURT: Great. So like I said, I'm here to help where I can. If the participants agree to something, that's fine with me.

How about the two witnesses on the stand at once?

MR. HILL: The same answer for that. We have done that before, as he said, in the California hearing. It's not a problem.

THE COURT: Sure. I've experienced that as well. And if it makes sense to you all, I'm sure it makes sense to me. You can bring it up, though, at the appropriate time, and we'll see if anyone else has got an objection.

We may have an objection right now. I'm sorry, I forgot your name.

MR. MILTNER: That's okay. It's Ryan Miltner. I



2.

2.1

represent Select Milk Producers. And this is not an objection, it's just another issue that kind of arose in my mind as Mr. English was discussing this.

That piece of economic testimony informs an awful lot of what the industry as a whole will use to formulate their positions as well as their questioning of witnesses. And I understand if we don't have it, we don't have it.

But I would be interested in the Judge's position, and that of AMS, about whether once that data is available, if -- if there will be an opportunity to perhaps put witnesses on for additional examination about that data, which is absolutely critical to evaluating the proposals.

THE COURT: Mr. Hill, has AMS formulated any thinking on -- on this?

MS. TAYLOR: I guess our thinking is, it's not coming on until the end once everyone's gone, because that's what it will be ready to be on. The hearing ends when the judge says it ends, so if you would like to put witnesses on after that and we still have -- are able to meet, you know, we have time in the -- in the hearing process to do that, I don't think we would object to that, you know. You can bring people back on, if you would like, at any time.

MR. MILTNER: Thank you.

THE COURT: Yeah, even if -- as I recall the procedural rules, there is provisions for motions to reopen the record. Any new evidence that's developed, I



1

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

2.1

22

23

24

25

26

27

mean, creates a possibility of something like this coming up, and if it's important enough and things work otherwise, we'll deal with it at the time. But I do appreciate the heads-up on what may happen. I will not likely have a strong opinion on this now because I don't know enough about it, but it does sound important, and thank you for bringing it to my attention.

Yes?

2.

2.0

2.1

MR. ROSENBAUM: This is Steve Rosenbaum. I -- for the International Dairy Foods Association. I do want to reiterate that we would at least like to hold open the potential of calling a witness after -- recalling a witness after the government presents its economic analysis to testify regarding it.

We can cross that bridge when we come to it, but normally that has come first in the hearing. I understand the reasons why it is not happening this time. But we can obviously examine the USDA witness, but we may have to have affirmative testimony regarding that analysis.

The other issue is a technical one. We may have some exhibits that are Excel spreadsheets that are not really amenable to being printed in some cases. And so I would suggest that if -- and I don't think we would likely to be the only ones in that situation -- I would suggest in that situation, we will commit to providing a copy electronically to USDA. USDA has been posting exhibits as we provided them, and that they would simply post it on the website, and then it would be available to everyone to



use during the examination of our witnesses.

THE COURT: I think that works for me.

Does that work for AMS?

MR. HILL: Well, we do need to have a paper copy for the -- for the Hearing Clerk's Office.

MR. ROSENBAUM: It will be an electronic copy, obviously. In my experience, in the modern world, there is no way to avoid that in trials anymore. People are doing that kind of analysis -- in the modern trial world, people have Excel spreadsheets where they have done calculations, and sometimes printing them out is just impractical and they just are printed.

Or, I mean, as a -- one can typically put those onto a thumb drive or on a -- and that can be a physical copy of it, so to speak, if that's -- if that's what's necessary.

MR. HILL: Yeah. We're going to have to talk to the Hearing Clerk to make sure that this is acceptable.

THE COURT: Sure. I mean, I think we can at least waive the requirement that there be 15 copies or whatever we talked about turning in. I mean, the Hearing Clerk's Office -- I'm trying to think whether there's any possible slippage in there. I mean, the hearing clerk's office can print out an Excel file, if necessary.

Thanks for raising that. I mean, good point. I don't think there'll be a -- we'll figure out what to do. You know, we can have an exception for voluminous -- or documents that would be voluminous if printed out, we can



2.

2.1

1 figure out what to do about that. Thank you, 2. Mr. Rosenbaum. Thank you. 3 MR. ROSENBAUM: THE COURT: Any other preliminary matters before 4 5 we -- one more. 6 Mr. English. 7 MR. ENGLISH: Charles English for the Milk Innovation Group. Actually, Chip English, I don't know 8 9 why I used my legal name. 10 So, your Honor, earlier today we posted to the website, to the link, Exhibit MIG-1, and I rise to raise 11 12 an objection to the USDA decision to exclude price-related 13 proposals submitted by the Milk Innovation Group. 14 I believe we have copies being distributed. 15 May -- may Ms. Bulgur approach both the court reporter and 16 your Honor to provide copies to you? 17 So good morning, again, your Honor. I rise at the 18 outset of this proceeding to lodge a critical objection. 19 My name is Chip English, and together with Ashley Vulin, who is participating today remotely, and Grace Bulger, we 20 2.1 at Davis Wright Tremaine represent the Milk Innovation 22 Group. 23 I'm submitting a complete version of this 24 objection as Exhibit MIG-1, but I'm going to admit as I 25 present live some key citations to expedite things. 26 Pursuant to 7 USC, Section 608(c)15, MIG objects 27 to USDA's decision to exclude two of its pricing-related



28

proposals as being not in accordance with law. We request

a modification of matters open for hearing and/or reversal of the decision to exclude what are known as MIG Proposals 5 addressing, ESL shrink, and 6, a partial exemption from FMMO's pricing regulations of certified

USDA's decision to exclude MIG's price-related proposals is not in accordance with the Agricultural Marketing Agreement Act, 7 USC, Section 601, et seq., or USDA's obligations under the Administrative Procedure Act.

As I discuss a little later, there is a U.S. District Court of District of Columbia case squarely on our side. This objection is timely.

As a preliminary matter, I want to explain why I raise the objection now and explain why this objection is timely.

Pursuant to USDA's rules governing procedures for this hearing, specifically 7 CFR, Section 900.16, implementing 5 USCA, Section 557(d)(1), once USDA issues a hearing notice, ex parte rules apply to any communication regarding the substance of this proceeding.

Given that we were not and could not be aware that USDA had applied an arbitrary and capricious methodology in this proceeding until that hearing notice was issued, the first moment to raise this objection in compliance with ex parte rules is today on the record. Thus, our objection is not only timely, it is perfectly timed for this morning.

USDA invited interested parties to submit



2.

2.1

organic milk.

pricing-related proposals. On June 1st of 2023, USDA issued an invitation providing -- "providing the opportunity for interested parties to submit additional proposals regarding potential amendments to the current pricing provisions applicable to all FMMO's."

The invitation instructed that "each pricing-related proposal should be accompanied by a comprehensive explanation on the need for, and potential impacts of, the proposed changes, how the proposed changes facilitate more orderly marketing, and any other relevant information."

In its action plan issued on the same day, USDA stated that it was "considering initiation of a rulemaking procedure" -- "proceeding that would include a public hearing to collect evidence regarding proposed changes to pricing provisions effective in all 11 FMMO's."

Accordingly, MIG submitted six proposals, including the two pricing-related proposals raised here:

An extended shelf life shrinkage pricing proposal, MIG's Proposal 5, and an organic milk pricing -- partial pricing -- partial pricing exemption proposal, MIG's Proposal 6.

USDA excluded milk's price-related proposals. In its June 24, '23 response to MIG, USDA based its refusal to hear MIG's extended shelf life shrinkage proposal, MIG's Proposal 5, and MIG's partial organic milk exemption proposal, MIG's Proposal 6, because each proposal price -- each proposed price-related change "does not seek to amend



2.

2.1

the uniform FMMO pricing formulas, and therefore, does not fall within the scope of this hearing."

USDA excluded each proposal because the proposal "does not seek to amend the uniform FMMO pricing formulas."

Note, your Honor, this critical difference between what USDA invited June 1st and now what it asserts was the limitation. For the first time, USDA now says "pricing formulas," implying that only 7 CFR, Section 1000.50, is open.

But that is not what USDA said June 1st. The invitation for additional proposals was not limited only to proposals which directly sought to amend the uniform pricing formulas. Instead, USDA invited additional "pricing-related proposals regarding potential amendments to the current pricing provisions applicable to all FMMO's."

USDA likely had to define the hearing in such broad terms if it intended to accept every single one of National Milk Producer Federation -- NMPF's -- five different district proposals that prompted the start of this proceeding.

The only unifying umbrella for National Milk's five proposals is "pricing." And contrary to USDA's later and belated assertion, both the extended shelf life shrinkage proposal and the organic milk partial exemption are pricing-related and are directly responsive to the potential amendments proposed by other entities to the



2.

2.1

current pricing provisions applicable to all FMMO's.

MIG Proposal 6 seeks to amend the pricing provisions so that they treat organic certified milk differently from conventional milk. The proposal expressly ties to pricing. That is, under MIG Proposal 6, certified organic milk would have to meet certain specific pricing constraints on a nonclassified basis, and then it would be eligible for an exemption from pooling.

While this proposal requires harmonizing amendments in other sections of the regulatory code, each primary substance is found in Section 50.

Moreover, a critical proponent of FMMO pricing is the payment of significant funds by Class I processors into the Producer Settlement Fund. That is, without a doubt, a significant portion of the price paid by organic handlers for milk and one, by the way, that provides absolutely zero benefits to organic dairy farmers or organic processors.

Certified organic milk commands a nonclassified price premium that is higher than, and unrelated to, the FMMO minimum prices.

Finally, NMPF proposes to amend the FMMO by raising the Class I differentials. A significant justification historically for the original base differential was the value provided by farmers of balancing the market and incentivizing service of the Class I market. USDA did not accept -- I'm sorry -- USDA did accept MIG's proposal, which is Proposal 20, that



2.

2.1

addresses that issue.

2.

2.1

MIG will explain how these justifications no longer exist in any circumstance, but they especially do not exist for organic milk. The fact that this proceeding will already be considering and addressing the issues of the treatment of pricing of organic milk within this regulatory framework only further highlights the arbitrary nature of the new line drawn by USDA to exclude a partial organic exemption that is essentially another alternative to the pending proposals.

To say now that USDA intended only to hear proposals directly linked to price formula mechanics of NMPF's proposals is an after-the-fact justification for preventing our clients from being heard, when, of course, NMPF got all of its proposals noticed for the hearing.

Turning to ESL shrink. MIG's ESL shrink provision is undoubtedly pricing-related. It is a proposal about the price applicable to different levels of shrink. This proposal is designed to address the fact that USDA has long recognized that not all milk produced on a farm makes it to the bottle. Some milk is lost on the tanker, and some is inevitably left behind in milk lines.

ESL facilities face unique challenges with respect to shrink and our proposal is designed to impact that.

And it is pricing because the amount of milk that is legitimate shrink is subject to the lowest price rather than the highest Class I price.

Milk has prepared and is ready to present data



that supports its contention that ESL shrink is uniformly different from other shrink and so should be priced differently. This proposal is undoubtedly about pricing and should be considered.

USDA's decision to prevent MIG's shrink proposal from consideration at the hearing is inconsistent with USDA's decision to include in the hearing notice, Select Milk Producers' proposals on yield factors, including particularly hearing Proposal 11 that directly addresses the same issue of shrink.

As -- as discussed by USDA in the hearing notice, the proposal seeks to update the specified yield factors to reflect actual farm-to-plant shrink. USDA did not limit the hearing to one section of the CFR, so it cannot maintain that dairy farmers get to discuss shrink as to butterfat and protein because it is only found in Section 50, but my clients cannot discuss shrink because it is found in a different section.

Shrink is shrink, and pricing-related, no matter where it is found in the code. The Secretary has opened the door to discussing shrink as to other classes, but proposes to keep the door closed as to Class I.

Likewise, USDA has previously stated that this very similar ESL shrink proposal needs to be considered at a national hearing, just as we have here. A number of us had the privilege of being in California in 2015 for the California Promulgation Hearing, and the Dairy Institute of California put forth a proposal to adjust shrink levels



2.

2.1

for ESL.

2.

2.0

2.1

In its recommended decision, USDA denied making the requested amendment on the basis that "amending provisions that are uniform throughout the Federal Order system to allow an additional shrinkage allowance on ESL production should be evaluated on the basis of a separate national rulemaking hearing." I omit the citation.

Your Honor, we are here at that national proceeding, making the request, just as USDA instructed, and yet, are denied again.

USDA's explanation for why the proposals were excluded is insufficient and unpersuasive. The AMS administrator is "required to make such an investigation and give such consideration that it deems warranted regarding a proposal and to deny the application only if it includes that, the proposed marketing order, or amendment will not tend to effectuate the declared policy of the act or that for other proper reasons a hearing should not be held on the proposal."

I'm citing the National Farmers Organization,
Inc., vs. Lynn case. In the NFO case, I have been around
just long enough, I was involved -- I was not involved in
the actual lawsuit brought by NFO, but I was involved in
the underlying Federal Milk Order hearing preceding the
case that set the precedent. This was for then Orders 1,
2, and 4, in the Northeast. Payment dates for dairy
farmers were made open. Producers were then, and are now,
paid twice a month.



NFO proposed a third payment to accelerate some monies paid to dairy farmers. USDA excluded the proposal, but on appeal to a Federal District Court by the proponent, USDA was ordered to reopen the hearing to include a proposal.

In other words, the arbitrary exclusion of an irrelevant proposal for the hearing even starts is a reversible error that could be appealed and result in nullification to proceeding as to that portion.

Here, that is, you know, the issues for Class I only. I want to emphasize that Class I and the make allowances can, and are, separate.

Here, both the extended shelf life shrinkage proposal and organic exemption proposal are related to pricing, and USDA fails to explain a proper reason the proposal should not be heard.

USDA's arbitrary exclusion of these proposals means that it is keeping certain proponents from even being heard. Not only does this put the Class I-only portion of the proceeding at risk for later reversal, but it certainly does not reflect the type of open and fair process that our clients deserve. And our clients are not the only losers if that happens, so are consumers.

MIG's rejected proposals sought to have the real economics of FMMOs considered and likely would result in decreases in the cost of milk to fluid milk processors.

From a public policy consideration, if the economics do not justify current prices, then a failure to address that



2.

2.1

reality by this agency is really a failure for consumers.

The issue is not academic or within the agency's discretion. The NFO case applies, and you, your Honor, can cure this today.

I'm skipping the next two paragraphs of case citations.

At best, USDA's decision to exclude MIG's proposals suggest a decision to change the scope of the hearing, specifically related to the meaning of pricing related and regarding proposed changes to pricing provisions effective in all 11 orders.

USDA fails, though, to provide the required explanation as to the difference between the proposals USDA invited and those accepted for the hearing.

If USDA made its determination to change the scope of the hearing, permissibly under the AMA and APA standards, USDA's response to MIG and other interested parties excluding proposals fails to provide the reasonable explanation as to the change in scope, and thus is not in accordance with law.

I skip the rest of the paragraph, for now.

USDA's failure to include proposals properly submitted within the scope of the invitation risks invalidating any final Class I pricing decisions resulting from the FMMO hearing. To be validly promulgated, a final agency rule must be a logical outgrowth of the proposed rule on which the public had the opportunity to comment.

To be very clear, our clients object to the fact



2.

2.0

2.1

that not all Class I proposals are being heard, tentatively, except for my client's Proposal 20. The Class I proposals all increase Class I prices by some estimates, as much as \$1 billion annually.

Obviously, this proceeding can and will consider proposals that could increase the Class I price, and MIG has no objection to non-Class I proposals found in Issues 2 and 3.

But if this proceeding is to address Class I pricing, it is premature, and it is a premature merit determination to exclude nearly all relevant Class I pricing proposals.

We believe we are correct here and that the notice of deficiency is not cured. The Secretary risks a successful 15A or 15B proceeding at some point, where a reviewing federal court may well determine long after the fact that any Class I price increases were improbably granted.

In past litigation, your Honor, huge fights have been erupted over how refunds to those persons for money are to be distributed by USDA.

Zuber v. Allen. I will note that my law firm I started at was involved in the Zuber v. Allen case and in that aftermath of trying to redistribute monies from eight years prior.

Let me say here and now to USDA and National Milk, that everyone is on notice of this risk of retroactive refunds for Class I is on the table. No one down the road



2.

2.0

2.1

August 23, 2023

will be credibly permitted to make an equitable argument to the contrary.

And by the way, that was made in the Zuber case and rejected.

Right now, the hearing notice exclusions reinforce a perception the Class I fluid milk handlers are at best third class participants in the Federal Marketing Orders after dairy farmers and handlers that can voluntarily pool or not pool their milk.

Class I fluid milk sales are the only segment of the industry, quite literally, on life support. Class I fluid milk processors are the only segment who cannot exit the FMMO system. Non-Class I handlers can choose not to pool. Farmers can go down an order, or they can choose not to pool. But fluid milk processors are stuck.

And it is Class I that essentially funds this program, certainly the Producer Settlement Funds. All handlers pay assessments to fund the USDA operations, to be clear. Yet, despite all of this, Class I processors cannot even get their own proposals heard by the secretary.

MIG's proposals, including others not noticed for this hearing that are not in our objection, are designed to take a hard look at the reality of the economic situations before us and how USDA and this industry might actually try something new and different to spur innovation in Class I, rather than simply running it into the ground.



2.

2.0

2.1

1	Now is the moment and time to fix it. And there
2	is no way USDA can do so unless it hears from those on the
3	front lines as to MIG Proposals 5 and 6.
4	We respectfully urge you, as the presiding
5	officer, to provide us with a real opportunity to be heard
6	on MIG Proposals 5 and 6, and I move admission of
7	Exhibit MIG-1.
8	THE COURT: First, any objection to I guess we
9	are going to mark this. We didn't mark it but and this
10	isn't the normal way of handling an objection or I
11	guess it's really this is a motion, but it gets it into
12	the record, so this works for me.
13	So this will be Exhibit MIG-1 will be marked
14	Exhibit
15	MR. HILL: Your Honor?
16	THE COURT: Yes.
17	MR. HILL: We do have one question. Since the
18	government has several exhibits that we're going to offer,
19	we basically have numbered them up to number 59.
20	THE COURT: Okay.
21	MR. HILL: So we would like to see if we can
22	reserve those and start at number 60.
23	MR. ENGLISH: I certainly am not getting in the
24	way of that. I'm certainly happy to make it number 60.
25	THE COURT: Excellent. All right. No objections,
26	I take it, so this my well, I don't see any



28

So we'll mark Exhibit MIG-1 as Exhibit 60 for

objection -- anyone object to this going into the record?

purposes of this hearing, and put it into evidence as well.

(Thereafter, Exhibit Number 60 was marked and received into evidence.)

THE COURT: Okay. We have another person -- I'm sorry, I forgot names. But we have another person who stepped up to the mic.

Please.

2.

2.0

2.1

MR. VETNE: My name is John Vetne, V-E-T-N-E, consultant for National All-Jersey. And this is an opportune moment for an echo of Mr. English's objection.

Early this morning, National All-Jersey submitted to USDA, on the designated website, an objection that is similar to that of Mr. English. That is an objection to exclude two pricing provisions submitted by National All-Jersey for consideration at this hearing.

One would be to make uniform to all Federal Marketing Orders a pricing provision -- pricing provisions for multiple component pricing of Class II, III, and IV milk, which exists in all but four orders, and is the basis upon which all prices are established. And the other was to price Class I milk on the -- in all federal markets on the basis of multiple components.

As Mr. English said, not all Class I proposals are being heard. That is one that is not being heard, although several are being heard.

The objection that has been made is being printed at the moment. I would -- when it's available, I would



ask that it -- that it be numbered with the next consecutive number, so that the two objections are together on the record. It's the same -- the very, very same issue.

One of the issues that was argued in the NFO vs.

Lynn case in the District of Columbia was that USDA

perceived that the proposal submitted by NFO did not have

broad-based support from the primary proponent

cooperatives. And that essentially was disavowed by the

court as a legitimate reason for excluding a hearing -- an

issue in the hearing notice.

What we have here is a proposal by National Milk Producers Federation -- multiple proposals by National Milk Producers Federation, and the yardstick chosen by USDA to see which proposal would be heard or not heard is how closely does it relate to the proposals submitted by National Milk Producers Federation, not to the marketing problems or disorder in the existing system, not to the problems identified, but how closely do they relate to the solution proposed by National Milk Producers Federation.

Both of National All-Jersey's proposal address the problems, the same problems, addressed in -- by National Milk Producers Federation, but come to a different conclusion as to what's the best solution.

In particular, there is a Class I proposal to be made uniform throughout, and there is a proposal for multiple component pricing to be made uniform throughout the system.



2.

2.0

2.1

The AMAA in Section 608(c)(5) does not speak to disorderly marketing in the establishment of provisions for Federal Milk Orders. That comes earlier in the New Deal Act and relates to multiple programs. Disorderly marketing is a term of administrative interpretation that has evolved through the past, almost century now, 80 years.

But what Section 5, 608(c)(5), does speak to is uniform pricing. It requires that prices charged to handlers, minimum prices charged to handlers, be uniform among handlers. The existing system results in non-uniform prices. The proposed system proposed both by National Milk Producers Federation and NAJ comes closer perhaps to making prices uniform but doesn't make prices uniform for Class II, III, and IV, in the four fat skim orders, Southeast and Arizona.

The proposal for MCP applied universally in all markets would have produced uniform prices. That is the objective that meets the problems identified in the market better.

We're not on the same page substantively with the proposal submitted by Mr. English, on the same page procedurally.

So, when -- when the objection comes, I don't know if it has been posted -- and it's pretty clear, by the way, on the USDA website, that, stated overtly, simply because something is posted on the website does not mean it's part of the record.



2.

2.1

My objective today, and Mr. English's objective today, is to make these objections part of this record for consideration by USDA, by the parties, and any other authority in the future. Thank you.

THE COURT: Okay. So I think we will reserve Exhibit 61 for this objection, this is really a motion.

Okay? And I'll put it into the record that way when --

MR. VETNE: And I don't think our objection -- I don't think our objection has been posted.

And the other thing is, part of the reason, apparently, that the NAJ proposals weren't considered was that National Milk Producers Federation submitted an objection, to which NAJ responded and submitted to the agency.

The response, also, about a month ago, is still not on the USDA website, and that was submitted on June 30, 2023.

So we should have the full record of both submissions and responses available to the parties, at least, if not part of this record. But it is -- it is incorporated in our objection. So thank you.

THE COURT: So I would like to hear from the other side. The other side is exactly, we have AMS. Sounds like other participants have a guarrel with NMPF as well.

Mr. Hill of AMS is standing. First in time, you get to talk first.

MR. HILL: Yes. We do reject these assertions, but seeing that they just came in this morning, we would



2.

2.1

like time to look them over and formulate a response. 1 THE COURT: Okay. I mean, I guess my -- I've got 2. a number of preliminary questions. Some may have to 3 4 resolve on their own. But I quess it occurs to me as timing, when do we 5 have to make -- when do we need a decision on this? 6 7 it doesn't seem like these topics would be up first 8 anyway. 9 MR. HILL: That's what it seems like to me, your 10 Honor, we should have time to do this. It's going to be a 11 long hearing. 12 THE COURT: Yes. 13 MR. HILL: But I will get something to you within 14 the next three to four business days and we can discuss 15 this on the record. 16 THE COURT: Okay. 17 And any objection to that? Anyone else who wants 18 to -- to file written materials on this? 19 MR. VETNE: I have a copy now, your Honor. 2.0 THE COURT: Okay. This is what we're going to 2.1 mark as Exhibit 61? 22 MR. VETNE: Yes. 23 THE COURT: Okay. Thank you. 24 You want to identify -- describe what we're 25 identifying as Exhibit 61? Somebody? Just so we have it 26 in the spot in the record. Or I can. 27 MR. VETNE: Pardon? 28 THE COURT: Yeah. Identify for the record what



we're marking as Exhibit 61.

1

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

2.0

2.1

22

23

24

25

26

27

28

MR. VETNE: Yes. The objection to which I referred, which was submitted onto the website this morning, is an objection on the letterhead of Baker Donelson law firm, signed by Wendy Yoviene, an attorney, and me, dated August 23, 2003 -- 2023.

And the footnote at the bottom of the first page refers to both the proposals submitted by National All-Jersey, the letter from National Milk Producers dated June 30, seeking to exclude the NAJ proposals, and the response of June 30 from NMPF and the revised proposal submission, all of which were submitted as part of the objection this morning has been marked here is the letter.

THE COURT: Okay. Very well. The above-described letter of August 23rd, 2023, has been marked Exhibit 61.

Any objection to introduction of this exhibit into the record?

Seeing none. Exhibit 61 is admitted into the record, even though it is, more in the nature of a motion than an evidentiary document.

(Thereafter, Exhibit Number 61 was marked and received into evidence.)

THE COURT: Yes?

MS. HANCOCK: Nicole Hancock on behalf of National Milk Producers Federation. We would also like to reserve the right to respond to both Exhibit 60 and 61 objections that have been filed.

THE COURT: Yes. Of course, Ms. Hancock. Okay.



And anyone else as well. I mean, I can hear from -- we'll hear from whomever has something to say.

Yes. Others stood up in this.

In any event, it doesn't sound like I need to resolve this today. And I don't think I'll have too much further to say on this. I mean, I suppose it is part of my duties to exclude from the record anything that's beyond the scope of the notice.

I guess it also occurs to me that as a general matter, since I'm not writing the decision, I'm loathe to exclude things so that the person that is drafting the decision can consider it later.

I don't know -- can anyone -- if we let this into the record, just give me maybe a little preview of this, how much more time would it take?

Mr. English?

MR. ENGLISH: Your Honor, as to MIG Proposal 5, which is the ESL shrink proposal, I have two things to say. First, the testimony is likely to be very similar to what was given in California. I think it was, at most, three-quarters of a day, but I'll have to go back and look at the record. It might have been half a day.

It is a little different in that we do have being prepared a survey, maybe by way of an offer of proof, we have a survey being prepared by Irvine & Company on this subject.

I note here for the record -- partly because I think fairly people should know -- that that survey was



2.

2.1

being primarily prepared by Jeff Davis, a longtime member of the dairy industry who was a fluid processor from Pennsylvania and who was a consultant to Irvine.
Unfortunately, Mr. Davis was killed in a motorcycle accident on Saturday.

A number of people here know who he is, and so I thought it at least appropriate on this proceeding to recognize, Mr. Davis.

THE COURT: So recognized. What a tragedy.

MR. ENGLISH: Yeah, it is. For the industry and for everybody in his family.

Now, that would not delay ultimately because if ESL shrink were added, it would be, you know, I guess near the end of the hearing. It relates to other issues.

Frankly, it is my view that the testimony is valid regardless because when we get to Class I, we're going to talk about, you know, raising Class I. And so in a way, it will be a defense to raising Class I. So in fairness to people, it's coming in anyway. So I think the ESL shrink would add very little time to the hearing.

I'm not going to make the same claim about a partial organic exemption. That is obviously a bigger question. It is one, frankly, that we raised with the Secretary going back as far as 2015, and have not had the opportunity to have it heard, and we think that it's critical that it be heard. But I will not claim it could be done in the same timeframe.

Again, you are likely to hear some of the



2.

2.1

1 testimony in organic as a defense to higher Class I, as I 2. previewed in my objection, but I would say that that would That would be longer. 3 be more. THE COURT: Let me see if I have this right. 4 Ιt was excluded in 2015, California? 5 6 MR. ENGLISH: No, it was -- it was a separate 7 hearing request in 2015. 8 THE COURT: Okay. 9 MR. ENGLISH: And the Secretary, under the 10 statute, chose to ask for more information and more time 11 for about 16 months at which time, the proposal was 12 withdrawn, as happened in the case of other proposals on 13 other subjects. So it was -- to be clear, it was not -- it was not 14 15 part of or excluded. It just happened to be, we submitted 16

the proposal at the same time of the 2015 hearing.

THE COURT: Very well. I think I understand. Yes.

MR. VETNE: Mea culpa. Mr. Metzger pointed out that NAJ's response of July 13th to the NMPF letter is indeed posted on the AMS website. Thank you.

THE COURT: The record's corrected, and thank you for keeping things clear on the record.

Anything else on this? I mean, I guess -- I started to say it is my job to keep things consistent with the notice and this, but I'm not the one that makes the decision. So people maybe should give me some guidance as to what my role is as opposed to the role of the USDA



17

18

19

2.0

2.1

22

23

24

25

26

27

personnel that set up this hearing and that will decide it 1 2. in the end, so -- but I think we'll be talking about this. Anything further on this? 3 Is now a good time -- or -- well, I -- we can have 4 a break, or we could put in the 59 exhibits. How are you 5 6 doing, Ms. Reporter? 7 THE COURT REPORTER: Can we take a break? THE COURT: Break, yes. 8 9 It's 25 after. Let's come back at 25 All right. 10 of 11:00. Off the record. 11 (Whereupon, a break was taken.) 12 THE COURT: Okay. Can we come to order after our 13 morning break? 14 Okay. I'm going to get started. On the record. 15 I think you are up, Mr. Hill, for AMS, with some 16 59 non-sponsored exhibits. 17 MS. McMURTRAY: Yes, good morning, Judge. We have 18 13 exhibits that we would like to place on the record. 19 These are the documents that are required by the regulations. So I will just go through them one by one 2.0 2.1 and have them marked. 22 Marked for Exhibit 1, we have the Federal Register 23 notice, that is just the proposed rules that were 24 published in the Federal Register with the hearing notice. 25 We would like marked for Exhibit 2 is the Notice 26 to Trade. It says "Notice to Trade" at the top, and then 27 "USDA Sets Hearing on Proposed Amendments to the Pricing



28

Provisions of All Eleven Federal Milk Marketing Orders."

We would like marked for Exhibit 3 the notice that was sent from the Market Administrator of the Northeast Marketing Area.

For Exhibit 4 -- or what we would like marked as Exhibit 4 is the Notice to the Appalachian, Florida, Southeast Marketing Areas from that Market Administrator.

For Exhibit Number 5, we would -- it would be the notice from the Market Administrator to the Upper Midwest Marketing Area.

Marked for Exhibit 6 would be the notice to the Central Marketing Area from their Market Administrator.

What we have marked for Exhibit 7 would be the notice to the Mideast Marketing Area from that Market Administrator.

What we would like marked as Exhibit 8 would be the notice to the California Marketing Area from their Market Administrator.

Exhibit 9 would be the notice to the Pacific Northwest and Arizona Marketing Areas.

Exhibit 10 is the notice to the Southwest Marketing Area from the Market Administrator.

And then what we would like marked as Exhibit 11 is the notice from the Department of Agriculture to the interested state governors.

So those are the 11 that are required by the federal -- by the current regulations.

We do have two additional exhibits that we would like marked as Exhibit 12 and 13.



1

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

2.0

2.1

22

23

24

25

26

27

1	Exhibit 12 is just for reference due to the way
2	the Federal Register requires and publishes these
3	proposals. These two documents are ways that the
4	department has made to allow those who are participating
5	in the hearing to see what the regulations would look
6	like, where those changes go in the current regs.
7	So Exhibit 12 is titled the "Federal Milk
8	Marketing Order, 2023 Pricing Formula Hearing, Proposed
9	Regulatory Text Changes," and it is the clean version.
10	And then marked for Exhibit what we would like
11	marked as Exhibit 13 is a very similar document. At the
12	top, it reads "Federal Milk Marketing Order, 2023 Pricing
13	Formula Hearing, Proposed Regulatory Text Changes," and it
14	is a marked-up version.
15	So we would ask that all those be admitted as part
16	of the record just because they are required by the
17	Federal Register, and then we would ask the two, 12 and
18	13, be admitted just so as a clarification for the
19	Federal Register so parties can see what is what.
20	THE COURT: Any objection to the admission into
21	evidence of Exhibits 1 through 13?
22	Seeing none, Exhibits 1 through 13 are admitted to
23	the record.
24	(Thereafter, Exhibit Numbers 1 through 13
25	were marked and received into evidence.)
26	MS. BULGER: Your Honor, sorry.
27	THE COURT: I'm sorry.
28	MS. BULGER: Your Honor, I understand there's no



witness, but I have a question regarding one.

My name is Grace Bugler, B-U-L-G-E-R, Milk Innovation Group.

Exhibit 1 is USDA's hearing notice, and the notice contains the relevant definitions of small businesses or entities participating here, as I understand correctly.

It's -- to be found on the chart on the first page.

I raise this issue because we believe that USDA inadvertently included some outdated numbers here.

Recall that on February 15th, 2023, the United States Small Business Association updated the small business definition for fluid milk manufacturers from 1,000 employers to 1,150 -- or employees, sorry, excuse me. And that can be found at 88 Federal Register, at page 9982. 1,250.

If I could note for the record that this change is reflected in 13 CFR, Section 121.201.

But the USDA's hearing notice lists the old threshold of 1,000 employees, and likewise for small business definition for dry, condensed, and evaporated dairy products, it used to be entities with 750 employees, which is included in USDA's notice, but that was also updated, now at 1,000 employees.

We don't believe that a new hearing notice must be issued to reflect this correction given that regulations stand on their own, but we did just want to ensure that the hearing record reflects the updated numbers.

MS. McMURTRAY: No objection.



2.

2.0

2.1

1	THE COURT: AMS will stipulate to that?
2	MS. McMURTRAY: Yes.
3	THE COURT: Very well. Okay.
4	MS. BULGER: Thank you.
5	THE COURT: So stipulated. Thank you, Ms. Bugler.
6	I guess I have with that with that
7	correction, Exhibit 1 is again admitted to the record.
8	And I think I admitted all the other Exhibits 1 through
9	2 through 13.
10	Anything anything else, Mr. Hill, or AMS, I
11	guess regarding Exhibits 14 through 59, if I understand?
12	MR. HILL: Yes, we have a witness next, your
13	Honor.
14	THE COURT: Okay. Are we ready to call our first
15	witness then?
16	Okay. Go ahead. Mr. Hill, you can call your
17	witness to the stand.
18	And there's no written statement I take it for
19	this witness?
20	MR. HILL: No, there is not.
21	THE COURT: And you are going to have direct
22	examination to
23	MR. HILL: Correct.
24	THE COURT: Very well.
25	MS. CASHMAN: While he's doing that, my name is
26	Lorie Cashman. I am the Economics Division director for
27	USDA AMS Dairy Program. I have a Master's degree and a



Bachelor's degree in economics from the University of



Α.

Yes, I did.

28

August 23, 2023

- Q. And do you have that with you right now?
- A. I do.

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

2.0

2.1

22

23

2.4

25

26

27

- Q. Okay. And were these documents prepared under your supervision, or were you part of preparing them?
  - A. Yes, I was.
- Q. And were these documents put together sua sponte, or did you receive a request for the data that you are presenting?
  - A. Yes. Or can you repeat the question?
- Q. Did you -- did you do this of your own accord or did you receive a request for the --
  - A. Yes, I received requests for these data.
- Q. Okay. So the data presented here does not in any way reflect your views, but is simply a fulfillment of the data request that you received?
- A. They do not reflect my views, and they are for the sole purpose of the request.
- Q. All right. And none of -- none of these are offered in favor -- you are not offering these in favor or against any of these proposals, are you?
- A. They are not.
- Q. And you intend that they may be used by all the parties for the purposes that those parties may require?
  - A. Yes.
- Q. Okay. So let's look at what is marked here for identification as Exhibit 14 on the document.
  - (Thereafter, Exhibit Number 14 was marked for identification.)



THE WITNESS: Yes. This is the listing of data
requests, the requesting entity, and the associated
exhibit number. I would like to note that these exhibit
numbers are not the same numbers that were posted on the
website. We were trying to get the data out in order for
the industry to be able to use them. So I will try my
best to refer to what the table number is on the website
compared to the exhibit that I'm going to put on.

## BY MR. HILL:

2.

2.0

2.1

- Q. Okay. So this document is eight pages long; is that correct?
  - A. Yes.
- Q. So, if you go to page -- pages 1, 2, 3, and half of page 4, I see that there are exhibit titles.

Can you explain what that is?

- A. Yeah. So pages 1, 2, 3, and 4 will all be the data presented by either myself or our two other witnesses, and the associated exhibit numbers, the exhibit title, and the actual request wording from the proponent, as well as the requesting entity that requested it, and the -- whether or not the data request was fulfilled.
- Q. So I see further at the bottom of page 4, and continuing through 8, that exhibit title box is empty.

Can you tell us --

A. Yes. So on pages 4 and the top part of 5 are data requests that we are pointing towards our websites for the official record. And then, beyond that are data requests that were not able to fulfill, either because the data was



MR. HILL: Okay. So, your Honor, I'm not sure how

1

It is listed as Exhibit 14 for 3 you want to do this.

4 identification on the document. Would that suffice to

leave it as such? 5

2.

6

7

8

9

10

11

14

15

16

17

18

19

2.0

2.1

22

23

2.4

25

26

27

28

THE COURT: Well, we can -- I mean, we can admit We have been admitting everything else. Does that answer --

MR. HILL: Yeah.

THE COURT: I mean, it is a handy reference.

MR. HIIII: Correct.

12 THE COURT: I'm not sure what to make of the

13 listings after 59.

> MR. HILL: That was what I just asked her about, those documents.

THE COURT: Yes. Are those to be considered to be in evidence or --

MR. HILL: Can you repeat yourself, Ms. --

THE COURT: She said they are on the website.

MR. HILL: Which -- which particular documents are you talking about, your Honor? All of them or just the ones --

THE COURT: Well, anything that's after 59. think she said that these are -- these are materials that are on the AMS website. And I take it we're not marking those --

MR. HILL: Yeah.

THE COURT: -- for identification. I take it



we're not entering those into evidence?

MR. HILL: No. I would like Ms. Cashman to repeat herself because part of that answer is correct, and I think part of it is --

THE COURT: Okay. Better than usual.

THE WITNESS: Right. So the first ones on page 4 through the first two on page 5, our response to that data request is that the data are available on the website, and we gave the website where they could find it.

MR. HILL: And then after that point?

THE WITNESS: Okay. And then after that point, are all the data requests that we were not able to fulfill, either for the data is not available or restricted due to confidentiality.

MR. HILL: Is that sufficient, your Honor?

THE COURT: I think that's sufficient. If something comes up, we start referring to the ones that are on the website, we'll figure out what to do then.

And the other, I think the exhibit -- it's in the exhibit. We were asked for this, we didn't have it, okay, or whatever. Okay.

Let's -- I guess we'll wait until the end to admit exhibits.

BY MR. HILL:

Q. Let's please move to what's marked as Exhibit 15 for identification.

THE COURT: Well, actually, I mean we'll mark it as 15.



1

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

2.0

2.1

22

23

2.4

25

26

27

MR. HILL: Right.

2.

2.1

2.4

(Thereafter, Exhibit Number 15 was marked for identification.)

THE WITNESS: Just to note, what I have up on the screen here is the data request page on our national hearing site, and that is where the tables and charts have all been posted here. We do intend to update these with the actual exhibits.

So Exhibit 15 is the Announcement of Advanced Prices and Pricing Factors, January 2000 through August of 2023. The first column is the year. Second column is the month. The base Class I price is next. It should be noted per footnote 1 that these are announced at 3.5% percent butterfat.

The next column is base skim milk price for Class I; Advanced Class III pricing factor; Advanced Class IV skim milk pricing factor; advanced butterfat pricing factor; Class II skim milk price; Class II nonfat solids price; and then the two-week product price averages for butter, nonfat dry milk, cheese, and dry whey. These are all announced and published. No new calculations were made on these. The Announcement of Advanced Prices and Pricing Factors are published on or before the 23rd of the month.

The second footnote is in reference to November of 2013 and states, "Pricing constituent used in calculation. Equivalent Prices computed pursuant to 7 CFR 1000.54."

BY MR. HILL:



1	Q. And so these calculations were made from 2000,
2	January of 2000, through August of 2023, and they are the
3	same type of calculations each month and year, correct?
4	A. Yes.
5	Q. So let's move on to the next document, please.
6	It's titled Announcement of Class and Component Prices,
7	January of 2000 to June of 2023.
8	MR. HILL: And mark that for identification
9	Exhibit 16.
10	(Thereafter, Exhibit Number 16 was marked
11	for identification.)
12	THE WITNESS: Okay. So as already stated, this is
13	the Announcement of Class and Component Prices. These are
14	announced and published on or before the 5th of the month.
15	There was no new calculations involved in this.
16	So the first column is year. Next is month. Next
17	is the Class II price, as footnote 1 states is announced
18	at 3.5% percent butterfat. Then there's the Class II
19	butterfat price; Class III price, also announced at
20	3.5% butterfat; Class III skim price; Class IV price, also
21	announced at 3.5% butterfat; Class IV skim milk price;
22	butterfat price; nonfat solids price; protein price; other
23	solids price; somatic cell adjustment rate; and then the
24	product price averages for butter, nonfat dry milk,
25	cheese, and dry whey.
26	And footnote 2 is in reference to September and
27	October of 2013, "Pricing constituent was used in



calculation. Equivalent Prices computed pursuant to

## 1 7 CFR 1000.54." 2. And these are the same calculations from 2000 through 2023; is that correct? 3 Yes. 4 Α. Let's move on to the next document, please, which 5 Ο. is Component Tests in Producer Milk." 6 7 MR. HILL: I would like to have this marked for identification as Exhibit Number 17. 8 9 THE COURT: So marked. 10 (Thereafter, Exhibit Number 17 was marked for identification.) 11 BY MR. HILL: 12 13 And can you describe this document for us, please? Ο. I'm just trying to get my bearings here. 14 Α. 15 It's all right. Ο. 16 Okay. So Component Tests in Producer Milk By Α. 17 Order, January 2000 through May of 2023. Per footnote 1, 18 "Component tests are based on test results submitted by 19 Market Administrator, Cooperative, or outside laboratories." 2.0 2.1 First column is the Federal Order that the data 22 references; the year; the month; the butterfat test; the 23 nonfat solids test; protein test; and other solids test. 24 And per footnote 2, "Orders 5, 6, 7, and 131 do 25 not report protein, other solids, or nonfat solids in 26 their calculation of the uniform price." It should be



27

28

noted that "the California Federal Milk Marketing Order

became effective on November 1st, 2018." That is Federal

1	Order 51. And "Order 135 was terminated after March of
2	2004."
3	Q. Thank you.
4	Let's move to the next exhibit, which would be
5	Yearly Average Component Tests.
6	MR. HILL: I would like to have that marked for
7	identification as Exhibit Number 18.
8	THE COURT: So marked.
9	(Thereafter, Exhibit Number 18 was marked
10	for identification.)
11	THE WITNESS: All right. These are the Yearly
12	Average Component Tests in Producer Milk By Order and All
13	Market Combined, 2000 to 2022. The "component tests are
14	based on test results submitted by Market Administrator,
15	Cooperative or outside laboratories, per footnote 1.
16	The first column is the year. Second column is
17	the Federal Order. Third is butterfat test. Next is
18	nonfat solids test; protein test; other solids test; and
19	somatic cell count.
20	Per footnote 2, "Orders 5, 6, 7, and 131 do not
21	report protein, other solids, or nonfat solids in their
22	calculation of the uniform price. Orders 1, 5, 6, 7, 51,
23	124, and 131, do not report somatic cell count."
24	Per footnote 3, the all orders combined total for
25	each year is a yearly average weighted by producer pounds.
26	But it should be noted that "the California Federal Milk
27	Marketing Order (51) became effective on November 1st,



2018." And "Order 135 was terminated after March of

1	2004."
2	MS. TAYLOR: This is Erin Taylor. Before we get
3	too far down, were you going to let everyone know what
4	tables they are?
5	THE WITNESS: I was, yeah. My bad. All right.
6	Let's back up here.
7	MS. TAYLOR: Yeah. Make it clear.
8	THE WITNESS: Okay. So Exhibit this is the
9	wrong table. Exhibit 15, which was the Announcement of
10	Advanced Prices and Pricing Factors, is Table 4 on the
11	data request site.
12	Exhibit 16, the Announcement of Class and
13	Component Prices, is Table 5. Nope, I got lost here. Did
14	I say that right? 4 is advanced; 5 is class oh, I got
15	two here, that's why. Okay. Sorry.
16	Exhibit 17, the Component Test in Producer Milk,
17	is Table 2 on the website.
18	Yearly Average Component Tests, Exhibit 18, is
19	Table 3.
20	And I will go through the rest as we go.
21	MS. TAYLOR: Thank you.
22	BY MR. HILL:
23	Q. So let's move on to the next exhibit, Final Butter
24	Sales and Weighted Average Price.
25	MR. HILL: I would like to mark that as Exhibit 19
26	for identification, your Honor.
27	THE COURT: So marked.
28	(Thereafter, Exhibit Number 19 was marked



for identification.)

BY MR. HILL:

2.

2.0

2.1

- Q. You may describe this, Ms. Cashman.
- A. Right. So the next few tables -- or exhibits are 19 through 23, but they all relate to Table 7 through 11 on the website.

Exhibit 19 is the Final Butter Sales and Weighted Average Price.

Per footnote 1, "sales volumes and prices are reported as part of the Dairy Products Mandatory Reporting Product (DPMRP) and published in the National Dairy Product Sales Report (NDPSR)." And for more information you can see our website.

And then for footnote 2: "Under the Dairy Products Mandatory Reporting Program (DPMRP), each week respondents are required to submit sales volume, total dollars, and dollars per pound for the current week and any revisions to the prices or volumes previously reported for the prior four weeks.

"The sales volume and prices shown here include revisions (if any). The weekending date is the week for which the sales volume and prices apply, and the report date is the date of the report in which the final fifth week price was published."

It should be noted, "These reported sales volumes and prices may not be the same volumes and prices used in the Announcement of Class and Component Prices; they are the volumes and prices after all of the eligible revisions



1	were incorporated."
2	The first column is weekending date; second column
3	is report date; then total sales; then weighted average
4	price.
5	And then, footnote 3, is in reference to so many
6	pages
7	Q. I think it appears on the last page.
8	A. Oh, the last page.
9	October 12th, 2013; October well, weekending
10	date October 12th, 2013; weekending date October 5th,
11	2013; and weekending date September 28th, 2013. And that
12	states that a "pricing constituent was used in the
13	calculation." And the "Equivalent Prices were computed
14	pursuant to 7 CFR 1000.54."
15	Q. Thank you.
16	Did you say the table number for that one?
17	A. That is Table 7.
18	Q. So let's move on to the next exhibit, Final
19	Cheddar 40-Pound Block Sales.
20	MR. HILL: And I would like to mark that for
21	identification as Exhibit Number 20.
22	THE COURT: So marked. Sorry, everyone.
23	(Thereafter, Exhibit Number 20 was marked for
24	identification.)
25	THE WITNESS: Okay. So Exhibit 20 would be
26	Table 8 on the website.
27	This is the Final Cheddar 40-Pound Block Sales and



Weighted Average Price. All the same footnotes from the

- 1 prior table apply to these. It is all the same
- 2 | information, just for 40-pound blocks instead of butter.
- 3 | BY MR. HILL:
- 4 Q. Very good.
- 5 So let's move on to the next exhibit, Final 6 Cheddar 500-Pound Barrel Sales.
- 7 MR. HILL: I would like to mark that for 8 identification as Exhibit Number 21.
- 9 THE COURT: So marked.
- 10 (Thereafter, Exhibit Number 21 was marked for
- identification.)
- 12 THE WITNESS: So this would be Table 9 on the
- 13 | website.
- 14 And again, it's, all the same footnotes, and the
- 15 | same pricing information, except for 500-pound barrels, we
- 16 | report a weighted average price, a weighted moisture
- 17 | content, and a weighted average price adjusted to
- 18 | 38 percent moisture.
- 19 BY MR. HILL:
- 20 Q. And it has the same -- it has the same
- 21 | footnotes --
- 22 A. Yes.
- 23 | 0. -- correct?
- 24 A. All the same footnotes apply.
- Q. So let's move on to the next document which is
- 26 | Final Dry Whey Sales.
- 27 MR. HILL: I would like to mark that for
- 28 | identification as Exhibit Number 22.



1	THE COURT: So marked.
2	(Thereafter, Exhibit Number 22 was marked
3	for identification.)
4	THE WITNESS: And that would be Exhibit 10 or,
5	no, Table 10 on the website. And it is all the same
6	information as the prior table, same footnotes apply.
7	This is for dry whey.
8	BY MR. HILL:
9	Q. Okay. And let's move to the next exhibit, which
10	is Final Nonfat Dry Milk Sales.
11	MR. HILL: I would like to mark that for
12	identification as Exhibit Number 23.
13	THE COURT: So marked.
14	(Thereafter, Exhibit Number 23 was marked
15	for identification.)
16	THE WITNESS: Okay. And Exhibit 23 would be
17	Table 11 on the website. And again, all the same
18	footnotes and information apply to this as the other
19	tables. This is for nonfat dry milk.
20	BY MR. HILL:
21	Q. Okay. Let's move on to the next exhibit, which is
22	the Weekly Dairy Product Sales Volumes.
23	MR. HILL: I would like to mark that for
24	identification as Exhibit Number 24.
25	THE COURT: So marked.
26	(Thereafter, Exhibit Number 24 was marked
27	for identification.)
28	THE WITNESS: So this Exhibit 24 is Table 25 on



1 the website. 2. Weekly Dairy Product Sales Volumes in Pounds, for week ending January 4th, 2014, to week ending July 15th, 3 4 2023. Per footnote 1, "Sales volumes and prices are 5 6 reported as part of the Dairy Products Mandatory Reporting 7 Program (DPMRP) and published in the National Dairy 8 Product Sales Report (NDPSR)." And for more information 9 you can refer to the website. 10 The first column is year. The second column is 11 weekending date. And per footnote 2, "Sales volumes associated with 12 13 a specific Week Ending Date include all qualified sales 14 reported for the previous week, starting from Sunday at 15 12:01 a.m. and ending Saturday at midnight." 16 The next column are the products in the Dairy 17 Product Sales Report, and then it's butter, cheddar cheese 18 40-pound blocks, cheddar cheese 500-pound barrels, dry 19 whey, and nonfat dry milk. 2.0 So let's move to the next exhibit, which is Ο. 2.1 Monthly Dairy Product Sales Volume. 22 MR. HILL: I would like to mark that for 23 identification as Exhibit Number 25. 24 THE COURT: So marked. 25 (Thereafter, Exhibit Number 25 was marked 26 for identification.) 27 THE WITNESS: Okav. So Exhibit 25 is Table 26 on 28 the website. It is the Monthly Dairy Product Sales



1	Volumes in Pounds for weekending January 4th, 2014,
2	through the weekending July 15th, 2023.
3	Per footnote 1, "Sales volumes are reported as
4	part of the Dairy Products Mandatory Reporting Program
5	(DPMRP) and published in the National Dairy Product Sales
6	Report (NDPSR)." For more information see our website.
7	And footnote 2, "Monthly sales volumes are equal
8	to the sum of the weekly NDPSR sales volumes with
9	weekending date in the identified month and year."
10	So the first column is year. The second column is
11	month. And then the remaining columns are the products in
12	the report: Butter, cheddar cheese 40-pound blocks,
13	cheddar cheese 500-pound barrels, dry whey, and nonfat dry
14	milk.
15	Q. All right. So let's move to the next exhibit,
16	which starts off Annual Dairy Product Sales Volume.
17	MR. HILL: I would like to mark that for
18	identification as Exhibit Number 26.
19	(Thereafter, Exhibit Number 26 was marked
20	for identification.)
21	THE WITNESS: Yes. So Exhibit 26 is Table 27 on
22	the website. So this is the Annual Dairy Product Sales
23	Volumes in Pounds, week ending date January 4th, 2014,
24	through July 15th, 2023.
25	Per footnote 1, "Sales volumes are reported as
26	Dairy Products Mandatory Reporting Program (DPMRP) and
27	published in the National Dairy Product Sales Report."



For more information see the website.

And then, "Annual sales volumes are the sum of weekly NDPSR sales volumes with weekending dates in the identified year."

And I'd like to make a correction that the second footnote should be footnote 2, not 1.

Ο. Thank you very much for that.

So let's move forward to the next exhibit.

MR. HILL: And I'd like to mark that, DPMRP Annual Dairy Product Sales Volumes, I would like to mark that as Exhibit Number 27 for identification.

THE COURT: So marked.

(Thereafter, Exhibit Number 27 was marked for identification.)

THE WITNESS: Okav. Exhibit 27 is Table Number 28 on the website. This is the DPMRP Annual Dairy Products Sales Volumes and Reporting Entities, NASS Dairy Product Production and Number of Manufacturing Plants, 2014 through 2022.

Per footnote 1, "Sales volumes are reported as part of the Dairy Product Mandatory Reporting Program (DPMRP) and published in the National Dairy Product Sales Report (NDPSR)." For more information see our website.

The footnote Number 2 is "U.S. dairy product production and number of manufacturing plants reported by the USDA National Agricultural Statistics Service (NASS)." For more information, see their website at www.nass.usa.gov.

So the first column is the year. The second



26

27

2.

2.0

2.1

column is the NDPSR sales volume in pounds for butter.

Per footnote 3, "Annual sales volumes are the sum of the weekly NDPSR sales volumes with weekending dates in the identified year."

The next column is NASS U.S. production in pounds. It should be noted that that was pulled from their website. NDPSR sales volume share of U.S. production percent, so that is the NDPSR sales volume divided by the NASS U.S. production. The next column is NDPSR reporting entities in number.

Footnote 4, "Under DPMRP, companies can submit their data as individual plants or as one company. The NDPSR reporting entities totals may include individual plants or multiple plants reported as one entity, i.e., the number of reporting entities does not compare to the NASS Manufacturing Plants totals."

The next column is the NASS manufacturing plants in number.

Then we continue on through all the same information, but for cheese 40-pound blocks, cheese 500-pound barrels, cheese 40-pound blocks and 500 barrels together, nonfat dry milk, and then, finally dry whey.

And it should be noted in footnote 5 that "NASS does not report the number of plants manufacturing dry whey."

Q. So let's move forward to the next exhibit that starts -- that's titled Licensed Dairy Herds.

MR. HILL: I would like to mark that for



1	identification as Exhibit Number 28.
2	THE COURT: So marked.
3	(Thereafter, Exhibit Number 28 was marked
4	for identification.)
5	THE WITNESS: That is Table 29 on the website. So
6	this table is the licensed dairy herds from 2003 to 2022.
7	Per footnote 1, "Average number of dairy farms
8	licensed to sell milk, based on counts collected from
9	State and other regulatory agencies." The source was
10	National Agricultural Statistics Service, USDA, and their
11	website is www.nass.usda.gov.
12	It should be noted that these data were from
13	pulled from NASS' website.
14	BY MR. HILL:
15	Q. So we can move forward to the next exhibit which
16	is Monthly Mailbox Prices.
17	MR. HILL: And I would like to mark that for
18	identification as Exhibit Number 29.
19	THE COURT: So marked.
20	(Thereafter, Exhibit Number 29 was marked
21	for identification.)
22	BY MR. HILL:
23	Q. And when you are ready, you can discuss that.
24	A. Okay. Exhibit 29 is Table Number 18 on the
25	website. This table is Monthly Mailbox Prices reported in
26	dollars per hundredweight for January 2000 through April
27	of 2023.
28	Per footnote 1 these are the net pay prices



2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

2.1

22

23

24

25

26

27

28

received by dairy farmers for milk. Prices reflect all payments received for milk sold (including over-order premiums; quality, component, breed, and volume premiums; payouts from state-run over-order pricing pools; payments from superpool organizations or marketing agencies in common; payouts from programs offering seasonal production bonuses; and monthly distributions of cooperative earnings. Annual distributions of cooperative profits/earnings or equity payments are not included) and all costs associated with marketing the milk, such as hauling charges; cooperative dues, assessments, equity deductions/capital retains, and reblends; the Federal Milk Order deduction for marketing services; Federally-mandated assessments such as the National Promotion Program and budget deficit reduction; and advertising and promotion assessments above the national program level.

Other deductions such as loan, insurance, or feed mill assignments are not included. Prices are weighted averages of the prices reported for all orders receiving milk from the reporting area and are reported at the average butterfat tests.

For footnote 2, "For dates not shown, data were not published for that reporting area during that timeframe."

Okay. So first column is year. Second column is month. Then the following columns are all reporting areas.

For footnote 3, this is "areas for which prices



are reported for at least 75% of the milk marketed under Federal Milk Marketing Orders."

The first reporting area is New England states, which includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.

The next one is New York.

Then Eastern Pennsylvania, which includes all of the counties to the east of those listed in footnote 9, which I will read in a minute.

The next is Appalachian states, includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia.

And then we have the Southeast states, which includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi.

Then we have Southern Missouri, which includes the counties in Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry, and all those to the south of these.

Next we have Florida.

Then Western Pennsylvania, which include the counties of Warren, Elk, Clearfield, Indiana, Westmoreland, and Fayette, and all those counties to the west of these.

Then we have Ohio, Indiana, Michigan, and Wisconsin. For printing purposes I had to split the tables, so starting on page 10 are the remainder of the reporting areas.

So same thing as before, the year, the month, and



1

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

2.1

22

23

24

25

26

27

- 1 then the reporting areas. So we have Minnesota, Iowa,
- 2 Illinois, the Corn Belt States, which include Kansas,
- 3 Nebraska, and the Missouri counties to the north of those
- 4 | listed in footnote 8.
- Western Texas, which includes all counties to the
- 6 | west of Fanin, Hunt, Van Zandt, Henderson, Houston,
- 7 | Cherokee -- I'm going to spell this one for the court
- 8 reporter, N-A-C-A-G-D-O-C-H-E-S -- and Shelby.
- 9 Then we have New Mexico.
- The Northwest States, which include Oregon and
- 11 Washington.
- 12 | California -- which I think I skipped something.
- 13 No, okay.
- California, which should be noted that
- 15 | January 2000 through October of 2018 were calculated and
- 16 | published by the California Department of Food And
- 17 | Agriculture.
- 18 Then we have all reporting areas. Footnote 3
- 19 (sic) notes that it is the "weighted average of prices for
- 20 | all selected reporting areas."
- 21 Then we have Western FO (135), that was -- yeah,
- 22 | Western FO (135).
- 23 And then Idaho and Utah.
- Q. So let's move on to the next exhibit. Starts --
- 25 | the title starts as Total Eligible Milk Pooled in All
- 26 Orders.
- 27 MR. HILL: I would like to mark that for
- 28 | identification as Exhibit Number 30.



1	THE COURT: So marked.
2	(Thereafter, Exhibit Number 30 was marked
3	for identification.)
4	THE WITNESS: Okay. So Exhibit Number 30 is
5	Table 14 on the website. This might take me a minute
6	because it is small writing. Total Eligible Milk Pooled
7	in All Orders, Total Eligible Milk Not Pooled in All
8	Orders, Total Eligible Milk Not Pooled in the Upper
9	Midwest Order, Federal Order 30, and Total Estimated 9(c)
10	Milk Not Pooled Pounds, for January 2000 through March of
11	2023.
12	So the first column is year. Second column is
13	month. The third column is the total eligible milk
14	pooled.
15	And per footnote 1, "Only rounded numbers were
16	published prior to 2016."
17	The next column is total eligible milk not pooled
18	estimated.
19	Footnote 2 states, "Only the combined Federal
20	Order totals were published for 2000 and 2001."
21	The next column is total eligible milk not pooled
22	in the Upper Midwest Order, Federal Order 30, estimated.
23	And the "totals may not add due to rounding."
24	And Total Eligible Milk Not Pooled in the Upper
25	Midwest Order 30 and Total 9(c) Milk Not Pooled are
26	mutually exclusive subsets of Total Eligible Milk Not
27	Pooled.



And then the final column is total 9(c) milk not

pooled estimated. And the data were only available from 2016 to the present.

And there are several places where there is an asterisk located throughout the table, and those refer to data that were restricted due to confidentiality.

Q. Thank you very much.

So let's move to the next exhibit, which begins Other Uses Milk Pounds Pooled.

MR. HILL: I would like that marked for identification as Exhibit Number 31.

THE COURT: So marked.

(Thereafter, Exhibit Number 31 was marked for identification.)

THE WITNESS: Other Uses, Exhibit 31, is Table 19 on the website. Okay. So this is Other Uses Milk Pools Pound -- no -- Other Uses, which are in quotation marks, Milk Pounds Pooled By Order, January 2000 through January 2023.

Per footnote 1, "'Other Uses' -- in quotation marks -- "for all orders (except order 126 data) includes pooled milk and products of pooled milk that is dumped at plants - including route returns - or at farms, lost by occurrences beyond the handler's control, or used for animal feed. Such uses of pooled milk are assigned to the lowest price class for the month subject to verification by the Market Administrator."

Okay. The first column is year. The second column is month. Then the remaining columns are for all



1

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

2.0

2.1

22

23

24

25

26

27

1 of the orders. Until the end, we have the monthly order 2. total, and then we have the calendar year totals. Per footnote 2, "Order 126 data does not include 3 4 dumps at farms or used as animal feed; these were included in the published 'other' category; revision of historical 5 data to conform with the definition in other markets would 6 7 reveal confidential information." Footnote 3, "The California Federal Milk Marketing 8 Order" -- order 51 -- "became effective on November 1st, 9 10 2018." 11 Footnote 4 refers to the calendar year totals 12 column. "Some calendar year totals include restricted 13 data that cannot be reported by month and by order. And footnote 5 for the same column is "2023" 14 15 calendar year total is year-to-date." 16 There are some Rs throughout the table, and those 17 represent "restricted data due to confidentiality. 18 for all orders includes the restricted amounts." 19 Ο. Thank you. 2.0 So can we move to the next exhibit, which begins 2.1 Average Diesel Fuel Price. 22 MR. HILL: I would like that marked for 23 identification as Exhibit Number 32. 24 THE COURT: So marked. 25 (Thereafter, Exhibit Number 32 was marked 26 for identification.) 27 THE WITNESS: Okay. Exhibit 32 is Table 24 on the



website.

28

These are the Average Diesel Fuel Price --

1	prices, April 2012 through July well, that's wrong,
2	should be 2007, sorry January 2007 through July 2023.
3	Per footnote 1, this is the "simple four-week
4	average of the Gulf Coast PADD 3 and Lower Atlantic
5	PADD 1C sourced from" the website for yeah Energy
6	Efficiency Association, and their website is listed there.
7	And these are used in the Announcement of Advanced Prices
8	and Pricing Factors, and our website is listed below.
9	MS. TAYLOR: I just wanted to clarify for the
10	record. It is from the Energy Information Agency.
11	THE WITNESS: Energy Information Agency.
12	BY MR. HILL:
13	Q. So let's move to the next exhibit, which begins I
14	think Regulated Pool Distributing Plants and Federal Order
15	by Month.
16	MR. HILL: I would like to have that marked for
17	identification as Exhibit Number 33.
18	THE COURT: So marked.
19	(Thereafter, Exhibit Number 33 was marked
20	for identification.)
21	THE WITNESS: So Exhibit 33 is Table 16. I
22	believe, on the website. It says Regulated Pool
23	Distributing Plants and Federal Order Number, the Federal
24	Order that the plant was regulated on in that month, by
25	Month, January 2010 through March of 2023.
26	The first column is year; the second column is
27	plant name; city; state; zip code; the next column is



effective Class I differentials.

2.

3

4

5

6

7

8

9

10

11

12

17

18

19

2.0

2.1

22

23

24

25

26

27

28

And prefer -- per footnote 1, the "effective Class I differentials include the Class I differentials adjusted for location listed in 7 CFR 1000.52 and, where relevant, the adjustments to Class I prices listed in 7 CFR Sections 1005.51, 1006.51, and 1007.51."

The next column is the Federal Order number by month.

And per the footnote, "The Federal Order Number refers to the Federal Milk Marketing Order number under which the listed plant is regulated. Current Federal Milk Marketing numbers: 1 - Northeast, 5 - Appalachian, 6 - Florida, 7 - Southeast, 30 - Upper Midwest,

- 32 Central, 33 Mideast, 51 California, 124 Pacific Northwest, 126 Southwest, and 131 Arizona. Note: If there is no Federal Order Number listed, the plant was not regulated that month."
  - Q. So just for a moment I would like to go back to Exhibit 32 marked for identification that you just did prior.

So on the last page, page 6 of 6, it is true that you have a calculation for August of 2023? Is that correct?

- A. Yes.
- Q. So in fact, the title should be January 2007 to August 2023; is that correct?
  - A. Yes.
  - Q. Thank you.

So let's move on to the next exhibit begins



1	Regulated Pool Supply Plants and Federal Order Number by
2	Month?
3	MR. HILL: I would like to mark that for
4	identification as Exhibit Number 34.
5	THE COURT: So marked.
6	(Thereafter, Exhibit Number 34 was marked
7	for identification.)
8	THE WITNESS: So 34 is Table Number 17 on the
9	website. This is all the same information and footnotes
10	as the prior table. This is for Regulated Pool Supply
11	Plants and Federal Order Number by Month, January 2010
12	through March 2023.
13	BY MR. HILL:
14	Q. And you did say that the footnotes were the same?
15	A. They are the same as the prior table.
16	Q. Thank you.
17	So let's move to the next document, Spot Milk
18	Prices Relative to Class III Milk.
19	MR. HILL: I would like to mark that for
20	identification as Exhibit Number 35.
21	THE COURT: So marked.
22	(Thereafter, Exhibit Number 35 was marked
23	for identification.)
24	THE WITNESS: Exhibit 35 is Table Number 15. This
25	is Spot Milk Prices Relative to Class III Milk Price,
26	reported in dollars per hundredweight, for the Central
27	United States, January 2015 through June of 2023.
28	The first footnote says, "Spot milk price ranges



relative to the monthly Class III price as reported on the most recent (at the time of the report) Announcement of Class and Component Prices. Price ranges are reported voluntarily by buyers of milk for use in manufacturing cheese." The source is from Dairy Market News Fluid Milk and Cream report for the Central U.S. report, and the website is listed below.

Report date is the first column.

And per footnote 2, "Report date and report number represent the date and week of the year the report is published. The price ranges reported are for the Friday to Wednesday prior to the report date."

Then we have the low, high, and midpoint reported.

And the last column is trade activity.

It should be noted per footnote 3 that "spot milk Trade Activity reporting began in May of 2019."

And anywhere that is listed as not available on the table means that there was no data reported in that week.

- Q. So I see on the last column, Trade Activity, you do have obviously that footnote. But could you give us any insight into what slow, moderate, active --
  - A. Yes. So this is --
  - O. -- refers to?
- A. All of this data is self-reported, and they are reporting in their opinion how much spot milk activity was occurring during that week. For example, for -- let me go to one that has numbers -- or moderate. Okay.



1

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

2.0

2.1

22

23

24

25

26

27

For January 6, 2022, Report Number 1, it would be
\$4 is the low range, and the high negative \$4, and
negative \$1 is the high range, and that represents the
anywhere from 4 to \$1 below the Class III price. And the
buyers were saying that there was moderate activity, as
self-reported by them, occurring for spot sales that week.

Q. Thank you very much.

So let's go to the next document, which begins U.S. Mozzarella Production.

MR. HILL: And I would like to mark that for identification as Exhibit Number 36.

THE COURT: So marked.

(Thereafter, Exhibit Number 36 was marked for identification.)

THE WITNESS: Okay. This one is Table 30 on the website. So this is U.S. Mozzarella Production in Wisconsin Wholesale Prices, 2000 to 2023.

The U.S. Mozzarella Production was sourced from USDA National Agricultural Statistics Service. And the Wisconsin wholesale prices are sourced from the Dairy Market News report, Cheese - Midwestern U.S., and the Wisconsin wholesale selling price for 5- to 6-pound mozzarella loaves, and the associated website below that.

The first column is year. Second column is month. The next one is mozzarella production in pounds. The next column is the price range in dollars per pound, the minimum and maximum. And then the average price in dollars per pound.



1

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

2.0

2.1

22

23

2.4

25

26

27

1	Q. Okay. I think is that the
2	A. That's the end for me.
3	MR. HILL: Okay. Your Honor, I would like to move
4	for the admission into evidence of 14 through 36.
5	THE COURT: Any objections? As to Mr. English?
6	MR. ENGLISH: Chip English for the Milk
7	Innovation.
8	I don't believe we're going to have objections,
9	your Honor, but I think it might be appropriate,
10	nonetheless, as we go through, to allow the parties to ask
11	questions. There may or may not be modifications to the
12	documents as a result of that, maybe there won't be.
13	But I don't have objections per se, but I just
14	wonder as a matter of procedure if we should go through
15	the questions first and then move admission.
16	THE COURT: I think so. And, of course, this
17	witness is vouching for these exhibits, and and so we
18	shouldn't actually introduce those exhibits until direct
19	and cross, and any other examination of the witness is
20	completed.
21	MR. ENGLISH: Thank you, your Honor.
22	THE COURT: With that, do you have questions
23	does anyone have any questions for this witness?
24	Mr. English does.
25	MR. ENGLISH: Thank you. I would not have done
26	that had I not had questions.
27	THE COURT: Fair enough.
28	CROSS-EXAMINATION



## BY MR. ENGLISH:

1

2.

3

4

5

6

7

8

9

10

- Q. Bear with me a little bit because we prepared based on the table numbers, and so I'm trying to keep track. You will be glad to know the most questions I had were Table 1, which is not yours apparently. So whoever that lucky person is.
  - So the order I'm going to take this in, though, is the order that I prepared them in, if I could.
    - A. That's fine.
    - Q. So Exhibit 17, which I believe is Table 2.
- 11 A. That is Table 2.
- Q. And my first question is going to be hard, and I apologize. How does Table 2 compare to Table 1? And since you didn't do Table 1, I don't know --
- 15 A. Oh, yes. Okay.
  - Q. Is it the same data? Do you know?
- 17 A. No -- yes, it -- I mean we did -- in Table 1 we 18 don't have the actual tests.
- 19 | O. So Table 1 --
- 20 A. But they are related.
- Q. Okay. And I -- you know, in fairness, I really was hoping one witness would do both, but I'll work out whatever you want me to work out on this.
- MS. TAYLOR: I think what might be helpful,
- 25 | Table 1 is going to come in this afternoon.
- 26 Is that correct?
- THE WITNESS: No, I don't think Table 1 will be until tomorrow.



- MS. TAYLOR: Oh, that's 1. Okay.
- THE WITNESS: But John and I can come together.
- MS. TAYLOR: Yes. So we can put that in tomorrow.
- 4 We have another witness coming on Table 1. And then we
- 5 | would be glad to put that witness and Lorie up together
- 6 and answer any questions you guys have.
- 7 MR. ENGLISH: I'm -- I'm hardly going to disagree
- 8 | with that idea since I suggested two people at once
- 9 | earlier today. I think that will make things a lot
- 10 | easier.

- 11 | MS. TAYLOR: That's fine.
- 12 THE COURT: So we should put a hold on the
- 13 | admission of this --
- 14 MR. ENGLISH: Of Exhibit 17 I think.
- 15 THE COURT: Okay.
- 16 MR. ENGLISH: All right.
- 17 BY MR. ENGLISH:
- 18 O. You were almost off the hook.
- 19 A. Until tomorrow, right?
- 20 Q. All right. So then I would turn to Exhibit 18,
- 21 | which I believe is the same thing as -- you know what, my
- 22 | second question is, you know, how does it compare to
- 23 | Tables 1 and 2, so I think it makes sense to do the same
- 24 | thing with Exhibit --
- 25 A. Well, it could help for tomorrow to note that
- 26 | Exhibit 18 is the annual averages of the tests reported in
- 27 | Exhibit 17.
- 28 Q. Okay. So they are directly related?



- A. They are directly related.
- Q. Okay. So whatever questions I have would -- they are going to connect up.

MR. ENGLISH: So I would -- I would say, your Honor, for efficiency purposes that we treat Exhibit 18 like Exhibit 17, and the questions I have will be for two witnesses tomorrow, just to make sure we cover it.

THE COURT: Yes, we will hold consideration of the admission into evidence of Exhibit 18 as well as 17.

MR. HILL: Your Honor?

THE COURT: Yes, Mr. Hill.

MR. HILL: If it's -- we're fine with holding off on the admission of all of these until we go through them rather than go piecemeal exhibit by exhibit.

MR. ENGLISH: So what you are just saying is we'll wait until the end tomorrow and then do it all at once?

MR. HILL: Correct.

MR. ENGLISH: That makes sense to me.

THE COURT: Does to me as well. In that case, just to be clear, we're -- we're not going to rule on the admission of Exhibits 14 through 36 until we hear from a couple of other witnesses.

BY MR. ENGLISH:

- Q. All right. I would then turn to Exhibit 29, which I believe is Table 18, monthly mailbox.
  - A. Yeah.
- Q. Just to make sure we're talking about the same thing, I understand Exhibit 29 to be the monthly mailbox



1

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

2.0

2.1

22

23

24

25

26

27

prices, and I understand that to be the same as Table 18 on the website.

A. That's correct.

1

2.

3

4

5

6

7

8

9

10

11

12

15

16

17

18

19

2.0

2.1

22

23

24

25

26

27

- Q. All right. So, the first question is how did USDA develop this table?
- A. These were all reported prices monthly, and we compiled them into one table with all the years and months.
- Q. Is this the NASS all milk data series or the AMS milk?
  - A. This is AMS' monthly mailbox prices.
- Q. And how did -- how did you get the data?
- 13 A. The Federal Orders submit data to headquarters 14 every month, and we compile it and publish the report.
  - Q. So if the Market Administrators report the data, is it audited data? Is it coming as -- as having been audited?
  - A. Yes. Brian said yes, but we're going to have to get back to you on that one.
  - THE COURT: Can I ask what "audited" means in this context?
    - MR. ENGLISH: In this context my question meant, has USDA -- has somebody at USDA, whether Market Administrator or somebody at headquarters, confirmed through the usual processes of -- because this -- this whole system depends on accurate data that USDA has confirmed. And so, that's what I'm getting at, is audited means that you have confirmed it, okay, in a way that USDA



would so you can trust the data -- you know, basically, a handler reports 10 million pounds of volume

A. Hypothetically.

hypothetically, correct?

- O. Yes; is that correct?
- A. Yes.

3

4

5

6

7

8

9

10

14

15

16

17

18

19

22

23

24

25

26

27

- Q. And if so, USDA is going to find some way of confirming that, correct, to make sure they are not lying to you and they really had 20 million pounds, correct?
  - A. Oh, yes. Correct.
- 11 Q. Okay. That's what I mean by audited.
- 12 MR. ENGLISH: Does that help, your Honor?
- 13 THE COURT: Yes.
  - And your answer remains the same, yes, this is audited data --
    - THE WITNESS: Well, not in the same way that we -so we say audited data as in the data's reported monthly,
      and then at some point thereafter, a Federal Order auditor
      goes out and performs an audit on it.
- 20 BY MR. ENGLISH:
- 21 Q. Right.
  - A. So the monthly mailbox prices are not audited in the same way as a, you know, pool handler report or something would be audited. But it is confirmed. We do -- much like DPMRP, we analyze all the data that's submitted to us. We look for outliers. We go back to the orders and confirm their data, or the orders go back and confirm their data.



So all of the data that is in the mailbox price has been scrutinized multiple times by multiple people in my division, and if there are errors, then we do revise. And so everything that's here would -- could and would have been revised at some point, if there was some need to do that.

Q. But I thought I heard -- and again, listen, I'm just trying to understand. I thought I heard you say it is not audited in the same way as, say, going back and looking at pool handler reports.

So how is it different?

- A. I might have to confer with my colleagues to explain that correctly. So I can come back up after I confer.
- Q. All right. And I guess if you will be back tomorrow, we can just add that at some point.
  - A. Yeah.

1

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

2.0

2.1

22

23

24

25

26

27

28

Q. Thank you very much.

All right. There's a very long footnote 1. I do not propose to read it into the record just to do that.

When I look at all the data and look at footnote 1, can you confirm this data does reflect variations in component pricing?

THE COURT: This is footnote 1 of Exhibit -- BY MR. ENGLISH:

Q. Well, it is the whole exhibit, but taking into consideration footnote 1. Can you confirm that the data in Exhibit 29, which is Table 18, reflects variations in



## component pricing?

1

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

2.0

2.1

22

23

24

25

26

27

28

- A. I believe the answer is yes, it does. But I -- again, I will confer and get back to you.
  - Q. Gerat.

Let me try this, and if it doesn't work, then we can just confirm. So assuming yes is the right answer -- and by the way, I do, but that's okay, I'm not testifying -- but presuming yes is the right answer, that would mean that it would be impossible to do a direct comparison with this data with Federal Order announced prices?

- A. I'm going to -- I'm going to refer -- or get back to you on that one.
  - O. All right.

THE COURT: I hate to say imposs- -- and maybe I'm not familiar -- not fully understanding what impossible to compare. I mean you can compare apples to oranges, right?

MR. ENGLISH: Well --

THE COURT: What is the -- what is the -- from where does the impossibility in comparing stem,

Mr. English?

MR. ENGLISH: It is our view that the answer to the question a moment ago -- again, I'm not testifying --

THE COURT: I understand.

MR. ENGLISH: -- but it is correct, that it does -- it does actually reflect variations of component pricing. It is our view that Federal Order announced prices do not reflect that, and therefore, you can't



compare the two if you are looking at two different documents.

And we think that some witnesses may make a comparison, and the purpose of this examination, your Honor, is for the record to be able to reflect what is it and isn't a fair comparison.

THE COURT: Do you have that in mind, Ms. Cashman?

Beginning --

MR. ENGLISH: It is not a criticism of the data.

THE COURT: Understood.

MR. ENGLISH: It is the recognition of what's collected and how it's reported is different in our view, whether she needs to confirm or not, and therefore, if somebody chooses to say, hey, I want to compare mailbox data to announced prices, we -- we believe, at least, it is an invalid comparison. And I'm not saying anybody is going to do that, but in case somebody does that, you know, we want to be able to have that on the record.

THE COURT: I understand. I just want the witness to -- and her staff, the people that work on that side, understand the question so we don't get an answer to a different question tomorrow.

MR. ENGLISH: Yeah.

THE COURT: And as much as I enjoy talking with you all, we -- no criticism whatsoever.

MR. ENGLISH: At day one at 11:48 you say that now. Let's see what you are saying on a different day but --



1

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

2.0

2.1

22

23

24

25

26

27

1	THE COURT: Fair enough.
2	BY MR. ENGLISH:
3	Q. So in fairness, and not expecting an answer now,
4	but I might as well let you know what the next question
5	is.
6	A. Sure.
7	Q. The data, can you confirm as obviously, I'm not
8	testifying again can you confirm the data reflects
9	variations without providing the background component test
10	information that would explain the variations?
11	A. Definitely going to have to get back to you on
12	that one.
13	Q. Okay.
14	A. But can you repeat the question one more time for
15	me?
16	Q. Sure. That the data if the data reflects
17	variations, without providing the background component
18	test information, that would explain such variations.
19	THE COURT: Yes, Ms. Taylor?
20	MS. TAYLOR: Let's see if I can help with this
21	conversation a little bit, maybe, because I think I know
22	what you are asking.
23	Lorie, so for our announced prices that the
24	Federal Orders announce, are they announced standard
25	prices, are they announced at 3.5% butterfat
26	THE WITNESS: Yes.
27	MS. TAYLOR: standard components?



THE WITNESS: Yes.

- MS. TAYLOR: Not market components or components 1 2. of a dairy farmer's check? THE WITNESS: Yes. 3 MS. TAYLOR: And the mailbox price series reflects 4 what dairy farmers actually get paid, however they get 5 6 paid? 7 THE WITNESS: Yes. MS. TAYLOR: So that's -- it could be 25,000 dairy 8 9 farmers and they are paid 25,000 different ways, and 10 that's all in that number? 11 THE WITNESS: Yes. 12 MS. TAYLOR: Okav. 13 MR. ENGLISH: And I think you -- I think you just 14 helped me with the first two questions. I think the last 15 one may be just a slightly bit different. So let's see if 16 we can cover it tomorrow. 17 MS. TAYLOR: That's fine. 18 MR. ENGLISH: I definitely -- I think that covered 19 prior to, but not the one I just asked about the variations not providing the background component test 2.0 2.1 information in the mailbox data. 22 BY MR. ENGLISH:
  - Q. I'm going to try to conclude, at least on this exhibit, with an easy question, or what I think is an easy question.
  - Does the data in Exhibit 29, Table 18, include specialty milk supplies such as organic milk?
    - A. Yes.



24

25

26

27

- 1 Q. How about grass fed, does it include that?
- 2 A. Yes, it could.
  - Q. How about A2 milk, does it include that?
- 4 A. It could.

5

10

11

12

13

14

15

16

17

18

19

2.1

22

23

24

25

- Q. It could or it does, do you know?
- A. I mean, like Erin said, there's 25,000 farmers
  going into all these prices. They all have different
  things, so -- I mean, I couldn't speak directly to every
  farmer's paycheck.
  - Q. Okay. All right. Thank you. And if we could just clarify the question of auditing and the variations issues tomorrow.
  - A. Yes.
  - Q. All right. My next one is Exhibit 30, which is Table 14.
    - So how is -- how is this data developed by USDA?

      By generality, so for January of 2000, you know, total eligible milk pooled, that is obvious, that comes from the statistics, correct?
- 20 A. Yes.
  - Q. And then because it's up time when it wasn't being collected for other orders necessarily, you only have total eligible milk not pooled, it wasn't collected in 2000, just as restricted, until for, for the total?
    - A. Correct.
      - Q. It was restricted except the total?
- A. I mean -- I mean that was prior to me. That was all the way back.



Q. Okay.

1

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

2.1

22

23

24

25

26

27

28

- A. But it just isn't available. We don't have it.
- Q. All right. But how does USDA estimate, for any one of these times, but for instance, for January of 2000 -- well, let me jump ahead. When you were here, so let's come to -- let's come to January of 2023.

For the third column, total eligible milk not pooled for Order 30, how did USDA estimate 664,327,162?

- A. So those are reported by the orders, and they use their best knowledge and understanding of their markets and come to an estimate.
- Q. Do you know if the Market Administrators talk to each other and try to use the same methodology?
  - A. I do not.
- Q. And do you know what's changed between 2015 and 2016 that's, you know, allowed you to report total 9(c) milk not pooled estimated in January of 2016 but not prior to that time?
- A. I'm not sure. I think, you know, it just -- it wasn't published prior to that. There was probably a request at that point to start publishing it. But we did not have the information to compile it prior to that.
  - O. All right. Exhibit 31 which is Table 19.

I admit I'm struggling here. I'm trying to understand what actually this shows. What -- what exactly are other uses in -- I understand the -- I know there's a footnote. But I have been doing this for a while, and so I'm trying to understand exactly what the concept is and



2.0

2.1

NATIONAL FEDERAL MILK MARKETING ORDER PRICING FORMULA HEARING

1 how footnote 1 relates to footnote 2 with respect to 2 Order 126.

That's a pretty big round question, but I mean if you can help me out here about -- because I -- for this one I really am just struggling to understand what it shows.

A. Sure. So other uses, for all orders, except 126, you know, it's -- it includes pooled milk and products of pooled milk that are dumped, could be at the farm, route returns, anything like that, loss at the farm by, you know, some act of God or something, and used for animal feed. So, you know, just all those kind of, you know, things that would be covered like that.

For Order 126, it does not include the dumps at farms or used as animal feed, and that was because 126 publishes their data in a different manner, so revising their historical data to meet this data request would reveal confidential information, so it is slightly different than the other orders.

Q. Okay. I appreciate the answer, as I may still be where I was, but that's not your fault, that's mine.

Okay. If we could turn to Table 24, which is Exhibit 32.

So by regulation, USDA uses the simple four-week average --

- A. Yes.
- Q. -- data? Okay.

  Are you aware that there is weekly data available?



- A. Well, that is -- oh, well, you mean that went into these prices?
- Q. Well, this is -- this is simple -- is this simple average? This is simple four-week average. So this takes four weeks, and it simply averages it, correct?
  - A. Yes.

2.

3

4

5

6

7

8

9

10

15

16

17

18

19

22

23

24

25

26

27

- Q. Are you aware -- so there may be weekly data out there that varies enough so -- so if you used the weekly number for a different calculation, the simple average wouldn't necessarily give you the same answer, correct?
- MR. HILL: Objection. This calls for speculation here. And she provided -- she provided what the request was.
- MR. ENGLISH: Well, let me --
  - THE COURT: Yeah, sustained. I -- you asked her -- asked her what other data -- if she knows that other data is there. You can ask her -- and it is cross, you can lead and all that. But I -- that question didn't quite make sense to me either.
- 20 MR. ENGLISH: Okay. Let me try again.
- 21 BY MR. ENGLISH:
  - Q. Are there other sources of data than the Gulf Coast data that you are using, if you know?
    - A. There are, but per the regulation, these are the regions that we use.
    - Q. Are you aware of U.S. Energy Information information that you are not using because of the regulation?



1 MR. HILL: I -- I don't understand the question, 2. your Honor, Mr. English. MR. ENGLISH: I'm trying. I'm trying. 3 THE COURT: Take a shot at rephrasing. 4 I'm not sure I did either. You are asking whether there's other 5 sources of the EIA data? 6 7 MR. ENGLISH: Okay. Let me -- let me get at it 8 from a different way. 9 THE COURT: I'll try not to interfere. 10 MR. ENGLISH: No, no, no. BY MR. ENGLISH: 11 12 How much familiarity do you have -- and so you may 13 be the wrong witness -- how much familiarity do you have 14 with the U.S. DSFS -- U.S. DFS model? They are the ones 15 that started with Cornell. The one that is used by Mark 16 Stephenson and Chuck Nicholson. How --17 MR. HILL: I'm going to -- I'm going to object 18 again here, your Honor. I'm not sure of the relevance of this. 19 MR. ENGLISH: Well, I'm trying to get at if 20 2.1 USDA -- okay. This data was requested by someone with 22 respect to Issue 5. Issue 5 is the Class I pricing. 23 Class I price surface is largely based upon the study that 24 started in the 1980s and then was used in the 1990s and is 25 going to be relied on by multiple parties. 26 And what I'm getting at is given the fact that



27

28

that study has been around for a long time and USDA relies

on it, does -- is USDA aware that diesel prices in that

- study are done differently. If you are not, fine. That's the question.
  - THE WITNESS: Well, I'm here to present the data that was requested, and this is what was requested.
- 5 MR. ENGLISH: Okay, thank you. I will -- I will 6 take that answer.
- 7 | BY MR. ENGLISH:

4

8

9

10

11

12

13

14

15

16

17

18

- Q. So my next question will be, really simple I think. Exhibit 33 and Exhibit 34, which is the list of regulated pool distributing plants. Really long list.
- Would it be safe to say that you might know the names of the ultimate owners of the plant from the name, but you might not know the names of the ultimate owner from the list of the plants?
- A. I'm sorry, the names of what?
- Q. The ultimate owner. In other words, there's all these companies, but they may be owned by an entity that isn't the name of the plant; is that correct?
- 19 A. That could be.
- 20 | Q. Okay.
- 21 THE COURT: You are talking about column 2 on the 22 first page of each of these exhibits?
- MR. ENGLISH: Yeah, the plant name.
- 24 BY MR. ENGLISH:
- Q. The plant name may not necessarily reflect the name of the owner?
  - A. That's true.
- 28 Q. I seem to have not brought up all of my materials.



	NATIONAL FEDERAL MILK MARKETING ORDER PRICING FORMULA HEARING
1	I'm sorry.
2	So Table 30, which is this is Exhibit 36, which
3	is the mozzarella production table. Do you know how
4	mozzarella is defined as used in Exhibit 36?
5	A. It is however NASS defines it.
6	Q. Do you know the water content of the mozzarella
7	listed on Exhibit 36?
8	A. You would have to refer to NASS.
9	Q. Do you know how NASS collects the information?
10	A. They conduct a survey monthly.
11	Q. And unlike, you know, the survey that AMS conducts
12	weekly on dairy product prices, do you know if that survey
13	by NASS is audited?
14	A. It is not.
15	MR. ENGLISH: Your Honor, subject to the reserved
16	questions on Tables 1, 2, and 3, and I think there was one
17	other question that I have asked, and obviously with
18	questions of the other tables, I am I appreciate
19	very much appreciate the effort, and I am completed for
20	now.
21	THE COURT: Okay. Mr. English has stepped down.
22	Do we have additional cross-examination? Any of
23	the other participants?
24	Yes.
25	MR. MILTNER: Ryan Miltner representing Select
26	Milk Producers.
27	CROSS-EXAMINATION



BY MR. MILTNER:

I want to look at Exhibit 29 where we look at the monthly mailbox prices.

So if I -- if I look at the source data that goes into this table, am I correct that it encompasses more than 75% of the milk that's within the Federal Order system? Is that -- did I -- did I pull that correctly from the source data?

A. Yes.

1

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

2.0

2.1

22

23

24

25

26

27

- Q. And so as I look through the regions that are included in the tables here, as well as the source data, am I correct that there is no reported monthly mailbox price for Central Texas or East Texas?
- A. Yeah. I mean, what's listed here is what we publish in the mailbox price and report, and there are no others reported except for maybe one order reports theirs.
- Q. Is there a reason why the data is not collected nor reported for Central Texas, Arizona, or Minnesota?
- A. Well, it's -- it's not that they may not be collected. It is that they are not reported separately, probably due to confidentiality.
- Q. And Idaho would not be reported, at least here, because it's not part of the Federal Orders?
- A. I apologize. I'm trying to think back through all the past -- I think I'm going to have to get back to you on that one.
  - Q. So it could be that Idaho is collected and just



1 | not included in this table?

- A. It could be, yeah. But I'll -- I'll get back to you for the record.
  - Q. Thank you.
  - A. Yeah.

2.

3

4

5

6

7

8

9

10

11

14

15

16

17

18

19

2.0

2.1

22

23

24

25

26

27

28

Q. Okay. On Exhibit 30, a lot of folks in this room understand what it means to be 9(c) milk.

But for the purposes of the record, can you explain what it means in column 4 where you refer to 9(c) milk not pooled?

- A. That's cooperative milk.
- 12 Q. And 9(c) refers to a particular section of the 13 regulations?
  - A. Oh, yes, it does refer to a particular section of the CFR, but I don't have that handy. But I can get that for you for the record.
    - Q. We can -- we can go from there.
    - A. Yeah.
    - Q. I had a question about footnote 4. It reads,
      "Total Eligible Milk Not Pooled in the Upper Midwest
      Order" -- Order 30 -- "and Total 9(c) Milk Not Pooled are
      mutually exclusive subsets of Total Eligible Milk Not
      Pooled."

And maybe I'm not processing this right, but if they -- if those two are mutually exclusive, if I then added those two mutually exclusive numbers together, should I not have something that is less than the total eligible milk not pooled?



- A. I would think so, yeah.
- Q. Okay. So then if I'm looking at the second column, and I'm looking -- I just happen to be looking at page 4. So for 2018, 824 million pounds of total eligible milk not pooled, and then the two next columns which are mutually exclusive, you get --
  - A. Okay. I know what you are asking me.
  - O. Okay.

2.

2.1

- A. Okay. So there is milk -- so let's say -- let me -- I'm trying and just say this understandably.
- Okay. So total eligible milk not pooled in the Upper Midwest may or may not include also total 9(c) milk not included -- or not pooled, I mean.
- So -- but the two columns together do not -- are not some -- you know, all the total eligible milk not pooled is not equal to the eligible milk not pooled in the Upper Midwest and total 9(c) milk added together. So there could be duplication in the columns is what I'm saying. So like, you know, a co-op could be in the Upper Midwest and be reported there and also be reported in the co-op number.
- Q. Okay. So what do you mean then by they are mutually exclusive subsets of total eligible milk not pooled?
- A. I meant that, you know, column 1, 2, 3, 4 may or may not be equal to 5 and 6 added together. And really aren't equal to that.
  - Q. Okay. Okay. Thank you.



A. Uh-huh.

1

2.

3

4

5

6

7

8

9

10

11

12

14

15

16

17

18

19

2.0

2.1

22

23

24

25

26

27

28

Q. Mr. English asked some questions about Exhibit 31 and what other uses are, and I -- you went through those, and I appreciate that clarification.

You put other uses in quotes. Is that -- that term "other uses," is that something that was kind of defined for the purposes of this table or is that -- --

- A. Yes.
- Q. -- that's not a term that appears in any of the order language or any --
- A. No.
- Q. -- of the definitions, right?
- 13 A. That's correct.
  - Q. On Exhibit 32, in the footnote, it refers to this data being used in the Announcement of Advanced Prices and Pricing Factors. Just to clarify for the record, the only place where those numbers are used in advanced prices are with relationship to the transportation credit programs in Orders 5 and 7, correct?
  - A. 5, 6, and 7.
  - Q. 5, 6, and 7. Thank you.

In Exhibit 33 -- yes, Exhibit 33 -- give you a second to grab that one -- footnote 2, the last line, "if there is no Federal Order number listed, the plant was not regulated that month."

Am I correct that that means the plant would not be fully regulated that month, it could have been partially regulated and not listed here; is that correct?



- A. I'll get back to you.
- Q. Okay. I think because at the top, you know, you have regulated pool distributing plants, that usually a pooled distributing plant and partially regulated distributing plant, as least as I use those terms, they don't overlap. But if you could confirm that, that would be great.

The last question I think I have here is on Exhibit 35. And when I looked at the summary of the data request that was made, I don't think it specifically referred to the Central U.S. It was looking for milk prices wherever -- spot prices regardless of where they would be.

Is there data for any other region of the country available in addition to the Central U.S. that would be responsive?

A. No.

1

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

2.0

2.1

22

23

24

25

26

27

28

Q. Okay.

MR. MILTNER: Thank you much. That's all I have.

THE COURT: Thank you, Counsel.

Any further cross-examination?

Yes.

MR. HILL: Your Honor, I note that it is about a quarter after 12:00. Might we think about taking a lunch at this time?

THE COURT: How much more cross -- does anyone else have cross for this witness?

Have you got some cross? How many minutes,



## 1 Gentlemen? 2. MR. SMITH: Five minutes. THE COURT: How about you, sir? 3 DR. CRYAN: Two minutes. 4 THE COURT: Two minutes. Okav. 5 6 Do you know if you are going to have redirect, 7 Mr. Hill? MR. HILL: Yes, we will, but we can wait after 8 lunch. 9 10 All right. We'll wait for you, and THE COURT: 11 we'll let these two gentlemen have the witness on cross. 12 MR. SMITH: Thank you, your Honor. 13 THE COURT: You're welcome. 14 MR. SMITH: Daniel Smith for the Maine Dairy 15 Industry Association. 16 CROSS-EXAMINATION 17 BY MR. SMITH: 18 If I could direct you to Exhibit 14, which I hope 19 is the listing of the exhibits. 2.0 Α. Okay. 2.1 With regard to Exhibit 29, there is an Ο. 22 identification that you are unable to provide the organic 23 data because of the confidentiality restrictions. 24 Could you just explain the confidentiality 25 restrictions briefly? 26 Α. Yes. So if it is three or less handlers, we will 27 not report it. 28 So the Federal Order 1 reports the organic pool Ο.



- volume. So I'm -- what is the difference between the reporting for mailbox prices versus the reporting of the pool volume on the price announcement?
  - A. I think I need -- can you repeat the question or rephrase?
    - O. Yeah. Let me break it up a little bit.
  - A. Yes.

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

2.0

2.1

26

28

- Q. The Federal Order 1 reports the pool volume of organic Class I whole milk, and I think it's nonfat milk in two categories. So it would appear that the confidentiality restrictions don't apply to that reporting because that -- that volume is reported.
- So why is it -- are you able to report that pool volume for organic milk and not the mailbox prices?

  What's the difference?
- MR. HILL: I will -- I will ask for a little break here. I think that she's probably not the person to be asking this. There is another person that we can have answer that question who is more knowledgeable.
- THE COURT: Okay. We'll get back after the lunch period, and you can come back and ask more questions.
- MR. SMITH: I don't want to get in the middle of lunch.
- DR. CRYAN: My name is Roger Cryan. I'm with the
  American Farm Bureau Federation. Thank you.

## CROSS-EXAMINATION

- 27 BY DR. CRYAN:
  - Q. Hello, Mrs. Cashman. It's very nice to see you.



NATIONAL FEDERAL MILK MARKETING ORDER PRICING FORMULA HEARING 1 Α. You, too. 2. So a bunch of the data you have submitted -- you 3 have provided, goes -- goes back to -- the DPMRP, goes back to 2012 or 2013. 4 Before that, NASS generated data that was used in 5 the formula; is that correct? 6 7 Α. Yes. DR. CRYAN: I would like to ask just that the 8 9 published -- the published -- I'm not sure -- I think --10 again, I'm not an attorney. I think -- I would like to 11 ask that the published NASS data -- the published NASS 12 reports with dairy products prices products reports from 13 20 -- from 2000 -- from 2000 until they were superseded by 14 the NDPSR be recognized on -- on the record of this 15 hearing. 16 How do I do that? Is that -- is that the right --17 is that the right way to do it, to ask that? 18 THE COURT: I'm --19 DR. CRYAN: That published reports, I'm asking 2.0 that they be recognized. 2.1 MR. HILL: Can you get those reports so we can see 22 what they are? 23 DR. CRYAN: They are available on the internet, on 2.4 the NASS website. 25 THE WITNESS: Well, I mean, it's on nass.usda.gov.



recognized.

26

27

28

to talk about it. All I'm asking is that that be

DR. CRYAN: We can talk about it. Yes, I'm happy

Also, one of the things that AFBF requested was -- was some sort of data on unsalted and salted butter, and the indication was it is not available, that breakdown is not available.

And I would request of AMS -- AMS collects -- I'm sorry -- AMS grades AA butter that's in high demand for the retail trade. The retail trade asks for it to be graded. It is the one product that is graded in very large volumes. AMS -- AMS grades AA butter, both salted and unsalted. And I'm not asking you to confirm that you will do this, but I'm requesting that you provide -- that AMS provide data on the volume of unsalted butter and salted butter graded AA for the entire year, just the annual number for 2022, and the annual number for 20 -- for 2000 -- if that's available. I understand that --

THE WITNESS: For 2000 and 2022?

DR. CRYAN: Right. So just four numbers. That's the request.

THE COURT: Sounds like it's in the nature of a data request. Does AMS have any objection with this or -- you can take it over lunch.

By the way, I'm not keeping track of all these housekeeping things. If something falls through the cracks, you can blame me, but I can't -- I just -- I'm here by myself. I can't take responsibility.

DR. CRYAN: That's it. That's all I have got.

THE COURT: Very well.

DR. CRYAN: Thank you. Thank you very much.



2.

2.0

2.1

```
1
             THE COURT: Thank you, Counsel.
 2
             Okay. With that, it's -- that's right, Doctor.
             Okay. No further cross, I take it? We have a few
 3
 4
    minutes.
             All right. So it is 12:20. Let's come back in an
 5
    hour at 1:20. And this witness will come back on the
 6
 7
     stand at that time for redirect by AMS.
 8
             Any other housekeeping we need to take care of
 9
    before --
10
             MR. HILL: No, your Honor.
11
             THE COURT: -- we take lunch?
12
             Okay. Thank you, everyone. See you back at
13
     1:20 p.m.
14
             (Whereupon, a luncheon break was taken.)
15
                              ---000---
16
17
18
19
20
2.1
22
23
24
25
26
27
28
```



1	WEDNESDAY, AUGUST 23, 2023 AFTERNOON SESSION
2	THE COURT: Let's come to order. Back on the
3	record. Ms. Cashman, I guess, should take the stand. No?
4	MR. HILL: Your Honor, we are proposing to have
5	the next witness come on and then recall Ms. Cashman with
6	that witness to testify dually afterwards.
7	THE COURT: Okay. Is that okay with everybody?
8	So your redirect will take place at some point in
9	the future?
10	MR. HILL: That would be correct.
11	THE COURT: All right. Let's call your next
12	witness, Mr. Hill.
13	BRIAN RIORDON,
14	Being first duly sworn, was examined and
15	testified as follows:
16	THE COURT: Mr. Hill, your witness.
17	MR. HILL: Thank you, your Honor.
18	DIRECT EXAMINATION
19	BY MR. HILL:
20	Q. Can you please again, for the second time, state
21	your name and spell it for the record, please?
22	A. Yes. My name is Brian Riordon, B-R-I-A-N, last
23	name R-I-O-R-D-O-N.
24	Q. And your occupation, please?
25	A. I am the supervisory agricultural economist in the
26	Northeast Federal Milk Market Order.
27	Q. And for how long have you been doing that?



Α.

28

I've been in that position since 2019, in the last

four years.

1

2.

7

8

9

10

17

18

19

2.0

2.1

22

23

24

25

- Q. So can you describe your duties, please?
- A. Yes. I supervise the economics and research section in that Northeast Market Order. I supervise the dissemination of statistics, any publications from our office and price announcements, that type of thing.
  - Q. All right. So in preparation for this hearing, did you prepare any documents?
    - A. Yes, I did.
    - Q. And do you have those with you right now?
- 11 A. Yes, I do.
- Q. All right. And under your supervision -- were these documents created under your supervision or were you part of preparing them?
- 15 A. Yes, both. I was -- supervised the preparation, 16 and I also directly worked on the documents.
  - Q. And to your knowledge, were -- did you receive a request for the data that you are presenting? Is that how you came about --
  - A. Yes, the data I'm presenting were requested by the proponents.
  - Q. So the data presented does not in any way reflect your views, but is simply fulfillment of their request pursuant to the regulations?
    - A. They do not at all.
- Q. All right. And none of these are offered in favor of or against any of the proposals?
  - A. Excuse me. Repeat the question, please?



1	Q. None of these are offered in favor of or against
2	any of the proposals; is that correct?
3	A. No, they that is correct, they are not in favor
4	or opposed.
5	Q. Okay. So let's look at the first document. I'm
6	missing a little bit of the title on mine, but it's
7	Exhibit 37 there you go. Thank you.
8	It starts the title the title starts as
9	Advanced Class III and Class IV Skim Milk Pricing Factors.
10	MR. HILL: I would like to mark that for
11	identification as Exhibit 37.
12	THE COURT: Yes, so marked.
13	(Thereafter, Exhibit Number 37 was marked
14	for identification.)
15	THE WITNESS: Yes. Exhibit 37 and those
16	viewing online, that's Table 12 on the website that is
17	showing the Advanced Class III and Class IV Skim Milk
18	Pricing Factors, in a dollars per hundredweight, and
19	Comparison of the "Higher-Of" and "Average-Of" Methods of
20	Calculating the Base Skim Milk Price for Class I.
21	The data are shown for January 2000 through
22	current.
23	I'm going to skip to footnote on the title. The
24	footnote in the title the "'Higher-Of' refers to the
25	method determining the base skim milk price for Class I by
26	setting it equal to the higher of the Advanced Class III
27	and Class IV skim milk price factors implemented in



January 2000 and used through April 2019. 'Average-Of'

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

2.0

2.1

22

23

2.4

25

26

27

28

NATIONAL FEDERAL MILK MARKETING ORDER PRICING FORMULA HEARING

refers to the method used under current regulation to calculate the average of the Advanced Class III and Class IV skim milk pricing factors and adds \$0.74 to determine the base skim milk price for Class I."

Now I will explain the columns in the table.

So the first two columns, year and month.

Column 3 is the Advanced Class III skim milk pricing factor. The next column over, column 4, is the Advanced Class IV skim milk pricing factor. Class 5 -- I'm sorry -- column 5, not class five -- column 5 is the base skim milk price for Class I using higher-of method. And the next column over, column 6 is the base skim milk price for Class I using the average-of method.

The next column over, column 7, is the average
Advanced Class III and Class IV skim milk pricing factors.
And that's essentially adding columns 3 and 4 together.
The next column over, column 8, is the higher-of method less the average-of method. That would represent columns 5 minus column 6.

## BY MR. HILL:

- Q. Can you go back -- can you go back one second --
- A. Yes, go ahead.
- Q. -- to the averaged -- the average Advanced Class III and Class IV skim milk pricing factors. I see there's a footnote there.

Could you explain that footnote for us?

- A. Yes, certainly.
  - So the footnote on that column is "the average-of



the Advanced Class III and IV skim milk pricing factors calculated in this column does not include the \$0.74 adjuster added under current regulations to compute the base Class I skim milk price," meaning it is just the average of the two factors. Yes, thank you.

And the next column, which is the second to the last column, so column 8, higher-of method less average-of method.

There's also a footnote there, footnote 3. I'll read that for you. All right. The footnote states, "This calculation depicts the difference between the 'Higher-Of' method implemented in January of 2000 and used through April 2019 and the 'Average-Of' method used under current regulation including the \$0.74 adjuster."

The final column is showing the higher-of method less the average Advanced Class III and Class IV skim milk pricing factors.

So there's another footnote. I'll read that footnote that explains that column. "This calculation depicts the difference between the 'Higher-Of' method implemented in January 2000 and used through April 2019 and the average of the Advanced Class III and IV skim milk pricing factors without the \$0.74 adjuster used under current regulation."

## BY MR. HILL:

- Q. And so that just continues from 2000 to the present, basically?
  - A. That's correct. 2000 through August of 2023 is



2.

2.0

2.1

presented on the table.

1

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

2.0

2.1

22

23

24

25

26

27

28

Q. Okay. Thank you.

Let's move forward to the next exhibit. I'd like to have -- it's Difference Between the Federal Order Statistical Uniform Milk Price.

MR. HILL: And I would like to mark for -- that for identification as Exhibit 38.

THE COURT: So marked.

(Thereafter, Exhibit Number 38 was marked for identification.)

THE WITNESS: Exhibit 38 -- and for the online viewing audience, that's Table 13 on your website -- this is showing the Difference Between the Federal Order Statistical Uniform Milk Price and the Announced Class IV Price Multiplied by the Class IV Utilization, by Order and Month. The time period is shown for January 2010 through April 2023.

So I can explain again. Here we have those values. We have the year and month for all the months reported in the title, January 2010 through April '23. And we do have orders spread across left to right and a total at the far right column.

The Order 51 column that at the top is blank, that's due, obviously, to the non-existence at the earlier period of the California Order, Order 51, until November 2018 when we should see those values in the table.

Q. Thank you very much.

So let's move ahead to the -- to the one entitled



Adjustments to Federal Order Performance Standards.

MR. HILL: And I would like to mark that for evidence as Exhibit Number 39.

THE COURT: So marked.

(Thereafter, Exhibit Number 39 was marked for identification.)

BY MR. HILL:

1

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

2.0

2.1

22

23

24

25

26

27

28

- Q. You may proceed.
- A. Exhibit 39 is Table 31 on the website. The table covers Adjustments to Federal Order Performance Standards, and specifically the shipping requirements and diversion limits on these orders from 2010 through the current period.

The table on the left-hand column identifies the order by number, and then the next column over are the pool months that an adjustment was granted, basically either of the two adjustments. And it -- it -- it identifies -- it gives a little detail about the period of time that that was granted.

The next two columns are showing the reduction in shipping standards. And we have got the -- the "from" column is presenting what the orders originally stated percentage should be, and the "to" column is showing what was granted, the adjustment level.

The final two columns are showing the increase in diversion limits, and the same "from" and "to" definition from what's originally stated in the order language and that may have been to.



- Q. Thank you very much.
- A. There's a note on the bottom, as was asked also, but "no order received any call for or had any issuance of milk to be shipped to Class I plants in their order."

  That's not a footnote. That is just a note related to what the requester had also asked.
  - Q. Thank you.

2.

3

4

5

6

7

8

9

10

11

12

14

15

16

17

18

19

2.0

2.1

22

23

24

25

26

27

28

- A. You're welcome.
- Q. So let's move to head to the next document,
  Requests to Change Performance Requirements by Order.
- MR. HILL: I would like to mark that for identification as Exhibit Number 40.
- 13 THE COURT: So marked.

(Thereafter, Exhibit Number 40 was marked for identification.)

THE WITNESS: Okay. So Exhibit 40, this exhibit, I don't have a table number on the website. So I'll describe. It's titled Requests to Change Performance Requirements by Order, from 2010 through the current period. This table is similar to the immediately -- immediate prior exhibit, Exhibit 39. This exhibit does also include some requested performance requirement adjustments that may have been denied.

The table is going to show on the left-hand column the different orders by their order number. And then the next column over, the only other column, is just policies and decisions, as they are called here.

So as example in Order 1, in the very first --



well, second row, but Order 1 had -- we stated "numerous instances occurred during the time period requested. All request, approvals, and denials can be found at," and then we presented the website there for folks to go to for the record.

This table does acknowledge there are some -there are some of these policies and decisions that may
not be found on a website, and they are included in the
exhibit following as attachments to be viewed.

Q. All right. So let's move ahead to the next document, Cooperative and Nonmember Producer Count.

MR. HILL: I would like to mark that for identification as Exhibit Number 41.

THE COURT: So marked.

(Thereafter, Exhibit Number 41 was marked for identification.)

THE WITNESS: Exhibit 41 does have a table number on our website, and it is Table 20. This table is covering -- titled the Cooperative and Nonmember Producer Count and Producer Milk Volume for December 2015 through December 2022, and includes April 2023.

The column -- the columns would be left to right. The first two columns, again, are year and month. You will notice that it is year and each month December. And then the very last at the very bottom you will find 2023, and then the April is the month that we did for that, this year.

The third column, you will see the categories for



2.

2.0

2.1

each year, where we categorized cooperative, non-cooperative, total, and then presented our -- the associated or related cooperative share and non-cooperative share. That's basically taking the cooperative and non-cooperative figures under pounds and producers that we'll get to a minute and displaying those as share, so dividing the -- those numbers by the total.

So the next column -- so the next column over, you will see -- so under Federal Order 1 there's two columns, and it is the same style for each of the Federal Orders you will see across the top of the table. Federal Order 1 presents pounds and producers and the related shares for those. And then we go across -- so this is a table that's spread across a little bit wide, left to right. So there's a second page.

So the first page, we get over there to Federal Order 32, and the second page starts with Federal Order 33, and moving from left to right, you know, going Federal Order 51, 124, and so forth. And we have a final column for all Federal Orders where we total the pounds.

Federal Order 51, I'll start with that, Federal Order 51, obviously, is not shown for Decembers 2015 through '17 as that order did not exist during that period. It -- we will pick that up in 2018 where that order began.

There is a footnote for restricted data. And you will see restricted data anywhere there's a letter -- capital letter R.



2.

2.0

2.1

And then lastly, let's see, we got -- "all Federal Orders calculations do not include restricted data in totals or shares." So that would be a footnote on the final all Federal Orders column. Again, that was that "all Federal Orders calculations do not include restricted data in the totals or shares."

Q. Let's move ahead one more to one titled -- beginning Number of Nonmember Producers and Volume Shipped.

MR. HILL: I would like to mark that for identification as Exhibit Number 42.

(Thereafter, Exhibit Number 42 was marked for identification.)

THE WITNESS: Exhibit 42 is labeled as Table 21 on the website. This table is showing -- is titled Number of Nonmember Producers and Volume Shipped to Pool Distributing and Pool Supply Plants. The period of time covered is December 2017 through 2022 and the month of April 2023.

and month. This table also shows the month of December for each of the years. In column 3, we break out the plant type and total. So you'd see, distributing plants, pool supply plants, and total for each year. And the final two columns are the sum of all Federal Orders, and we show the pounds in the second to last sub column and then producers in the final column.

Q. Thank you.



2.

2.0

2.1

So on to your final exhibit I believe.

A. Yes.

1

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

2.0

2.1

22

23

24

25

26

27

28

Q. I would like to -- it's titled Protein Test Range by Order, 2022.

MR. HILL: And I would like to mark that for identification as Exhibit Number 43.

THE COURT: So identified.

(Thereafter, Exhibit Number 43 was marked for identification.)

THE WITNESS: So Exhibit 43 will be shown on the website as charts 1, 2, and 3 on the website. There are three charts that make up this exhibit. I'll explain the first chart, and then we'll -- the other two charts are similar, but we'll get into those.

So this chart is titled Protein Test Range by Order for 2022, the year 2022. The footnote on range is simply stating the range here is the difference between the maximum and the minimum of protein tests.

So, Protein in Skim Utilized in Class I For Distributing Plants With 10 Million Pounds Or More of Total Class I Use for Multiple Component Orders. So this title is also reflecting that the request was for multiple component orders, and that's what's shown here.

The order -- I guess the vertical column is the degree of range over the months on the bottom, and then the Federal Order by number is shown at the very -- just underneath the chart.

We move on to the second chart. It's exactly the



same structure of exhibit. This is for other solids.

This is the Other Solids Test Range by Order, again, for the year 2022. And it is also the Other Solids in the Skim Utilized in Class I for Distributing Plants With 10 Million Pounds Or More of Total Class I Use for Multiple Component Orders. Similar footnote on the range, similar setup.

The third chart, final chart of the exhibit, presents Nonfat Solids Test Range by Order, again, for the year 2022. And the title continues with Nonfat Solids in Skim Utilized in Class I for Distributing Plants with 10 Million Pounds Or More of Total Class I Use for Multiple Component Orders.

MR. HILL: I think that concludes our direct, your Honor.

THE COURT: I had a -- one question. I had a note to myself that the regs required that witnesses provide an address for themselves in my opening remarks, no personal addresses, please, if that's all you've got. But I take it for both your witnesses it is just AMS at United States Department of Agriculture, Independence Avenue or --

THE WITNESS: I would really like to handle this.

THE COURT: Go ahead. Yeah, please.

THE WITNESS: I work at the office 302A Washington Avenue Extension in Albany, New York, 12203.

THE COURT: That would not be the headquarters.

How about Ms. Cashman, just while I'm thinking about this?



2.

2.0

2.1

MR. HILL: She'll be back, so if she wants to give
that. Yeah, she's at headquarters but
THE COURT: Okay. That's not that important. I'm
not sure why the regs require that, but I'm persnickety.
Okay. So that completes direct examination.
Any cross for this witness?
Yes, Mr. English, your witness.
CROSS-EXAMINATION
BY MR. ENGLISH:
Q. Chip English, Milk Innovation Group. Good
afternoon, sir.
A. Good afternoon to you, sir.
Q. So I'm going to focus on Exhibit 43, and I may or
may not quickly get myself back to where I was this
morning.
What is the source of the data for Exhibit 43?
A. The source of these data, these this is pool
data, I believe. Yeah.
Q. I understand that.
But are there any tables in the record
A. Oh.
Q or exhibits in the record, or tables that may
be in the record tomorrow, from which this data was can
be found as opposed to just looking at this chart?
A. There is nothing additional in the record.
Q. So when you say protein and skim utilized in
Class I for distributing plants



Α.

Uh-huh.

- Q. -- I would like to know what the underlying data is and see if it can be provided, assuming it is not Table 1.
  - A. I'm not sure I understand specifically what you are asking for.
  - Q. Okay. So in order to do a range, you had to know the actual number for each month, correct?
    - A. Correct.

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

2.0

2.1

23

24

25

26

27

- Q. And I'm asking what -- where is that actual data? And I'm not questioning, you know, the fact the charts are accurate. But I am wondering whether the chart is derived using the same data that is in Table 1 that is not yet an exhibit, but I believe it will be Exhibits 44, etcetera.
- A. No, I don't believe that the data are -- what is coming from Table 1. Now, these -- these were data that were requested separately --
- Q. Well, I understand it's -- but it'd have to come from somewhere, right, sir?
  - A. Yes.
- Q. Okay.
  - A. Yes.
- 22 O. So --
  - A. This is a -- sorry. This is separate request --
  - O. I understand it is a separate request.
  - A. -- for all information. And it represents -- so it represents the highest maximum of the plants that qualified under this -- at how it defined, and the lowest minimum, and that provided us the range. There is that --



1 that number does exist, obviously, to create the chart. 2. MR. ENGLISH: Okay. I think -- so I'm requesting, 3 having not known this request -- you know, this chart was 4 going to be in there necessarily, what the request was, I'm requesting the underlying data for this. 5 6 THE COURT: Okay. What say you, AMS? MS. TAYLOR: We'll look into it. We --7 8 THE COURT: Yeah. 9 MS. TAYLOR: We have to look and see what might be 10 confidential or not to release, but we can certainly look 11 into it. 12 THE COURT: Okay. Very well. 13 BY MR. ENGLISH: 14 So let me -- I'm getting ahead of myself 15 because -- okay, I get it, Table 1 is all milk and not 16 just plants with 10 million pounds or more because, 17 obviously, there are smaller plants in the Table 1. 18 USDA knows the total test of milk received at a 19 plant defined in this Class I plant, correct? 2.0 Α. Correct. 2.1 But it assumes that the usage of the components by Ο. 22 class will track by percentage, that is to say you are not 23 actually following how a plant might use components in the 24 plant, correct? 25 Α. I'm -- I'm not exactly confident on that answer to 26 say that's correct, sir.



Ο.

Okav.

27

28

MR. ENGLISH: I -- I would like to see if we can

Okay. All right.

	NATIONAL FEDERAL MILK MARKETING ORDER PRICING FORMULA HEARING
1	look into whether that data is available. I mean, I get
2	it, if there's an order where there's fewer than three
3	separately owned facilities of 10 million pounds, it might
4	affect what we get, but I would like to get the data if
5	possible.
6	MS. TAYLOR: Can I clarify the request?
7	THE COURT: Yes.
8	MS. TAYLOR: I just want to clarify.
9	THE COURT: Ms. Taylor, you may clarify. I have
10	not enforced talking through me, and I don't think it's
11	been necessary at all. But, yeah, please go ahead. And
12	I'm and I'm not fully doesn't matter whether I fully
13	understand the situation or not.
14	MS. TAYLOR: It doesn't matter if I know either
15	because I'm not the one who pulls the data, but for the
16	people in the back who will have to work on this.
17	First, you are asking for the min and the max,
18	basically, that gave us the range. That's my first
19	question was I think you have asked for that?
20	MR. ENGLISH: Give me one second.
21	MS. TAYLOR: That's fair.
22	MR. ENGLISH: Since the chart shows a range, it
23	does seem to me that the data I'm asking for would be the
24	minimum and the maximum.
25	MS. TAYLOR: Okay.
26	MR. ENGLISH: I believe that is correct.



28

And the second request I think is you wanted to

MS. TAYLOR: Okay.

1	know if we can release and maybe it's just for this
2	chart of Class I plants with 10 million or more pounds or
3	maybe it is for every class, how the components are used
4	in the plant?
5	MR. ENGLISH: Well, this gets back to Table 1.
6	We're we're we're back at Table 1 in no time.
7	MS. TAYLOR: Yes. And that one is to be put on
8	tomorrow.
9	MR. ENGLISH: So it may be that we have to revisit
10	this issue once I get answers to Table 1.
11	MS. TAYLOR: Okay. So how about you hold off on
12	that second piece, but we can look into the first piece
13	MR. ENGLISH: Thank you.
14	MS. TAYLOR: if that makes sense.
15	MR. ENGLISH: And that is all the questions I have
16	of this witness.
17	THE COURT: Thank you, Counsel.
18	Any additional cross-examination?
19	A couple of volunteers here? Yes.
20	MR. VETNE: John Vetne for National All-Jersey.
21	THE COURT: Your witness, Mr. Vetne.
22	CROSS-EXAMINATION
23	BY MR. VETNE:
24	Q. Going back to this exhibit that Chip asked you
25	about the range. As I understand it let's see if you
26	understand the same thing at a high number and a low
27	number for plants, not this is not individual



producers, this is a measure of milk used at plants.

- A. That is correct.
- Q. Okay. And I understand what he's looking for is the high number and the low number, not just a line that chose shows the range.
  - A. That's correct.
- Q. All right. Okay. So we both understand what he's looking for.
  - A. Uh-huh.
- Q. For distributing plants that both receive milk and divert milk, there are plants that do that, correct?
  - A. Yes.

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

2.0

2.1

22

23

2.4

25

26

27

28

Q. And diverted milk, so that there's no confusion from those listening, means the plant operator makes arrangement for a producer that normally supplies the plant to have that producer not send the milk to the distributing plant, but rather to send it some place else, to a manufacturing plant, for example.

Is that your understanding of diverted milk?

- A. Yes.
- Q. Okay. So again, looking at the exhibit and the range, do you know if what was measured in the range is the composition of milk used in Class I versus the composition of producer milk reported by the plant in all uses, including diversions?
  - A. Used in Class I.
  - Q. Used in Class I.

So if during a month a distributing plant with milk going to diversion found it advantageous to send high



composition milk to a diverted plant, would you expect the composition of what is retained for Class I to go down?

- A. I wouldn't be able to state what I would expect to happen.
- Q. Okay. Would you agree that there are economic circumstances from month to month which make it advantageous for a plant with milk available for diversion to divert either its high composition milk or its low composition milk?

MR. HILL: Objection, your Honor. This witness is here to present data. He's not here to give opinions on how this works.

THE COURT: Counsel?

MR. VETNE: I'm exploring if this witness has knowledge of what may account for the range variation and the sharp increases or decreases. And if the witness doesn't know, he can let me know.

THE COURT: What do you think about that, Mr. Hill? It doesn't sound like an opinion to me.

MR. HILL: Yeah, that's what it is. It's -- I don't think he should be testifying to this. He's here to present data. He came here for a data request. He's supplying that data. And anything besides that is outside the realm of his testimony.

THE COURT: Well, I'm not sure. Let's hear from the witness.

I think the question is, you've worked with certain data. Do you know the limitations? Or the --



1

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

2.0

2.1

22

23

24

25

26

27

THE WITNESS: Yeah, I would agree with counsel that, you know, I see the data that I reported here. I wouldn't want to, you know, get into what may be the decisions at the plant or, you know, why they chose milk to go one way or the other. My -- my objective here is just to put on and present the data that was asked for, sir.

11 MR. VETNE: All right.

12 THE COURT: Does that work, Counsel?

doesn't know, the witness can say so.

MR. VETNE: Don't need to go any further. Thank

14 you.

1

2.

3

4

5

6

7

8

9

10

18

19

23

24

25

26

27

28

15 THE COURT: Oh, thank you. Are you through?

16 Do we have one more cross?

17 There we go. You again, Mr. English, very well.

MR. ENGLISH: Chip English. Well, it is direct

follow-up. I'm not bringing new stuff.

20 THE COURT: That's okay.

21 (CONTINUED) CROSS-EXAMINATION

22 BY MR. ENGLISH:

Q. Exhibit 43 -- so I'm -- I'm following up on Mr. Vetne, whom I should call John, but for the record I'll call Mr. Vetne.

For the data that's here, does it include all milk whether it's used as Class I, II, III, or IV, for this reporting handler?



- A. This report is showing -- this is -- it is giving you -- it is just skim utilized in that Class I plant.
- Q. Skim milk used -- utilized in that plant regardless of whether it's been used --
  - A. Yes.

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

- Q. -- as something other than Class I, correct?
- A. That's my understanding.
  - Q. Okay. And going to Mr. Vetne's questions, if milk were diverted, it wasn't used in that plant, so you are saying it would not be included here?
    - A. That is correct.
- Q. Thank you.
  - THE COURT: I hesitate to weigh in here, but do we know -- I'll ask the witness first, but do we know whether any milk is diverted, in fact? This is an awfully naive question, I'm sure.
- THE WITNESS: I wouldn't know that now without -18 no.
- 19 THE COURT: Okay.
- Do you know that, Mr. English? You don't have to answer that. I know you are not a witness.
- 22 MR. ENGLISH: I -- I --
- 23 | THE COURT: I'm quessing you think there is some.
- MR. ENGLISH: I have an opinion, but I am not a
  witness, and I will not be on the witness stand, I assure
  you.
- 27 THE COURT: Fair enough.
- 28 Yes, Counsel?



Is Mr. Riordon available to respond to 1 MR. SMITH: 2. my questions or did you have another plan for that? MS. TAYLOR: Yes, he is going to respond to your 3 4 questions. THE COURT: 5 Yes. 6 MR. SMITH: Dan Smith for Maine Dairy Industry 7 Association. CROSS-EXAMINATION 8 BY MR. SMITH: 9 10 Mr. Riordon, do you recall the questions I asked earlier this morning or should I go through them again? 11 12 I recall the last question you did have. Yes, 13 Mr. Smith. I can answer that. 14 Okay. Do you want to repeat the question and Ο. 15 then --16 I believe you were looking -- well, maybe you just 17 repeat it to make sure I'm answering the question that you 18 think I remember. 19 Briefly to recount, the press announcement for 0. 2.0 Order 1 reports organic milk pooled, the volume of milk 2.1 pooled on the order, and the exhibit for mailbox prices 22 indicates there is a confidentiality issue? 23 The question is, what's the distinction between 24 the pool volume and the mailbox price --25 Α. Okay. 26 -- reported? Q. 27 Α. Yes, I can address that for you, Mr. Smith.



28

The data I believe you are referring to that is

reported is off the monthly statistical report of the Northeast Order, not a price announcement that.

- Q. Fair enough.
- A. That data -- that data is showing route sales, so that does include Class milk, and it's one source of data that is different than the source of data that feed into the monthly mailbox price data we have. That data are -- that's pool milk, and when we -- that pool milk we do not have -- where we do capture the characterization of the route sales as organic, we do not do that with the producer milk. That basically feeds to the mailbox price data. They're two different data sources basically.
  - O. Okay. I get it. Thanks.
- 14 A. You're welcome.
- THE COURT: Does that complete your cross,
- 16 | Mr. Smith?

1

2.

3

4

5

6

7

8

9

10

11

12

13

23

24

25

26

27

- 17 MR. SMITH: Yes.
- 18 THE COURT: Yes.
- 19 MR. MILTNER: Ryan Miltner representing Select
- 20 | Milk Producers.
- 21 CROSS-EXAMINATION
- 22 BY MR. MILTNER:
  - Q. Mr. Riordon, I just have a few here just to clarify what I think I understand.
  - On Exhibit 41, it expressly states that this is producer milk volume, so it does -- this exhibit does exclude all milk that would have been depooled. It is only that if it's classified as producer milk within the



respective orders?

1

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

2.0

2.1

22

23

24

25

26

27

28

- A. Yes -- yes, that is correct, they should be all just pooled milk.
  - Q. Great.

On Exhibit 42 -- actually you will need Exhibit 41 to look at this kind of in tandem.

- A. Uh-huh.
- Q. So I'm looking on page 2 of Exhibit 41 and the column for all Federal Orders, and I'm looking at December 2017. And on Exhibit 42 I'm looking at the row that includes December of 2017.

So on Exhibit 41, for all Federal Orders, 3,701 non-cooperative producers. And for the same month on Exhibit 42, I have 3,346 nonmember producers.

What would account for that difference of 355 producers?

- A. I'm sorry, I'm looking for -- what's the -- let's see, December -- on the Exhibit 41, you are looking at which --
- Q. December of 2017, it's non -- the row is non-cooperative all Federal Order producers, yeah, the 3,701.
  - A. Okav.
- Q. And maybe rather than focusing on the numbers, maybe the question should be: Are these two exhibits trying to convey the same information as far as the number of producers that are encompassed there?
  - A. I would say the Exhibit 42 is -- looks like it is



the total of distributing plants and -- you know,
associated with -- producers associated with distributing
plants and pool supply plants.

Other than that I would have to -- I'd have to look further into it to see if there's a better reason for that.

- Q. Just a follow-up question.
- A. Yes.

4

5

6

7

8

9

10

11

12

13

15

16

17

18

19

20

2.1

22

23

24

25

26

27

- Q. If you were a non-cooperative producer on the order, and you are not shipping your milk to a pool distributing plant or a pool supply plant, where else might your milk end up?
- A. Yeah. I'd have to look at the --
- 14 Q. Okay.
  - A. -- total statistic and make sure these all add up correctly.
  - Q. And then we don't need to go through the same questions, but I note that if we look at the volume as well for the same months, non-cooperative share -- I'm sorry -- the non-cooperative volume in December 2017 on Exhibit 41 is -- let's just call it 1,076,000,000 pounds, and for the same month on Exhibit 42 it is 1,037,000,000 pounds, so the same -- the same variance. If you are able to provide any more on that discrepancy, that would be great.
  - THE COURT: Is AMS all right with getting back to counsel on this point?
    - MS. TAYLOR: Yes.



1	THE COURT: Very well, thanks.
2	MS. TAYLOR: I'm not sure I got all the points I
3	need to get back to you on.
4	MR. MILTNER: I can help you with that.
5	MS. TAYLOR: Yeah. We'll get to it.
6	BY MR. MILTNER:
7	Q. Exhibit 43, and all I'm trying to clarify
8	again, I think I know the answer to this, but I want to
9	make sure that I do.
10	Your Y axis, the units there, those are just
11	points on the protein count, right? So 3.10 to 3-point,
12	you know, 25, would be 15 on there, right, .15?
13	A. That is correct.
14	Q. Okay.
15	MR. MILTNER: Thank you. I don't have anything
16	else.
17	THE COURT: Any more cross?
18	Okay. The witness is yours, Mr. Hill, for
19	redirect examination.
20	MR. HILL: One second, your Honor.
21	THE COURT: Yes.
22	MS. TAYLOR: Let's see if we can clarify one of
23	the things, I think, between 41 and 42 in the
24	discrepancies that Mr. Miltner just pointed out.
25	The title to 42 is Number of Nonmember Producers
26	and Volume Shipped to Pool Distributing Plants and Pool
27	Supply Plants.



THE WITNESS: Correct.

1	MS. TAYLOR: So would that include nonmembers that
2	milk was diverted to a non-pool plant?
3	THE WITNESS: No.
4	MS. TAYLOR: So on Exhibit 41, the title is
5	Cooperative and Nonmember Producer Count and Producer Milk
6	Volume, that does not specify what type of plant it went
7	to?
8	THE WITNESS: Correct.
9	MS. TAYLOR: So that would include nonmembers that
10	were shipped or diverted?
11	THE WITNESS: Correct.
12	MS. TAYLOR: Okay. So that would account for why
13	the numbers would be different?
14	THE WITNESS: Yes, that would.
15	MS. TAYLOR: Okay. If I remember, we were going
16	to put Ms. Cashman up with Mr. Riordon to do cross
17	together if anybody needed to ask additional questions.
18	And I know there were some clarifications that Ms. Cashman
19	wanted to put on the record as well.
20	THE COURT: Very well. I'll recall Ms. Cashman to
21	the stand to join Mr. Riordon. It looks like we need
22	another chair.
23	Off the record for a second.
24	(Off-the-record.)
25	THE COURT: Back on the record.
26	Ms. Cashman, welcome back. I remind you that you
27	are still under oath.
28	MS. CASHMAN: Do you need my address?



1 THE COURT: Sure. 2. MS. CASHMAN: 1400 Independence Avenue Southwest, 3 Room 2535 -- we just moved -- Washington D.C., 20250. 4 THE COURT: Thank you. 5 MS. CASHMAN: Okay. 6 THE COURT: Okay. So how are we doing this? 7 is -- we're going to have redirect basically for these two witnesses to draw out things we have agreed? 8 9 MR. HILL: That's the plan, your Honor. MS. TAYLOR: Yes, your Honor, for things we can 10 11 answer today. 12 THE COURT: That's a good plan. 13 MS. TAYLOR: Okay. Thank you for your indulgence. 14 THE COURT: Of course. 15 LORIE CASHMAN, 16 Having been previously sworn, was reexamined and testified as follows: 17 18 REDIRECT EXAMINATION 19 BY MS. TAYLOR: Okay. I wanted to start with Mr. Miltner I think 20 2.1 had questions on Exhibit -- well, I didn't write it 22 down -- the energy price exhibit, the diesel prices. 23 me see if I have -- I don't know which one that was. 24 32. Α. 25 Thank you. Those diesel prices are used in which Ο. 26 orders? 27 Α. 5 and 7. I misspoke earlier. 28 And they are not used in Order 6? Ο.



- A. They are not used in Order 6.
- Q. Okay. Then on Exhibit 33, which was the listing of regulated distributing plants, there was a question I believe on whether that included partially regulated plants.
  - A. It does not include partially regulated plants.
  - Q. Just fully regulated plants?
  - A. Yes.
- Q. Okay. There was another question on Exhibit 50, which was your other uses --
- A. Yes.

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

2.0

2.1

22

23

24

25

26

27

28

Q. -- table. And I don't know if you got a chance to look up, but I think there was some discussion on is that definition in the regulations.

Did you look up where it was in the regulations?

- A. Yes, I did. It is CFR -- 7 CFR, Part 1000.40(e) states: "Other uses. Other uses include skim milk and butterfat used in any product described in this section that is dumped, used for animal feed, destroyed, or lost by a handler in a vehicular accident, flood, fire, or similar occurrence beyond the handler's control. Such uses of skim milk and butterfat shall be assigned to the lowest priced class for the month to the extent that the quantities destroyed or lost can be verified from records satisfactory to the Market Administrator."
  - Q. Thank you.

Then there was another question, we'll skip to Exhibit 29, your mailbox price series. I think



- 1 Mr. Miltner asked about Idaho specifically, and that 2 starts on page 10.
  - A. Yes. So Idaho was discontinued in 2004 when the Western Order was terminated.
    - Q. That's why there's no data after that --
  - A. Correct.
- 7 | 0. -- date?

But before then it was in a Federal Order?

9 A. Yes.

3

4

5

6

8

10

11

12

13

16

18

19

23

Q. And I think on that same exhibit, there was the other question of Mr. English had on dealing with the background information on components that make up the mailbox price.

And so do you have an answer to that line of questioning?

- A. Yes. There is no background included.
- 17 | 0. So we don't publish any?
  - A. We don't publish any background information related to that.
- Q. Okay. That's all the notes I had. I know there's a couple outstanding data requests that we're going to look into, so we'll have answers to those --
  - A. I had a couple other ones.
- 24 O. -- later.
- Ms. Cashman, please.
- A. So one of the questions was what is a 9(c)

  plant -- or what does 9(c) mean. It is from 7 CFR

  1000.9(c), hence the 9(c). And that's "any cooperative"



association with respect to milk that it receives for its account from the farm of a producer and delivers to pool plants or diverts to non-pool plants pursuant to .13 section of the order. The operator of a pool plant receiving milk from a cooperative association may be the handler for such milk if both parties notify the market administrator of this agreement prior to the time that the milk is delivered to the pool plant and the plant operator purchases the milk on the basis of form bulk tank weights and samples."

Q. Thank you.

2.

2.0

2.1

Do you have any other items?

A. One of the questions from Mr. English was on the auditing of the mailbox. The mailbox is verified as part of pooled milk, but we don't audit the premiums, deductions, all those other, etcetera, things. It's -- it's basically as reported from the data pulled from the handlers' producer payroll as was requested by the industry many years ago.

And then one other difference that may be leading to the difference between the Exhibits 41 and 42 is that Exhibit 41 does not include restricted data and Exhibit 42 includes all data.

MR. HILL: I think we're done with our questions for now. If anyone else has cross-examination, I think we'll leave them available for that now.

THE COURT: Okay. Any cross or re-cross? For either witness? Okay.



1	I guess that's it for these witnesses. It sounds		
2	like we have a couple of things AMS is committed to		
3	provide, and we'll figure out how to		
4	MR. HILL: Thank you very much.		
5	THE COURT: address that.		
6	You're very welcome.		
7	You may Mr. Riordon, Ms. Cashman, you may step		
8	down. Thank you.		
9	Okay. It is 2:15. It's a little early for even a		
10	break. What are we doing next?		
11	MR. HILL: Sir, we do have one more witness.		
12	THE COURT: Okay.		
13	MR. HILL: That witness is not available until		
14	tomorrow morning.		
15	THE COURT: Okay.		
16	MR. HILL: Yeah, he will put the rest of the data		
17	on. I think we have like 13 more exhibits through him.		
18	THE COURT: Okay. Well, I guess, we have got some		
19	things still outstanding, but this is witness by witness,		
20	I guess. I mean, is it appropriate to move into evidence		
21	the well, I don't know, you tell me, that 14 through 36		
22	for Ms. Cashman? Is it not we're not quite ready for		
23	that, or we are?		
24	MR. HILL: I think we'll hold off until we get the		
25	last witness in and finish up.		
26	THE COURT: Okay. And same thing for Mr.		
27	Riordon		
28	MR. HILL: Yes.		



1	THE COURT: 37 through 43?
2	MR. HILL: Yes, that would be correct.
3	THE COURT: Okay. Is there anything else we can
4	do to make use of this time? I'm impressed. I didn't
5	know we're not going to make September 30th.
6	MR. HILL: We are going to try. But if National
7	Milk is ready
8	THE COURT: I don't mean we won't finish by
9	September 30. I mean we won't be done I guess the
10	next are you suggesting we put a National Milk witness
11	on?
12	MR. HILL: If they're ready.
13	THE COURT: What do you think, National Milk?
14	MS. HANCOCK: Nicole Hancock with National Milk.
15	Your Honor, if we could just take our break now, and I
16	think we could be ready when we come back from the break.
17	THE COURT: Okay. Do you need more than ten
18	minutes?
19	MS. HANCOCK: No.
20	THE COURT: Okay. It is 2:17. I don't know.
21	Let's just come back at 2:30.
22	MS. HANCOCK: Thank you, your Honor.
23	MR. HILL: Thank you.
24	THE COURT: Off the record.
25	(Whereupon, a break was taken.)
26	THE COURT: Let's come to order. Back on the
27	record.
28	We just completed our afternoon break. If the



1	hearing reporter needs another one as we go on, we took		
2	that one kind of early.		
3	So as I understand it, we're following we have		
4	completed the AMS witnesses for the time being. We'll		
5	have another witness tomorrow. But in the meantime, we're		
6	going to start down the order of presentation set out on		
7	the web page by proposals.		
8	Our first topic, as I understand it, is milk		
9	composition, and National Milk Producers Federation I		
10	think had two proposals with respect to this. We'll take		
11	up their first witness.		
12	Ms. Hancock, counsel for NMPF, the floor is yours.		
13	MS. HANCOCK: Thank you, your Honor. Nicole		
14	Hancock with Stoel Rives on behalf of National Milk.		
15	Your Honor, did you want to swear in the witness		
16	or		
17	THE COURT: Yes.		
18	Raise your right hand, please.		
19	PETER VITALIANO,		
20	Being first duly sworn, was examined and		
21	testified as follows:		
22	THE COURT: You may take the stand.		
23	DIRECT EXAMINATION		
24	BY MS. HANCOCK:		
25	Q. Good afternoon. Can you state and spell your name		
26	for the record?		
27	A. Peter Vitaliano, P-E-T-E-R, V as in Victor,		
28	$T - T - \lambda - I - T - \lambda - N - \Omega$		



	TRANSCRIPT OF PRO NATIONAL FEDERAL	CEEDINGS August 23, 20 MILK MARKETING ORDER PRICING FORMULA HEARING	
1	Q. And i	s it Dr. Vitaliano?	
2	A. It is	, yes.	
3	Q. Okay.	And would you mind providing your mailing	
4	address for t	he record?	
5	A. My bu	siness mailing address is 2107 Wilson	
6	Boulevard, Suite 600, in Arlington, Virginia, 22201.		
7	Q. Thank	you.	
8	And,	Mr. Vitaliano, where are you employed?	
9	A. I am	employed with the National Milk Producers	
10	Federation at that address.		
11	Q. And I	called you Mister right after I just said	
12	you were the doctor. I apologize for that.		
13	Dr. V	italiano, have you prepared a statement on	
14	behalf of National Milk?		
15	A. I hav	re.	
16	Q. And i	s that identified as Exhibit NMPF-1?	
17	A. It is	•	
18	MS. H	ANCOCK: And, your Honor, I don't know if you	
19	want to follo	w the same procedure and admit it at the end	
20	or for writte	n statements if you are okay with us	
21	admitting that into the record now?		
22	THE C	OURT: Well, let's just admit it at the end	
23	is the standa	rd thing. And I guess we need an exhibit	
24	number, ad seriatim kind of exhibit number for this as the		

26 MR. HILL: This would be 62.

next one. What is our next exhibit number?

THE COURT: All right. The statement of Dr. Vitaliano is marked for identification Exhibit 62.



25

27

(Thereafter, Exhibit Number 62 was marked for identification.)

THE COURT: Does the -- does our keeper of the exhibits have this exhibit?

All right. So we're all set.

### BY MS. HANCOCK:

1

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

2.0

2.1

22

23

24

25

26

27

28

Q. Dr. Vitaliano, would you mind reading your prepared statement into the record?

# A. Certainly.

I am Peter Vitaliano, Vice President of Economic Policy and Market Research for the National Milk Producers Federation. This testimony is presented in support of Proposal 1, one of five proposals submitted by NMPF, the acronym, and NMPF is the national trade association that represents dairy farmers and the cooperative marketing associations they own and operate throughout the United States.

I have been employed by NMPF for almost 38 years essentially as chief economist, in which capacity I have been responsible for all economic and market analysis that supports the programs of NMPF.

NMPF is the voice of America's dairy farmers through its 25 dairy cooperative members, and NMPF represents two-thirds of the approximately 28,000 commercial dairy farmers in the United States.

NMPF's member cooperatives reflect both the geographic and the product mix diversity of the dairy market -- dairy producer and cooperative sectors of the



United States.

2.

2.0

2.1

NMPF's member cooperatives process a majority of the Class I milk pooled under Federal Orders and distribute it on routes within the 11 Federal Order marketing areas and include one of the largest fluid dairy ESL manufacturers in the United States.

NMPF members have significant Class II, Class III, and Class IV manufacturing operations and manufacture a majority of U.S. produced butter and nonfat dried milk product.

Given the diversity and breadth of its membership, NMPF is the dairy industry organization best able to undertake a comprehensive review of the Federal Order system and to weigh its impacts on both dairy farmers as well as processors and manufacturers.

NMPF's five proposals presented at this hearing represent a balanced and integrated program of needed and long overdue updates that are in the best interest of the entire U.S. dairy industry and which appropriately balance the economic interests of dairy farmers and dairy plant operators.

NMPF strongly supports the Federal Milk Marketing Order program, but also believes that the program requires several regulatory and technical updates to continue to operate in the best interest of dairy farmers, processors, and manufacturers of dairy products and the dairy product-consuming public.

The current system of Federal Order minimum class



prices, which has been in effect since January of 2000, is the hybrid product of Federal Order Reform rulemaking and Congressional action. The dairy product price formulas for determining Federal Order Class III and Class IV prices implemented in January 2000 replace the basic formula price of BFP, which used the survey of milk prices, as did the preceding Minnesota/Wisconsin price series as the basic means of price discovery for establishing milk prices to operate the Federal Order program.

Discontinuing the BFP represented a major change because it replaced this previous system of direct survey-based price discovery with a system that indirectly discovered raw milk prices entirely by calculation from market prices of the products manufactured from that milk.

The intricate product price formulas and their constituent coefficients that resulted took on the important function of accurately simulating the market realities of the complex transfer of price discovery for the markets for dairy products to the markets for unprocessed milk used to produce them.

At the same time, the Class I prices that were established by Congress updated the pre-existing Class I differentials by adopting an optional USDA-suggested price surface, which had been generated on the basis of 1990s milk market conditions and extended it coast to coast. All of the prices and price formulas of Federal Order Reform were premised upon the costs and realities of milk



2.

2.0

2.1

production and dairy product manufacturing which prevailed at that time.

Those market realities have subsequently changed as the U.S. dairy industry has undergone dynamic structural change since 2000, while the critical Federal Order dairy product price formulas and Class I differentials have for the most part remained static.

For example, the location of U.S. milk production has shifted westward, manufacturing and transportation costs have increased significantly, and the southeastern states have been progressively more milk deficit. Also, the industry has seen the successful deployment of very large manufacturing plants, and yet, many smaller-sized manufacturing plants remain critically important to satisfying the domestic and export demands of the U.S. milk supply.

Additionally, the United States currently sells about 18% of its milk production as manufactured in export -- manufactured products in export markets compared to about 5% in 2000.

These realities and others necessitate a pricing formula review that incorporates the Class I mover, Class I differentials, manufacturing costs, or make allowances, and other factors in the class price formulas. The constituent parts of those formulas, including the products used, the make allowances, and the yield factors in the component formulas, the assumed composition of producer milk as well as the Class I differentials, have



2.

2.0

2.1

become increasingly outdated, even those few that have been previously updated to the extent that the effective administration of the Federal Order program has become increasingly difficult.

NMPF has engaged in an almost two-year-long comprehensive study of needed updates to the Federal Order pricing formula provisions. NMPF has undertaken this important activity with the essential and dedicated assistance of dozens of marketing experts from the staff of its member cooperative marketing associations.

In a series of well over 200 mostly virtual meetings, this team has examined every detail in each of the current product pricing formulas of the Federal Order uniform pricing regulations in 7 CFR, Paragraph 1000.50 through 52. The goal was to develop a comprehensive, integrated, and balanced program of updates to those formulas to realign them more fully with the structural realities of the current dairy industry, and to address the disorderly marketing conditions, which that growing misalignment has allowed to develop.

This effort included considerations of mechanisms for making further updates in the future as the industry continues to evolve. The comprehensive package which resulted includes seeking additional legislative authority for USDA to conduct mandatory studies of manufacturing costs and product yield factors, seeking a change via ordinary rulemaking to the regulations implementing the Dairy Product Mandatory Reporting Program, and five



2.

2.0

2.1

recommendations for amendments to the uniform pricing regulations of all Federal Orders.

The NMPF Board of Directors unanimously approved this package of recommendations, including the five recommendations for proposed amendments to all Federal Orders, which NMPF has submitted as the following proposals:

One, Proposal 1: Update the milk component factors for protein, other solids, and nonfat solids in the Class III and Class IV skim milk price formulas;

Proposal 3: Discontinue the use of barrel cheese in the protein component price formula;

Proposal 7: Increase the make allowances in the component price formulas to the following: Butter, \$0.21 per pound; nonfat dry milk, \$0.21 per pound; cheese, \$0.24 per pound; dry whey, \$0.23 per pound;

Return to the higher-of Class I skim milk price mover, that's Proposal 13;

And then finally Proposal 19: Update the Class I differentials throughout the United States.

Implementation of all five components of NMPF's comprehensive proposal will require amendment of certain provisions of the Federal Order uniform pricing regulations in 7 CFR, Paragraph 1000.50 through 52, applicable to all Federal Milk Marketing Orders and 7 CFR paragraph 1005.51(b), Paragraph 1006.51(b), and Paragraph 1007.51(b). This testimony today is in support of Proposal 1, concerning milk composition.



2.

2.0

2.1

Proposal 1, again, is to update the milk component factors in the skim milk pricing formulas. NMPF requests that the Secretary amend 7 CFR, Paragraph 1000.50(f), (i), (k), and (q), as well as 7 CFR, Paragraph 1000.51, applicable to all Federal Orders as specified at the conclusion of this testimony, which would increase the milk component factors in the Class I and Class IV skim milk price formulas and provide a method for updating them periodically to reflect anticipated continued increases in the average milk component compositions in the future.

The milk component condition -- composition factors in the skim milk formula. Federal Order skim milk price formulas were constructed in Federal Order Reform to be reflective of the content of the skim portion of producer milk. Over the course of 23 years, the milk component content has increased through improved genetics, better feeds, and feeding practices, and better cow comfort management, among other factors.

USDA's National Agricultural Statistics Service, or NASS, reports the average butterfat content of producer milk in the United States was 3.68% in calendar year 2000 and 4.08% in calendar year 2022, an increase of 10.9%.

Over the same period, USDA's Economic Research Service, or ERS, reported the average nonfat or skim solids content of producer milk in the United States rose from 8.72% in 2000 to 9.03% in 2022, an increase of 3.5%. Based on this data, the average nonfat solids content of producer milk in the United States rose from 9.05% in 2000 to 9.41% in



2.

2.0

2.1

2022, also an increase of 4.0%.

2.

2.0

2.1

Note that the component content of producer skim milk increases just from higher butterfat tests as well as from higher skim solids tests because there are fewer pounds of skim containing the same pounds of nonfat solids in a given unit of higher butterfat testing milk.

For manufacturing class prices and Federal Orders with multiple component pricing, or MCP, these increases in milk component levels are reflected in Classes II, III, and IV prices and pool values because Federal Orders with MCP price every pound of skim components, not skim milk. However, the recognition of these higher component tests has not occurred in determining Class I skim prices in all orders and in determining Class II, III, and IV prices in the Southeast, Appalachian, Florida, and Arizona orders.

With Federal Order Reform, the component averages used to calculate the Class III skim milk price and the Advanced Class III skim milk pricing factor were set at 3.1% protein and 5.9% other solids. Adding the protein and other solids values of those values resulted in the 9.0% nonfat solids factor used in the Class IV and Class II skim milk prices and the Advanced Class IV skim milk pricing factor.

These original, and still current, component factors in the Federal Order skim milk class price formulas were based on the standard practice of using 3.5% butterfat composition for milk to quote class prices for producer milk, not the actual composition of producer skim



milk at the time of Federal Order Reform.

Disorderly marketing caused by the current milk component factors in the skim milk price formulas. Seven of the 11 Federal Orders, representing almost 90% of Federal Order producer milk, use MCP. Dairy farmers have responded to MCP's economic signals by significantly increasing not just the butterfat but also the protein and other solids levels in the skim portion of the milk they produce.

Based on AMS data for the MCP orders for 2022, the protein and other solids content of Federal Order producer skim milk have averaged 3.39% and 6.02%, respectively, a significant increase over the past 22 years. The nonfat solids content of Federal Order producer skim milk has therefore averaged 9.41% in 2022, thus matching the value derived from the previously cited NASS and ERS data for the entire United States.

Two major functions of Federal Orders are: One, to ensure consumers have an adequate supply of milk for fluid consumption; and two, to promote orderly marketing of milk.

In the seven Federal Orders with MCP, increased protein and other solids component levels have decreased the price difference between the Class I skim milk price and skim milk prices for Classes II, III, and IV, and have also caused skim milk prices to increase relative to the other four Federal Orders without MCP.

In the four orders without MCP, producers have



2.

2.0

2.1

been increasingly unpaid for the true value of all their skim milk. In all orders the increase in component levels has resulted in producers being increasingly underpaid for the true value of their skim milk that is used in Class I.

This structural change in the U.S. dairy industry has made it increasingly difficult for Federal Orders to meet the two major functions for the following reasons.

One, in MCP orders the producer share of the generally higher Class I pool value was provided through the producer price differential. As previously stated, higher component levels increase manufacturing skim By contrast, and because the fixed formula factors for protein, other solids, and nonfat solids in the Class I formula, milk containing higher protein and other solids levels does not increase the Class I skim This, in turn, allows manufacturing milk prices to rise relative to the Class I price. As pooled components increased and revenue from Class I skim values remained static, more dollars have been paid out on all pooled milk components, which has diluted the dollars left to pay the Consequently, the potential to depool milk has increased, which has created disorderly marketing conditions.

Number two, three of these non-MCP orders,
Appalachian, Florida, and Southeast, do not have an
adequate supply of producer milk within their marketing
areas to meet consumer fluid milk demand. Supplemental
milk must be transported into those markets to meet this



1

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

2.1

22

23

24

25

26

27

demand. The supplemental milk is typically supplied from Federal Orders using MCP. The higher relative value of skim milk in MCP versus non-MCP markets increases the cost of supplemental milk for non-MCP deficit fluid milk markets and therefore decreases the incentive to move milk from reserve supply areas to deficit fluid milk markets, making it more costly and difficult to ensure consumers have access to an adequate supply of fluid milk.

The Proposed Solution: Update the current milk component factors in the skim milk price formulas to reflect current actual composition of producer milk and provide for further periodic updates as needed.

NMPF proposes that the skim component factors and the skim milk pricing formulas to be increased to equal the weighted average nonfat solids true protein and other solids factors for milk pooled in Federal Orders. The data to be used are USDA's average component tests of producer milk in all orders during calendar year 2022.

For producer skim milk, the average component factors are protein 3.39, other solids 6.02, and nonfat solids 9.41. Implementation of the new skim milk factors would occur 12 months after adoption of the order updating the skim factors.

Due to the significant use of risk management programs by dairy producers and handlers and the intricate nature of the transactions tied to the skim milk formulas, the new factors should not be implemented for a period of 12 months to allow the hedge transactions established



2.

2.0

2.1

prior to the change and the formulas to roll off.

To ensure this progressive misalignment in skim component factors does not recur, NMPF also proposes that the pricing factors be updated regularly, no less than every three years. However, no change shall occur until the weighted average of the nonfat solids component in the skim portion of milk pooled on Federal Orders for the prior three years changes by at least 0.07 percentage points.

The updated component values would be calculated, and if a change is warranted, it would be formally announced in February of such year, and the changes would be implemented 12 months later, with March being the first month of implementation. If this threshold condition is not met by the third year following the last update of the skim milk component factors, the calculation would be repeated in the fourth year, and subsequent years, until the 0.07 percentage point nonfat solids composition condition is met, and the factors consequently updated, whereupon the calculation would not be repeated until another three years have passed.

The proposed 0.07 percentage point threshold level is slightly less than the observed change in the average nonfat solids composition of Federal Order producer skim milk for three consecutive years compared with the prior three consecutive years as calculated for the years ending in 2018 through 2022.

Calculated just arithmetically, the initial update



2.

2.1

from the current skim milk component factors to those based on the 2022 data would increase the Class III skim milk price by \$0.80 per hundredweight and the Class IV skim milk price by \$0.41 per hundredweight, using ten-year average product prices for 2013 through 2022.

Subsequent adjustments under Proposal 1 would be much smaller. An increase from the 2022-based skim milk component factors by the proposed 0.07 percentage point threshold, parsed between protein and other solids based on analysis of the data, would increase the Class III price by \$0.14 per hundredweight and the Class IV price by \$0.07 per hundredweight, based on the same ten-year average product price data.

This testimony provides an overview of our justification for adoption of Proposal 1. More detailed testimony will follow that supports all or key portions of Proposal 1, including testimony provided by Calvin Covington, representing NMPF member cooperative Southeast Milk, other members of the NMPF task force that developed our Federal Order modernization proposals. Also included will be several expert witnesses from other organizations testifying on particular parts of our Proposal 1, several aspects of it, and several producers who are members of NMPF member dairy cooperatives.

Shifting now to the economic and market impacts of NMPF's proposed changes. Dr. Scott Brown of the University of Missouri will testify later at this hearing on his analysis of the economic impact of adopting NMPF's



2.

2.1

five proposals previously described. His analysis will show that these proposals will have a modestly positive impact on the average price of milk received by dairy farmers, which will dissipate fairly rapidly. The resulting average prices are expected to converge within a few years to their baseline levels, i.e., levels expected to be prevail in the absence of any order changes.

The changes provide -- proposed by National Milk will not affect the cost of producing milk nor constrain the supply of milk freely produced by the nation's dairy farmers in response to market price signals. Without either of these effects, the price of milk will continue to reflect the longer term costs of producing it, which are not directly affected by the Federal Order regulatory changes proposed by NMPF.

Any and all changes to the prices of individual dairy products, or to the Federal Order regulated costs of milk for processing individual dairy products generated by these proposals, will be limited to those necessary to reflect changes in the cost of manufacturing these products, changes in the cost of supplying milk to processors of those products, changes in the value of milk supplied by producers to those processors, or changes — other changes necessary to more closely align the regulated minimum value of milk with the market value of the products into which it is produced, as translated by the Federal Order product price formulas.

Such realignment is critical to the effective



2.

2.1

functioning of the Federal Order program to ensure orderly market -- marketing given the fixed parametric nature of the product price formulas coupled with the rapid evolution of the basic structural features of the U.S. dairy industry that those parameters are intended accurately to reflect.

Figure -- give me a second here. My computer is normally set up for two-screen operation, so I don't have the presentation view, but this should be large enough.

Figure 1, as shown on the screen, provides a perspective on the key issue of the impact on consumers of the Federal Order program and potential changes to the regulatory provisions of that program. It charts the monthly Consumer Price Indices, or CPIs, reported by the U.S. Bureau of Labor Statistics (BLS) over the past decade and a half for, progressively, all items, also referred --which is the general measure -- most general measure of overall consumer price inflation, also referred to as the overall cost of living. That's shown in red on this chart.

Together with the aggregate CPIs for all food and beverages, shown in green; for all dairy products, shown in the sort of navy blue; and for all food milk products, the principal regulatory focus of the Federal Order program. These CPIs reflect actual retail prices paid for all U.S. cities -- in all U.S. cities, but they are expressed in the form of indices with their respective U.S. average retail prices during the 36-month period of



2.

2.0

2.1

1982 to '84, each set to the value 100 to facilitate comparisons between them.

Figure 1 shows that the retail prices represented by all four of these measures had increased as of 2008 on the left-hand side of the chart by about the same amount, slightly more than doubling during the quarter century since the index base period. That's what index values of about 210 reflect, slightly more than doubling over that 25-year period.

From 2008, the overall cost of living and the cost of all food and beverages have both continued to increase at a relatively steady pace, which accelerated during the recent bout of inflation, with food and beverage prices slightly outpacing the overall inflation rate, particularly in recent months.

The less aggregated dairy and fluid milk CPIs have shown a greater sensitivity to the price of producer milk, including the 2009 price plunge, the price spikes of 2014 and 2022, and the stagnation of prices between those two peaks. This closer connection between farm and retail prices for dairy stems from the fact that the cost of raw milk has averaged about 31% of the retail value of dairy products since 2002, while the farm value of most fluid and beverage products represents a much smaller share of the total retail value of finished food products, which accordingly reflect more closely the main drivers of all overall retail price inflation, including such factors as energy, labor, and transportation.



2.

2.1

However, these factors have also caused retail inflation for dairy products to outpace general food and beverage price inflation during the recent bout of general price inflation, shown in that steeper curve of the blue lines, but also to recover more quickly from it with dairy product retail prices actually dropping this year while the two more general CPIs -- that is overall CPI for all items and for all food and beverages -- continue to increase.

But, of particular significance for the current purpose, the overall cost to consumers of dairy products and fluid milk products in particular has declined during the illustrated period relative to both overall inflation as well as to general food and beverage price inflation.

One noteworthy datum is that the simple difference by which the monthly CPI for all fluid milk has fallen below the CPI for all food and beverages has reached its highest level ever in July 2023.

Agricultural production enjoys built-in productivity advantages due to its biological basis, which can generate increases in production per animal or increases in production per planted unit as a result of genetic improvements and other productivity enhancements unique to biological production processes. These advances generate unit cost reductions, which the competitive nature of farming passes on up the various agricultural and food marketing channels, eventually to consumers.

This consumer cost reduction aspect of agriculture



2.

2.1

varies in direct relation to the proportion which the basic agricultural commodity represents to the total retail value of the resulting food products, which, as mentioned, is relatively high for dairy products. This aspect of agricultural production coupled with the great productivity of U.S. agriculture has resulted in the general cost of food representing one of the smallest proportions of total consumer income in the United States compared to that in all other countries.

It is, therefore, very difficult to consider the facts presented in Figure 1, which reflect the relative influence of all the economic factors at play in producing general, food and beverage, overall dairy product, and fluid milk product price inflation over the past decade and a half, a period that includes the continuous operation of the Federal Order program, it's very difficult to consider all of that, and conclude that Federal Orders have had a deleterious effect on consumer welfare via the retail price of fluid milk and retail prices of dairy products in general. And given the results of Dr. Brown's analysis, this will continue to be the case under the Federal Order modernization changes proposed by NMPF.

Another key issue is the impact of the Federal Order program and potential changes to the regulatory provisions of that program on small businesses. As stated in the notice for this hearing, most parties subject to a Federal Milk Marketing Order are considered a small



2.

2.1

business. A large majority of these are dairy farm businesses, which for the purpose of the Regulatory Flexibility Act, 5 USC 601 to 612, or the RFA, are defined as a small business if they have an annual gross income of three and a three-quarters million dollars or less.

Table 1 provides simple estimates of the average herd size and average milk sales per herd of producers pooled on the individual Federal Orders in 2022. These estimates, which are mine, are weighted averages by herd size of the individual states that lie wholly or partially in the respective Federal Order Marketing areas. These estimates would indicate that most of the producers pooled in Federal Orders in 2022 would qualify as small businesses for the purposes of the RFA.

As previously mentioned, Dr. Brown's analysis will -- and testimony will show that the Federal Order modernization changes proposed by NMPF will have a modest positive impact on the average price of milk received by the mostly small businesses that are dairy farmers in the United States.

Also, as previously mentioned, any and all changes in the price of individual dairy products and to the Federal Order component of class prices resulting from these proposals and, therefore, to the uniform prices received by dairy farmers in individual orders and regions, will be limited to those necessary to reflect changes in the cost of manufacturing those products, changes in the cost of supplying milk to processors of



2.

2.0

2.1

those products, changes in the value of milk supplied by producers to those processors, or other changes necessary to more closely align the regulated minimum value of milk with the market value of the products from which it is produced, as translated by the Federal Order product price formulas. This will also apply to any processors and manufacturers of dairy products which are also small businesses.

Concluding comment and proposed regulatory changes. NMPF sincerely wishes to thank Secretary Vilsack and the Department for holding this important hearing and for thoroughly considering adoption -- thoughtfully considering adoption of its proposed amendments to the Federal Milk Marketing Order regulations.

NMPF has devoted considerable time and resources to thoughtfully considering and recommending the important changes it considers necessary to correct the growing misalignment between the dynamic changes in the U.S. dairy industry since Federal Order Reform and the largely unchanged factors in the critical Federal Order component and class price formulas originally adopted at that time.

Together, NMPF is requesting the Secretary to amend certain provisions of 7 CFR, Paragraph 1000.50 through 52, applicable to all Federal Milk Marketing Orders, and 7 CFR, Paragraph 2005.51(b), 2006.51(b), and 2007.51(b). The changes to these regulations that Proposal 1 would entail are as follows:

In paragraph 1000.50, section (f), would be



2.

2.1

amended by striking the Figure 9 with the words, "the applicable nonfat solids component factor described in Paragraph 1000.51."

To number (i), on the Class III skim milk price, strike the number 3.1 and substitute "the applicable protein component factor described in Paragraph 1000.51." Also strike the number 5.9 and substitute, therefore, "the applicable other solids component factor described in Paragraph 1051."

And then in (k), Class IV skim milk price, strike the number 9 and substitute, therefore, "the applicable federal nonfat solids component factor described in Paragraph 1051."

Under (q), advanced pricing factors, in number (1), Roman numeral (ii), strike again the 3.1 number and substitute "the applicable component" -- "protein component factor described in Paragraph 1000.51."

Roman numeral iii, strike the number 5.9 and substitute, therefore, "the applicable other solids component factor described in Paragraph 1051."

Then in (2), Roman numeral (ii) again, strike the number 9 by the applicable -- and substitute, therefore, "the applicable nonfat solids component factor described in Paragraph 1000.51."

We would also amend Paragraph 1000.51, which is currently reserved, by striking reserved and substitute a section entitled "Milk Component Factors."

(1): Upon implementation of this Order, the



2.

2.1

component factor for protein, other solids, and nonfat solids should be the following: Protein, 3.1; other solids, 5.9; and nonfat solids, 9.0.

- (2): Beginning the first day of the 12th month after implementation of this order, the component factors for protein, other solids, and nonfat solids shall be the following: (i), protein, 3.39; (ii), other solids, 6.02; and (iii), nonfat solids, 9.41.
- (3): By February 28th of the third year following the announcement of any change in the protein, other solids, and nonfat solids component factors of producer skim milk under this section, those component factors shall each be updated to the simple averages of their respective three most recent calendar year weighted average component tests of producer skim milk in all orders, rounded to two decimal places, as calculated by AMS, if the resulting nonfat solids factor differs by at least 7 -- 0.07 percentage points from that currently in effect.

Roman numeral (i): Implementation of the updated component factors under this paragraph shall be announced no later than five days after the calculation that triggers the change and shall become effective the first day of March of the following year.

(ii): If a change in the component factors is not indicated by the calculation described by this paragraph, then the calculation shall be repeated the following year and any change in the existing skim milk component factors



2.

2.1

1 | shall be announced, as described in this paragraph.

Your Honor, this completes my testimony.

THE COURT: Thank you. Ms. Hancock.

MS. HANCOCK: Not quite.

## BY MS. HANCOCK:

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

2.0

2.1

22

23

24

25

26

27

28

Q. Dr. Vitaliano, thank you for reading your statement into the record, Exhibit 62. I'd like to just learn a little bit more about your background before we turn you over.

Can you tell me about your educational background?

- A. I have a Bachelor's degree in mathematics from the University -- Indiana University. I have a Master's degree in mathematics from the Pennsylvania State University. I have a Master's of science degree and a Ph.D. in agricultural economics from the University of Wisconsin at Madison.
- O. And what year did you obtain your Ph.D.?
  - A. 1979.
  - Q. Okay. And throughout the course of your career, can you give me an overview of the roles that you have held in the various organizations?
  - A. My first job after the -- earned my Ph.D. was on the faculty of agricultural economics at Virginia Polytechnic Institute and State University in Blacksburg, Virginia. In that capacity, I worked with the local dairy industry, including some of the local dairy cooperatives, and got -- got a lot -- basically built substan- -- significantly on my education in agricultural economics.



And subsequent to that position I came directly to the position I currently occupy.

- Q. Okay. And -- and the role that you have now, can you tell me what falls under the scope of your responsibilities?
- A. National Milk is involved in a lot of policy issues, domestic pricing policy, formerly the Dairy -- Dairy Price Support Program, now the basically two versions of Dairy Margin Protection Program, previously the Margin Protection Program, or MPP, currently the Dairy DMC, Dairy Margin Coverage Program, doing economic analysis, doing -- you know, preparing materials for our lobby staff and others.

We also do a lot of analysis on trade policy, particularly back in somewhat prior years when the United States was more active in promulgating -- in negotiating free trade agreements with other countries, both bilateral and multilateral.

I was responsible -- in addition to being the chief economist -- I was responsible for about ten years for the -- actually handling our eco- -- our policy advocacy during the year -- during -- during the development and -- and approval of the Uruguay Round multilateral trade negotiations that formed the World Trade Organization and also for the North American Free Trade Agreement. I was very active in developing proposals and was successful in implementing concepts into the -- into the U.S. scheduled concessions under those



2.

2.0

2.1

trade agreements.

2.

2.0

2.1

We also handle a lot of regulatory issues working with USDA on milk quality and things of that sort.

So anything that National Milk does that basically involves policy, mostly federal policy, both the administrative -- both legislative as well as the administrative implementation of the legislation, anything that has policy, I'm responsible for providing, if particularly asked, economic analysis showing how that benefits dairy farmers and our members. For policies that we are opposed to, we're also responsible for developing economic analysis that shows why it would be harmful to the interest of our members.

So it's a very broad range of responsibilities that, again, it covers primarily, again, economic analysis, but, you know, in all aspects that affect our member cooperatives and their dairy farmer members, you know, both in terms of Congressional legislation and administrative implementation of all the various policies that affect our members.

- Q. Is there anyone at National Milk who has served in an economics role, analysis role longer than you?
- A. Probably not. I haven't measured. But I have been with National Milk for more than a third of its entire existence, which is longer than a hundred years now. National Milk was founded in 2016 (sic).
  - Q. Thank you, Dr. Vitaliano.

    MS. HANCOCK: Your Honor, I would offer this



1 | witness as an expert in dairy policy and economics.

THE COURT: Any -- any objection? This is voir dire I quess.

Very well, yes. I find this witness to be qualified to testify on the -- as an expert on the subject matter of his testimony as contained in Exhibit 62 and otherwise.

MS. HANCOCK: Thank you, your Honor. No further questions.

THE COURT: Okay. We have time for cross-examination.

12 MR. ROSENBAUM: Steve Rosenbaum for the 13 International Dairy Foods Association.

# CROSS-EXAMINATION

### BY MR. ROSENBAUM:

2.

3

4

5

6

7

8

9

10

11

14

15

16

17

18

19

2.0

2.1

22

23

24

25

26

27

28

Q. Dr. Vitaliano, if I could ask you to turn to page 5 of Exhibit 62, which is the testimony you just read into the record.

Just to orient ourselves, Proposal 1 would increase the protein assumption in the calculation of class prices to 3.39, other solids would increase to 6.02, and the nonfat solids would increase to 9.41, correct?

- A. That is correct.
- Q. Okay. And the 9.41 is adding the other two together; is that right?
  - A. Yeah.
- Q. Now, at the bottom of page 5, you state, and I'll quote: "The data to be used are USDA's average component



tests of producer milk in all Federal Orders during calendar area 2022."

Do you see that?

A. That's correct.

1

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

2.0

2.1

22

23

24

25

26

27

- Q. Now, would it, in fact, be more accurate to state that, under your proposal, the data to be used are USDA's average component tests of producer milk in the seven multiple component pricing orders?
- A. USDA obviously has a long published data series of the component factors in the seven multiple component pricing orders. But we are proposing, very clearly stated in this proposal, that it be -- it be extended to all Federal Orders, all classes, at which point it would seem to be far more appropriate to include the data from all orders, including those that don't have component pricing.
- Q. But the numbers you are proposing, the specific numbers you are proposing, those are derived solely from the seven multiple component pricing orders?
  - A. That is incorrect.
  - Q. Okay.
- A. Calculating them from the seven component pricing orders, you get those numbers. But USDA has subsequently basically given -- produced data for all 11 orders, and I double-checked those numbers, and you come to -- basically rounding to two decimal places, to come to the same -- the same numbers.
- Q. Okay. Let me -- the numbers that are set forth in your proposal, those are to two decimal points --



A. That is correct.

2.

2.1

- Q. -- the numbers you get using the reported numbers by USDA for the seven multiple component pricing orders, correct?
- A. Yeah. Because, again, the volume of milk, that's skim milk, represented by the seven component pricing orders, is like 90% of all the milk. So when you include the other 10% of the non-MCP orders, you -- you know, you will get a slightly different number, but rounding it to two decimal places. You know, in a sense, it doesn't make a big difference in the numbers, but in the sense that extending this to all classes of milk in all orders, it would seem to make sense that you use the data in all the orders.
- Q. Well, so, what was -- what's the purpose, sir, of multiple component pricing?
  - A. Excuse me?
    - Q. Why does multiple component pricing exist?
- A. Multiple component pricing exists to pay dairy farmers individually for the value of their individual milk.
- Q. And that -- and that was adopted starting back in 1994, correct?
- A. Yes. But this testimony and this proposal does not deal with multiple component pricing. We do not have an advocacy position for multiple component pricing. We have an advocacy position that we are addressing in Proposal 1 that affects the existing price formulas for



- 1 | the default values of the skim milk component composition.
- 2 | They are clearly stated in the -- in the Class III and
- 3 | Class IV and Advanced Class --
- 4 Q. And --

levels?

5

7

8

9

13

- A. -- and pricing factors.
- 6 | 0. And it is --
  - A. That's all we're addressing.
  - Q. And I'm addressing that very question as to whether that's an appropriate thing to do.
- So my -- my question is as follows: What -- was there -- was there thought to be extra value being provided by farmers by having milk with higher component
- 14 A. The value of Class III milk basically to farmers,
- on average, because the pricing formulas that we have
- 16 | in -- you know, particularly in Class I, reflects
- 17 | basically, you know, milk -- you know, prices that are
- 18 | paid, you know to -- ultimately to all dairy farmers.
- 19 National -- USDA established the current 3.1, 5.9, and
- 20 | 9.0% factors for a purpose, to reflect the average
- 21 | component composition for all producer milk for a number,
- 22 basically, subsequent to that and --
- 23 | O. You are --
  - A. -- multiple component pricing was adopted --
- Q. You are answering a question that has nothing to do with the question I asked.
- MS. HANCOCK: Your Honor, if he could be permitted to finish his answer.



MR. ROSENBAUM: I'd like an answer.

THE COURT: Go ahead. What's the problem? BY MR. ROSENBAUM:

- Q. What purpose was served by establishing multiple component pricing?
- A. Multiple component pricing was -- was -- basically the purpose was to -- after many, many years -- to pay dairy farmers individually for the value of the milk they were producing. And dairy farmers subsequently reacted to those economic signals by substantially increasing the rate at which they were increasing the composition of their milk, giving rise to the increasing disconnect that Proposal 1 is designed to address.
- Q. And there are four orders that don't have multiple component pricing?
  - A. That's correct.
- Q. And those are Appalachia, Southeast, Florida, and Arizona, correct?
- A. That's correct.
- Q. And in those four orders, there has been -there's -- there's not -- there's not the financial
  incentive provided, that multiple component pricing
  provides, that is to say, they don't get a higher price
  for their milk based upon components.
  - A. Under the current system, that's correct.
  - Q. And you are not -- okay.
- Now, the -- your proposal, when it comes to Class II -- correct me if I'm wrong, but I think I'm



1

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

2.0

2.1

22

23

24

25

26

27

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

2.0

2.1

22

23

24

25

26

27

- right. When it comes to Class II, III, and IV, your proposal actually has no impact on multiple component price orders; is that correct?
  - A. On Class II, III, and IV, that would be correct, because component values are paid into the pool by processors at those component values, and are paid back out to farmers --
  - Q. So just going to state what you said a little different way. In multiple component pricing orders, farmers are paid based upon the actual components in their milk, not upon any assumptions as to what the component levels are, correct?
  - A. That is correct. Except for the value that they derive from Class I in those pools.
  - Q. And I'm not talking about -- Class I is a different set of issues, which I'll get to in a minute.

    We're talking about Class II, III, and IV.
    - So when -- so just -- your proposal really has no effect on Class II, III, and IV in the seven MCP orders, correct?
  - A. It has no direct effect on the pool value of milk in those three -- II, III, and IV classes.
    - Q. But your proposal would have a material effect on Class II, III, and IV, in the four what I'll call the fat skim orders, correct?
  - A. That is correct, and that is one of the specific intentions of our proposal.
    - Q. Okay. Well -- okay. And what you're -- and just



- A. I use those terms myself.
- Q. Sometimes they are called the non-MPC orders, and sometimes they are called the fat skim orders.

Those terms are synonymous, correct?

- A. Yes, we can -- there will be no confusion in both of our understanding of --
  - Q. Okay.

1

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

2.0

2.1

22

23

24

25

26

27

- A. -- what you mean.
- Q. Okay. So -- and on your proposal in the four fat skim orders, you are proposing to change the regulations so that they pay farmers, in those four orders, as if the milk components in their milk is equal to the average milk components in the MCP orders; is that true?
- A. That's correct. But that is no different than how that -- those same things operated at the beginning of Federal Order Reform, where a uniform national set of assumed pricing factors was adopted and applied nationally to all orders.
- Q. Well, sir, but at that time, MCP was already in place, indeed, it was expanded in 2000 to include additional orders, so that those assumed values actually had no impact in the MCP orders, just like they still have no impact, correct?
- A. The question is what was the purpose of USDA establishing the current factors in Class III and Class IV



skim milk.

1

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

2.0

2.1

22

23

2.4

25

27

- Q. But -- but I am correct that, under your proposal, farmers in the four fat skim orders will be paid as if the milk components in their milk was equal to the average milk component levels in the seven MCP orders. That's how it works, correct?
  - A. That's correct. But again --
- Q. And even though those farmers have never been provided the financial -- let me -- strike that. Let me start something else.

In order to achieve -- I mean, in order to achieve the higher protein levels and higher solids nonfat levels that you have recited, I take it that farmers and MCP orders have undertaken a series of steps and efforts, correct? That's a yes or no.

- A. Farmers in the MCP orders you say?
- O. Yes.
- A. They apparently have because they have increased their component content.
  - Q. For example, changes in breeding perhaps?
- A. Uh-huh.
- Q. You need to answer yes or no. Sorry. You are shaking your head. The recorder needs to have something --
  - A. Yes, it included those things you mentioned.
- 26 Q. Changes in feed maybe?
  - A. That too.
- 28 Q. Feed might be more expensive as a result? I mean,



- maybe it is more expensive feed, but you make it up through the -- getting paid more; is that fair?
  - A. Farmers are very good at reacting to the financial incentives that --
    - O. Believe --

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

2.0

2.1

22

23

24

25

26

27

- A. -- and reacting to them.
- Q. Believe me, this is no criticism of the MPC system -- MCP system.
- Okay. But farmers in the fat skim orders have -- just have never had those financial incentives, correct?
- A. They currently do not have those same financial incentives --
  - Q. Okay.
    - A. -- as -- as those in the MCP orders.
- Q. Well, and they still won't have that incentive over -- under your proposal, correct? They will get it automatically, right? They will get paid under the assumption that their levels of components in their milk is equal to the average level of components in the MCP orders?
  - A. Under our proposal, farmers in the fat skim orders would be paid a price much closer to the value of the milk they produce than under the current regulations.
  - Q. Well, am I right that they will be paid as -- as if they were producing milk that had the average component levels that exist in the seven MCP orders?
  - A. They would be paid based on a uniform national pricing formula that reflects the average prices,



1 including data from their individual orders.

- Q. And you have -- well, you have said 90% of the milk is in the MCP orders --
  - A. That's true.

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

19

2.0

23

24

25

26

27

28

- Q. -- to begin with, correct?
- A. It would have -- it would make a small difference but...
  - Q. Well, but -- have you tried to calculate actually what the -- how many -- what the financial impact is?
  - A. Subsequent testimony by -- as I indicated in my -- my testimony, mine is just the first overview of this issue. We have many more witnesses, including expert witnesses, that will testify in more detail, including basically those answering those questions. So let me defer to other experts that are going to be testifying on behalf of Proposal 1.
- Q. Okay. But just on a -- I appreciate what you just said.

There are seven MCP orders, correct?

- A. Currently there are seven MCP orders.
- Q. Okay. And if your proposal is adopted -- and we know -- strike that.
  - And we know what the average MCP levels are in those seven orders, correct?
  - A. Yes. But we -- USDA has data for the component levels of skim milk in all orders, but certainly in the seven MCP orders.
    - Q. They don't have actual -- I mean, they haven't



presented any actual data from the -- from the fat skim orders, correct?

- A. I think that was -- that data was available in one of -- basically one of our data requests and --
  - Q. Actual data as opposed to estimated data?
- A. I will defer that question to one of our experts, Mr. Calvin Covington, to follow me, who knows these numbers extremely well.
  - Q. Okay.

1

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

2.0

2.1

22

23

24

25

26

27

- A. So he'll be able to answer your questions.
- Q. In any event, doubtlessly, there are some MCP orders where the component levels are higher than the average and some where they are lower than the average, correct?
- A. That's generally the way you would define an average.
- Q. And under your proposal, the four fat skim orders, the farmers there will be paid more for their milk than the farmers in half of the MCP orders, correct?
- A. Well, I don't know that it would be half. It could be, you know, somewhere -- somewhere above the lowest and somewhere below the highest.
- Q. Everybody below the average is going to be -- in the MCP orders, is going to be being paid less than all the farmers in the four fat skim orders?
  - A. Could you repeat that question again, please?
  - Q. Sure.
    - So all of -- all of the farmers with average



component levels -- strike that again.

All of the farmers in the MCP orders with component levels less than the average will be being paid for their milk less than all of the farmers in the four fat skim orders, correct?

- A. That is correct. Because they are paid in those orders -- in the MCP orders they will be paid for the value of their individual components.
- Q. And that will not be the case for any farmer in the four fat skim orders, correct?
- A. But the farmers in these orders will have the opportunity to consider whether or not they would want to adopt MCP. It is always -- it is always an option.
- Q. Absent their doing that, and I'm not suggesting they shouldn't, but absent their doing that, what I -- my statement's correct, yes?
- A. Well, let me -- let me put that in the context -- those farmers have been paid from the get-go less than the value of their milk, and increasingly over time they have been underpaid progressively for the actual value of their milk. And that's going to continue. We have an expert witness who will testify to that effect.

So the fact that adopting our proposal may adopt -- you know, because we have to have a uniform set of class price formulas, there may be some farmers in those fat skim orders that will be paid more than the value of their milk, some will be paid less.

But the point is our proposal is designed to



2.

2.0

2.1

- Q. Well, so since -- the MCP system first came into effect in 1994 some places, correct?
- A. I'm not -- I can't put that particular date on it, but I will -- I will accept your --
- Q. Okay. And in 2000, it was extended to the seven orders where it currently exists; is that right? The California obviously was --
- A. The legislation that mandated Federal Order Reform from Congressman Steve Gunderson specifically mentioned that multiple component pricing will be -- will be offered in all the Federal Orders, and it kind of -- to that extent kind of gave it a boost.
- Q. And -- but the farmers in the four orders that are fat skim orders today determined they didn't want to be MCP orders, correct?
  - A. Apparently, or they would have asked to do so.
- Q. Right. I may not, essentially -- well, and when MCP orders came into effect -- I'm going to give you the date 1994, you have to accept that as being the accurate date, I believe it is --
  - A. I'll accept your --
- Q. -- in any event, extended in 2000 -- it was the anticipation that this would incentivize farmers in MCP orders to increase their component levels, correct?



2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

2.0

2.1

22

23

24

25

26

27

- A. I would say the intent was to pay farmers for the value of their individual milk.
  - Q. All right.

2.

3

- A. They could choose to consider that an incentive.
- 5 | If the cost of increasing the -- the content, and
- 6 | therefore the value of their milk, was less than the value
- 7 of doing so, they would -- they would do so; if not, they
- 8 | would -- they would not increase. They would not change.
- 9 But they had the opportunity to, again, be more fairly
- 10 | paid for the value of their milk.
- 11 Q. And the reality is it did incentivize them, and
- 12 | the component levels went up, correct?
- 13 A. That is correct.
- 14 Q. The class -- it was understood from the get-go,
- 15 | wasn't it, that Class I was not going to be tied to that?
- 16 A. I don't know what was understood, but the
- 17 | regulations made it clear that it was not tied, that --
- 18 | that basically the value of -- of skim milk in Class I was
- 19 | going to be at the regulated 3.1 protein, 5.9, and 9.0
- 20 | nonfat solids.
- 21 Q. And there was never a provision that said if -- I
- 22 | mean -- let me start that again.
- The MCP orders provide that as component levels go
- 24 | up, the payments go up, correct, for Class II, III, and
- 25 | IV?
- 26 A. Yeah. The payments into the pool for Class II,
- 27 | III, and IV, but not Class I, could go up.
- 28 Q. Right.



- A. And farmers would be paid basically the value of their components, plus or minus PPD.
- Q. And the value of their components -- start that again.

Which components you're evaluating depends upon which class milk is being used in, correct?

- A. To a great extent. But to dairy farmers, they produce -- they produce milk that could be used in any class.
  - Q. Right.

2.

2.1

A. And when they -- when their milk is increased -- has increased value in its components, they realize the value of those components -- or the value of those components are realized when that milk is manufactured into Class III or Class IV products.

If they -- if producers, including the fat skim orders, sell their milk as Class I and are not paid for the value of those components, there's an opportunity cost for them, that they could have received a higher -- basically gotten a -- you know, a higher price could have been paid for their -- for their milk in the manufacturing classes.

And that gets back to the points that I was making in my testimony about, you know, the growing disconnect between the value of producer milk and what they are being paid for in -- in Class I in all orders, including the MCP orders, is leading increasingly to disorderly marketing.

Q. For Class IV, if the milk is going into Class IV,



1 | which components count for increase --

- A. Total nonfat solids.
- Q. Okay. And for Class III, which components count?
- A. Protein and other solids.
- Q. Okay. And that's -- that's because components that you get paid more for in Class IV, those are the components you need to make Class IV products, correct?
  - A. Yes.

2.

3

4

5

6

7

8

9

10

11

12

15

16

17

18

19

2.0

26

27

- Q. And similarly, the components you get paid more for in Class III, those are the components you need more of to make Class III products, correct?
- A. I think that's correct.
- Q. You don't need more components to make Class I milk, do you?
  - I mean just that simple question. Those higher components are not needed to make Class I milk, are they?
  - A. In most states. In California, they are.
    - Q. That's -- California has a special standard, correct?
  - A. Last time I checked, they did.
- Q. They are unique in that regard, correct?

  Is that right, they are -- I'm just asking you, is

  California unique?
- A. California has a -- basically has a higher standard for -- for fluid milk.
  - Q. Okay.
  - A. I have not done a survey of other states to know whether or not they might have a higher standard.



1	Q. Okay. You can't make more fluid milk, you can't
2	fill more gallon jugs of milk because you have a higher
3	other solids level, other higher protein level?
4	A. If the protein level of fluid milk goes up, it has
5	a higher value for for consumers.
6	Q. You have seen people pay more for that milk?
7	A. I have not, but I have not done supermarket
8	pricing surveys. But my understanding is that high
9	protein is one of the one of the increasing focuses of
10	marketing Class I milk.
11	Q. Do you have any idea what percentage of milk sold
12	in this country are marketed on that basis?
13	A. No, I don't.
14	MR. ROSENBAUM: That's all I have, your Honor.
15	THE COURT: Thank you, Counsel. So let's take a
16	further afternoon break at the request of our hearing
17	reporter. It's 3:50. Let's come back at 4:00. Is that
18	sufficient?
19	Okay. We'll be back at 4 o'clock. Off the
20	record.
21	(Whereupon, a break was taken.)
22	THE COURT: Back on the record at 4:04 p.m.
23	Okay. Cross-examination continues. I remind you
24	that you are still under oath, Doctor.
25	MR. VETNE: Thank you, your Honor. John Vetne,
26	consultant for National All-Jersey.



BY MR. VETNE:

27

28

CROSS-EXAMINATION

Q. Dr. Vitaliano, thank you for your testimony.

You referred -- I'm going to page 2. I'm just going to go page by page. I made some notes here.

You referred to on page 2 to dynamic structural change since the year 2000. Are you referring there to Federal Order Reform when you are referring back to the year 2000?

- A. Yes, the year 2000 was selected to indicate the initiation of Federal Order Reform, which is pertinent because that's when these component -- the -- you know, these end product pricing formulas were adopted. Prior to the adoption of those, where we had a direct survey method of determining basic prices for Federal Order operations, that issue of reflecting the dynamic and the changing structure of the industry was not so critical.
- Q. Federal Order Reform, you were involved in that, part of your responsibility?
- A. Yes, I was working for National Milk at the time the Federal Reform was developed.
- Q. So the rules that were adopted in 2000 in Federal Order Reform followed a Federal Order Reform recommended decision in 1998.

Do you recall that?

- A. All I remember about that was the Federal Order Reform was not -- was done more by informal rulemaking --
  - Q. It was.
- A. -- and not by the official Federal Order -- normal Federal Order amendment process through a hearing.



2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

2.0

2.1

22

23

24

25

26

27

- Q. Do you recall that the Federal Order Reform economic data, including product price formulas, production, composition, were based upon the market in 1997 and 1998? In other words, a year -- a decision in the year 2000 wasn't based on data in 2000, it was based on some prior?
- A. I don't have an encyclopedic knowledge of all of those aspects. But as far as Proposal 1 is concerned, I specifically studied the -- the hearing record, it was basically the final decision, reflecting, you know, why they adopted the current 3.1, 5.9, etcetera.
  - Q. And do you recall --
- A. And those those were based those were not based on actual composition data from what I have gathered from the record. That was basically developed based on the nominal 3.5% butterfat test and the associated protein tests and other solids tests for milk in 35, and that was done for the purpose of comparing the new Class III and IV prices to the existing prices to make sure there was continuity, namely the BFP, California, and the 3A price, and the California 4A and 4B prices. That's explicitly spelled out in the decision.
- Q. So my question is, when you refer to structural change, do you recall the period of time in which the structure was examined?

You are talking about change since the year 2000, but if the data that they looked at was from 1997, it is not 23 years old, it is a quarter century old?



2.

2.1

- A. That could be. As I say, in terms of the specific data for the milk composition factors, it was not clear whether they referred to any particular year. They were adopted in the year 2000. So, all of my references to things happening since 2000 were with reference to the factors that were established that year, not necessarily based on data from that year because they don't seem to have been based on -- on specific data but on a comparison with existing analogous prices from pre-reform Federal Orders and the California orders to ensure that they were consistent with those -- those prices.
  - Q. Okay. You reference in the first full paragraph at the top of that page to the transfer of price discovery for markets for dairy products to markets for unprocessed milk used to produce them. There you are referring to the transition from MW survey to -- to the product price method of reaching --
  - A. You can consider that a capsule description or definition of end product pricing.
  - Q. Okay. And that end product price actually does two things: It establishes a value of the components used to produce various manufactured products, correct?
  - A. Valuing the components of milk used to produce the various products is a critical step in the -- in the operation of end product pricing. In order to transfer, you know, pricing information from the sold products back to the value of milk, you have to do it through the components.



2.

2.1

- Q. Okay. And in your statement and in questions and answers up to this point, and probably for the next few weeks, you used the term value and you used the term price. What's the difference? When you use value, are you referring to something different than price?
- A. Well, under the current system, you know, the price that farmers are paid for their Class III and Class IV milk and not MCP orders is different from the value that they -- that that milk actually has.
  - Q. Well, let's --
  - A. But --

2.

2.0

2.1

- Q. -- let's refer to all -- all circumstances. Let's say, include MCP orders. Does value mean something different than price?
- A. In a perfectly competitive market that the economists often start their economic -- you know, economic 101 classes about, value equals price. But value does not necessarily equal price under -- in a lot of real world markets. You have to look at the particular circumstances.
- Q. Okay. Is the objective of transferring this price discovery to determine, step one, the value of a product; step two, the value of the components used to produce that product; and then step three, transferring that to establish the regulated price reflecting that value?
- A. That should be the whole purpose of end product pricing, and has been the objective of National Milk's very intensive effort to come up with recommendations to



modernize the system. As I have emphasized at several points in my testimony, it was to basically improve the accuracy of that transfer process, which is becoming, you know, with the static coefficients in many cases, becoming increasingly outdated and causing disorderly -- increasing disorderly marketing.

- Q. Okay. And you are referring in the penultimate paragraph at the bottom of the page, "factors in the class price formulas." Again, you are referring to the factors of value that are examined to produce a class price; is that correct?
  - A. Are you still on page 2?
- Q. I'm still on page 2, about ten lines up. The second -- the paragraph -- the last full paragraph on the page, second line, last words are "factors in the class price formulas."
  - A. That's correct.
- Q. Okay. And there you are referring to those elements of value that are looked at to determine the class price?
- A. And that includes the component price formulas and the skim milk price formulas.
- Q. Okay. The class prices that are established through this process are a multiple component class price, correct?

There are two elements of multiple component prices. One is pricing to handlers when you have a Class III price that is based on protein, other solids; a



2.

2.0

2.1

- A. Could you be more specific in how you are using the term multiple component class price, please?
- Q. For cheese, three components: Fat, protein, and other solids. Those three components, you ascertain a value to come up with a Class III price, correct?
- A. Yes. If you are not using the term "multiple component pricing" to refer to the multiple component pricing mechanism for paying producers, then by, themselves, the product price formulas are derived by working through the value of the components and building up to a -- to a milk price.
  - Q. Three components. Three is multiple, correct?
- A. For Class III; three for Class II; and Class IV, it is two.
- Q. So, a handler receiving -- that makes cheese, receiving 3.9% protein in milk, if that handler pays the same price as a handler receiving 4.2% protein, somebody has an advantage, somebody is not paying the full value, correct?
- 25 A. If the handler receiving 4-point whatever it 26 was --
  - Q. 4.2% versus 3.9%.
  - A. -- presumably will -- will achieve a higher value



2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

2.1

22

23

24

27

- Q. Right. Those handlers, assuming they make identical products, do not have a uniform price for the components they receive, do they?
- A. Yes. If they are not required to pay for the specific components they receive and are manufacturing products from that milk, yes, they are not -- there's not a uniform price being paid by processors under your -- your assumptions there.
- Q. Okay. When you used the term "multiple component price" in response to some questions from Mr. Rosenbaum, you were referring to the way producers are paid, not to the way handlers are charged; is that correct?
- A. That's correct. Because that was the sense in which, Mr. Rosenbaum was using those terms --
  - Q. Okay.
  - A. -- that term.
- Q. Maybe.

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

2.0

2.1

22

23

24

25

26

27

28

And to muddy the waters a bit further, I'm looking at page 3 in the paragraph that begins after the bold print, bold print paragraph, bold print line number 19, the first line says, "Implementation of all five components of NMPF's comprehensive proposal."

You don't mean this word component to have anything to do with milk component, do you?

A. No, I do not. You can substitute the word



constituents.

1

2.

3

4

5

6

7

8

9

12

13

14

15

16

17

18

19

2.0

2.1

22

23

24

25

26

27

28

Q. Constituents. The English language is sometimes imprecise.

Okay. Going over to the next page, in the middle of the first full paragraph, right in the middle, there is a sentence that begins, "Over the same period, USDA's Economic Research Service" --

See that?

- A. Yes.
- 10 Q. Reported skim solids content of producer milk rose 11 from 8.72 to 9.03.

Is that the skim solids of milk at test?

- A. Yes, because it's the average composition, and ERS also reports average butterfat tests, which they get from NASS. They use the same numbers as NASS.
- Q. Okay. So if that's a rise in the skim solids of milk at test, presumably it would be even a greater rise in the skim portion of --
  - A. Yeah.
  - Q. -- producer milk?
- A. That's covered in the rest of that paragraph where I say -- first of all, I give the raw reported numbers from NASS and ERS on the respective tests of producer milk, and then I translate that to the simple calculation to corresponding tests of producer skim milk. That's in the rest of that paragraph.
  - O. Yes. Okay.
  - A. And I explicitly draw attention to the aspect of



1 that conversion from tests of producer milk at test to 2. producer skim milk by pointing out that the butterfat content of the producer milk will affect the composition 3 of the producer skim milk because it affects, effectively, 4 the denominator. A lot of -- sometimes there's confusion 5 in that because we're talking about the composition of 6 7 producer skim milk; what does butterfat have to do with 8 Well, it affects it, as explained.

Q. Okay. Next paragraph. Beginning with "For manufactured class prices." At the end of the second line of the next paragraph, you refer to Class II, III, and IV prices and pool values.

Again, my question has to be: Do you mean something different when you use the word values compared to when you use the word price in that context?

- A. No. I'm simply referring to the Class II and III prices per unit of skim milk, and the pool values are the resultant total monies paid by processors for those three classes, paid into the pools, at those per unit prices.
- Q. On the aggregate value of the pool, not the unit price for what goes into the pool?
- A. The term "prices" refers to the unit values, and the "pool values" refer to the portion of the total pool value that is contributed by the processors of Class III -- II, III, and IV.
- Q. Okay. So that would be the aggregate of the value of protein solids, nonfat, and other solids?
  - A. In those three classes.



9

10

11

12

13

14

15

16

17

18

19

2.0

2.1

22

23

24

25

26

27

Q. In those -- well, yes.

1

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

2.1

22

23

24

25

26

27

- A. That's what that sentence is referring to.
- Q. That's the only place that a contribution comes to the pool in the form of a value for -- or price for protein, solids nonfat, and other solids, would be in these three classes?
- A. You are correct. There's none of that value paid in in the fat skim orders, and none of that is paid in on Class I in all in any order. So the only component value that's paid into the pools, as you are implying, on strict component levels, is Classes II, III, and IV, in the component pricing -- multiple component pricing orders.
- Q. Okay. Turn the page, please, to page 5.

  The first full paragraph beginning, "In the seven orders with MCP"?
  - A. Uh-huh.
- Q. And it goes on to say, "In the four orders without MCP, producers have been increasingly underpaid for the true value of their skim milk."
- Now, let me paraphrase what I think you meant, and you can tell me if I'm wrong in my interpretation.
- The factors that evolved out of Federal Order Reform, almost a quarter century ago, represent less protein, less solids nonfat, less other solids, than are in average milk in the non-MCP orders; is that correct?
  - A. That's correct.
  - O. And --
  - A. Today.



- Q. And because of that, those producers have been underpaid for the value of their product?
  - A. That's correct.

2.

2.1

- Q. Which wouldn't make a difference if it's going to Class I. Or would it?
- A. Well, we are proposing that the increased skim milk composition -- component composition factors be extended through the Advanced Class III and Class IV pricing factors, via the mover, to be extended to Class I.
- Q. I understand that. But it makes a huge difference if it is going to Class II, III or IV, producers being underpaid.
- A. Well, I guess it depends on what you mean by underpaid.
  - O. Well --
- A. If a producer is producing milk, it goes -- who knows where it goes. That milk when it leaves the farm has an objective value. And -- and basically you could say they are being underpaid for the value of all their milk.
- Q. So are you aware that, on occasion, milk with high component levels originating in Appalachia or the Southeast moves up into non-pool plants in --
- A. I don't know data on that, but since those markets are milk deficit, and increasingly so, I would assume that most of that milk stays in -- in that order, but if it's particularly high test -- I'll defer that question again, as I have done several, to Mr. Calvin Covington who has



great knowledge of those exact circumstances --

O. You would --

1

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

18

19

20

2.1

22

24

25

26

27

- A. -- like those you are asking.
- Q. You would agree with me, however, would you not, that if a producer or marketer can make an extra buck by moving milk to a non-pool plant up north, a buck that would not be available if it stayed in the south, that -- that that --
- A. Theoretically, yes. Theoretically, the question is, how many options in that milk def- -- to producers in those milk deficit orders are there to ship their milk greater distances, out of order, you know, those orders, cover the transportation costs, and still make money by doing so.
- O. Yeah.
- 16 A. That -- that is a data question that even USDA is 17 probably not collecting data for.
  - Q. The answer is, if they can make money, they will do it, that's human nature.
  - A. Farmers generally are good at taking actions that make them money.
    - Q. And that's true for any industry.
- 23 A. If they have the opportunity.
  - O. Yes.
  - A. Now, whether or not there are cooperatives with enough milk of that sort is available to put on a truck to make an economic shipment to a distant plant, you know, those are -- you know, we're starting to get into a lot of



hypotheticals here.

2.

2.0

2.1

- Q. Okay. Let me go back -- back to this underpaid for true value. What else, if anything, did you mean when you used the term "true value," other than it is not a hardware store?
- A. The true value is basically -- the true value would be -- and I think like an economist, not necessarily a marketer -- that milk that that farmer produces with higher components has a higher value.

Now, you know, I agree that in terms of realizing that higher value, you know, producers have an option, you know -- or don't necessarily have an option to magically be paid by some all -- you know, all powerful regulatory agency what their milk is really worth. But the fact is that the farmers are being underpaid in those orders under the current formulas, and we are proposing to increase them to where they should be now.

Q. Okay. In three or four places in your testimony, including at the end of the second full paragraph, the one that begins with number one on page 5, you use "disorderly marketing conditions."

And that's a term that we like to throw around in milk order hearings, but we almost never define it. So what do you mean by disorderly marketing conditions in this context?

A. Okay. I think number one pretty much describes in general terms what we're talking about. And I appreciate your -- you know, after a couple hours of



cross-examination finally leading to some of the -- back to some of our arguments for why we need to increase the skim milk component composition factors to achieve some of the fundamental purposes of the Federal Order program, which is to promote orderly marketing.

And when we have this growing disconnect between the values, and particularly of Class I, and the value of Class II, III, and IV, and multiple component pricing orders, we have, you know, basically that classic difference between Class I and the other class prices, which is designed to ensure that an adequate supply of milk is available for fluid consumption purposes. That gets progressively undermined, and you have more and more manufacturing milk being depooled, pretty much as I provide in the capsule explanation under paragraph one.

- Q. So I'm still not clear. Are you stating that depooling milk is a disorderly practice?
  - A. That's the way it is generally understood.
- Q. How do you -- how do you -- as an economist, explain how that is true and why that is true.
- A. Well, let me explain that as a -- as an employee of a trade association that works for the benefit of dairy farmers and their marketing cooperatives, I hear a lot from dairy farmers that would indicate that depooling is -- creates a disorderly marketing condition, creates great unhappiness amongst dairy farmers where one, you know, farm gets paid a certain price, and the farm not too far away that ships to another handler in another order



2.

2.0

2.1

- Q. And how is depooling contributing to that problem?
- A. One of the fundamental purposes of the Federal Order program, the fundamental reason we have pooling, is to take the use of milk in a given marketing area, that has different values in the different product production, particularly Class I versus the manufacturing price -- uses, and ends up with a market-wide pooling where producers get paid the same price regardless of where their milk goes.

You know, I have taught introductory marketing regulation classes when I was at Virginia Tech about the fundamental reason for Federal Orders. You create market-wide pooling to create orderly marketing by removing the incentive from any one group of dairy farmers to try to undercut pricing in direct sales for Class I, particularly to get that higher price.

The whole purpose of Federal Order pooling, one of the foundations stones of Federal Orders, is to create orderly marketing by paying producers the same uniform price. Depooling undermines that fundamental purpose and thereby creates disorderly marketing because uniform pooling is designed to create orderly marketing.

Q. You are saying, I can paraphrase, that producers located in the same area, not receiving a uniform or same price, for the product of their labor, is disorderly?



2.

2.0

2.1

- A. It's been my experience that that is -- that creates disorderly marketing, yes.
  - Q. That --

2.

3

4

5

6

7

8

9

10

11

12

13

16

17

18

19

2.0

2.1

22

23

2.4

25

26

27

28

- A. And you will hear --you will hear other testimony --
  - Q. Okay.
- A. -- following me on this issue that will make the same case.
  - Q. Okay.

THE COURT: Yeah, my question too, Counsel -- actually, Mr. Witness, is that disorderly marketing, or is it creates something else that's disorderly? Let's cut through this a little bit.

MR. VETNE: Is it disorderly or does it lead to disorderly?

THE WITNESS: It is disorderly marketing.

THE COURT: Okay.

## BY MR. VETNE:

- Q. Okay. And I agree with you. The whole history of the program is history of one farmer cutting another farmer's throat for a better market and --
  - A. That's why we have Federal Orders.
- Q. So we create -- we create -- we created these markets so that everybody would receive the same price and there would be no reason to slash anybody's throat.

One of the things that would be accomplished under NMPF proposal, as well as National All-Jersey's proposal, is raising the price -- the skim milk price in -- in



Class I.

1

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

2.0

2.1

22

23

24

25

26

27

28

Would you agree with me that one of the current disincentives for supplying milk from surplus markets to the Southeast or Appalachian market, is that the low skim value in the fat skim markets is a disincentive to provide fluid milk to bottling plants in the Southeast?

- A. Yes. And I basically made that case on page 5, and others to follow me testifying to Proposal 1 will provide additional support for that.
- Q. All right. In response to -- in response to a question from Mr. Rosenbaum, you said that a good reason for applying the NMPF skim formula to the Southeast for Class I, and maybe overpaying relative to half the producers in the MCP markets, is that producers in the Southeast markets have been underpaid for years.

Do you recall that answer?

- A. Yes. Producers in the Southeast markets have been underpaid for all their milk based on the fundamental description, you know --
  - Q. Okay. So is one of the --
  - A. -- based on our proposal, yes.
- Q. So is one of the purposes of your proposal to capture back past losses?
  - A. No. We are proposing to increase -- again, USDA has these formulas put in place during Federal Order Reform. They had a purpose. They are outdated. We are proposing to increase them to their currently appropriate levels, not to go back and recapture, but to -- also to



provide a more regular mechanism for keeping them updated in the future rather than having -- again, having to go for many years where -- where the values of actual milk increasingly outpace the static values that are in the formulas.

O. Yes.

1

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

2.0

2.1

22

23

2.4

25

26

27

28

- A. The -- basically the current Federal Order formulas do not really contain very many mechanisms for kind of keeping those important factors updated on a more regular basis without going through the -- you know, basically a formal hearing.
- Q. Okay.
- A. And that's what we're proposing. Not recapturing the past --
  - O. In that case --
    - A. -- updating and continuing to update.
  - Q. In that case, maybe I misunderstood you, because I understood that you thought an important element of this was to -- for the fat skim markets, was because they have been underpaid for so long, it didn't matter if they were maybe overpaid a little bit now.
  - A. Well, the point is that they have been increasingly underpaid. We are proposing that a change needs to be made to address that.

Now, the Federal Order pricing formulas generally need to be adopted on a nationwide basis. USDA made that case very, very clear in the California promulgation decision. There will be no special exemptions for, you



2.

2.0

2.1

know, regional -- regional considerations in individual orders. Federal Order will have -- in terms of the fundamental product price formulas, will have the same formulas nationwide. We accept that. We are not challenging that provision.

And so if you adopt a nationwide standard, based on nationwide data, you are going to have some situations where some farmers are going to be overpaid, some are going to be underpaid.

What I'm saying is that that issue compared to the -- you know, basically the years of being progressively underpaid, in my opinion, is a relatively minor issue by comparison. I'm not saying that it is designed to recoup those specific losses in the past, but they are designed to be -- our proposal is designed to be the best way to update those formulas. Again, USDA had those factors and those formulas. They mean something. We are proposing current values that make them mean the most -- you know, basically the most logical thing now and going forward.

Again, I was not implying that there's any recouping of past -- past losses.

Q. Okay. The second full paragraph in the bottom, on page 7, a little bit up, halfway up, more than halfway up, you talk about "changes in the value of milk supplied by producers to those processors."

What value has changed?

A. What we have been discussing all along, basically,



producers are producing consistently higher testing milk, and in the cases that we have been discussing, they have been progressively underpaid for that.

- Q. Well, doesn't -- doesn't the marketplace take care of value?
- A. Not under the current regulatory system in the Federal Orders where -- where basically producers are paid the same value based on the outdated component assumption -- skim milk component assumptions for their milk that is increasingly more valuable.
  - Q. Well, there's --
  - A. Maybe I'm failing to understand your question.
- Q. No. Well, there's a regulated price -- if you read Federal Order Reform decision, there was an administrative determination that the regulated price should be something less than the market price. In other words, we don't regulate full value. We don't regulate more than full value. We regulate something, safety net, something to the close value.
- A. If you are referring to the basic idea of minimum pricing --
  - O. Yes.
- A. -- that's correct. But I did not read that that specific idea was built-in intentionally into the skim milk component composition factors.
- Q. Okay. But what -- what value to processors has been increasing that processors have not paid for?
  - A. Well, that refers particularly -- again, this is



1

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

2.1

22

23

24

25

26

27

one of several criteria, not -- not designed for each and every phrase in that thing to apply uniformly in all cases. Processors of Class II, Class III, and Class IV products in the class -- in the fat skim orders fit that definition. And so that phrase was designed to refer specifically to that part of the Federal Order system.

O. Okay. So --

7

8

9

10

11

12

13

14

15

16

17

18

19

2.0

2.1

22

23

24

- A. It is not designed to -- basically, if you look at that long sentence, it covers a series of misalignments that apply in different cases, not -- each one of those things I delineate is designed to apply everywhere to all classes in all orders.
- Q. Okay. So producers supplying Class II, III, and IV processors in the fat skim Southeast Orders, three of them, really haven't been paying what the product is worth, and that's what you are referring to.
- A. That's what that particular phrase in that sentence refers to.
- Q. Okay. And you are not referring to Class I processors in that sentence?
  - A. Well, that's a more subtle question.
- Q. That's -- that's a relationship between manufacturing and a Class I question?
  - A. To a great extent, yes.
- Q. Okay. And where does competitive or over-order payments fit in this evaluation of underpayment or overpayment?
  - A. What competitive over-order payments are you



referring to?

1

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

2.1

22

23

26

27

- Q. I'm asking you. There's a mailbox price, and there's a regulated price. There are competitive premiums. There are negotiated premiums. There are --
- A. In the past there have been negotiated over-order premiums, in Class I in the Class I markets, Class III in the Class III markets. My understanding is those have largely disappeared in -- in all cases. So -- so hence my question, what -- what over-order payments specifically are you referring to?
- Q. I'm asking you if you know -- if your understanding is that over-order payments have disappeared, do you or does the subsequent witness intend to put on any data suggesting that the only thing that's not being paid is the federal minimum?
- A. I can't answer that question in detail, and I would refer that to the witnesses that are going to be presenting, you know, more data and more fuller explanations.
- 20 Q. Okay.
  - A. What I'm here to do is provide an overview of our --
    - Q. Thank you.
- A. -- process and our general -- our general argumentation.
  - Q. Okay. At the bottom of that same paragraph, the last line, last full line, you use the word "structural features."



Are you referring to the changes in composition of producer milk at that point?

- A. Among many other things.
- O. What are the other --
- A. I would --

2.1

- O. What are the other structural features?
- A. Okay. I would refer back to the middle paragraph on page 2. The "market realities have subsequently changed as the U.S. dairy industry has undergone dynamic structural change since 2000, while the critical Federal Order dairy product price formulas and Class I differentials have, for the most part, remained static."

And "for example," okay, "for example," of structural features, "the location of U.S. milk production shifted westward, manufacturing and transportation costs have increased significantly," "southeastern states have become progressively more milk deficit," and so on and so forth.

It's a term referring to the panoply of structural features of the U.S. dairy industry that have changed that have affected all aspects of the end product pricing formulas. It is a general term because that section that we're examining now is -- as you note, is headed by the heading "economic and market impacts of NMPF's proposed changes," and that refers to our whole package of proposed changes, not just to the particular Proposal 1 on milk composition.

Q. Okay.



- A. This entire section is designed, again, to go back to what I was talking about in section -- in the first section, our overall process, our holistic approach to examine -- examining all of the Federal Order pricing formulas to determine what's working, what's not working, what's outdated, what can we do, what are the most important priorities to do to basically modernize those formulas.
- Q. Okay. And finally, believe it or not, in response to several questions, I think from Mr. Rosenbaum, you referred back to Federal Order Reform and said, for whatever reason they put in these factors, they are not working anymore, we need to update them.
  - A. In many cases, yes.
- Q. I want to go back to the "for whatever reason" part. If -- if we didn't have whatever that was in federal reform, how would you approach it differently?
- A. Well, I'm not suggesting revolutionary changes here. I'm saying that during Federal Order Reform, there was a fundamental change to the price discovery mechanism of Federal Orders to relying on end product -- product markets to transfer value through -- through formulas that were to mimic the transformational process of raw milk into those end product prices. That was a fundamental change, and that's why I keep referring to Federal Order Reform as a starting place because that represented a fundamental change in how the Federal Orders operated and how the pricing took place.



2.

2.0

2.1

And as I have explained many times in the testimony, those factors are generally static. They are -- I can't think of a single Federal Order price formula that has anything other than fixed coefficients. The make allowances are fixed numbers. The yield factors are fixed numbers in the formulas. The skim milk composition factors that we're talking about now are fixed factors. They have change- -- in many cases the Class I differentials are fixed factors, in many cases.

They have -- they are basically set as fixed formulas, with fixed numerical coefficients that are designed to capture these relationships in a dynamically changing industry, and therefore, those things need to change from time to time. Some have changed. Make allowances have been updated. Class I differentials have been updated in a few orders.

But what we're suggesting is we need a more fundamental update at this point, and where possible, to -- to create some more automatic mechanisms for keeping them updated in the future, such as that that we have suggested and proposed in Proposal 1 for the skim milk composition factors.

- O. Which is what NAJ proposes, too, to update.
- A. We -- welcome your -- your support for the general concept.
  - MR. VETNE: Thank you.
  - THE COURT: Cross by anyone else for this witness?
  - Yes.



2.

2.1

	NATIONAL FEDERAL MILK MARKETING ORDER PRICING FORMULA HEARING				
1	MR. MILTNER: Ryan Miltner, counsel for Select				
2	Milk Producers.				
3	CROSS-EXAMINATION				
4	BY MR. MILTNER:				
5	Q. Dr. Vitaliano, I have to start with what I think				
6	are relatively simple questions about the construction of				
7	your statement that Mr. Vetne touched on, but I want to				
8	make sure that I have this understood.				
9	The first three pages of your testimony are what I				
10	would describe as kind of an overview of National Milk's				
11	proposals, all five of them?				
12	A. Yes. And including a couple of them that were not				
13	Federal Order regulatory.				
14	Q. Okay.				
15	A. Our process and the resulting package of				
16	proposals, yes, you are correct.				
17	Q. Great.				
18	And then so beginning at the bottom of page 3				
19	and really up through the bottom of page 6, that testimony				
20	speaks directly to Proposal 1?				
21	A. Correct.				
22	Q. And then, thereafter, your testimony is more about				
23	the totality of National Milk's proposal set up until the				
24	bottom part of page 10?				
25	A. Yes. That's correct.				
26	Q. And then 10, 11, and 12 go				



27

Q. Just the regulatory text for Proposal 1?



A. Yes.

2.

2.1

- Q. Okay. Great.
- A. The purpose of that was to basically -- there was no overall, you know, overview, segment on the proposed agenda. But I did want to get some testimony in about our process, all the proposals together as a package. And there will be some testimony, again, by Dr. Scott Brown on the impact of this proposal. But you are correct in interpreting what my statement, how it was structured.
- Q. Thank you. And as someone who's got a client with three proposals, I understand kind of that dance that has to be done.

Do you intend to testify at all on other proposals throughout the hearing?

- A. Yes. I intend to be the lead-off, setup witness, whatever you want to call it, for the other four National Milk proposals at this proceeding. I will summarize those two sections, 1 and 4, and not -- they will be introduced in my testimony for those other four issues as they are here, but I will not take time in this proceeding to read those into the record. This -- this -- those two sections will be read into the record in this testimony one time, and they will be then just referred to briefly in passing. And my subsequent testimony will focus primarily on that section that will apply specifically to those other four proposals and the proposed regulatory language. And they will be much shorter testimony.
  - Q. Great. That will help me cull through some



questions, then, and we'll reserve those for the other proposal --

- A. Yes, you will have opportunities to question me again on the other four proposals.
- Q. All right. And just a few things here that I do want to touch on. I'm looking at page 2 of your statement, and it's -- it's toward the middle. The paragraph that begins with "Those market realities."
  - A. Yes.

2.

2.1

Q. Okay. In the middle of that paragraph you have written and stated: "The industry has seen the successful deployment of very large manufacturing plants."

And I wondered if -- if you had any further context about how those large manufacturing plants and their successful deployment have -- have influenced National Milk's proposals?

A. They have basically altered the balance of -depending on the ownership of those plants, kind of what I
as an economist would call kind of the market power
balance between processors and groups of producers.

But again, this is basically a list put together by our group of people of all of the different factors that have resulted in change in the industry, that the industry -- the point is basically that the industry is changing structurally and the Federal -- the Federal Order end product pricing formulas and their coefficients have largely remained static and are increasingly not reflecting that change dynamic.



In our -- in National Milk's proposals and our test- -- my testimony and all of our other, you know, witnesses testifying in support of National Milk's testimony, they will be focusing only on the proposals we adopted and how those -- the specific structural changes have -- are pertinent to the proposed changes that we are bringing to this hearing.

We're not pretending to teach an introductory class on how the federal -- how the U.S. dairy industry has changed in totality over the years. This is basically a scene-setting statement. And we will be focusing in particular on our specific proposed testimony in support of our proposals on those features that have changed that are directly -- pertain directly to the proposals we are advocating.

- Q. In that same sentence when you use the term "manufacturing plants," are you -- are you restricting that definition to what I think most of the industry considers, manufacturing like Class III and IV plants, maybe II?
- A. It could be interpreted that way, but I would look at it more generally. Basically any -- any -- any plant that man- -- that produces a dairy product from raw milk.
  - Q. Including a Class I plant?
- A. It could -- it could be extended to Class I plants. It is not a precise statement that has, you know, implications for particular products.
  - Q. And in the following paragraph, you -- you refer



2.1

to the yield factors and the component formulas and state that they have become increasingly outdated.

Are there any particular yield factors that you are referencing in that?

A. No, it's a general statement. We looked at the yield factors. We looked at available studies. But we determined in our fairly comprehensive look at what information was available to bear on which factors have become outdated.

We found very little data on yield factors. So we're not proposing that they are necessarily outdated, but they -- we do not know. That's why in our interest in securing legislative authority on the Farm Bill, that's not a -- that's not an issue pertinent to this hearing but -- directly, we are proposing -- as I will testify later on the make allowances -- we are proposing to basically establish legislative authority for USDA to do mandatory audited cost studies so that we will basically get the kind of data on both make allowances and yield factors to, you know, basically, more effectively implement currently appropriate levels for those important component -- coefficients in the component pricing formulas.

Q. And I'll reserve more questioning on that for when the make allowances come up. But I want to make sure that I have understood.

In the statement, it says, "the yield factors in the component formulas, the assumed composition of



2.

2.1

producer milk, as well as Class I differentials, have become increasingly outdated."

I think I heard you say that your task force concluded that they weren't certain if the yields were outdated. So --

- A. We're not certain.
- 0. Okay.

2.

2.0

2.1

- A. It is -- given the fact that manufacturing operations have become more efficient, we would suspect that with proper data we would find that those yield factors have -- have changed. And I'm aware that Select Milk has proposals that is, basically, substantiating that fact, in effect. But the point is that, as I will get to when we deal with make allowances and the yield factors, we need better data.
- Q. I think my last question on this page, at least, and not to get too deep into particular word choice or things like that, but the paragraph in -- that follows the one we were just looking at, in the last line, says, "effective administration of the Federal Order program has become increasingly difficult."

Other than the -- your previous testimony about disorderly marketing and how we define that, is there anything specific you mean to reference there about how administering the orders has become difficult?

A. No. It -- it kind of refers to the general -- you know, the general sense of increasing disorderly marketing because of that fundamental disconnect, goes back to the



- Q. But in terms of the mechanical operation of the order and things like that --
  - A. Yeah.

1

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

2.0

2.1

22

23

24

25

26

27

28

Q. -- okay, you weren't trying to -- to pull that concept in then.

On page 6, the paragraph at the top of the page, you describe the intent and then regulatory language in Proposal 1. They would delay implementation for 12 months, and you cite risk management programs by both producers and handlers as the reason for doing so.

Will any of the other National Milk witnesses speak more to this issue of risk management and why the proposal is constructed in that manner?

- A. Yes. We will have a witness that will speak exclusively to that issue in connection with Proposal 1.
- Q. Are you aware of -- how many Federal Order hearings have you had the chance to testify at or be a part of?
- A. This is my second one. National Milk rarely, rarely testifies in Federal Order hearings. Only those that are entirely national in scope. National Milk does not get involved in any regional, individual order hearings. We have -- you know, that is basically the responsibility of their member -- our members, and that's



2.

2.0

2.1

NATIONAL FEDERAL MILK MARKETING ORDER PRICING FORMULA HEARING

their preference. We only get involved -- in all the years I have spent at National Milk, we have been -- National Milk has only been involved in four national hearings. I have -- including this one.

I will have testified -- or already have -- testified in two of those, and two of those were handled by somebody who was on our staff, Mr. Roger Cryan, who is in the audience, now the chief economist for the American Farm Bureau Federation. He handled the other two that came up while he was in our employ. And so, again, the set of Federal Order hearings that National Milk directly gets involved in is very small, four in almost 40 years. Once every ten years on average.

- Q. And I realize that now I have been at all four of those. So I'm not sure how that makes me feel.
  - A. Join the club.
- Q. Well, my question, which I'll slightly rephrase then, assuming -- or having assumed you had been to more of these hearings, are you aware of any other time where a Federal Order proposal or a Federal Order regulation was delayed in implementation for purposes of risk management?
- A. I'm not aware of that. But I would say that the growing importance of risk management is something that we feel and -- well, I have a witness testifying to this in more detail -- is something that is increasingly intertwined with the effective operation of Federal Orders. And so this may be a first, but again, I would say that I -- I don't have an encyclopedic knowledge of



things of this sort in the past, but my guess is that this may be a first, yes.

- Q. As an economist and your work with National Milk, are part of your duties monitoring the futures markets?
- A. I monitor the futures markets. Not -- we do not market milk, obviously, so we have no need to -- to do practical risk management, you know, for bottom line purposes. But I closely monitor the futures markets for the purpose of making price forecasts, which are quite popular amongst farmer audiences and processor audiences.
- Q. When you -- when you construct those price forecasts, how far would you be looking out when you are constructing those?
- A. The open interest in the dairy futures falls off with time. I would say that there's -- it is still pretty robust out to 12 months and -- do you know the order -- the futures go out 24 months. It tends to fall off more quickly after you get to a year out.
- Q. And have you observed or studied the volatility of far-out futures versus close-in futures?
- A. Not -- no, I'm not a detailed student of Federal Order -- of futures prices. I use the current futures prices for price and, you know, margin forecasting purposes, but I'm -- I don't consider myself an expert in understanding how the futures operate in -- in that sort of fine scale sense that you just asked.
- Q. Do you -- do you find that the futures markets price in any amount of regulatory uncertainty, especially



2.

2.0

2.1

in far-out contracts?

2.

2.1

A. I assume that the -- that the futures markets take all the available information and -- and synthesize it into -- you know, into their forecast. It's a -- it is a joint process of all of the people who take positions.

I have -- the one thing I have studied is that the few instances that I have observed where the futures markets have not taken some important information into account are areas in which I have successfully outguessed the futures. Now, I don't -- I don't do that often because I don't consider myself to be -- have knowledge superior to all the people who are taking positions in the futures and, therefore, determining the futures prices.

But there have been a few instances in which a key piece of information, mostly having to do with the export markets, which had not been thoroughly followed in previous years -- that's changing, has changed -- where a key piece of information, such as China's massive purchasing of imported dairy product, particularly whole milk powder, in 2013-2014 period, following their massive restructuring in the -- in the wake of the melamine crisis, I was able to successfully outguess the futures markets at that point.

So they sometimes miss something important, but not very often. I will use the futures markets for my predictions in almost all cases because I think that distills the best wisdom of taking into account all factors, presumably including regulatory factors.



I'm not aware of any detailed studies that parse					
out the extent to which the futures markets countenance,					
regulatory issues versus weather issues versus, you know,					
other issues that affect prices. All I know is that in my					
limited experience I have had a few occasions when I have					
been able to notice that the markets have missed a					
critical piece of information and that has has badly					
skewed those forecasts. Doesn't happen too often.					

- Q. Information that would -- was available, just not recognized by the markets?
- A. Available, if you knew how to use it, and not recognized by the markets.
- Q. So our markets aren't perfectly efficient after all, huh?
- A. Based on my experience, they are pretty good. But nothing is perfect in this world.
- MR. MILTNER: I don't have anything further. Thank you.
  - THE COURT: Very well, Counsel. Thank you.
- 20 Any further cross?
- Okay. We've got two more cross-examiners.
- How many minutes do we have here? It is ten minutes after 5:00, which is --
  - MR. ENGLISH: Your Honor, I mean, if we are starting at 8:00 a.m., I'm going to say we got to stop -- if we're going to be efficient at all starting at 8:00 a.m., we've got to stop today. I can tell you that using overnight my cross-examine will be significantly



1

2.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

2.4

25

26

27

shorter. But if you want me to start, I will start, but we're going a couple of hours.

THE COURT: Well, if you could make it shorter overnight, that is persuasive, Counsel.

MR. ENGLISH: I sort of thought it might be, your Honor.

THE COURT: I vote for the back, and the same thing. I think -- I think we've probably had enough today, so we'll carry this witness over for further cross and for Ms. Hancock to do some redirect if she chooses tomorrow.

Yes, Mr. English.

MR. ENGLISH: Your Honor, if I may --

THE COURT: You may.

MR. ENGLISH: -- and I know it was our first day, but at the California hearing we tried very hard, as collaborative people with some differences, to at least understand the schedule a little bit. And I'm not saying we need to do it every day, but since this is the first day, it would be helpful to just have an idea of how many witnesses as we try to get people. I know we have the USDA witness. I certainly know some of the submitted testimony, but I'm not sure how many of those witnesses are tomorrow or not, I mean, in terms of order.

So it would be helpful for us, I think, and I promise to do the same when it's, you know, when we're ready. So I think if we can share that information, we might have a better idea of what we need to do tomorrow



2.

2.1

1	and Friday.				
2	THE COURT: Are you proposing we have a discussion				
3	of that now?				
4	MR. ENGLISH: I would like to we can do it off				
5	the record. We don't have				
6	THE COURT: I was going to suggest. I don't think				
7	this				
8	MR. ENGLISH: Yeah.				
9	THE COURT: Does that work for AMS? I mean, since				
10	we're all in the same room, that obviates any ex parte				
11	MR. ENGLISH: Well, we're not talking about				
12	substance, we're only talking about who the witnesses are.				
13	THE COURT: I understand.				
14	MR. HILL: That works for us, yes.				
15	THE COURT: Okay. So let's go off.				
16	Ms. Hancock rises.				
17	Did you have something to say?				
18	MS. HANCOCK: We can go off the record.				
19	THE COURT: We can go off the record now. I'll				
20	ask the hearing reporter to hang around in case we have to				
21	put something on the record at then end of these				
22	discussions, we may not.				
23	(Whereupon, the proceedings concluded.)				
24	00				
25					
26					
27					
28					



1 2 3	STATE OF CALIFORNIA ) ) ss. COUNTY OF FRESNO )				
4	I, MYRA A. PISH, Certified Shorthand Reporter, do				
5	hereby certify that the foregoing pages comprise a full,				
6	true and correct transcript of my shorthand notes, and a				
7	full, true and correct statement of the proceedings held				
8	at the time and place heretofore stated.				
9					
10	DATED: September 1, 2023				
11	FRESNO, CALIFORNIA				
12					
13					
14 15 16	Myastak				
17	MYRA A. PISH, RPR CSR				
18	Certificate No. 11613				
19					
20					
21					
22					
23					
2 <i>3</i> 24					
2 <del>4</del> 25					
25 26					
∠o 27					



NATIONAL FEDERAL M.	ILK MARKETING ORDER	PRICING FORMULA H	EARING
	168:6 169:27 175:19 177:28	<b>12:00</b> 108:24	87:10,11,13 88:23 99:1
\$	179:13 184:16 193:8 208:8		102:21 103:16 106:25
<b>\$0.07</b> 160:10	214:26 216:21 217:20,27,28	<b>12:01</b> 70:15	107:23 125:11 138:8 192:2,4
<b>\$0.07</b> 162:12	218:18 223:12,19	<b>12:20</b> 113:5	196:12,13 214:8 219:6
<b>\$0.14</b> 162:11	<b>1,000</b> 54:13,19,23	<b>12th</b> 67:9,10 171:4	<b>20</b> 33:28 39:2 67:21,23,25 91:9 111:13 112:14 122:18
<b>\$0.21</b> 155:14,15	<b>1,037,000,000</b> 139:22	<b>13</b> 51:18 52:28 53:11,18,21, 22,24 54:17 55:9 119:12	<b>200</b> 154:11
<b>\$0.23</b> 155:16	<b>1,076,000,000</b> 139:21	145:3 146:17 155:18	<b>2000</b> 61:10 62:1,2,7 63:2,17
<b>\$0.24</b> 155:15	<b>1,150</b> 54:13	<b>131</b> 63:24 64:20,23 82:14	64:13 74:26 77:15 78:10,20
<b>\$0.41</b> 162:4	<b>1,250</b> 54:15	<b>135</b> 64:1,28	79:17 85:17 97:17,24 98:5 111:13 112:15,16 116:21,28
<b>\$0.74</b> 117:3 118:2,14,23	<b>10</b> 18:9 52:20 69:4,5 76:26 91:2 125:20 126:5,12 129:16	<b>13th</b> 50:20	118:12,21,26,28 152:1,5
<b>\$0.80</b> 162:3	130:3 131:2 144:2 217:24,26	<b>14</b> 55:11 57:26,27 59:3 78:5	153:5,20 156:21,25,28 181:23 187:9,26 192:5,7,8,
<b>\$1</b> 39:4 85:3,4	<b>10</b> % 177:8	86:4 89:21 97:15 109:18	20 193:5,26 194:4,5 214:10
<b>\$4</b> 85:2	<b>10.9%</b> 156:22	146:21	<b>2001</b> 78:20
	<b>100</b> 165:1	<b>1400</b> 142:2	<b>2002</b> 165:23
	<b>1000.40(e)</b> 143:16	<b>15</b> 18:9 28:20 60:25,28 61:2, 9 65:9 83:24 140:12	<b>2003</b> 47:6 74:6
<b>(1)</b> 170:15,28	<b>1000.50</b> 32:9 154:14 155:24	<b>15A</b> 39:15	<b>2004</b> 64:2 65:1 144:3
<b>(135)</b> 77:21,22	169:23,28	<b>15B</b> 39:15	<b>2005.51(b)</b> 169:25
<b>(2)</b> 170:21 171:4	<b>1000.50(f)</b> 156:3	<b>15th</b> 54:10 70:3 71:2,24	<b>2006.51(b)</b> 169:25
<b>(3)</b> 171:9	<b>1000.51</b> 156:4 170:3,6,17,24,	<b>16</b> 50:11 62:9,10 65:12 81:21	<b>2007</b> 81:2 82:24
<b>(51)</b> 64:27	25	<b>17</b> 63:8,10 65:16 83:8 87:10	<b>2007.51(b)</b> 169:26
<b>(f)</b> 169:28	<b>1000.52</b> 82:3	88:14,27 89:6,9 123:23	<b>2008</b> 165:4,10
(i) 156:3 170:4 171:7,20	<b>1000.54</b> 61:27 63:1 67:14	<b>18</b> 64:7,9 65:18 74:24 88:20, 26 89:5,9,25 90:1 92:28 96:26	<b>2009</b> 165:18
<b>(k)</b> 156:4 170:10	<b>1000.9(c)</b> 144:28		<b>2010</b> 81:25 83:11 119:16,20
<b>(q)</b> 156:4 170:14	<b>1005.51</b> 82:5	<b>18%</b> 153:18	120:12 121:19
	<b>1005.51(b)</b> 155:26	<b>19</b> 65:25,28 66:5,7 79:14	<b>2012</b> 81:1 111:4
-	<b>1006.51</b> 82:5	98:23 155:19 198:23	<b>2013</b> 61:26 62:27 67:9,10,11 11:4 162:5
<b>00o</b> 113:15 229:24	<b>1006.51(b)</b> 155:26	<b>1937</b> 9:11	<b>2013-2014</b> 226:20
<b>you</b> 207:4	<b>1007.51</b> 82:5	<b>1979</b> 172:18	<b>2014</b> 70:3 71:1,23 72:17
0	<b>1007.51(b)</b> 155:27	<b>1980s</b> 101:24	165:18
	<b>101</b> 195:17	<b>1982</b> 165:1	<b>2015</b> 35:26 49:24 50:5,7,16
<b>0.07</b> 161:8,18,22 162:8 171:18	<b>1051</b> 170:9,13,20	<b>1990s</b> 101:24 152:25	83:27 98:15 122:20 123:22
	<b>11</b> 9:21 31:16 35:9 38:11 52:22,25 66:5 69:17 151:4	<b>1994</b> 177:23 187:6,23	<b>2016</b> 78:16 79:2 98:16,17 174:26
1	158:4 176:23 217:26	<b>1997</b> 193:4,27	<b>2017</b> 124:18 138:10,11,20
<b>1</b> 22:16,28 24:28 25:1,3	<b>11:00</b> 51:10	<b>1998</b> 192:22 193:4	139:20
36:25 51:22 53:21,22,24	<b>11:48</b> 94:26	<b>1:20</b> 113:6,13	<b>2018</b> 63:28 64:28 77:15
54:4 55:7,8 58:13,16 61:13 62:17 63:17 64:15,22 66:9	<b>12</b> 52:28 53:1,7,17 116:16	<b>1C</b> 81:5	80:10 106:4 119:26 123:24 161:27
70:5 71:3,25 72:5,19 74:7,28 78:15 79:19 81:3 82:1,11	160:22,28 161:13 217:26 223:13 225:16	<b>1st</b> 31:1 32:7,11 63:28 64:27	<b>2019</b> 84:16 114:28 116:28
85:1 87:5,13,14,17,19,25,27	<b>121.201</b> 54:17	80:9	118:13,21
88:1,4,23 92:19,22,24,27 99:1 103:16 106:25 109:28	<b>12203</b> 126:25	2	<b>2022</b> 64:13 72:18 74:6 85:1
110:8 121:28 122:1 123:9,11	<b>12203</b> 120.23 <b>124</b> 64:23 82:13 123:19		112:14,16 122:21 124:18 125:4,16 126:3,10 156:22,26 157:1 158:10,15 160:18
125:11 128:3,12,15 129:15, 17 131:5,6,10 136:20 150:13	124 04.23 02.13 123.19 126 70:20 80:3 82:14 00:2 7	<b>2</b> 25:3 36:26 39:8 51:25 55:9 58:13,16 62:26 63:24 64:20	



155:8,28 156:1 162:6,15,17,

22 164:10 165:3 167:11

**126** 79:20 80:3 82:14 99:2,7,

14,15

23 75:22 78:19 80:3 84:9

65:17 66:14 70:12 71:7 72:5,

161:27 162:2,5 165:19

Index: \$0.07..2022

168:8,13 176:2

#### 2022-based 162:7

2023 9:1,4,15 31:1 45:17 47:6,15 53:8,12 54:10 61:11 62:2,7 63:3,17 70:4 71:2,24 74:27 78:11 79:18 80:14 81:2,25 82:21,25 83:12,27 85:17 98:6 114:1 118:28 119:17 122:21,25 124:19 166:18

### 20250 142:3

21 68:8,10 124:14

**210** 165:8

**2107** 149:5

21st 18:16

22 56:2 68:28 69:2 158:13

**22201** 149:6

22nd 18:16

**23** 9:1 31:24 47:6 66:5 69:12, 14,16 114:1 119:20 156:15 193:28

23-J0067 9:18

23rd 9:4 47:15 61:23

**24** 31:24 69:24,26,28 80:27 99:22 225:17

24th 9:15

**25** 51:9 69:28 70:23,25,27 140:12 150:23

**25,000** 96:8,9 97:6

**25-year** 165:9

**2535** 142:3

26 70:27 71:18,19,21

27 71:21 72:10,12,14

28 72:14 74:1,3

28,000 150:24

28th 67:11 171:9

**29** 74:5,18,20,24 89:24,28 92:28 96:26 104:3 109:21 143:28

**2:15** 146:9

**2:17** 147:20

2:30 147:21

3

3 23:13 39:8 52:1 58:13,16 64:24 65:19 67:5 73:2 75:28 77:18 80:8 81:4 84:15 103:16 106:25 117:7,16 118:9 124:22 125:11 155:11 198:22 217:18

**3.346** 138:14

3,701 138:12,22

3-point 140:11

**3.1** 170:5,15 171:2 178:19 188:19 193:11

**3.1%** 157:19

**3.10** 140:11

**3.39** 160:20 171:7 175:21

3.39% 158:12

**3.5%** 61:13 62:18,20,21 95:25 156:26 157:26 193:16

3.68% 156:21

3.9% 197:21.27

**30** 45:17 47:10,11 77:28 78:2,4,9,22,25 82:12 85:15 97:14 98:8 103:2 105:6,21 147:9

302A 126:24

**30th** 147:5

**31** 79:10,12,14 98:23 107:2 120:9

**31%** 165:22

**32** 80:23,25,27 82:13,18 99:23 107:14 123:17 142:24

**33** 81:17,19,21 82:13 102:9 107:22 123:18 143:2

**34** 83:4,6,8 102:9

**35** 83:20,22,24 108:9 193:17

**355** 138:15

**36** 85:11,13 86:4 89:21 103:2.4.7 146:21

36-month 164:28

**37** 116:7,11,13,15 147:1

38 68:18 119:7,9,11 150:18

39 120:3,5,9 121:21

**396** 9:15

**3:00** 17:28

**3:50** 191:17

**3A** 193:20

4

**4** 22:28 36:26 52:4,5 58:14, 16,22,25 60:6 65:10,14

73:11 80:11 85:4 105:9,19 106:4,25 117:8,16 191:19 218:18

4-point 197:25

4.0% 157:1

4.08% 156:22

4.2% 197:22,27

40 121:12,14,16 224:12

**40-pound** 67:19,27 68:2 70:18 71:12 73:20,21

**41** 122:13,15,17 137:25 138:5,8,12,18 139:21 140:23 141:4 145:21,22

**42** 124:11,12,14 138:5,10,14, 28 139:22 140:23,25 145:21,

**43** 125:6,8,10 127:13,16 134:23 140:7 147:1

44 128:13

**47** 9:15

**4:00** 191:17

**4:04** 191:22

**4A** 193:21

**4B** 193:21

4th 70:3 71:1,23

5

5 23:1 30:3,18 31:20,26 41:3, 6 44:8 48:17 52:7 58:25 60:7 63:24 64:20,22 65:13,14 73:23 80:14 82:11 101:22 106:26 107:19,20,21 117:9, 10,19 142:27 168:3 175:17, 27 201:13 204:20 208:7

**5%** 153:20

**5-** 85:22

**5.9** 170:7,18 171:3 178:19 188:19 193:11

5.9% 157:19

50 33:11 35:17 143:9

500 73:21

**500-pound** 68:6,15 70:18 71:13 73:21

**502** 9:6

**51** 64:1,22 80:9 82:13 119:23,25 123:19,21,22

**52** 154:15 155:24 169:24

557(d)(1) 30:18

**59** 41:19 51:5,16 55:11 59:13,23

5:00 17:12,26 227:23

5th 62:14 67:10

6

6 30:3 31:22,27 33:2,5 41:3,6 52:10 63:24 64:20,22 82:12, 20 85:1 106:26 107:20,21 117:12,19 142:28 143:1 217:19 223:10

6-pound 85:22

6.02 160:20 171:7 175:21

**6.02%** 158:12

60 41:22,24,28 42:3 47:26

**600** 149:6

**601** 30:8 168:3

**608(c)(5)** 44:1,8

608(c)15 29:26

**61** 45:6 46:21,25 47:1,15,18, 21,26

**612** 168:3

**62** 149:26,28 150:1 172:7 175:6,17

**664,327,162** 98:8

7

7 9:12 29:26 30:8,17 32:9 52:12 61:27 63:1,24 64:20, 22 66:5 67:14,17 82:3,5,12 107:19,20,21 117:14 142:27 143:16 144:27 154:14 155:13,24,25 156:3,4 169:23,25 171:18 210:24

**75%** 76:1 104:7

**750** 54:21

8

Index: 2022-based..84

**8** 52:15 58:23 67:26 77:4 117:17 118:7

**8.72** 199:11

**8.72%** 156:25

**80** 44:7

**824** 106:4

**84** 165:1



88 9:15 54:14

8:00 17:10 227:25,27

9

**9** 52:18 68:12 76:8 170:1,11, 22

**9(c)** 78:9,25,28 98:16 105:7, 9,12,21 106:12,17 144:26, 27.28

9.0 171:3 188:19

9.0% 157:21 178:20

9.03 199:11

9.03% 156:26

9.05% 156:28

9.41 160:21 171:8 175:22,24

9.41% 156:28 158:15

90% 158:4 177:7 184:2

900 9:12

900.16 30:17

**9982** 54:15

9:10 9:5

## Α

A-N-D-E-R-S-O-N 14:18

**A-U-R-O-R-A** 14:19

**a.m.** 9:5 17:10 70:15 227:25, 27

**A2** 97:3

**AA** 112:6,9,13

above-described 47:14

absence 163:7

absent 186:14,15

absolutely 26:12 33:17

academic 38:2

accelerate 37:1

accelerated 165:12

**accept** 32:19 33:27,28 187:8,23,25 210:4

acceptable 28:18

accepted 38:14

access 160:8

accident 49:5 143:20

accompanied 31:7

accomplished 207:26

accord 57:10

accordance 29:28 30:7 38:20

**account** 133:15 138:15 141:12 145:2 226:9,27

accuracy 196:3

**accurate** 90:26 128:11 176:5 187:23

accurately 152:18 164:6

achieve 182:11 197:28 205:3

acknowledge 122:6

acronym 150:14

**act** 9:11 30:8,9 36:18 44:4 99:11 168:3

action 31:12 152:3

actions 203:20

active 84:22 173:16,26

**activity** 84:14,16,20,26 85:5 154:8

actual 35:13 36:23 58:19 61:8 87:18 128:7,9 157:28 160:11 164:25 180:10 184:28 185:1,5 186:20 193:14 209:3

ad 149:24

**add** 19:9 49:20 78:23 92:16 139:15

**added** 49:13 105:26 106:17, 26 118:3

**adding** 117:16 157:19 175:24

addition 108:15 173:19

additional 26:11 31:3 32:12, 14 36:5 52:27 103:22 127:25 131:18 141:17 154:24 181:24 208:9

Additionally 153:17

address 20:19,22,24 21:14 25:11 34:19 37:28 39:9 43:21 126:18 136:27 141:28 146:5 149:4,5,10 154:18 179:13 187:1 209:24

addressed 43:22

addresses 34:1 35:9 126:19

addressing 30:3 34:5 177:27 178:7,8 adds 117:3

**adequate** 158:19 159:26 160:8 205:11

adheres 10:16

adjust 35:28

adjusted 68:17 82:3

adjuster 118:3,14,23

adjustment 62:23 120:16,24

**adjustments** 82:4 120:1,10, 17 121:23 162:6

administer 9:26

administering 222:25

**administration** 15:2 154:3

**administrative** 9:8 24:17 30:9 44:5 174:6,7,19 211:15

administrator 10:13 17:9 36:13 52:2,6,8,11,14,17,21 63:19 64:14 79:26 90:24 143:25 145:7

Administrators 90:15 98:12

**admission** 41:6 53:20 86:4, 15 88:13 89:9,13,21

**admit** 29:24 59:6 60:22 98:24 149:19,22

**admitted** 47:18 53:15,18,22 55:7,8

admitting 59:7 149:21

adopt 186:13,24 210:6

adopted 169:21 177:22 178:24 181:20 184:21 192:11,20 193:11 194:4 209:26 220:5

**adopting** 152:24 162:28 186:23

adoption 160:22 162:15 169:12.13 192:12

advanced 61:9,16,17,22 65:10,14 81:7 107:15,17 116:9,17,26 117:2,7,8,15,23 118:1,16,22 157:18,22 170:14 178:3 202:8

advances 166:24

advantage 197:23 198:2

advantageous 132:28 133:7

advantages 166:20

advertising 75:15

advocacy 173:22 177:26,27

advocating 220:15

**AFBF** 112:1

affect 130:4 163:9 174:16,20

200:3 227:4

affected 163:14 214:21

affecting 22:28 23:1

affects 177:28 200:4,8

affirmative 27:19

after-the-fact 34:13

aftermath 39:24

**afternoon** 15:19 87:25 114:1 127:11,12 147:28 148:25 191:16

agencies 74:9 75:5

**agency** 38:1,26 45:14 81:10, 11 204:14

agency's 38:2

agenda 218:5

aggregate 164:21 200:20,26

aggregated 165:16

**agree** 18:26 25:16 133:5 134:4 203:4 204:10 207:19 208:2

agreed 142:8

**agreement** 9:11 30:8 145:7 173:26

agreements 173:17 174:1

**agricultural** 9:10,14 11:15, 24 12:1,20 30:7 72:25 74:10 85:19 114:25 156:19 166:19, 26 167:2,5 172:15,23,28

**agriculture** 9:13 11:28 52:23 77:17 126:21 166:28 167:6

Agriculture's 11:23

ahead 20:16 55:16 56:25 98:5 117:22 119:28 122:10 124:7 126:23 129:14 130:11 179:2

Alabama 76:13

Albany 126:25

align 163:24 169:3

**All-jersey** 15:27 16:3,6 42:10,12,16 47:9 131:20 191:26

All-jersey's 43:21 207:27

Index: 88..allowance

Allen 39:22,23

allowance 36:5



**allowances** 37:12 153:24,26 155:13 216:5,15 221:16,19, 25 222:14

allowed 98:16 154:20

altered 219:17

alternative 34:9

AMA 38:16

**AMAA** 44:1

amenable 17:28 23:11 27:22

**amend** 9:21 11:1 31:28 32:4, 13 33:2,22 156:3 169:23 170:25

amended 9:11 170:1

amending 36:3

**amendment** 36:3,17 155:22 192:28

**amendments** 9:24 31:4 32:15,28 33:10 51:27 155:1, 5 169:13

America 14:21

America's 150:22

**American** 15:18,20 110:25 173:25 224:8

amount 34:25 165:5 225:28

amounts 80:18

AMS 9:17 10:6 11:10,20 12:18,25 13:6 19:2,18 20:2,5 21:4,20 26:9,14 28:3 36:12 45:23,25 50:21 51:15 55:1, 10,27 56:2 59:25 90:9 103:11 112:5,6,9,12,20 113:7 126:20 129:6 139:26 146:2 148:4 158:10 171:17 229:9

**AMS'** 90:11

AMS's 23:21

AMS-DA-230001 9:18

analogous 194:9

**analysis** 20:5 22:3 24:19,23 27:14,19 28:9 150:20 162:10,28 163:1 167:21 168:15 173:12,14 174:9,12, 16,22

analyze 91:25

and/or 30:1

Anderson 14:18

**animal** 79:24 80:4 99:11,15 143:19 166:21

announce 95:24

announced 61:13,21 62:14, 17,19,21 93:10,27 94:15 95:23,24,25 119:14 161:12 171:21 172:1

announcement 61:9,22 62:6,13 65:9,12 66:27 81:7 84:2 107:15 110:3 136:19 137:2 171:10

announcements 115:6

**annual** 71:16,22 72:1,8,15 73:2 75:8 88:26 112:14 168:4

annually 39:4

**answering** 19:21,22 136:17 178:25 184:14

**answers** 131:10 144:22 195:2

anticipated 156:9

anticipation 24:23 187:27

anybody's 207:25

anymore 28:8 215:13

anyone's 21:2

**APA** 38:16

**apologize** 87:13 104:25 149:12

Appalachia 179:17 202:22

**Appalachian** 52:5 76:10 82:11 157:15 159:25 208:4

apparently 45:11 87:5 182:18 187:20

appeal 37:3

appealed 37:8

appearances 11:4

appears 67:7 107:9

apples 93:17

**applicable** 10:17 31:5 32:16 33:1 34:18 155:25 156:5 169:24 170:2,5,8,11,16,19, 22,23

application 36:15

applied 30:22 44:17 181:20

applies 38:3

**apply** 30:19 66:22 68:1,24 69:6,18 110:11 169:6 212:2, 10.11 218:25

applying 208:12

**approach** 12:15 29:15 215:3.17

appropriately 151:19

approval 173:23

approvals 122:3

approved 155:3

**approximately** 9:4 56:1,5 150:24

**April** 74:26 81:1 116:28 118:13,21 119:17,20 122:21, 26 124:19

arbitrary 30:22 34:7 37:6,17

**area** 52:3,9,11,13,16,21 75:20,23 76:3 176:2 206:7, 27

**areas** 52:6,19 75:27,28 76:27 77:1,18,20 151:5 159:27 160:6 168:11 226:9

argued 43:5

argument 40:1

argumentation 213:25

arguments 205:2

arithmetically 161:28

**Arizona** 44:16 52:19 82:14 104:19 157:15 179:18

Arkansas 76:13

Arlington 149:6

arose 26:2

arrangement 132:14

arrangements 18:6

arrive 16:28

ascertain 197:9

**Ashley** 14:14 29:19

asks 112:7

aspect 166:28 167:5 199:28

**aspects** 162:23 174:16 193:8 214:21

assertion 32:25

assertions 45:27

asserts 32:7

**assessments** 40:18 75:11, 14.16

assigned 79:24 143:22

assignments 75:18

assistance 154:9

**association** 16:10 17:5 27:10 54:11 81:6 109:15 136:7 145:1,5 150:14 175:13 205:22

associations 150:16 154:10

assume 202:25 226:2

**assumed** 153:27 181:20,24 221:28 224:18

assumes 129:21

**assuming** 93:6 128:2 198:4 224:18

**assumption** 175:20 183:18 211:9

**assumptions** 180:11 198:11 211:9

assure 135:25

asterisk 79:4

Atlantic 81:4

attachments 122:9

attention 27:7 199:28

attorney 11:27 15:17 16:23 47:5 111:10

audience 119:12 224:8

audiences 225:10

audit 91:19 145:15

audited 90:16,17,20,27 91:11,15,17,22,24 92:9 103:13 221:18

auditing 97:11 145:14

auditor 91:18

**August** 9:1,4 47:6,15 61:10 62:2 82:21,25 114:1 118:28

**Aurora** 14:19

**authority** 10:24 18:12 45:4 154:24 221:13.17

automatic 216:19

automatically 183:17

Avenue 126:21,25 142:2

average 64:5,12,25 65:18,24 66:8 67:3,28 68:16,17 74:7 75:21 77:19 80:21,28 81:4 85:27 99:25 100:4,9 117:2, 14,23 118:5,16,22 156:10, 20,24,27 160:15,17,19 161:6,23 162:5,13 163:3,5 164:28 168:6,7,18 171:15 175:28 176:7 178:15,20 181:15 182:4 183:19,25,28 184:23 185:13,16,23,28



186:3 199:13,14 201:25 224:13

average-of 116:19,28 117:13,18,28 118:7,13

averaged 117:23 158:12,15 165:22

**averages** 61:19 62:24 75:19 88:26 100:5 157:16 168:9 171:13

avoid 28:8

**aware** 30:21 99:28 100:7,26 101:28 202:21 222:11 223:20 224:19,22 227:1

**awful** 26:4 **axis** 140:10

В

B-I-E-R-M-A-N 12:7

B-R-A-D-L-E-Y 12:2 13:28

B-R-I-A-N 11:22 13:3 114:22

B-U-L-G-E-R 15:6 54:2

Bachelor's 55:28 172:11

back 25:3 26:23 48:21 49:24 51:9 65:6 82:17 90:19 91:26, 27 92:9,13,15 93:3,12 95:11 97:28 104:25,26 105:2 108:1 110:20,21 111:3,4 113:5,6, 12 114:2 117:21 127:1,14 130:16 131:5,6,24 139:26 140:3 141:25,26 147:16,21, 26 173:15 177:22 180:6 189:23 191:17,19,22 192:6 194:26 204:2 205:1 208:23, 28 214:7 215:1,11,15 217:27 222:28 228:7

**background** 95:9,17 96:20 144:12,16,18 172:8,10

bad 65:5

badly 227:7

**Baker** 47:4

balance 151:19 219:17,20

balanced 151:17 154:16

balancing 33:26

barrel 68:6 155:11

**barrels** 68:15 70:18 71:13 73:21

**base** 33:24 61:12,15 116:20, 25 117:4,10,12 118:4 165:7

**based** 21:8 24:22 31:24 63:18 64:14 74:8 87:3

101:23 156:26 157:26 158:10 162:2,9,12 179:24 180:10 183:27 193:3,5,13, 14,15 194:7,8 196:28 197:1 208:18,21 210:6 211:8 227:15

baseline 163:6

**basic** 152:5,8 164:4 167:2 192:13 211:20

basically 41:19 91:1 118:27 120:16 123:4 130:18 137:11, 12 142:7 145:17 172:27 173:8 174:4 176:23,24 178:14,17,22 179:6 184:14 185:4 188:18 189:1,20 190:24 193:10,15 196:2 202:18 204:6 205:9 208:7 209:7,11 210:11,19,28 211:7 212:8 215:7 216:10 218:3 219:17,21,24 220:10,22 221:17,18,20 222:12 223:27

**basis** 33:7 36:3,6 42:21,23 145:9 152:25 166:20 191:12 209:10,26

bear 87:2 221:8

bearing 21:22

bearings 63:14

began 84:16 123:25

begin 184:5

**beginning** 22:4 24:12 94:8 124:8 171:4 181:18 200:9 201:14 217:18

**begins** 79:7 80:20 81:13 82:28 85:8 198:22 199:6 204:20 219:8

**behalf** 9:27 11:8 13:20 47:24 148:14 149:14 184:16

belated 32:25

**believes** 151:23

Belt 77:2

benefit 205:22

benefits 33:17 174:10

beverage 165:13,24 166:3,

14 167:13

**beverages** 164:22 165:11 166:8,17

**BFP** 152:6,11 193:20

Bierman 12:6,10

big 99:3 177:11

**bigger** 49:22

bilateral 173:17

Bill 221:13

billion 39:4

biological 166:20,24

bit 17:9,13 87:2 95:21 96:15 110:6 116:6 123:14 172:8 198:2,21 207:13 209:21 210:24 228:18

Blacksburg 172:24

blame 112:24

blank 119:23

Block 67:19,27

**blocks** 68:2 70:18 71:12 73:20,21

**BLS** 164:15

blue 164:23 166:4

Bluefield 16:2

**Board** 155:3

boat 24:15

**bold** 198:22,23

bonuses 75:7

boost 187:16

bottle 34:21

bottling 208:6

bottom 47:7 58:22 121:2 122:25 125:25 175:27 196:8 210:23 213:26 217:18,19,24 225:7

Boulevard 149:6

bout 165:13 166:3

**box** 58:23

**Bozic** 16:17

**Bradley** 12:2 13:27

breadth 151:11

break 17:14 18:3,9 51:5,7,8, 11,13 110:6,16 113:14 124:22 146:10 147:15,16,25, 28 191:16,21

breakdown 112:3

**breed** 75:3

breeding 182:20

**Brian** 11:22 12:19 13:3 90:18 114:13,22

**bridge** 27:15

briefing 19:17

briefly 109:25 136:19 218:23

briefs 19:21

bring 20:7 25:24 26:23

bringing 27:7 134:19 220:7

broad 32:19 174:14

broad-based 43:8

broadcast 10:14

brought 36:23 102:28

Brown 162:26 218:7

Brown's 167:21 168:15

buck 203:5,6

**budget** 75:15

Bugler 54:2 55:5

building 197:15

built 172:27

built-in 166:19 211:24

Bulger 15:5,6,8 29:20 53:26,

28 55:4

**Bulgur** 29:15 **bulk** 145:9

bunch 111:2

**Bureau** 15:19,20 110:25 164:15 224:9

**business** 15:2 22:20 46:14 54:11,12,20 149:5 168:1,4

**businesses** 15:1 22:20 54:5 167:26 168:2,14,19 169:8

businesspeople 25:5

butter 61:20 62:24 65:23 66:7 68:2 70:17 71:12 73:1 112:2,6,9,12,13 151:9 155:14

butterfat 35:16 61:14,17 62:18,19,20,21,22 63:22 64:17 75:21 95:25 143:18,22 156:20 157:3,6,27 158:7 193:16 197:2 199:14 200:2,7

buyers 84:4 85:5

C

C-A-S-H-M-A-N 11:19

C-H-R-I-S 14:5

C-R-O-P-P 14:22

C-R-Y-A-N 15:17

C-R-Y-S-T-A-L 14:20



calculate 117:2 157:17 184:8

**calculated** 77:15 118:2 161:10,26,28 171:16

Calculating 116:20 176:21

**calculation** 61:26 62:28 63:26 64:22 67:13 82:21 100:9 118:11,19 152:14 161:16,20 171:22,26,27 175:20 199:24

**calculations** 28:11 61:21 62:1,3,15 63:2 124:2,5

**calendar** 80:2,11,12,15 156:21,22 160:18 171:14 176:2

California 23:4 24:18 25:20 35:26,27,28 48:20 50:5 52:16 63:27 64:26 77:12,14, 16 80:8 82:13 119:25 187:11 190:17,18,23,24 193:20,21 194:10 209:27 228:16

**call** 55:14,16 114:11 121:3 134:24,25 139:21 180:24 218:16 219:19

**called** 20:5 121:27 149:11 181:5.6

calling 27:12

calls 100:11

Calvin 162:17 185:7 202:28

capacity 150:19 172:25

**capital** 123:28

capricious 30:22

capsule 194:18 205:15

capture 137:9 208:23 216:12

care 113:8 211:4

career 172:19

Carmel 9:6

Carolina 76:11

carry 17:14 228:9

**case** 20:10 21:2 22:2,9 23:27 30:11 36:21,25 38:3,5 39:23 40:3 43:6 50:12 89:19 94:17 167:22 186:9 207:8 208:7 209:15,17,27 229:20

**cases** 27:22 196:4 211:2 212:3,10 213:8 215:14 216:8,9 226:26

**Cashman** 11:18,19 55:25,26 56:7,8,9,22 60:2 66:3 94:7 110:28 114:3,5 126:27 141:16,18,20,26,28 142:2,5,

15 144:25 146:7,22

catch 17:19

categories 110:10 122:28

categorized 123:1

category 80:5

caused 158:2,26 166:1

causing 196:5

Cedar 76:16

cell 62:23 64:19,23

Center 9:6

**Central** 52:11 82:13 83:26 84:6 104:14,19 108:11,15

**century** 44:6 165:6 193:28 201:23

certified 30:4 33:3,6,19

**CFR** 9:12 30:17 32:9 35:14 54:17 61:27 63:1 67:14 82:3, 5 105:15 143:16 144:27 154:14 155:24,25 156:3,4 169:23,25

chair 141:22

challenges 34:23

challenging 210:5

chance 143:12 223:21

**change** 19:10 31:28 38:8,15, 19 54:16 121:10,18 152:11 153:5 154:26 159:5 161:1,5, 11,23 171:10,23,25,28 181:13 188:8 192:5 193:24, 26 209:23 214:10 215:20,25, 27 216:14 219:23.28

change- 216:8

**changed** 98:15 153:3 210:27 214:9,20 216:14 220:10,13 222:11 223:2 226:17

**changing** 192:14 216:13 219:25 226:17

channels 166:27

Channing 9:7

characterization 137:9

charged 44:9,10 198:15

charges 75:11

Charles 29:7

**chart** 54:7 125:13,15,27,28 126:8 127:24 128:11 129:1,3 130:22 131:2 164:20 165:5

**charts** 61:6 125:11,12,13 128:10 164:13

**check** 96:2

**checked** 190:20

**cheddar** 67:19,27 68:6 70:17,18 71:12,13

**cheese** 61:20 62:25 70:17, 18 71:12,13 73:20,21 84:5 85:21 155:11,15 197:2,8,20

Cherokee 77:7

**chief** 9:7 150:19 173:20 224:8

China's 226:18

**Chip** 14:11 29:8,19 86:6 127:10 131:24 134:18

choice 222:17

choose 40:13,14 188:4

**chooses** 94:14 228:10

chose 50:10 132:4 134:7

**chosen** 43:14

**Chris** 14:5

Chuck 101:16

circumstance 34:3

**circumstances** 133:6 195:12,20 203:1

citation 36:7

citations 29:25 38:6

cite 223:13

cited 158:16

cities 164:26

citina 36:20

city 81:27

claim 49:21,26

clarification 53:18 107:4

clarifications 141:18

**clarify** 81:9 97:11 107:16 130:6,8,9 137:24 140:7,22

class 22:28 23:1 33:13,23,27 34:27 35:22 37:10,11,19 38:24 39:1,3,6,9,11,17,28 40:6,7,10,11,16,19,27 42:19, 22,24 43:25 44:15 49:16,17, 18 50:1 61:12,16,17,18 62:6, 13,17,18,19,20,21 65:12,14 66:27 79:25 81:28 82:2,4 83:18,25 84:1,3 85:4 101:22, 23 110:9 116:9,17,20,25,26, 27 117:2,3,4,7,9,10,11,13, 15,24 118:1,4,16;22 119:14, 15 121:4 125:19,21 126:4,5,

11,12 127:27 129:19,22 131:2,3 132:22,25,26 133:2 134:27 135:2,6 137:5 143:23 151:3,7,8,28 152:4,22,23 153:6,22,23,24,28 155:10, 17,19 156:7 157:7,13,14,17, 18,21,22,25,27 158:24 159:4,9,14,15,17,18 162:2,3, 10,11 168:23 169:21 170:4, 10 175:21 178:2,3,14,16 179:28 180:1,4,14,15,17,19, 24 181:28 186:25 188:14,15, 18,24,26,27 189:6,9,15,17, 26,28 190:3,6,7,10,11,13,16 191:10 193:18 195:7,8 196:8,10,15,20,23,24,28 197:1,4,7,10,18 200:10,11, 16,25 201:9 202:5,8,9,11 205:7,8,10 206:9,18 208:1, 13 212:3,4,13,19,23 213:6,7 214:11 216:8,15 220:9,19, 24,25 222:1

**classes** 35:21 157:9 158:25 176:13 177:12 180:22 189:22 195:17 200:19,28 201:6,11 206:14 212:12

classic 205:9

classified 137:28

**clean** 53:9

**clear** 38:28 40:19 44:25 50:14,23 65:7 89:20 181:1 188:17 194:2 205:16 209:27

Clearfield 76:21

Clerk 28:18

clerk's 28:5,21,23

clerks' 9:17 client 218:10

client's 39:2

clients 34:14 35:17 37:22

38:28

close 10:9 211:19

close-in 225:20

**closed** 35:22

**closely** 43:16,19 163:24 165:26 169:3 225:8

**closer** 18:22 44:13 165:20 183:22

club 224:16

**co-op** 106:19,21

coast 81:4 100:23 152:26

code 33:10 35:20 81:27

coefficients 152:17 196:4



216:4,11 219:26 221:22

collaborative 228:17

colleagues 92:12

collect 31:15

**collected** 74:8 94:12 97:22, 23 104:18,21,28

collecting 21:4 203:17

collects 103:9 112:5

Columbia 30:11 43:6

column 61:11,15 62:16 63:21 64:16 67:2 70:10,16 71:10 72:28 73:1,5,9,17 75:25 78:12,13,17,21,28 79:27,28 80:12,14 81:26,27 82:6 84:8,14,20 85:24,26 98:7 102:21 105:9 106:3,25 117:7,8,10,12,14,17,19,28 118:2,6,7,15,19 119:22,23 120:14,15,22,23 121:24,26 122:22,28 123:8,20 124:4, 22,26,27 125:24 138:9

columns 71:11 75:26 79:28 106:5,14,18 117:5,6,16,19 120:20,25 122:22,23 123:9 124:20,25

combined 64:13,24 78:19

**comfort** 156:18

commands 33:19

comment 38:27 169:9

comments 10:20

commercial 150:25

**commit** 27:25

committed 146:2

commodity 167:2

common 75:6

communication 30:19

companies 73:11 102:17

**company** 14:19,23,27 15:10 23:6 48:25 73:12

**compare** 73:15 87:13 88:22 93:17 94:1,14

**compared** 18:14 58:8 153:19 161:25 167:9 200:14 210:10

comparing 93:20 193:18

**comparison** 93:10 94:4,6,16 116:19 194:8 210:13

comparisons 165:2

**competitive** 166:25 195:15 212:25,28 213:3

compile 90:14 98:22

compiled 90:7

complete 29:23 137:15

**completed** 86:20 103:19 147:28 148:4

completes 127:5 172:2

complex 152:19

compliance 30:24

component 42:19 43:27 62:6,13 63:6,16,18 64:5,12, 13 65:13,16,18 66:27 75:3 84:3 92:23 93:1,26 95:9,17 96:20 125:21,23 126:6,13 153:27 155:8,12,14 156:1,7, 10,11,16 157:2,8,9,12,16,24 158:3,23 159:2,11 160:10, 13,17,19 161:3,6,10,16 162:1,8 168:23 169:20 170:2,6,8,12,16,17,20,23,27 171:1,5,11,12,15,21,25,28 175:28 176:7,8,10,15,18,21 177:3,6,16,18,19,25,26 178:1,12,21,24 179:5,6,15, 22 180:2,5,6,9,11 182:5,19 183:25 184:25 185:12 186:1, 3 187:14,28 188:12,23 192:10 196:21,24,26 197:3, 4,7,12 198:12,26,27 201:9, 11,12 202:7,22 205:3,8 211:8,9,25 221:1,22,28

components 22:28 42:23 95:27 96:1 129:21,23 131:3 144:12 155:21 157:11 159:17,20 179:24 180:10 181:15,16 182:4 183:18,19 186:8 189:2,3,5,12,13,14,18 190:1,3,5,7,9,10,13,16 194:21,23,28 195:23 197:2, 3,8,9,15,17 198:6,8,25 204:9

composition 132:22,23 133:1,2,8,9 148:9 153:27 155:28 156:11 157:27,28 160:11 161:18,24 178:1,21 179:11 193:3,14 194:2 199:13 200:3,6 202:7 205:3 211:25 214:1,27 216:7,22 221:28

compositions 156:10

**comprehensive** 31:8 151:13 154:6,15,23 155:22 198:25 221:7

compute 118:3

computed 61:27 62:28 67:13

computer 164:7

concept 98:28 216:25 223:9

concepts 173:27

concerned 193:8

concerns 20:20

concessions 173:28

**conclude** 17:11 18:1 96:23

167:17

concluded 222:4 229:23

concludes 126:14

Concluding 169:9

conclusion 43:24 156:6

condensed 54:20

condition 156:11 161:14,19

205:25

**conditions** 9:24 152:26 154:19 159:23 204:21.24

conduct 103:10 154:25

conducts 103:11

confer 92:12,14 93:3

confident 129:25

confidential 80:7 99:18

129:10

**confidentiality** 59:1 60:14 79:5 80:17 104:22 109:23,24 110:11 136:22

**confirm** 10:7 91:27,28 92:22,27 93:6 94:13 95:7,8 108:6 112:10

**confirmed** 90:24,27,28 91:24

confirming 91:8

conform 80:6 223:3

confusion 132:12 181:8

200:5

Congress 152:23

Congressional 152:3 174:18

Congressman 187:13

connect 89:3

Connecticut 76:4

connection 165:20 223:19

consecutive 43:2 161:25.26

considerable 169:15

consideration 35:6 36:14 37:27 42:16 45:3 89:8 92:27

considerations 154:21 210:1

**considered** 35:4,24 37:25 45:11 59:16 167:28

considers 169:17 220:19

consistent 50:25 194:11

consistently 211:1

**constituent** 61:26 62:27 67:12 152:17 153:25

constituents 199:1.2

constrain 163:9

constraints 33:7

construct 225:11

constructed 156:13 223:17

constructing 225:13

construction 217:6

**consultant** 13:24 15:10,11 16:3 42:10 49:3 191:26

consultants 22:18

Consulting 13:24

**consumer** 159:27 164:14,18 166:28 167:8,18

**consumers** 37:23 38:1 158:19 160:7 164:11 166:11, 27 191:5

consumption 158:20 205:12

contained 175:6

**content** 68:17 103:6 156:14, 16,20,24,27 157:2 158:11,14 182:19 188:5 199:10 200:3

contention 35:1

contents 10:21

**context** 90:21,22 186:17 200:15 204:25 219:14

**continue** 10:25 56:15 73:19 151:24 163:12 166:8 167:21 186:21

**continued** 134:21 156:9 165:11

**continues** 118:26 126:10 154:23 191:23

continuing 58:23 209:16

continuity 193:20

continuous 167:15

continuously 18:19

contracts 226:1



contrary 32:24 40:2

contrast 159:12

contributed 200:24

contributing 206:4

contribution 201:3

control 79:23 143:21

convene 18:15

conventional 33:4

converge 163:5

**conversation** 22:13,24 23:17 25:8 95:21

conversion 200:1

convey 138:26

cooperative 14:23 16:16 63:19 64:15 75:7,8,11 105:11 122:11,19 123:1,3,5 141:5 144:28 145:5 150:15, 23,28 154:10 162:18

**cooperatives** 43:9 150:26 151:2 162:24 172:26 174:17 203:25 205:23

copies 12:16 28:20 29:14,16

copy 27:25 28:4,6,15 46:19

Corn 77:2

Cornell 101:15

Corner 21:5

correct 39:13 55:23 56:13 58:11 59:11 60:3 62:3 63:3 68:23 82:22,25 87:26 89:17 90:3 91:3,5,8,9,10 93:25 97:19,25 100:5,10 102:18 104:6,13 107:13,19,26,28 111:6 114:10 116:2,3 118:28 128:7,8 129:19,20,24,26 130:26 132:1,5,10 135:6,11 138:2 140:13.28 141:8.11 144:6 147:2 169:17 175:22, 23 176:4 177:1,4,23 179:16, 18,19,25,28 180:3,4,12,13, 20,25,26 181:3,7,17,26 182:2,6,7,15 183:10,16 184:5,19,24 185:2,14,19 186:5,6,10,16 187:6,19,28 188:12,13,24 189:6 190:7, 11,12,19,21 194:22 196:11, 17,25 197:10,17,24 198:15, 16 201:7,25,26 202:3 211:23 217:16,21,25 218:8

corrected 50:22

correction 54:25 55:7 72:4

corrections 19:7,8,12,15

**correctly** 21:18 54:6 92:13 104:8 139:16

**cost** 37:26 160:3 163:9,20, 21 164:19 165:10,21 166:11, 25,28 167:7 168:27,28 188:5 189:18 221:18

**costly** 160:7

**costs** 75:10 152:28 153:10, 23 154:26 163:13,17 203:13 214:15

counsel 11:24 14:3 108:20 113:1 131:17 133:13 134:2, 4,12 135:28 139:27 148:12 191:15 207:10 217:1 227:19 228:4

**count** 64:19,23 122:11,20 140:11 141:5 190:1,3

countenance 227:2

**counties** 76:8,16,21,22 77:3,

countries 167:9 173:17

country 108:14 191:12

counts 74:8

**couple** 21:27 89:22 131:19 144:21,23 146:2 204:28 217:12 228:2

coupled 164:3 167:5

court 9:2 12:8,11,24 13:2,5, 12,16,22,26 14:3,7 15:4,8, 13,22,24,28 16:4,7,13,21 17:2,6 18:2 23:19 25:10,15, 22 26:14,26 28:2,19 29:4,15 30:11 37:3 39:16 41:8,16,20, 25 42:5 43:10 45:5.22 46:2. 12,16,20,23,28 47:14,23,28 49:9 50:4,8,17,22 51:7,8,12 53:20,27 55:1,3,5,14,21,24 56:7,12,15 59:6,10,12,16,19, 23,28 60:5,16,27 63:9 64:8 65:27 67:22 68:9 69:1,13,25 70:24 72:11 74:2,19 77:7 78:1 79:11 80:24 81:18 83:5, 21 85:12 86:5,16,22,27 88:12,15 89:8,11,19 90:20 91:13 92:24 93:15,19,24 94:7,10,19,24 95:1,19 100:15 101:4,9 102:21 103:21 108:20,26 109:3,5, 10,13 110:20 111:18 112:19, 27 113:1,11 114:2,7,11,16 116:12 119:8 120:4 121:13 122:14 125:7 126:16,23,26 127:3 129:6,8,12 130:7,9 131:17,21 133:13,18,25 134:12,15,20 135:13,19,23, 27 136:5 137:15,18 139:26 140:1,17,21 141:20,25

142:1,4,6,12,14 145:27 146:5,12,15,18,26 147:1,3,8, 13,17,20,24,26 148:17,22 149:22,27 150:3 172:3 175:2,10 179:2 191:15,22 207:10,17 216:27 227:19 228:3,7,14 229:2,6,9,13,15,

cover 89:7 96:16 203:13

Coverage 173:11

**covered** 96:18 99:13 124:18 199:21

covering 122:19

covers 120:10 174:15 212:9

Covington 162:18 185:7 202:28

cow 156:17

CPI 166:7,16,17

**CPIS** 164:14,21,25 165:16 166:7

cracks 112:24

Crawford 76:17

Cream 84:6

Creamery 14:20

**create** 129:1 206:15,16,21, 25 207:23 216:19

created 115:13 159:22 207:23

**creates** 27:1 205:25 206:2, 24 207:2.12

credibly 40:1

credit 107:18

crisis 226:22

criteria 212:1

**critical** 26:12 29:18 32:6 33:12 49:26 153:5 163:28 169:20 192:15 194:24 214:10 227:7

critically 153:14

criticism 94:9,25 183:7

cross 27:15 86:19 100:17 108:26,27,28 109:11 113:3 127:6 134:16 137:15 140:17 141:16 145:27 216:27 227:20 228:9

cross-examination 9:28 21:2 23:8 86:28 103:22,27 108:21 109:16 110:26 127:8 131:18,22 134:21 136:8 137:21 145:25 175:11,14 191:23,27 205:1 217:3

cross-examine 227:28

cross-examiners 21:13 227:21

**Cryan** 15:16,17,22,23,24 109:4 110:24,27 111:8,19, 23,26 112:17,26,28 224:7

Crystal 14:20

**cull** 218:28

culpa 50:19

cure 38:4

**cured** 39:14

current 31:4 32:16 33:1 37:28 52:26 53:6 66:17 82:10 116:22 117:1 118:3, 13,24 120:12 121:19 151:28 154:13,18 157:24 158:2 160:9,11 162:1 166:10 178:19 179:25 181:28 183:23 193:11 195:6 204:16 208:2 209:7 210:18 211:6 223:3 225:22

**curve** 166:4

cut 207:12

**cutting** 207:20

D

**D-A-N-O-N-E** 14:21

**D-E-C-K-E-R** 12:5

**D.C.** 142:3

dairy 10:12 11:15,17,20 12:3,5,7 14:6,18,19,20,25, 26,27,28 15:3 16:9,16 17:4, 27 27:10 33:17 35:15,27 36:26 37:2 40:8 49:2 54:21 55:27 56:3 66:10,11,14 69:22 70:2,6,7,16,21,28 71:4,5,16,22,26,27 72:9,15, 16,20,21,23 73:27 74:6,7 75:1 84:5 85:20 96:2,5,8 103:12 109:14 111:12 136:6 150:15,22,23,25,27,28 151:5,12,14,19,20,25,26 152:3,20 153:1,4,6 154:18, 28 158:5 159:5 160:25 162:24 163:3,10,17,18 164:5,22 165:16,21,22 166:2,5,11 167:4,13,20 168:1,19,22,25 169:7,18 172:25,26 173:7,8,9,10,11 174:10,17 175:1,13 177:19 178:18 179:8.9 189:7 194:14 205:22,24,26 206:17 214:9, 11,20 220:9,23 225:14 226:19

Index: contrary..dairy



**Dallas** 76:16

Dan 136:6

dance 218:11

**Daniel** 17:3 109:14

**Danny** 15:20

**Danone** 14:20

data 11:21 12:22 20:5 24:23 26:9,12 34:28 57:7,12,13,15 58:1,5,17,21,25,27,28 60:7, 8,12,13 61:5 63:21 65:11 73:12 74:12 75:22 79:1,5,20 80:3,6,13,17 84:18,25 87:16 90:9,12,13,15,16,26 91:1,15, 17,25,27,28 92:1,21,22,27 93:10 94:9,15 95:7,8,16 96:21,26 97:16 99:16,17,27, 28 100:7,16,17,22,23 101:6, 21 102:3 104:5,9,12,18 107:15 108:9,14 109:23 111:2,5,11 112:2,12,20 115:18,20,22 116:21 123:26, 27 124:2,6 127:16,17,18,23 128:1,9,12,14,15 129:5 130:1,4,15,23 133:11,22,23, 28 134:5,9,26 136:28 137:4, 5,6,7,12 144:5,21 145:17,22, 23 146:16 156:27 158:10,16 160:17 162:2,10,13 175:28 176:6,9,14,23 177:13 184:1, 25 185:1,3,4,5 193:2,5,14,27 194:2.7.8 202:24 203:16.17 210:7 213:14,18 221:10,19 222:10.15

data's 91:17

**date** 19:1,6,7,16,17 66:21,23 67:2,3,10,11 70:11,13 71:9, 23 84:8,9,10,12 144:7 187:7, 23.24

dated 47:6,9

**dates** 18:25,26 19:1 36:26 72:2 73:3 75:22

datum 166:15

**Davis** 14:11,14 15:6 29:21 49:1,4,8

**day** 17:10,15 18:1,18 24:20 31:12 48:21,22 94:26,27 171:4,24 228:15,19,20

**days** 17:11 18:17 46:14 171:22

**deal** 27:3 44:4 177:25 222:14

dealing 144:11

decade 164:15 167:14

**December** 122:20,21,24

124:18,21 138:10,11,18,20 139:20

Decembers 123:22

decide 23:26 51:1

decided 12:15

decimal 171:16 176:25,28

177:10

decision 10:27 18:27 19:18 29:12,27 30:2,6 35:5,7 36:2 38:7,8 46:6 48:10,12 50:27 192:22 193:4,10,22 209:28 211:14

**decisions** 38:24 121:27 122:7 134:7

Decker 12:4

declared 36:17

declined 166:12

decreased 158:23

**decreases** 37:26 133:16

160:5

dedicated 154:8

deduction 75:13

deductions 75:17 145:16

deductions/capital 75:12

deems 36:14

deep 222:17

def- 203:10

default 178:1

defense 49:18 50:1

defer 184:15 185:6 202:27

deference 20:20

deficiency 39:14

**deficit** 75:15 153:11 160:4,6 202:25 203:11 214:17

**define** 32:18 185:15 204:23 222:23

**defined** 15:1 103:4 107:7 128:27 129:19 168:3

defines 103:5

**definition** 54:12,20 80:6 120:26 143:14 194:19 212:5 220:18

definitions 54:5 107:12

**degree** 55:27,28 125:25 172:11,13,14

delay 49:12 223:12

delayed 224:21

delays 16:17

deleterious 167:18

delineate 212:11

delivered 145:8

delivers 145:2

demand 112:6 159:27 160:1

demands 153:15

denials 122:3

denied 36:2,10 121:23

denominator 200:5

Dent 76:17

deny 36:15

**department** 9:13 11:23,28 52:23 53:4 77:16 126:21

169:11

depending 19:17 219:18

depends 90:26 189:5 202:13

depicts 118:11,20

deployment 153:12 219:12,

15

depool 159:21

depooled 137:27 205:14

depooling 205:17,24 206:4,

23

deputy 10:13 17:8

derive 180:14

derived 128:11 158:16

176:17 197:14

**describe** 11:7 46:24 63:13 66:3 115:2 121:18 181:2 217:10 223:11

describes 204:26

description 194:18 208:19

deserve 37:22

designated 42:13

designed 34:19,24 40:23 179:13 186:28 205:11 206:25 210:14,15 212:1,5,8, 11 215:1 216:12

destroyed 143:19,24

**detail** 120:18 154:12 184:13 213:16 224:25

**detailed** 162:15 225:21 227:1

details 18:22

determination 38:15 39:11 211:15

**determine** 19:15 39:16 117:4 195:22 196:19 215:5

determined 187:18 221:7

**determining** 11:1 116:25 152:4 157:13,14 192:13 226:13

**develop** 10:28 18:6 90:5 154:15,20

**developed** 26:28 97:16 162:19 192:19 193:15

developing 173:26 174:11

development 173:23

devoted 169:15

**DFS** 101:14

**diesel** 80:21,28 101:28 142:22.25

difference 32:6 38:13 110:1, 15 118:11,20 119:4,13 125:17 138:15 145:20,21 158:24 166:15 177:11 184:6 195:4 202:4,10 205:10

differences 228:17

differential 33:25 159:10

differentials 33:23 81:28 82:2 152:24 153:7,23,28 155:20 214:12 216:9,15 222:1

differently 33:4 35:3 102:1 215:17

differs 171:17

difficult 154:4 159:6 160:7 167:10.17 222:21.25

diluted 159:20

dire 175:3

direct 21:1 55:21 56:20 86:18 93:9 109:18 114:18 126:14 127:5 134:18 148:23 152:12 167:1 180:21 192:12 206:18

directly 21:14 32:13,27 34:12 35:9 88:28 89:1 97:8 115:16 163:14 173:1 217:20 220:14 221:15 224:11

director 11:13,19 16:16 55:26 56:5

Directors 155:3

disadvantages 24:13



disagree 88:7

disappeared 213:8,13

disavowed 43:9

disclosure 20:20

disconnect 179:12 189:24

205:6 222:28

Discontinue 155:11

discontinued 144:3

Discontinuing 152:11

discovered 152:14

**discovery** 152:8,13,19 194:13 195:22 215:20

discrepancies 140:24

discrepancy 139:24

discretion 38:3

**discuss** 18:21 21:27 23:3 30:10 35:15,17 46:14 74:23

**discussed** 17:17 35:11 181:2

discussing 24:24 26:3 35:21 210:28 211:2

discussion 143:13 229:2

discussions 229:22

disincentive 208:5

disincentives 208:3

disorder 43:18

disorderly 44:2,4 154:19 158:2 159:22 189:27 196:5,6 204:20,24 205:17,25 206:2, 24,28 207:2,11,12,14,15,16 222:23,27

displaying 123:6

dissemination 115:5

dissipate 163:4

distances 203:12

**distant** 203:27

distills 226:27

distinction 136:23

distribute 151:4

distributed 29:14 39:21

distributing 81:14,23 102:10 108:3,4,5 124:17,23 125:20 126:4,11 127:27 132:9,16,27 139:1,2,11 140:26 143:3

distributions 75:7,8

district 30:11 32:21 37:3 43:6

diversion 120:11,26 132:28 133:7

diversions 132:24

diversity 150:27 151:11

divert 132:10 133:8

**diverted** 132:12,18 133:1 135:9,15 141:2,10

diverts 145:3

divided 73:8

dividing 123:7

division 11:14,20 55:26 56:5

92:3

divulge 20:21

**DMC** 173:11

Docket 9:16

doctor 113:2 149:12 191:24

document 47:20 53:11 57:26 58:10 59:4 62:5 63:5, 13 68:25 83:17 85:8 116:5 121:9 122:11

documentary 19:3

documentation 56:27

documents 10:2 20:13 28:28 51:19 53:3 57:3,6 59:15,20 86:12 94:2 115:8, 13,16

**dollars** 66:17 74:26 83:26 85:26,28 116:18 159:19,20 168:5

domestic 153:15 173:7

Donelson 47:5

door 35:21,22

double-checked 176:24

doubling 165:6,8

doubt 33:15

doubtlessly 185:11

dozens 154:9

**DPMRP** 66:11,15 70:7 71:5, 26 72:8,15,21 73:11 91:25 111:3

drafting 48:11

draw 142:8 199:28

drawn 34:8

dried 151:9

drive 28:14

drivers 165:26

dropping 166:6

**dry** 54:20 61:20 62:24,25 68:26 69:7,10,19 70:18,19 71:13 73:22,24 155:15,16

**DSFS** 101:14

**dually** 114:6

**due** 53:1 59:1 60:14 78:23 79:5 80:17 104:22 119:24 160:24 166:20

dues 75:11

duly 56:10 114:14 148:20

dumped 79:21 99:9 143:19

dumps 80:4 99:14

duplication 106:18

**duties** 10:15 21:6 48:7 115:2 225:4

**dynamic** 153:4 169:18 192:4,14 214:9 219:28

dynamically 216:12

Ε

E-R-I-C-K 15:26

E-R-I-C-K-S-O-N 14:18

**E-R-I-N** 11:13

ear 17:16

earlier 18:26 29:10 44:3 88:9 119:24 136:11 142:27

early 17:18 42:12 146:9

148:2

earned 172:22

earnings 75:8

easier 88:10

east 9:6 76:8 104:14

Eastern 9:5 76:7

easy 96:24

eat 18:5

echo 42:11

eco- 173:21

economic 9:23 13:18 22:3 24:1,18 26:4 27:13 40:24 133:5 150:10,20 151:20

156:23 158:6 162:25,28 167:12 173:11 174:9,12,15 179:10 193:2 195:16,17 199:7 203:27 214:24

**economics** 11:20 37:25,27 55:26,28 56:5 115:3 172:15, 23,28 174:22 175:1

economist 12:20 15:18 22:18 114:25 150:19 173:20 204:7 205:19 219:19 224:8 225:3

economists 195:16

Edge 16:16

education 172:28

educational 172:10

**effect** 152:1 167:18 171:19 180:19,21,23 186:22 187:6, 22 222:13

effective 31:16 38:11 63:28 64:27 80:9 81:28 82:1 154:2 163:28 171:23 222:20 224:26

effectively 200:4 221:20

effects 163:12

effectuate 36:17

efficiency 81:6 89:5

efficient 23:9 222:9 227:13,

effort 103:19 154:21 195:28

**efforts** 182:14

**EIA** 101:6

electronic 28:6

electronically 27:26

element 209:18

elements 196:19,26 197:4

**Eleven** 51:28

eligible 33:8 66:28 77:25 78:6,7,8,13,17,21,24,26 97:18,23 98:7 105:20,22,28 106:4,11,15,16,23

Elk 76:21

emphasize 37:11

emphasized 196:1

employ 224:10

employed 149:8,9 150:18

employee 205:21

employees 54:13,19,21,23

employers 54:13

empty 58:23



encompassed 138:27

encompasses 14:24 104:6

**encyclopedic** 193:7 224:28

end 18:22 22:6 23:2 24:11, 14 25:2 26:17 49:14 51:2 60:22 80:1 86:2 89:16 139:12 149:19,22 192:11 194:19,20,25 195:26 200:10 204:19 214:21 215:21,24 219:26 229:21

ending 70:3,13,15 71:23 161:26

ends 17:27 26:18,19 206:10

**energy** 81:5,10,11 100:26 142:22 165:28

enforced 130:10

enforcement 11:14

engaged 154:5

England 76:3

English 14:10,11 15:4,15 21:25,26 23:19 24:9 26:3 29:6,7,8,19 41:23 42:14,24 44:22 48:16,17 49:10 50:6,9 86:5,6,21,24,25 87:1 88:7, 14,16,17 89:4,15,18,23 90:22 91:12,20 92:25 93:18, 21,22,25 94:9,11,23,26 95:2 96:13.18.22 100:14.20.21 101:2.3.7.10.11.20 102:5.7. 23,24 103:15,21 107:2 127:7,9,10 129:2,13,28 130:20,22,26 131:5,9,13,15 134:17,18,22 135:20,22,24 144:11 145:13 199:2 227:24 228:5,12,13,15 229:4,8,11

English's 42:11 45:1

enhancements 166:23

enjoy 94:24

enjoys 166:19

**ensure** 10:15 20:23 54:26 158:19 160:7 161:2 164:1 194:10 205:11

entail 169:27

enter 12:21 21:1

entered 19:3

entering 60:1

**entire** 112:13 151:19 158:17 174:25 215:1

**entities** 15:3 32:28 54:6,21 72:16 73:10,13,15

entitled 119:28 170:27

entity 23:13 58:2,20 73:14 102:17

**equal** 71:7 106:16,26,27 116:26 160:14 181:15 182:4 183:19 195:18

equals 195:17

equitable 40:1

equity 75:9,11

**Equivalent** 61:27 62:28 67:13

Erick 15:25

Erickson 14:18

Erin 11:12 65:2 97:6

error 37:8

errors 92:3

**ERS** 156:24 158:16 199:13, 23

erupted 39:20

**ESL** 30:3 34:16,23 35:1,24 36:1,5 48:18 49:13,19 151:6

essential 154:8

**essentially** 34:9 40:16 43:9 117:16 150:19 187:21

establish 18:24 195:25 221:17

**established** 20:3 42:21 152:23 160:28 178:19 194:6 196:23

establishes 194:21

**establishing** 152:9 179:4 181:28

establishment 44:2

estimate 98:3,8,11

**estimated** 78:9,18,22 79:1 98:17 185:5

estimates 39:4 168:6.9.12

etcetera 128:13 145:16 193:11

evaluated 36:6

evaluating 26:12 189:5

evaluation 212:26

evaporated 54:20

event 9:6 48:4 185:11 187:26

eventually 166:27

everyone's 17:28 26:17

evidence 9:20,23 10:2 26:28 31:15 42:1,4 47:22 53:21,25 59:17 60:1 86:4 89:9 120:3 146:20

evidentiary 47:20

evolution 164:4

evolve 154:23

evolved 44:6 201:22

exact 203:1

examination 24:19 26:11 28:1 55:22 56:20 86:19 94:4 114:18 127:5 140:19 142:18 148:23

examine 27:18 215:4

**examined** 56:10 114:14 148:20 154:12 193:25 196:10

examining 214:23 215:4

Excel 27:21 28:10,24

Excellent 41:25

exception 28:27

**exclude** 24:5,6 29:12,27 30:2,6 34:8 38:7 39:11 42:15 47:10 48:7,11 137:27

**excluded** 31:23 32:3 36:12 37:2 50:5.15

excluding 38:18 43:10

exclusion 37:6,17

exclusions 40:5

**exclusive** 78:26 105:22,25, 26 106:6.23

exclusively 223:19

excuse 54:13 115:28 177:17

**exemption** 30:4 31:21,26 32:26 33:8 34:9 37:14 49:22

exemptions 209:28

exhibit 21:3 29:11,24 41:7, 13,14,28 42:3 45:6 46:21,25 47:1,15,16,18,21,26 51:22, 25 52:1,4,5,7,10,12,15,18, 20,22,28 53:1,7,10,11,24 54:4 55:7 57:26,27 58:3,8, 14,18,23 59:3 60:19,20,25 61:2,9 62:9,10 63:8,10 64:4, 7,9 65:8,9,12,16,18,23,25,28 66:7 67:18,21,23,25 68:5,8, 10,28 69:2,4,9,12,14,16,21, 24,26,28 70:20,23,25,27 71:15,18,19,21 72:7,10,12, 14 73:26 74:1,3,15,18,20,24 77:24,28 78:2,4 79:7,10,12,

14 80:20,23,25,27 81:13,17, 19,21 82:18,28 83:4,6,20,22, 24 85:11,13 87:10 88:14,20, 24,26,27 89:5,6,9,14,24,28 92:24,26,28 96:24,26 97:14 98:23 99:23 102:9 103:2,4,7 104:3 105:6 107:2,14,22 108:9 109:18,21 116:7,11, 13,15 119:3,7,9,11 120:3,5,9 121:12,14,16,21 122:9,13, 15,17 124:11,12,14 125:1,6, 8,10,12 126:1,8 127:13,16 128:13 131:24 132:20 134:23 136:21 137:25,26 138:5,8,10,12,14,18,28 139:21,22 140:7 141:4 142:21,22 143:2,9,28 144:10 145:22 149:16,23,24,25,28 150:1,4 172:7 175:6,17

exhibits 10:5 12:8,16,17 19:3 20:9,28 21:5,24 27:21, 26 41:18 51:5,16,18 52:27 53:21,22 55:8,11 60:23 61:8 66:4 86:17,18 89:21 102:22 109:19 127:22 128:13 138:25 145:21 146:17 150:4

exist 34:3,4 123:23 129:1 177:18 183:26

existence 174:25

**existing** 43:18 44:11 171:28 177:28 193:19 194:9

exists 42:20 177:19 187:10

exit 40:12

expanded 181:23

**expect** 17:11 18:8 19:3 133:1.3

**expected** 163:5,6

expecting 95:3

expedite 29:25

expensive 182:28 183:1

**experience** 23:8 24:18 28:7 207:1 227:5,15

experienced 25:22

**expert** 162:21 175:1,5 184:12 186:21 225:24

**experts** 22:16 24:27 154:9 184:15 185:6

**explain** 30:13,14 34:2 37:15 58:15 92:13 95:10,18 105:9 109:24 117:5,26 119:18 125:12 205:20,21

explained 200:8 216:1

**explains** 118:19



**explanation** 12:11 31:8 36:11 38:13,19 205:15

explanations 213:19

explicitly 193:21 199:28

exploring 133:14

export 153:15,19 226:15

expressed 164:27

expressly 33:5 137:25

**extended** 31:19,25 32:25 37:13 152:26 176:12 187:9, 26 202:8,9 220:25

extending 177:12

Extension 126:25

**extent** 143:23 154:2 187:16 189:7 212:24 227:2

extra 178:11 203:5

extremely 185:8

F

F-A-I-R-L-I-F-E 14:21

face 34:23

facilitate 31:10 165:1

facilities 34:23 130:3

fact 22:9,19 24:27 34:4,19 38:28 39:17 82:24 101:26 128:10 135:15 165:21 176:5 186:23 187:1 204:14 222:8, 13

**factor** 61:16,17,18 117:8,9 157:18,21,23 170:2,6,8,12, 17,20,23 171:1,17

factors 35:8,12 61:10,23 65:10 81:8 107:16 116:9,18, 27 117:3,15,24 118:1,5,17, 23 153:24,26 154:26 155:9 156:2,7,12,18 157:25 158:3 159:13 160:10,13,16,20,21, 23,27 161:3,4,16,19 162:1,8 165:27 166:1 167:12 169:20 170:14,27 171:5,11,12,21, 25,28 176:10 178:5,20 181:20,28 194:2,6 196:8,9, 15 201:22 202:7,9 205:3 209:9 210:17 211:25 215:12 216:2,5,7,8,9,22 219:22 221:1,3,6,8,10,20,27 222:11, 14 223:2 226:28

facts 167:11

factual 22:15

faculty 172:23

failing 211:12

fails 37:15 38:12,18

failure 21:10,11 37:28 38:1,

fair 22:26 37:21 86:27 94:6 95:1 130:21 135:27 137:3 183:2

Fairlife 14:21

**fairly** 48:28 163:4 188:9 221:7

fairness 49:18 87:21 95:3

fall 32:2 225:17

fallen 166:16

falls 112:23 173:4 225:14

familiar 93:16

familiarity 101:12,13

family 14:24 49:11

Fanin 77:6

far-out 225:20 226:1

farm 15:18,20 34:20 99:9,10 110:25 145:2 165:20,23 168:1 202:17 205:27 221:13 224:9

farm-to-plant 35:13

**farmer** 16:16 174:17 186:9 204:8 207:20 225:10

farmer's 96:2 97:9 207:21

farmers 10:12 15:3 16:19 17:27 22:21 33:17,25 35:15 36:20,27 37:2 40:8,14 75:1 96:5,9 97:6 150:15,22,25 151:14,20,25 158:5 163:4,11 168:19,25 174:10 177:20 178:12,14,18 179:8,9 180:7, 10 181:14 182:3,8,13,16 183:3,9,21 185:18,19,25,28 186:2,4,11,18,25 187:1,17, 27 188:1 189:1,7 195:7 203:20 204:15 205:23,24,26 206:17 210:8

farming 166:26

**farms** 14:6,27,28 74:7 79:22 80:4 99:15

fat 44:15 180:24 181:1,6,12 182:3 183:9,21 185:1,17,25 186:5,10,26 187:18 189:16 197:8 201:8 208:5 209:19 212:4,14

fault 99:21

favor 57:19 115:26 116:1,3

Fayette 76:22

**features** 164:4 213:28 214:6, 14,20 220:13

**February** 54:10 161:12 171:9

fed 97:1

federal 9:15,22 10:19,22,23 11:1 20:12 36:4,24 37:3 39:16 40:7 42:17,22 44:3 51:22,24,28 52:26 53:2,7,12, 17,19 54:14 56:4 63:21,27, 28 64:17,26 75:12 76:2 78:9, 19,22 80:8 81:14,23 82:6,8, 9,10,15 83:1,11 90:13 91:18 93:10,27 95:24 104:7,24 107:24 109:28 110:8 114:26 119:4,13 120:1,10 123:9,10, 11,16,17,19,20,21 124:1,4,5, 25 125:26 138:9.12.21 144:8 151:3,4,13,22,28 152:2,4,9, 27 153:5 154:3,6,13 155:2,5, 23,25 156:5,12,13 157:7,10, 16,25 158:1,4,5,11,14,18,22, 27 159:6 160:2,16 161:7,24 162:20 163:14,17,27 164:1, 12,24 167:16,18,22,24,28 168:8,11,13,16,23 169:5,14, 19,20,24 170:12 174:5 176:1,13 181:19 187:3,12,15 192:6,9,13,16,19,20,21,24, 27,28 193:1 194:9 201:22 205:4 206:3,5,15,20,21 207:22 208:25 209:7,25 210:2 211:7,14 212:6 213:15 214:10 215:4,11,17,19,21, 25,27 216:3 217:13 219:25 220:9 222:20 223:20,24 224:11,20,26 225:21

Federally-mandated 75:13

Federation 13:11,19,21 14:2 15:19,21 32:20 43:13,14,17, 20,23 44:13 45:12 47:25 110:25 148:9 149:10 150:12 224:9

feed 75:17 79:24 80:4 99:12, 15 137:6 143:19 182:26,28 183:1

feeding 156:17

feeds 137:11 156:17

feel 224:15.24

fewer 130:2 157:4

fights 39:19

**figure** 28:26 29:1 60:18 146:3 164:7,10 165:3 167:11

170:1

**figures** 123:5

file 28:24 46:18

filed 47:27

fill 191:2

final 38:24,25 65:23 66:7,23 67:18,27 68:5,26 69:10 78:28 118:15 120:25 123:19 124:4,25,27 125:1 126:8 193:10

**finally** 33:22 73:22 155:19 205:1 215:9

**financial** 179:21 182:9 183:3,10,11 184:9

**find** 60:9 91:7 122:25 175:4 222:10 225:27

**fine** 25:17 87:9 88:11 89:12 96:17 102:1 225:26

finish 146:25 147:8 178:28

finished 165:25

fire 143:20

**firm** 13:16,28 16:23 39:22 47:5

fit 212:4,26

fix 41:1

**fixed** 159:12 164:2 216:4,5, 6,7,9,10,11 223:2

Flexibility 168:3

flight 16:17

flood 143:20

floor 148:12

**Florida** 52:5 76:19 82:12 157:15 159:25 179:17

fluid 37:26 40:6,10,12,15 49:2 54:12 84:5 151:5 158:20 159:27 160:4,6,8 165:16,23 166:12,16 167:14, 19 190:25 191:1,4 205:12 208:6

**FMMO** 32:1,4 33:12,21,22 38:25 40:13

**FMMO's** 30:4 31:5,16 32:17 33:1

FMMOS 9:22 37:25

**FO** 77:21.22

focus 127:13 164:24 218:24

focuses 191:9

focusing 138:24 220:4,11

folks 105:6 122:4



**follow** 149:19 162:16 185:7 208:8

follow-up 134:19 139:7

**food** 77:16 164:21,23 165:11,13,25 166:2,8,14,17, 27 167:3,7,13

**Foods** 14:23,24,25 16:10 27:10 175:13

footnote 47:7 61:13,25 62:17,26 63:17,24 64:15,20, 24 66:9,14 67:5 70:5,12 71:3,7,25 72:5,19,23 73:2, 11,23 74:7,28 75:22,28 76:8 77:4,18 78:15,19 79:19 80:3, 8,11,14 81:3 82:1,8 83:28 84:9,15,21 92:19,22,24,27 98:27 99:1 105:19 107:14,23 116:23,24 117:25,26,28 118:9,10,18,19 121:5 123:26 124:3 125:16 126:6

**footnotes** 67:28 68:14,21,24 69:6,18 83:9,14

force 162:19 222:3

forecast 226:4

forecasting 225:23

forecasts 225:9,12 227:8

forgot 25:27 42:6

form 145:9 164:27 201:4

formal 209:11

formally 161:11

formed 173:24

formula 34:12 53:8,13 111:6 152:6 153:22 154:7 155:12 156:12 159:12,14 183:28 208:12 216:4

formulas 9:21 32:1,5,9,14 152:3,16,27 153:6,24,25,27 154:13,17 155:10,14 156:2, 8,13 157:26 158:3 160:10, 14,26 161:1 163:27 164:3 169:6,21 177:28 178:15 186:25 192:11 193:2 196:9, 16,21,22 197:14 204:16 208:25 209:5,8,25 210:3,4, 16,17 214:11,22 215:5,8,22 216:6,11 219:26 221:1,23,28 223:2

formulate 26:5 46:1

formulated 26:14

formulation 11:14

forward 72:7 73:26 74:15 119:3 210:20

found 33:11 35:16,18,20 39:7 54:7,14 122:3,8 127:24 132:28 221:10

foundations 206:21

founded 174:26

four-week 81:3 99:24 100:4

fourth 161:17

framework 34:7

Francois 76:17

frankly 49:15,23

free 173:17,25

freely 163:10

**Friday** 18:15,16 22:2 25:2 84:11 229:1

Fridays 17:18,26

front 41:3

Fuel 80:21,28

fulfill 58:28 60:13

fulfilled 58:21

fulfillment 57:14 115:23

full 45:18 194:12 196:14 197:23 199:5 201:14 204:19 210:23 211:17,18 213:27

fuller 213:18

**fully** 93:16 107:27 130:12 143:7 154:17

function 152:18

functioning 164:1

functions 158:18 159:7

fund 33:14 40:18

**fundamental** 205:4 206:5,6, 15,23 208:18 210:3 215:20, 24,27 216:18 222:28 223:1

funds 33:13 40:16,17

**future** 45:4 114:9 154:22 156:10 209:2 216:20

**futures** 225:4,5,8,14,17,20, 22,25,27 226:2,7,10,13,22, 25 227:2

G

**gallon** 191:2

gathered 9:6 10:18 193:14

gathering 12:8

gave 56:13 60:9 130:18

187:16

general 11:24 48:9 164:17 166:2,3,7,14 167:7,13,20 204:27 213:24 214:22 216:24 221:5 222:26,27

generality 97:17

generally 159:9 185:15 203:20 205:18 209:25 216:2 220:22

generate 166:21,25

generated 111:5 152:25 163:18

genetic 166:23

genetics 156:16

gentlemen 109:1,11

geographic 150:27

Georgia 76:13

**Gerat** 93:4

get-go 186:18 188:14

give 11:6 23:7 36:14 48:14 50:27 84:21 100:10 107:22 127:1 130:20 133:11 164:7 172:20 187:22 199:22

giving 135:1 179:12

glad 87:4 88:5

**goal** 154:15

God 99:11

good 9:3 11:12,18,26 12:4, 19 13:27 14:10 15:5,9,16,25 16:5,14,22 17:3 28:25 29:17 51:4,17 56:22,23 68:4 127:10,12 142:12 148:25 183:3 203:20 208:11 227:15

governing 30:16

government 27:13 41:18

governors 52:24

grab 107:23

**Grace** 15:5 29:20 54:2

graded 112:8,13

grades 112:6,9

granted 39:18 120:16,19,24

grass 97:1

great 25:15 108:7 138:4 139:25 167:5 189:7 203:1 205:26 212:24 217:17 218:2, 28

greater 165:17 199:17 203:12

green 164:22

gross 168:4

ground 21:27 40:28

**group** 14:12,17 15:7,12 29:8,13,22 54:3 127:10 206:17 219:22

groups 219:20

**growing** 154:19 169:17 189:24 205:6 224:23

guess 17:13 20:4,8 26:16 41:8,11 46:2,5 48:9 49:13 50:24 55:6,11 60:22 92:15 114:3 125:24 146:1,18,20 147:9 149:23 175:3 202:13

guessing 135:23

guidance 50:27

Gulf 81:4 100:22

Gunderson 187:13

guys 88:6

Н

H-A-N-C-O-C-K 13:15

H-I-L-L 11:22

H-O-E-G-E-R 14:6

H-P 14:22

half 48:22 58:13 164:16 167:15 185:19,20 208:13

halfway 210:24

Hampshire 76:5

Hancock 13:9,12,14 47:24, 28 147:14,19,22 148:12,13, 14,24 149:18 150:6 172:3,4, 5 174:28 175:8 178:27 228:10 229:16,18

hand 148:18

handle 126:22 174:2

handled 224:6,9

handler 91:2,23 92:10 134:28 143:20 145:6 197:20, 21,22,25 205:28

handler's 79:23 143:21

**handlers** 33:16 40:6,8,13,18 44:10,11 109:26 160:25 196:27 198:4,15 223:14

handlers' 145:18

handling 41:10 173:21



handy 59:10 105:15

hang 229:20

**happen** 27:4 106:3 133:4 227:8

happened 50:12,15

happening 27:17 194:5

happy 41:24 111:26

hard 40:24 87:12 228:16

hardware 204:5

harmful 174:12

harmonizing 33:9

hate 17:14 93:15

hauling 75:11

he'll 185:10

head 121:9 182:23

headed 214:23

heading 214:24

**headquarters** 90:13,24 126:26 127:2

heads-up 27:4

hear 31:25 34:11 45:22 48:1, 2 49:28 89:21 133:25 205:23 207:4

**heard** 20:1 34:14 37:16,19 39:1 40:20 41:5 42:25,26 43:15 49:25,26 92:7,8 222:3

hearing 9:9,10,12,15,17,26 10:3,9,10,13,16,18 11:8 12:13 16:11,26 17:10 18:10, 11,17,22 21:17 22:7,22,27 23:26 25:1,20 26:18,21 27:16 28:5,18,21,23 30:1,17, 19,23 31:15 32:2,18 34:15 35:6,7,9,11,14,25,27 36:7, 18,24 37:4,7 38:9,14,16,25 40:5,23 42:1,16 43:10,11 46:11 49:14.20 50:7.16 51:1. 24,27 53:5,8,13 54:4,18,24, 27 56:26 61:6 111:15 115:7 148:1 151:16 162:27 167:27 169:11 191:16 192:28 193:9 209:11 218:14 220:7 221:14 228:16 229:20

hearings 18:19 204:23 223:21,24,27 224:4,11,19

hears 41:2

hedge 160:28

held 9:10 36:19 172:21

helped 96:14

**helpful** 23:14 87:24 228:20, 25

henceforth 17:9

Henderson 77:6

herd 168:7,9

herds 73:27 74:6

hesitate 135:13

hey 94:14

**high** 84:13 85:2,3 112:6 131:26 132:3,28 133:8 167:4 191:8 202:21,27

higher 33:20 50:1 116:26 157:3,4,6,12 159:9,11,14 160:2 178:12 179:23 182:12 185:12 189:19,20 190:15,24, 28 191:2,3,5 197:28 204:9, 11 206:19 211:1

**higher-of** 116:19 117:11,17 118:7,11,15,20 155:17

Higher-of' 116:24

**highest** 34:27 128:26 166:18 185:22

highlights 34:7

Hill 11:22 25:11.12.19 26:14 28:4,17 41:15,17,21 45:25, 27 46:9,13 51:15 55:10,12, 16,20,23 56:16,18,21 58:9 59:2,9,11,14,18,20,27 60:2, 10,15,24 61:1,28 62:8 63:7, 12 64:6 65:22,25 66:2 67:20 68:3,7,19,27 69:8,11,20,23 70:22 71:17 72:8 73:28 74:14,17,22 77:27 79:9 80:22 81:12.16 83:3.13.19 85:10 86:3 89:10,11,12,17 100:11 101:1,17 108:23 109:7.8 110:16 111:21 113:10 114:4,10,12,16,17,19 116:10 117:20 118:25 119:6 120:2,7 121:11 122:12 124:10 125:5 126:14 127:1 133:10,19,20 140:18,20 142:9 145:24 146:4.11.13. 16,24,28 147:2,6,12,23 149:26 229:14

historical 80:5 99:17

historically 33:24

history 207:19,20

Hoeger 14:5

**hold** 27:11 88:12 89:8 131:11 146:24

holding 89:12 169:11

holiday 18:18

holistic 215:3

Honor 14:10 15:15 21:26 23:10 29:10,16,17 32:6 36:8 38:3 39:19 41:15 46:10,19 48:17 53:26,28 55:13 56:19 59:2,21 60:15 65:26 86:3,9, 21 89:5,10 91:12 94:5 101:2, 18 103:15 108:23 109:12 113:10 114:4,17 126:15 133:10 140:20 142:9,10 147:15,22 148:13,15 149:18 172:2 174:28 175:8 178:27 191:14,25 227:24 228:6,13

Hood 14:22

hook 88:18

hope 18:25 109:18

hoping 87:22

hour 18:4 113:6

hours 204:28 228:2

housekeeping 112:23 113:8

Houston 77:6

**HP** 14:21

huge 39:19 202:10

human 203:19

hundred 174:25

hundredweight 74:26 83:26 116:18 162:3,4,11,12

Hunt 77:6

hybrid 152:2

hypothetically 91:3,4

hypotheticals 204:1

ı

I-ONLY 37:19

I-T-A-L-I-A-N-O 148:28

i.e. 73:14 163:6

**Idaho** 77:23 104:23,28 144:1,3

idea 88:8 191:11 211:20,24 228:20,28

identical 198:5

identification 20:28 57:26, 28 59:4,28 60:26 61:3 62:8, 11 63:8,11 64:7,10 65:26 66:1 67:21,24 68:8,11,28 69:3,12,15,24,27 70:23,26 71:18,20 72:10,13 74:1,4,18, 21 77:28 78:3 79:10,13 80:23,26 81:17,20 82:18

83:4,7,20,23 85:11,14 109:22 116:11,14 119:7,10 120:6 121:12,15 122:13,16 124:11,13 125:6,9 149:28 150:2

**identified** 43:19 44:19 71:9 72:3 73:4 125:7 149:16

identifies 120:14,18

identify 20:27 46:24,28

identifying 11:8 46:25

ii 42:19 44:15 61:18 62:17,18 134:27 151:7 157:9,14,22 158:25 170:15,21 171:7,25 179:28 180:1,4,17,19,22,24 188:24,26 197:18 200:11,16, 25 201:11 202:11 205:8 212:3.13 220:20

iii 42:19 44:15 61:16 62:19, 20 83:18,25 84:1 85:4 116:9, 17,26 117:2,7,15,24 118:1, 16,22 134:27 151:7 152:4 155:10 157:9,14,17,18 158:25 162:2,10 170:4,18 171:8 178:2,14 180:1,4,17, 19,22,24 181:28 188:24,27 189:15 190:3,10,11 193:18 195:7 196:28 197:10,18 200:11,16,25 201:11 202:8, 11 205:8 212:3,13 213:6,7 220:19

Illinois 77:2

illustrated 166:13

immaterial 21:7

immediately 121:20

**impact** 20:5 34:24 162:28 163:3 164:11 167:24 168:18 180:2 181:25,26 184:9 218:8

**impacts** 22:9 31:9 151:14 162:25 214:24

implement 221:21

implementation 155:21 160:21 161:14 170:28 171:5, 20 174:7,19 198:24 223:12 224:21

implemented 116:27 118:12,21 152:5 160:27 161:13

implementing 30:18 154:27 173:27

implications 220:27

implying 32:9 201:10 210:21

importance 224:23

important 18:14 27:2,6



127:3 152:18 153:14 154:8 169:11,16 209:9,18 215:7 221:21 226:8,24

imported 226:19

imposs- 93:15

impossibility 93:20

impossible 93:9,16

impractical 28:12

imprecise 199:3

impressed 147:4

improbably 39:17

improve 196:2

improved 156:16

improvements 166:23

inadvertently 54:9

incentive 160:5 179:22 183:15 188:4 206:17

incentives 183:4,10,12

incentivize 187:27 188:11

incentivizing 33:26

include 15:3 31:14 35:7 37:5 38:22 66:20 70:13 73:13 76:20 77:2,10 80:3,12 82:2 96:26 97:1,3 99:14 106:12 118:2 121:22 124:2,5 134:26 137:5 141:1,9 143:6,17 145:22 151:5 176:14 177:7 181:23 195:13

included 54:9,22 75:9,18 80:4 104:12 105:1 106:13 122:8 135:10 143:4 144:16 154:21 162:20 182:25

includes 36:16 76:4,7,10,13, 15 77:5 79:20 80:18 99:8 122:21 138:11 145:23 154:24 167:15 196:21

including 10:17 11:4,8 31:18 35:8 40:22 75:2 79:22 118:14 132:24 153:25 155:4 162:17 165:18,27 172:26 176:15 184:1,12,13 189:16, 26 193:2 204:19 217:12 220:24 224:4 226:28

income 167:8 168:4

inconsistent 35:6

incorporated 15:27 16:25 45:21 67:1

incorporates 153:22

incorrect 176:19

increase 39:3,6 120:25 155:13 156:6,22,26 157:1 158:13,26 159:2,11,15 162:2,7,10 165:11 166:9 175:20,21,22 187:28 188:8 190:1 204:16 205:2 208:24, 27

increased 153:10 156:16 158:22 159:18,22 160:14 165:4 182:18 189:11,12 202:6 214:16

increases 39:17 133:16 156:9 157:3,8 160:3 166:21,

increasing 158:7 179:10,11, 12 188:5 191:9 196:5 211:27 222:27

increasingly 154:1,4 159:1, 3,6 186:19 187:2 189:27 196:5 201:18 202:25 209:4, 23 211:10 219:27 221:2 222:2.21 224:25

Independence 126:21 142:2

index 165:7

Indiana 9:7 76:21,24 172:12

indication 112:3

indices 164:14.27

indirectly 152:13

individual 73:12,13 131:27 163:16,18 168:8,10,22,25 177:20 184:1 186:8 188:2 210:1 223:26

individually 177:20 179:8

indulgence 142:13

industry 11:5 17:4 22:1 26:5 40:11,25 49:2,10 58:6 109:15 136:6 145:19 151:12, 19 153:4,12 154:18,22 159:5 164:5 169:19 172:26 192:15 203:22 214:9,20 216:13 219:11,23,24 220:9,18 223:1,4

inevitably 34:22

**inflation** 164:18 165:13,14, 27 166:2,3,4,13,14 167:14

influence 167:12

influenced 219:15

informal 192:25

information 10:18 17:1 20:21 31:11 50:10 66:12 68:2,15 69:6,18 70:8 71:6,28 72:22,26 73:20 80:7 81:10, 11 83:9 95:10,18 96:21 98:22 99:18 100:26,27 103:9 128:25 138:26 144:12,18 194:26 221:8 226:3,8,15,18 227:7,9 228:27

informs 26:4

initial 11:3 19:21 161:28

initiation 31:13 192:9

innovation 14:12,17 15:7,12 29:8,13,21 40:27 54:3 86:7 127:10

insight 84:22

instance 98:4

instances 122:2 226:7,14

Institute 35:27 172:24

instructed 31:6 36:9

insufficient 36:12

insurance 75:17

integrated 151:17 154:16 intend 57:22 61:7 213:13

218:13,15

intended 32:19 34:11 164:5

intensive 195:28

intent 188:1 223:11

intentionally 211:24

intentions 180:27

interest 23:24 151:18,25 174:13 221:12 225:14

interested 9:27,28 26:8 30:28 31:3 38:17 52:24

interests 151:20

interfere 101:9

International 16:9 27:10 175:13

internet 10:14 111:23

interpretation 44:5 201:21

interpreted 220:21

interpreting 218:9

interrelate 22:23

interrupt 10:24 18:12

interruption 10:25

intertwined 224:26

intricate 152:16 160:25

introduce 14:15 16:11 86:18

introduced 218:18

introduction 47:16 56:13

introductory 206:13 220:8

invalid 94:16

invalidating 38:24

investigation 36:13

invitation 31:2,6 32:12 38:23

invited 30:28 32:7,14 38:14

involved 36:22,23 39:23 62:15 173:6 192:16 223:26 224:1,3,12

involves 174:5

lowa 77:1

irrelevant 21:7 37:7

Irvine 48:25 49:3

Island 76:5

issuance 121:3

issue 12:12 19:15 22:16,28 23:13 24:17,27,28 25:1,3 26:2 27:20 34:1 35:10 38:2 43:4,11 54:8 101:22 131:10 136:22 164:11 167:24 184:12 192:14 207:7 210:10, 13 221:14 223:16,19

issued 30:23 31:2,12 54:25

issues 12:13 21:28 22:22, 26,28 30:18 34:5 37:10 39:7 43:5 49:14 97:12 173:7 174:2 180:16 218:19 227:3,4

issuing 10:27

items 145:12 164:16 166:8

IV 42:19 44:15 61:17 62:20, 21 116:9,17,27 117:3,9,15, 24 118:1,16,22 119:14,15 134:27 151:8 152:4 155:10 156:7 157:10,14,21,22 158:25 162:3,11 170:10 178:3 180:1,4,17,19,22,24 181:28 188:25,27 189:15,28 190:6,7 193:18 195:8 197:1, 18 200:11,25 201:11 202:8, 11 205:8 212:3,14 220:19

J

J-I-M 13:23

January 61:10 62:2,7 63:17 70:3 71:1,23 74:26 77:15 78:10 79:17,18 81:2,25 82:24 83:11,27 85:1 97:17 98:4,6,17 116:21,28 118:12, 21 119:16,20 152:1,5

Jeff 49:1



Jim 13:23

job 50:25 172:22

**John** 16:1 42:9 88:2 131:20 134:24 191:25

join 141:21 224:16

joining 9:3

joint 226:5

judge 9:8 17:23 26:19 51:17

Judge's 26:8

jugs 191:2

July 9:15 50:20 70:3 71:2,24

81:1,2 166:18

jump 25:5 98:5

**June** 31:1,24 32:7,11 45:17 47:10,11 62:7 83:27

justification 33:24 34:13 162:15

justifications 34:2

justify 37:28

K

K-E-E-F-E 15:10

Kansas 77:2

Keefe 15:9,13

**keeper** 150:3

keeping 37:18 50:23 112:22

209:1,9 216:19

Kentucky 76:10

**key** 19:1 29:25 162:16 164:11 167:24 226:14,18

killed 49:4

kind 19:26 26:2 28:9 99:12 107:6 138:6 148:2 149:24 187:15,16 209:9 217:10 218:11 219:18,19 221:19 222:26

knew 227:11

**knowledge** 98:10 115:17 133:15 193:7 203:1 224:28

226:11

knowledgeable 110:19

L

**L-A-U-R-E-N** 12:5

L-O-R-I-E 11:19

L-O-W-E 16:6

L-U-C-A-S 16:15

labeled 124:14

labor 18:18 164:15 165:28

206:28

laboratories 63:20 64:15

Laclede 76:16

language 107:10 120:27 199:2 218:26 223:11

large 24:19 112:9 153:13 164:9 168:1 219:12,14

largely 101:23 169:19 213:8 219:27

largest 151:5

lastly 124:1

Lauren 12:4

law 9:8 13:16,28 29:28 38:20 39:22 47:5

lawsuit 36:23

lay 23:15

lead 100:18 207:14

lead-off 218:15

leading 145:20 189:27 205:1

learn 172:8

learned 22:1 24:10

leave 59:5 145:26

leaves 202:17

lectern 23:20

**left** 13:7 34:22 119:21 122:22 123:14,18 159:20

left-hand 120:14 121:24 165:5

legal 10:17 29:9

legally 20:9

legislation 174:7,18 187:12

**legislative** 154:24 174:6 221:13,17

legit 134:1

legitimate 34:26 43:10

**letter** 47:9,13,15 50:20 123:27,28

letterhead 47:4

level 75:16 120:24 161:22 166:18 183:19 191:3,4

levels 34:18 35:28 157:9 158:8,23 159:2,11,15 163:6 178:13 180:12 182:5,12 183:18,26 184:23,26 185:12 186:1,3 187:28 188:12,23 201:11 202:22 208:28

221:21

licensed 73:27 74:6,8

lie 168:10

life 31:19,25 32:25 37:13

40:11

likewise 35:23 54:19

limit 35:14

limitation 32:8

limitations 133:28

limited 32:12 163:19 168:26

227:5

limits 120:12,26

lines 34:22 41:3 166:5

196:13

link 29:11

linked 34:12

list 20:6 102:9,10,14 219:21

**listed** 59:3 76:8 77:4 81:6,8 82:3,4,10,15 84:7,17 103:7 104:15 107:24.28

listen 92:7

listening 132:13

listing 58:1 109:19 143:2

listings 59:13

lists 54:18

literally 40:11

litigation 39:19

live 14:15 29:25

living 25:6 164:19 165:10

LLC 13:24 14:22 15:11

loan 75:17

loathe 48:10

loaves 85:23

lobby 173:13

local 9:5 172:25.26

located 79:4 206:27

location 82:3 153:8 214:14

lodge 29:18

logical 38:26 210:19

long 18:19 24:21 34:20 36:22 39:16 46:11 58:10 92:19 101:27 102:10 114:27 151:18 176:9 209:20 212:9

longer 34:3 50:3 163:13 174:22,25

longtime 49:1

looked 108:9 193:27 196:19 221:5.6

**Lorie** 11:18 55:26 56:9 88:5 95:23 142:15

losers 37:23

loss 99:10

losses 208:23 210:14,22

lost 34:21 65:13 79:22 143:19,24

**lot** 22:8 26:5 88:9 105:6 172:27 173:6,14 174:2 195:18 200:5 203:28 205:23

Louisiana 76:13

low 84:13 85:2 131:26 132:3 133:8 208:4

Lowe 16:5.7

lower 81:4 185:13 198:3

lowest 34:26 79:25 128:27 143:23 185:22

Lucas 16:14

lucky 87:6

lunch 18:3,4 108:24 109:9 110:20,23 112:21 113:11

luncheon 113:14

lying 91:8

Lynn 36:21 43:6

м

M-C-M-U-R-T-R-A-Y 11:27

M-E-T-Z-G-E-R 15:26

M-I-C-H-E-L-L-E 11:27

**M-I-L-T-N-E-R** 16:23 **M-O-D-E-L** 14:26

M-U-N-C-H 15:20

made 10:5 20:2 22:15 36:27 38:15 40:3 42:27 43:26,27 53:4 61:22 62:1 108:10 159:6 188:17 192:3 208:7 209:24,26

Madison 172:16



magically 204:12

mailbox 74:16,25 89:25,28 90:11 91:22 92:1 94:14 96:4, 21 104:4,13,16 110:2,14 136:21,24 137:7,11 143:28 144:13 145:14 213:2

mailing 20:23 149:3,5

main 165:26

**Maine** 16:2 17:4 76:4 109:14 136:6

maintain 21:15 35:15

major 152:11 158:18 159:7

majority 56:2 151:2,9 168:1

make 18:12 21:26 28:18 36:13 37:11 40:1 41:24 42:17 44:14 45:2 46:6 49:21 56:18 59:12 65:7 72:4 88:9 89:7,27 91:8 94:3 100:19 125:12 133:6 136:17 139:15 140:9 144:12 147:4,5 153:23,26 155:13 177:10,13 183:1 184:6 190:7,11,13,16 191:1 193:19 197:4 198:4 202:4 203:5,13,18,21,27 207:7 210:18 216:5,14 217:8 221:16,19,25 222:14 228:3

**makes** 10:20 23:6,8 25:23 34:20 50:26 88:23 89:18 131:14 132:13 197:20 202:10 224:15

**making** 36:2,9 44:14 154:22 160:7 189:23 225:9

man- 220:23

management 156:18 160:24 223:13,16 224:21,23 225:7

managing 16:15

mandated 187:12

mandatory 56:3 66:10,15 70:6 71:4,26 72:20 154:25, 28 221:18

manner 99:16 223:17

manning 12:9

manufacture 151:8

manufactured 152:15 153:18,19 189:14 194:22 200:10

manufacturers 54:12 151:6, 15,26 169:7

manufacturing 72:17,24 73:16,17,24 84:4 132:17 151:8 153:1,9,13,14,23 154:25 157:7 159:11,16 163:20 168:27 189:21 198:8 205:14 206:9 212:23 214:15 219:12,14 220:17,19 222:8

**March** 64:1,28 78:10 81:25 83:12 161:13 171:24

margin 173:9,10,11 225:23

Marin 16:17

mark 20:28 41:9,28 46:21 60:27 62:8 65:25 67:20 68:7, 27 69:11,23 70:22 71:17 72:8,9 73:28 74:17 77:27 83:3,19 85:10 101:15 116:10 119:6 120:2 121:11 122:12 124:10 125:5

marked 41:13 42:3 47:13,15, 21 51:21,22,25 52:1,4,10,12, 15,22,28 53:10,11,25 57:25, 27 60:25 61:2 62:10 63:7,9, 10 64:6,8,9 65:27,28 67:22, 23 68:9,10 69:1,2,13,14,25, 26 70:24,25 71:19 72:11,12 74:2,3,19,20 78:1,2 79:9,11, 12 80:22,24,25 81:16,18,19 82:18 83:5,6,21,22 85:12,13 116:12,13 119:8,9 120:4,5 121:13,14 122:14,15 124:12 125:8 149:28 150:1

marked-up 53:14

market 13:19 33:26,27 44:19 52:2,6,8,11,13,17,21 63:19 64:13,14 79:26 84:5 85:21 90:15,23 96:1 98:12 114:26 115:4 143:25 145:6 150:11, 20,28 152:15,18,26 153:3 162:25 163:11,25 164:2 169:4 193:3 195:15 207:21 208:4 211:16 214:8,24 219:8,19 225:6

market-wide 206:10,16

marketed 76:1 191:12

marketer 203:5 204:8

marketing 9:11,14,22,23,25
11:2,15,24 12:1,21 30:8
31:10 36:16 40:7 42:18
43:17 44:2,5 51:28 52:3,6,9,
11,13,16,19,21 53:8,12
63:27 64:27 75:5,10,13 76:2
80:8 82:9,11 150:15 151:5,
22 154:9,10,19 155:25
158:2,20 159:22,26 164:2
166:27 167:28 168:11
169:14,24 189:27 191:10
196:6 204:21,24 205:5,23,25
206:2,7,13,16,22,24,25
207:2,11,16 222:23,27

marketplace 211:4

markets 42:23 44:18 80:6

98:10 152:20 153:19 159:28 160:3,5,6 194:14 195:19 202:24 207:24 208:3,5,14, 15,17 209:19 213:6,7 215:22 225:4,5,8,27 226:2,8,16,23, 25 227:2,6,10,12,13

marking 47:1 59:25

marks 79:16,20

Massachusetts 76:4

massive 226:18,20

Master's 55:27 172:12,14

matching 158:15

material 21:12 180:23

materials 46:18 59:24 102:28 173:12

mathematics 172:11,13

matter 10:19,22,27 19:14 30:13 35:19 48:10 86:14 130:12,14 175:6 209:20

**matters** 10:21,23 18:21 24:2 29:4 30:1

max 130:17

maximum 85:27 125:18 128:26 130:24

Mcmurtray 11:26 51:17 54:28 55:2

MCP 44:17 157:8,11 158:5, 10,22,27,28 159:8 160:2,3 180:19 181:16,22,25 182:5, 13,16 183:8,14,19,26 184:3, 19,20,23,27 185:11,19,24 186:2,7,13 187:5,19,22,27 188:23 189:26 195:8,13 201:15,18 208:14

MCP's 158:6

Mea 50:19

meaning 38:9 118:4

means 37:18 84:18 90:20,28 105:7,9 107:26 132:13 152:8

meant 90:22 106:25 201:20

meantime 148:5

measure 131:28 164:17

measured 132:21 174:23

measures 165:4

mechanical 223:5

mechanics 34:12

mechanism 197:13 209:1 215:20

mechanisms 154:21 209:8 216:19

**meet** 26:21 33:6 99:17 159:7,27,28

meetings 154:12

meets 44:19

melamine 226:21

member 49:1 150:26 151:2 154:10 162:18,24 174:17 223:28

**members** 14:17 150:23 151:7 162:19,23 174:10,13, 17,20 223:28

membership 151:11

mentioned 167:4 168:15,21 182:25 187:13

merit 39:10 met 161:15,19

**method** 116:25 117:1,11,13, 17,18 118:7,8,12,13,15,20 156:8 192:12 194:17

methodology 30:22 98:13

Methods 116:19

Metzger 15:25,28 50:19

Mexico 77:9 mic 42:7

Michelle 11:26 Michigan 76:24

midafternoon 18:9

**middle** 24:12 110:22 199:4,5 214:7 219:7,10

Mideast 52:13 82:13 midmorning 18:8

midnight 70:15

midpoint 84:13

**Midwest** 52:8 78:9,22,25 82:12 105:20 106:12,17,20

Midwestern 85:21

**MIG** 15:14 29:26 30:2 31:17, 24 33:2,5 34:2 38:17 39:6 41:3,6 48:17

**MIG's** 30:6 31:19,21,25,26, 27 33:28 34:16 35:5 37:24 38:7 40:22

MIG-1 29:11,24 41:7,13,28

**milk** 9:22 11:1 12:21 13:10, 19,20,25 14:1,8,12,17 15:7,



11 16:25 26:1 29:7,13,21 30:5 31:20,26 32:20,26 33:3, 4,6,16,19 34:4,6,20,21,22, 25,28 35:8 36:24 37:26 39:26 40:6,9,10,12,15 42:20, 22 43:12,14,17,20,23 44:3, 13 45:12 47:9,25 51:28 53:7, 12 54:2,12 61:15,17,18,20 62:21,24 63:6,16,27 64:12, 26 65:16 69:10,19 70:19 71:14 73:22 74:8 75:1,2,10, 12,20 76:1,2 77:25 78:6,7,8, 10,13,17,21,24,25,26,28 79:8,15,17,21,24 80:8 82:9, 10 83:17,18,25,28 84:4,5,15, 26 86:6 90:9,10 96:27 97:3, 18,23 98:7,17 99:8,9 103:26 104:7 105:7,10,11,20,21,22, 28 106:5,9,11,12,15,16,17, 23 108:11 110:9,14 114:26 116:9,17,20,25,27 117:3,4,7, 9,11,12,15,24 118:1,4,16,22 119:5,14 121:4 122:20 127:10 129:15,18 131:28 132:9,10,12,15,18,22,23,28 133:1,7,8,9 134:7,26 135:3, 8,15 136:20 137:5,8,11,20, 26,27,28 138:3 139:10,12 141:2,5 143:17,22 145:1,5,6, 8,9,15 147:7,10,13,14 148:8, 9,14 149:9,14 150:11 151:3, 9,22 152:6,9,14,15,21,26,28 153:8,11,16,18,28 155:8,10, 15,17,25,28 156:1,2,7,8,10, 11,12,15,21,25,27 157:3,6,9, 11,17,18,22,23,25,27,28 158:1,2,3,5,8,12,14,19,21, 24.25.26 159:2.4.14.16.19. 21,26,27,28 160:1,3,4,5,6,8, 9,10,11,14,16,18,19,21,26 161:7,16,25 162:1,3,4,7,19 163:3,8,9,10,12,18,21,22,25 164:23 165:16,17,22 166:12, 16 167:14,19,28 168:7,18,28 169:1,3,14,24 170:4,10,27 171:12,15,28 173:6 174:3,4, 21,24,26 176:1,7 177:5,6,7, 12,21 178:1,12,14,17,21 179:8,12,24 180:11,21 181:15 182:1,4,5 183:18,22, 25 184:3,26 185:18 186:4, 19,21,27 187:3 188:2,6,10, 18 189:6,8,11,14,17,21,25, 28 190:14,16,25 191:1,2,4,6, 10,11 192:18 193:17 194:2, 15,23,27 195:8,9 196:22 197:16,21 198:3,9,27 199:10,12,17,20,24,25 200:1,2,3,4,7,17 201:19,25 202:7,16,17,20,21,25,26 203:6,10,11,26 204:8,14,23 205:3,12,14,17 206:7,12 207:28 208:3,6,18 209:3 210:25 211:1,9,10,25 214:2, 14,17,26 215:23 216:6,21

217:2 218:17 220:23 222:1, 12 223:15,23,25 224:2,3,11 225:3,6 226:20

**milk's** 31:23 32:23 195:27 217:10,23 219:16 220:1,3

mill 75:18

**million** 91:2,9 106:4 125:20 126:5,12 129:16 130:3 131:2 168:5

Miltner 16:22,23,24 17:2 25:28 26:25 103:25,28 108:19 137:19,22 140:4,6, 15,24 142:20 144:1 217:1,4 227:17

mimic 215:23

min 130:17

mind 26:3 94:7 149:3 150:7

mine 99:21 116:6 168:9 184:11

minimum 33:21 44:10 85:27 125:18 128:28 130:24 151:28 163:25 169:3 211:20 213:15

ministerial 12:12

Minnesota 77:1 104:19

Minnesota/wisconsin 152:7

minor 210:13

minus 117:19 189:2

**minute** 23:20 76:9 78:5 123:6 180:16 181:2

**minutes** 18:9 108:28 109:2, 4,5 113:4 147:18 227:22,23

misalignment 154:20 161:2 169:18

misalignments 212:9

missed 227:6

missing 116:6

Mississippi 76:14

Missouri 76:15 77:3 162:27

misspoke 142:27

Mister 149:11

misunderstood 209:17

mix 150:27

model 14:25 101:14

moderate 84:22,28 85:5

modern 28:7,9

modernization 162:20

167:22 168:17

modernize 196:1 215:7

modest 168:17

modestly 163:2

modification 30:1

modifications 9:25 86:11

moisture 68:16,18

**moment** 14:16 30:24 41:1 42:11,28 82:17 93:23

Monday 18:15

money 39:20 203:13,18,21

monies 37:2 39:24 200:18

monitor 225:5,8

monitoring 225:4

month 36:28 45:15 61:12,24 62:3,14,16 63:22 71:9,11 75:26 76:28 78:13 79:25,28 80:13 81:15,24,25 82:7,16 83:2,11 85:24 90:14 107:25, 27 117:6 119:16,19 122:23, 24,26 124:18,21 128:7 132:27 133:6 138:13 139:22 143:23 161:14 171:4

monthly 70:21,28 71:7 74:16,25 75:7 80:1 84:1 89:25,28 90:6,11 91:17,22 103:10 104:4,13 137:1,7 164:14 166:16

months 50:11 90:8 119:19 120:16 125:25 139:19 160:22,28 161:13 165:15 223:13 225:16,17

morning 9:1,3 11:12,18,26 12:4,19 13:27 14:10 15:5,9, 16,25 16:5,14,22 17:3 29:17 30:27 42:12 45:28 47:4,13 51:13,17 56:22,23 127:15 136:11 146:14

motion 41:11 45:6 47:19

motions 26:27

motorcycle 49:4

move 22:26 41:6 60:25 62:5 63:5 64:4 65:23 67:18 68:5, 25 69:9,21 70:20 71:15 72:7 73:26 74:15 77:24 79:7 80:20 81:13 82:28 83:17 86:3,15 119:3,28 121:9 122:10 124:7 125:28 146:20 160:5

moved 142:3

mover 153:22 155:18 202:9

moves 202:23

moving 25:2 123:18 203:6

**mozzarella** 85:9,16,18,23,25 103:3,4,6

**MPC** 183:7

MPP 173:10

muddy 198:21

multilateral 173:18,24

multiple 22:22 42:19,23 43:13,27 44:4 73:14 92:2 101:25 125:21,22 126:6,13 157:8 176:8,10,18 177:3,16, 18,19,25,26 178:24 179:4,6, 14,22 180:2,9 187:14 196:24,26 197:4,7,11,12,17 198:12 201:12 205:8

Multiplied 119:15

Munch 15:20

mutually 78:26 105:22,25,26 106:6,23

MW 194:16

Ν

**N-A-C-A-G-D-O-C-H-E-S** 77:8

N-I-C-O-L-E 13:14

naive 135:15

**NAJ** 44:13 45:11,13 47:10 216:23

**NAJ's** 50:20

name's 16:5

**names** 16:19 42:6 102:12, 13,15

NASS 72:16,25 73:5,9,16,17, 23 90:9 103:5,8,9,13 111:5, 11,24 156:20 158:16 199:15, 23

NASS' 74:13

nass.usda.gov. 111:25

nation's 163:10

national 13:10,19,20,25 14:1,7 15:26 16:3,6 32:20,23 35:25 36:7,8,20 39:26 42:10, 12,15 43:12,13,17,20,21,22 44:13 45:12 47:8,9,24 61:5 66:11 70:7 71:5,27 72:21,25 74:10 75:14,16 85:19 131:20 147:6,10,13,14 148:9,14 149:9,14 150:11,14 156:19 163:8 173:6 174:4,21,24,26

Index: milk's..national



178:19 181:19 183:27 191:26 192:18 195:27 207:27 217:10,23 218:16 219:16 220:1,3 223:15,23,25 224:2,3,11 225:3

nationally 181:20

nationwide 209:26 210:4,6,7

**nature** 34:8 47:19 112:19 160:26 164:2 166:26 203:19

navy 164:23

**NDPSR** 66:12 70:8 71:6,8 72:2,22 73:1,3,7,8,9,13 111:14

nearby 18:5

Nebraska 77:3

necessarily 97:22 100:10 102:25 129:4 194:6 195:18 204:7,12 221:11

necessitate 153:21

**needed** 141:17 151:17 154:6 160:12 190:16

negative 85:2,3

negotiated 213:4,5

negotiating 173:16

negotiations 173:24

net 74:28 211:18

News 84:5 85:21

**NFO** 36:21,23 37:1 38:3 43:5,7

nice 110:28

Nicholson 101:16

Nicole 13:9 47:24 147:14 148:13

NMPF 13:8 33:22 34:15 45:24 47:11 50:20 148:12 150:13,14,18,21,22,23 151:7,12,22 154:5,7 155:3,6 156:2 160:13 161:3 162:18, 19,24 163:15 167:23 168:17 169:10,15,22 207:27 208:12

**NMPF's** 32:20 34:13 150:26 151:2,16 155:21 162:26,28 198:25 214:24

**NMPF-1** 149:16

**nominal** 193:16

non-class 39:7 40:13

**non-cooperative** 123:2,4,5 138:13,21 139:9,19,20

non-existence 119:24

**non-mcp** 159:24 160:3,4 177:8 201:25

non-mpc 181:5

**non-pool** 141:2 145:3 202:23 203:6

non-sponsored 51:16

non-uniform 44:12

nonclassified 33:7,19

nonetheless 86:10

nonfat 61:18,20 62:22,24 63:23,25 64:18,21 69:10,19 70:19 71:13 73:22 110:9 126:9,10 151:9 155:9,15 156:24,27 157:5,21 158:13 159:13 160:15,20 161:6,18, 24 170:2,12,23 171:1,3,6,8, 11,17 175:22 182:12 188:20 190:2 197:1 200:27 201:5,24

nonmember 122:11,19 124:8,16 138:14 140:25 141:5

nonmembers 141:1,9

normal 41:10 192:27

**north** 14:21 76:11 77:3 173:25 203:6

Northeast 12:21 36:26 52:2 82:11 114:26 115:4 137:2

Northwest 52:19 77:10 82:14

**note** 22:7,14 32:6 39:22 48:27 54:16 58:3 61:4 82:14 88:25 108:23 121:2,5 126:16 139:18 157:2 214:23

**noted** 21:4 61:13 63:27 64:26 66:25 73:6,23 74:12 77:14 84:15

notes 77:19 144:20 192:3

noteworthy 166:15

**notice** 9:14,19 10:10,19,22, 24 20:12 21:8 30:19,23 35:7, 11 39:13,27 40:5 43:11 48:8 50:26 51:23,24,25,26 52:1,5, 8,10,13,16,18,20,23 54:4,18, 22,24 122:24 167:27 227:6

noticed 34:15 40:22

**notify** 145:6

**November** 61:25 63:28 64:27 80:9 119:25

nullification 37:9

20:8 35:25 41:19,22,24 42:3 43:2 46:3 47:21 49:6 52:7 57:27 58:3,7 61:2 62:10 63:8,10 64:7,9 65:28 67:16, 21,23 68:8,10,28 69:2,12,14, 24,26 70:23,25 71:18,19 72:10,12,14,17,23,24 73:10, 15,18,24 74:1,3,7,18,20,24 77:28 78:2,4 79:10,12 80:23, 25 81:17,19,23 82:6,8,9,15 83:1,46,8,11,20,22,24 84:9 85:1,11,13 96:10 100:9 106:21 107:24 112:14 116:13 119:9 120:3,5,15 121:12,14,17,25 122:13.15.

**number** 9:17 15:2 19:13

116:13 119:9 120:3,5,15 121:12,14,17,25 122:13,15, 17 124:8,11,12,15 125:6,8, 26 128:7 129:1 131:26,27 132:3 138:26 140:25 149:24, 25 150:1 159:24 170:4,5,7,

11,14,15,18,22 177:9 178:21

198:23 204:20,26 numbered 41:19 43:1

numbers 9:16 53:24 54:9,27 58:4,18 78:15 82:11 84:28 87:3 105:26 107:17 112:17 123:7 138:24 141:13 176:16, 17,22,24,26,27 177:2,11 185:8 199:15,22 216:5,6

**numeral** 170:15,18,21 171:20

numerical 216:11

numerous 122:1

0

oath 141:27 191:24

**object** 21:11 26:22 38:28 41:27 101:17

objection 10:26 21:3,11,12 25:12,14,25,26 26:2 29:12, 18,24 30:12,14,24,26 39:7 40:23 41:8,10,27 42:11,13, 14,27 44:24 45:6,8,9,13,21 46:17 47:2,4,13,16 50:2 53:20 54:28 100:11 112:20 133:10 175:2

**objections** 19:7 41:25 43:2 45:2 47:26 86:5,8,13

**objective** 44:19 45:1 134:8 195:21,27 202:18

objects 29:26

obligations 30:9

**observed** 161:23 225:19 226:7

obtain 172:17

**obviates** 229:10

obvious 97:18

occasion 202:21

occasions 227:5

occupation 20:19 114:24

occupy 173:2

occur 160:22 161:5

occurred 122:2 157:13

occurrence 143:21

occurrences 79:23

occurring 84:27 85:6

occurs 46:5 48:9

October 62:27 67:9,10 77:15

Off-the-record 141:24

offer 41:18 48:24 174:28

offered 57:19 115:26 116:1 187:14

offering 57:19 75:6

**office** 9:16,17 11:23 19:14 28:5,22,23 115:6 126:24

officer 41:5

official 12:16 58:27 192:27

officially 21:5

**Ohio** 16:24 76:24

omit 36:7

online 14:13 116:16 119:11

**open** 27:11 30:1 32:10 36:27 37:21 225:14

opened 35:20

opening 126:18

**operate** 150:16 151:25 152:9 225:25

operated 181:18 215:27

**operation** 164:8 167:16 194:25 223:5 224:26

operations 40:18 151:8 192:13 222:9

operator 132:13 145:4,8

operators 151:21

**opinion** 27:5 84:26 133:19 135:24 210:12

opinions 133:11





opportunities 219:3

**opportunity** 19:9,27 26:10 31:3 38:27 41:5 49:25 186:12 188:9 189:18 203:23

**opposed** 22:18 25:1 50:28 116:4 127:24 174:11 185:5

option 186:13 204:11,12

optional 152:24

options 203:10

oranges 93:17

order 9:2 11:14 12:21,26 20:1,7 21:15 36:4,16,24 40:14 51:12 53:8,12 56:4 58:5 63:17,21,27 64:1,12,17, 27,28 75:13 78:9,20,22,25 79:17,20 80:1,3,9,13 81:14, 23,24 82:6,8,9,15 83:1,11 87:7,8 91:18 93:10,27 98:8 99:2,14 104:2,7,17 105:21 107:10,24 109:28 110:8 114:2,26 115:4 119:4,13,15, 23,25 120:1,10,15,27 121:3, 4,10,19,25,28 122:1 123:9, 11,17,18,19,21,22,23,25 125:4.16.24.26 126:2.9 128:6 130:2 136:20,21 137:2 138:21 139:10 142:28 143:1 144:4,8 145:4 147:26 148:6 151:4,13,23,28 152:2,4,9,27 153:6 154:3,6,13 155:23 156:12,13 157:16,25 158:1, 5.11.14 160:22 161:24 162:20 163:7,14,17,27 164:1,12,24 167:16,22,25,28 168:11,16,23 169:5,14,19,20 170:28 171:5 181:19 182:11 187:4,12 192:6,9,13,16,21, 24.27.28 193:1 194:25 201:9,22 202:26 203:12 204:23 205:4,28 206:3,6,20 208:25 209:7,25 210:2 211:14 212:6 214:11 215:4, 11,19,25 216:3 217:13 219:25 222:20 223:6,20,24, 26 224:11,20 225:16,22 228:24

ordered 37:4

**orderly** 31:10 158:20 164:1 205:5 206:16,22,25

orders 9:22,25 11:2 36:25 38:11 40:7 42:18,20 44:3,16 51:28 63:24 64:20,22,24 75:19 76:2 77:26 78:7,8 79:20 80:1,18 90:13 91:27 95:24 97:22 98:9 99:7,19 104:24 107:19 119:21 120:12,22 121:25 123:10,20 124:2,4,5,25 125:21,23 126:6,13 138:1,9,12 142:26

151:3 155:2,6,25 156:5 157:7,10,14,15 158:4,10,18, 22,27,28 159:2,6,8,24 160:2, 16,18 161:7 167:18 168:8, 13,25 169:25 171:16 176:1, 8,11,13,15,18,22,23 177:3,7, 8,12,14 179:14,20 180:3,9, 19,25 181:1,2,5,6,13,14,16, 21,24,25 182:3,5,14,16 183:9,14,20,21,26 184:1,3, 19,20,24,26,27 185:2,12,17, 19,24,25 186:2,5,7,10,11,26 187:1,10,15,17,18,19,22,28 188:23 189:17,26,27 194:10 195:8,13 201:8,12,15,17,25 203:11,12 204:15 205:9 206:15,21 207:22 210:2 211:7 212:4,12,14 215:21,27 216:16 222:25 224:27

ordinary 154:27

**Oregon** 77:10

organic 14:19,22 30:5 31:20, 26 32:26 33:3,6,15,17,18,19 34:4,6,9 37:14 49:22 50:1 96:27 109:22,28 110:9,14 136:20 137:10

organization 36:20 151:12 173:25

organizations 75:5 162:21 172:21

orient 175:19

original 33:24 157:24

originally 120:22,27 169:21

originating 202:22

**outdated** 54:9 154:1 196:5 208:26 211:8 215:6 221:2,9, 11 222:2.5

outgrowth 38:26

outguess 226:22

outguessed 226:9

outliers 91:26

outpace 166:2 209:4

outpacing 165:14

outset 29:18

outstanding 144:21 146:19

**over-order** 75:2,4 212:25,28 213:5,9,12

overdue 151:18

overlap 108:6

overnight 227:28 228:4

overpaid 209:21 210:8

overpaying 208:13

overpayment 212:27

overseeing 56:3

overtly 44:26

**overview** 162:14 172:20 184:11 213:21 217:10 218:4

owned 102:17 130:3

owner 102:13,16,26

**owners** 102:12

ownership 219:18

Р

P-E-T-E-R 13:17 148:27

**P-H-O-E-B-E** 12:6

P-R-O-D-U-C-E-R-S 14:25

P-R-O-W-A-N-T 13:28

p.m. 17:12 113:13 191:22

pace 165:12

Pacific 52:18 82:13

package 154:23 155:4 214:25 217:15 218:6

**PADD** 81:4.5

pages 58:10,13,16,25 67:6 217:9

paid 33:15 36:28 37:2 96:5, 6,9 159:19 164:25 178:18 180:5,6,10 182:3 183:2,17, 22,24,27 185:18,24 186:3,6, 7,18,26,27 188:10 189:1,17, 21,26 190:6,9 195:7 198:10, 14 200:18,19 201:7,8,10 204:13 205:27 206:11 211:7, 27 213:15

panoply 214:19

paper 28:4

paragraph 38:21 154:14 155:24,26,27 156:3,4 169:23,25,28 170:3,6,9,13, 17,20,24,25 171:21,26 172:1 194:12 196:8,14 198:22,23 199:5,21,26 200:9,11 201:14 204:19 205:15 210:23 213:26 214:7 219:8,10 220:28 222:18 223:10

paragraphs 38:5

parameters 164:5

parametric 164:2

paraphrase 201:20 206:26

**Pardon** 46:27

parse 227:1

parsed 162:9

part 9:12 10:5,15 20:10 21:6 44:28 45:2,10,20 47:12 48:6 50:15 53:15 57:4 58:25 60:3, 4 66:10 70:6 71:4 72:20 104:24 115:14 143:16 145:14 153:7 192:17 212:6 214:12 215:16 217:24 223:22 225:4

parte 12:13 30:19,25 229:10

**partial** 30:3 31:20,21,26 32:26 34:8 49:22

**partially** 107:28 108:4 143:4, 6 168:10

participant 21:19

**participants** 11:4 19:11,13, 17 21:13,20 23:25 25:16 40:7 45:24 103:23

**participating** 29:20 53:4

parties 9:27,28 18:25 19:26 30:28 31:3 38:18 45:3,19 53:19 57:23 86:10 101:25 145:6 167:27

partly 48:27

parts 153:25 162:22

party 12:27

passed 161:21

passes 166:26

passing 218:23

past 17:12,13 23:12 39:19 44:6 104:26 158:13 164:15 167:14 208:23 209:14 210:14,22 213:5 225:1

**pay** 40:18 74:28 159:20 177:19 179:7 181:14 188:1 191:6 198:7

paycheck 97:9

**paying** 197:13,23 198:3 206:22 212:15

payment 33:13 36:26 37:1

**payments** 75:2,4,9 188:24, 26 212:26,28 213:9,12

payouts 75:4,6

payroll 145:18

pays 197:21 198:1

peaks 165:20



pending 34:10

Pennsylvania 49:3 76:7,20 172:13

penultimate 196:7

**people** 11:5 14:15 16:28 23:18 24:13 26:23 28:8,10 48:28 49:6,19 50:27 88:8 92:2 94:20 130:16 191:6 219:22 226:5,12 228:17,21

perceived 43:7

**percent** 61:14 62:18 68:18 73:8

percentage 120:23 129:22 161:8,18,22 162:8 171:18 191:11

perception 40:6

perfect 227:16

**perfectly** 30:26 195:15 227:13

performance 120:1,10 121:10.18.22

performs 22:4 91:19

**period** 110:21 119:16,25 120:13,18 121:20 122:2 123:24 124:17 156:23 160:27 164:28 165:7,9 166:13 167:15 193:24 199:6 226:20

periodic 160:12

periodically 156:9

permissibly 38:16

permitted 40:1 178:27

Perry 76:17

persnickety 127:4

person 21:17 42:5,6 48:11 87:6 110:17.18

personal 20:20,22 126:18

personnel 11:4 51:1

persons 39:20

perspective 164:11

persuasive 228:4

pertain 220:14

pertinent 10:18 24:2 192:9 220:6 221:14

Peter 13:17 148:19,27 150:10

**Ph.d.** 172:15,17,22

Phoebe 12:6

phrase 212:2,5,17

physical 28:14

pick 123:24

**piece** 26:4 131:12 226:15,18 227:7

piecemeal 89:14

place 51:18 107:17 114:8 132:16 181:23 201:3 208:25 215:26,28

**places** 18:5 79:3 171:16 176:25 177:10 187:6 204:18

**plan** 31:12 56:16 136:2 142:9,12

plane 22:15

**planes** 17:19

plant 81:24,27 82:10,15 102:12,18,23,25 107:24,26 108:4,5 124:23 129:19,23,24 131:4 132:13,15,16,17,23,27 133:1,7 134:7 135:2,3,9 139:11 141:2,6 144:27 145:4,8 151:20 203:6,27 220:22,24

planted 166:22

plants 72:17,24 73:12,14,16, 17,24 79:22 81:14,23 83:1, 11 102:10,14 108:3 121:4 124:17,23,24 125:20 126:4, 11 127:27 128:26 129:16,17 131:2,27,28 132:9,10 139:1, 3 140:26,27 143:3,5,6,7 145:3 153:13,14 202:23 208:6 219:12,14,18 220:17, 19.26

play 17:16 167:12

plunge 165:18

point 18:1 28:25 39:15 60:10,11 91:18 92:5,16 98:21 114:8 139:27 161:18, 22 162:8 176:13 186:28 195:2 209:22 214:2 216:18 219:24 222:13 226:23

pointed 50:19 140:24

pointing 58:26 200:2

**points** 140:2,11 161:9 171:18 176:28 189:23 196:2

policies 121:26 122:7 174:10.19

**policy** 13:18 36:17 37:27 150:11 173:6,7,14,21 174:5, 8 175:1

Polk 76:16

Polytechnic 172:24

pool 40:8,9,14,15 81:14,22 83:1,10 91:23 92:10 102:10 108:3 109:28 110:3,8,13 120:16 124:16,17,24 127:17 136:24 137:8 139:3,10,11 140:26 145:2,4,8 157:10 159:9 180:5,21 188:26 200:12,17,20,21,23 201:4

pooled 77:25 78:6,7,8,10,14, 17,21,24,25,27 79:1,8,17,21, 24 97:18,23 98:8,17 99:8,9 105:10,20,21,23,28 106:5, 11,13,16,24 108:4 136:20,21 138:3 145:15 151:3 159:17, 19 160:16 161:7 168:8,12

**pooling** 33:8 206:1,6,10,16, 20.25

**pools** 75:4 79:15 180:14 200:19 201:10

popular 225:10

**portion** 33:15 37:9,20 156:14 158:8 161:7 199:18 200:23

portions 162:16

**position** 19:25 24:10 25:13 26:8 114:28 173:1,2 177:26,

positions 26:6 226:5,12

positive 163:2 168:18

possibility 17:18 27:1

post 27:27

post-hearing 18:24

**posted** 19:2,4 29:10 44:25, 27 45:9 50:21 58:4 61:7

posting 27:26

potential 27:12 31:4,8 32:15, 28 159:21 164:12 167:25

pound 66:17 79:16 85:26,28 155:15,16 157:11

pounds 64:25 70:2 71:1,23 73:1,5 78:10 79:8,17 85:25 91:2,9 106:4 123:5,12,20 124:26 125:20 126:5,12 129:16 130:3 131:2 139:21, 23 157:5

powder 226:20

power 219:19

powerful 204:13

**PPD** 159:21 189:2

practical 225:7

practice 9:12 157:26 205:17

practices 156:17

Prairie 14:6

pre-existing 152:23

pre-reform 194:9

precedent 36:25

preceding 36:24 152:7

precise 220:26

preclude 21:9

predictions 226:26

prefer 82:1

preference 224:1

preliminary 22:3 29:4 30:13

46:3

premature 39:10

premised 152:28

premium 33:20

**premiums** 75:3 145:15 213:4.6

preparation 56:26 115:7,15

prepare 56:26 115:8

**prepared** 34:28 48:24,25 49:1 57:3 87:2,8 149:13 150:8

preparing 57:4 115:14 173:12

**present** 16:27 29:25 34:28 79:2 102:3 118:27 133:11,22 134:9

presentation 19:28 148:6 164:9

**presented** 57:13 58:17 115:22 119:1 122:4 123:2 150:12 151:16 167:11 185:1

**presenting** 11:21 12:27 57:8 115:18,20 120:22 213:18

presents 27:13 123:12 126:9

President 13:18 14:6 150:10

**presiding** 9:8 41:4

press 136:19

pressure 17:21

presuming 93:8

pretending 220:8

pretty 44:25 99:3 204:26



205:14 225:15 227:15

prevail 163:7

prevailed 153:1

prevent 35:5

preventing 34:14

preview 18:23 23:22 48:14

previewed 50:2

previous 70:14 152:12 222:22 226:17

**previously** 35:23 66:18 142:16 154:2 158:16 159:10 163:1 168:15,21 173:9

price 31:27 33:15,20 34:12, 18,26,27 39:6,17 42:22 61:12,15,18,19 62:17,19,20, 21,22,23,24 63:26 64:22 65:24 66:8,24 67:4,28 68:16, 17 79:25 80:21,28 83:25,28 84:1,3,11 85:4,22,26,27 92:1 96:4 101:23 104:14,16 110:3 115:6 116:20,25,27 117:4, 11,12 118:4 119:5,14,15 136:24 137:2,7,11 142:22 143:28 144:13 152:3,6,7,8, 13,16,19,24,27 153:6,24 155:10,12,14,17 156:8,13 157:11,17,25 158:3,24 159:10,17 160:10 162:3,4, 11,13 163:3,11,12,27 164:3, 14,18 165:17,18,27 166:3,4, 14 167:14,19 168:18,22 169:5,21 170:4,10 173:8 177:28 179:23 180:3 183:22 186:25 189:20 193:2,20 194:13,16,20 195:4,5,7,14, 17,18,21,25 196:9,10,16,20, 21.22.24.28 197:1.5.7.10.14. 16,22 198:1,3,5,10,13 200:15,21 201:4 205:27 206:9,11,19,23,28 207:24,28 210:3 211:13,15,16 213:2,3 214:11 215:20 216:3 225:9, 11.23.28

**price-related** 29:12 30:6 31:23,28

priced 35:2 143:23

prices 33:21 37:28 39:3
42:21 44:9,10,12,14,18
61:10,22,27 62:6,13,28
65:10,13 66:9,18,20,22,26,
27,28 67:13 70:5 74:16,25,
28 75:1,18,19,28 77:19 81:1,
7 82:4 83:18,25 84:3 85:17,
20 90:1,6,11 91:22 93:11,28
94:15 95:23,25 97:7 100:2
101:28 103:12 104:4 107:15,
17 108:12 110:2,14 111:12
136:21 142:22,25 152:1,5,7,

9,14,15,22,27 157:7,10,13, 14,22,27 158:25,26 159:16 162:5 163:5,16 164:25,28 165:3,13,19,21 166:6 167:20 168:23,24 175:21 178:17 183:28 192:13 193:19,21 194:9,11 196:23,27 200:10, 12,17,19,22 205:10 215:24 225:22,23 226:13 227:4

pricing 9:21 30:4 31:5,16,19, 20,21 32:1,4,8,14,16,24 33:1,2,5,7,12 34:6,25 35:3 37:15 38:9,10,24 39:10,12 42:15,18,19 43:27 44:9 51:27 53:8,12 61:10,16,17, 18,23,26 62:27 65:10 67:12 68:15 75:4 81:8 92:23 93:1, 27 101:22 107:16 116:9,18 117:3,7,9,15,24 118:1,17,23 153:21 154:7,13,14 155:1,23 156:2 157:8,18,23 160:14 161:4 170:14 173:7 176:8, 11,15,18,21 177:3,6,16,18, 19,25,26 178:5,15,24 179:5, 6,15,22 180:9 181:20 183:28 187:14 191:8 192:11 194:19, 25,26 195:27 196:27 197:12, 13 201:12 202:9 205:8 206:18 209:25 211:21 214:21 215:4,28 219:26 221:22 223:2

**pricing-related** 29:27 31:1,7, 18 32:15,27 34:17 35:19

**primarily** 49:1 174:15 218:24

primary 33:11 43:8

principal 164:24

print 28:24 198:23

**printed** 27:22 28:12,28 42:27

printing 28:11 76:25

prior 39:25 66:19 68:1 69:6 78:16 82:19 83:10,15 84:12 96:19 97:27 98:17,20,22 121:21 145:7 161:1,8,25 173:15 192:11 193:6

priorities 215:7

privilege 35:26

problem 25:21 179:2 206:4

problems 43:18,19,22 44:19

procedural 18:25 26:27

procedurally 25:8 44:23

**procedure** 9:12 22:24 30:9 31:14 56:16 86:14 149:19

procedures 17:8 30:16

proceed 120:8

proceeding 14:13 19:4 20:3, 12 22:5,6 23:2,5 29:18 30:20,23 31:14 32:22 34:4 36:9 37:9,20 39:5,9,15 49:7 218:17,20

proceedings 229:23

proceeds 16:11

**process** 26:22 37:22 151:2 192:28 196:3,24 213:24 215:3,23 217:15 218:6 226:5

processes 90:25 166:24

processing 105:24 163:18

processor 49:2 225:10

processors 22:21 23:1 33:13,18 37:26 40:12,15,19 151:15,25 163:22,23 168:28 169:2,6 180:6 198:10 200:18,24 210:26 211:26,27 212:3,14,20 219:20

**produce** 152:21 158:9 183:23 189:8 194:15,22,23 195:23 196:10

**produced** 34:20 44:18 151:9 163:10,26 169:5 176:23 198:1

producer 32:20 33:14 40:17 63:6,16 64:12,25 65:16 122:11,19,20 132:14,15,23 137:11,26,28 139:9 141:5 145:2,18 150:28 153:28 156:15,20,25,27 157:2,28 158:5,11,14 159:8,10,26 160:11,18,19 161:24 165:17 171:11,15 176:1,7 178:21 189:25 199:10,20,23,25 200:1,2,3,4,7 202:16 203:5 214:2 222:1

producers 13:10,19,21 14:1, 25 16:25 26:1 36:27 43:13, 14,17,20,23 44:13 45:12 47:9,25 103:26 123:6,12 124:8,16,27 131:28 137:20 138:13,14,16,21,27 139:2 140:25 148:9 149:9 150:11 158:28 159:3 160:25 162:23 163:23 168:7,12 169:2 189:16 197:13 198:14 201:18 202:1,11 203:10 204:11 206:11,22,26 208:14, 17 210:26 211:1,7 212:13 217:2 219:20 223:14

Producers' 35:8

produces 204:8 220:23

**producing** 163:9,13 167:12 179:9 183:25 187:3 202:16

211:1

product 61:19 62:24 66:11, 12 69:22 70:2,8,17,21,28 71:5,16,22,27 72:9,16,20,21, 23 103:12 112:8 143:18 150:27 151:10 152:2,3,16 153:1,6 154:13,26,28 162:5, 13 163:27 164:3 166:6 167:13,14 169:5 192:11 193:2 194:16,19,20,25 195:22,24,26 197:14 202:2 206:8,28 210:3 212:15 214:11,21 215:21,24 219:26 220:23 226:19

product-consuming 151:27

**production** 36:6 72:17,24 73:5,7,9 75:6 85:9,16,18,25 103:3 153:1,8,18 166:19,21, 22,24 167:5 193:3 206:8 214:14

productivity 166:20,23

products 14:26,27 54:21 56:3 66:10,15 70:6,16 71:4, 11,26 72:15 79:21 99:8 111:12 151:26 152:15,20 153:19,26 163:17,18,21,22, 26 164:22,23 165:23,24,25 166:2,11,12 167:3,4,20 168:22,27 169:1,4,7 189:15 190:7,11 194:14,22,24,26 198:1,5,9 212:4 220:27

professional 11:7 22:18

proffering 21:19

profits/earnings 75:9

program 11:15,20 12:3,5,7 40:17 55:27 56:3 66:15 70:7 71:4,26 72:20 75:14,16 151:17,23 152:10 154:3,16, 28 164:1,12,13,25 167:16, 25,26 173:8,9,10,11 205:4 206:3,6 207:20 222:20

**programs** 11:17 44:4 56:4 75:6 107:18 150:21 160:25 223:13

progressive 161:2

progressively 153:11 164:16 186:20 187:2 205:13 210:12 211:3 214:17

promise 228:26

promote 158:20 205:5

promotion 75:14,15

prompted 32:21

promulgated 38:25



promulgating 173:16

promulgation 35:27 209:27

proof 48:24

proper 36:18 37:15 222:10

properly 38:22

**proponent** 33:12 37:4 43:8 58:19

**proponents** 11:5 12:23 16:26 37:18 115:21

proportion 167:1

proportions 167:8

proposal 31:7,19,20,21,22, 25,26,27 32:3,26 33:2,4,5,9, 28 34:17,19,24 35:3,5,9,12, 24,28 36:15,19 37:2,5,7,14, 16 39:2 43:7,12,15,21,25,26 44:17,22 47:11 48:17,18 50:11,16 150:13 155:8,11, 13,18,19,22,28 156:1 162:6, 15,17,22 169:27 175:19 176:6,12,28 177:24,28 179:13,27 180:2,18,23,27 181:12 182:2 183:16,21 184:16.21 185:17 186:23.28 193:8 198:25 207:27 208:8, 21,22 210:15 214:26 216:21 217:20,23,27,28 218:8 219:2 223:12,17,19 224:20

proposals 9:21 16:26 20:1 26:13 29:13,28 30:3,7 31:1, 4,17,18,23 32:12,13,15,21, 24 34:10,12,13,15 35:8 36:11 37:17,24 38:8,13,18, 22 39:1,3,6,7,12 40:20,22 41:3,6 42:24 43:13,16 45:11 47:8,10 50:12 53:3 57:20 115:27 116:2 148:7,10 150:13 151:16 155:7 162:20 163:1,2,19 168:24 173:27 217:11,16 218:6,11,13,17,26 219:4,16 220:1,4,13,14 222:12

propose 92:20

proposed 9:24 19:6,7 20:27 31:9,15,28 32:28 36:16 37:1 38:10,26 43:20 44:12 51:23, 27 53:8,13 155:5 160:9 161:22 162:8,26 163:8,15 167:23 168:17 169:9,13 214:24,25 216:21 218:4,26 220:6,12

**proposes** 33:22 35:22 160:13 161:3 216:23

**proposing** 114:4 176:11,16, 17 181:13 202:6 204:16 208:24,27 209:13,23 210:18 221:11,15,16 229:2

prospective 21:27

protected 20:21

**Protection** 173:9,10

protein 35:16 62:22 63:23, 25 64:18,21 125:3,15,18,19 127:26 140:11 155:9,12 157:19 158:7,11,23 159:13, 14 160:15,20 162:9 170:6,16 171:1,2,6,7,10 175:20 182:12 188:19 190:4 191:3, 4,9 193:16 196:28 197:2,8, 21,22 200:27 201:5,24

provide 12:22 18:23 20:18, 19 29:16 38:12,18 41:5 109:22 112:11,12 126:17 139:24 146:3 156:8 160:12 163:8 188:23 205:15 208:5,9 209:1 213:21

**provided** 9:14 27:27 33:25 100:12 111:3 128:2,28 159:9 162:17 178:12 179:22 182:9

**providing** 27:25 31:2 95:9, 17 96:20 149:3 174:8

provision 34:16 42:18 188:21 210:5

provisions 10:17 26:27 31:5,16 32:16 33:1,3 36:4 38:11 42:15,18 44:2 51:28 154:7 155:23 164:13 167:26 169:23

Prowant 13:27 14:4

**public** 20:20 23:24 31:14 37:27 38:27 151:27

publications 115:5

**publish** 90:14 104:16 144:17.18

**published** 51:24 61:21,23 62:14 66:11,24 70:7 71:5,27 72:21 75:23 77:16 78:16,20 80:5 84:11 98:20 111:9,11, 19 176:9

publishes 53:2 99:16

publishing 98:21

pull 104:8 223:8

pulled 73:6 74:13 145:17

pulls 130:15

purchases 145:9

purchasing 226:19

**purpose** 57:17 94:4 166:11 168:2 177:15 178:20 179:4,7 181:27 193:18 195:26 206:20,23 208:26 218:3

223:1 225:9

**purposes** 42:1 57:23 76:25 89:5 105:8 107:7 168:14 205:4,12 206:5 208:22 224:21 225:8,24

**pursuant** 9:10,19 21:11 29:26 30:16 61:27 62:28 67:14 115:24 145:3

put 17:1 20:9 21:23 26:11,19 28:13 35:28 37:19 42:1 45:7 51:5 57:6 58:8 88:3,5,12 107:5 131:7 134:9 141:16,19 146:16 147:10 186:17 187:7 203:26 208:25 213:14 215:12 219:21 229:21

puts 24:14

putting 24:12,14

Q

qualified 70:13 128:27 175:5

qualify 168:13

quality 75:3 174:3

quantities 143:24

quarrel 45:24

**quarter** 108:24 165:6 193:28 201:23

question 24:4 41:17 49:23 54:1 57:9 87:12 88:22 90:4, 22 93:23 94:21,22 95:4,14 96:24,25 97:11 99:3 100:18 101:1 102:2,8 103:17 105:19 108:8 110:4,19 115:28 126:16 130:19 133:27 134:1 135:16 136:12,14,17,23 138:25 139:7 143:3,9,27 144:11 178:8,10,25,26 181:27 185:6,26 190:15 193:23 200:13 202:27 203:9, 16 207:10 208:11 211:12 212:21,23 213:9,16 219:3 222:16 224:17

questioning 21:10 26:6 128:10 144:15 221:24

questions 21:20 46:3 86:11, 15,22,23,26 87:4 88:6 89:2,6 96:14 103:16,18 104:1 107:2 110:21 131:15 135:8 136:2, 4,10 139:18 141:17 142:21 144:26 145:13,24 175:9 184:14 185:10 195:1 198:13 215:10 217:6 219:1

quickly 127:14 166:5 225:18

quotation 79:16,19

quote 157:27 175:28

**quotes** 107:5

R

**R-A-N-D-A-L-E** 16:6

R-E-E-D 16:24

R-I-O-R-D-O-N 13:4 114:23

**R-O-S-E-N-B-A-U-M** 16:9

raise 29:11 30:14,24 54:8 148:18

raised 31:18 49:23

raising 28:25 33:23 49:17,18 207:28

Randale 16:5

range 85:2,3,26 125:3,15,16, 17,25 126:2,6,9 128:6,28 130:18,22 131:25 132:4,21 133:15 174:14

ranges 83:28 84:3,11

rapid 164:3

rapidly 163:4

rarely 223:23,24

rate 62:23 165:14 179:11

**raw** 152:14 165:21 199:22 215:23 220:23

re-cross 145:27

reached 166:17

reaching 194:17

reacted 179:9

reacting 183:3,6

**read** 13:8 76:9 92:20 118:10, 18 175:17 211:14,23 218:20, 22

reading 150:7 172:6

reads 53:12 105:19

**ready** 26:18 34:28 55:14 56:19 74:23 146:22 147:7, 12,16 228:27

real 37:24 41:5 195:18

realign 154:17

realignment 163:28

realities 152:19,28 153:3,21 154:18 214:8 219:8

reality 22:17 38:1 40:24 188:11 223:4

realize 189:12 224:14



realized 189:14

realizing 204:10

realm 133:24

reason 37:15 43:10 45:10 104:18 139:5 206:6,15 207:25 208:11 215:12,15 223:14

reasonable 38:19

reasons 27:17 36:18 159:7

reblends 75:12

recall 18:18 26:26 54:10 114:5 136:10,12 141:20 192:23 193:1,12,24 208:16

recalling 27:12

recapture 208:28

recapturing 209:13

receive 57:7,11 115:17 132:9 198:6,8 207:24

received 42:4 47:22 53:25 57:12,15 75:1,2 121:3 129:18 163:3 168:18,25 189:19

receives 145:1

receiving 75:19 145:5 197:20,21,22,25 206:27

recent 84:2 165:13.15 166:3 171:14

recited 182:13

recognition 94:11 157:12

recognize 49:8

recognized 34:20 49:9 111:14,20,28 227:10,12

recommendations 155:1,4,5

recommended 36:2 192:21

recommending 169:16

record 9:2 10:4,5 11:3 17:1 20:11,16 21:1 22:14 26:28 30:25 41:12,27 43:3 44:28 45:2,7,18,20 46:15,26,28 47:17,19 48:7,14,22,27 50:23 51:10,14,18 53:16,23 54:16,27 55:7 58:27 81:10 92:20 94:5,18 105:3,8,16 107:16 111:14 114:3,21 122:5 127:20,22,23,25 134:24 141:19,23,25 147:24, 27 148:26 149:4,21 150:8 172:7 175:18 191:20,22 193:9,15 218:21,22 229:5, 18,19,21

record's 50:22

recorder 182:23

records 10:28 143:24

recount 136:19

recoup 210:14

recouping 210:22

recover 166:5

recur 161:3

red 164:19

redirect 109:6 113:7 114:8 140:19 142:7,18 228:10

redistribute 39:24

reduction 75:15 120:20 166:28

reductions 166:25

Reed 16:24

reexamined 142:16

refer 58:7 70:9 79:4 93:12 103:8 105:9 14 193:23 195:12 197:12 200:11,23 212:5 213:17 214:7 220:28

reference 53:1 59:10 61:25 62:26 67:5 194:5.12 222:24

references 63:22 194:4

referencing 221:4

referred 47:3 108:11 164:16, 18 192:2,4 194:3 215:11 218:23

referring 60:17 136:28 192:5,6 194:15 195:5 196:7, 9,18 198:14 200:16 201:2 211:20 212:16,19 213:1,10 214:1,19 215:25

refers 47:8 80:11 82:9 84:24 105:12 107:14 116:24 117:1 200:22 211:28 212:18 214:25 222:26 223:4

reflect 35:13 37:21 54:25 57:14,16 75:1 92:22 93:26, 28 94:5 102:25 115:22 150:26 156:9 160:11 163:13, 20 164:6.25 165:8.26 167:11 168:26 178:20

reflected 54:17 157:9

reflecting 125:22 192:14 193:10 195:25 219:28

reflective 156:14

reflects 54:27 92:28 95:8.16 96:4 178:16 183:28

reform 152:2,28 156:13 157:16 158:1 169:19 181:19 187:4,12 192:6,9,16,19,21, 25 193:1 201:23 208:26 211:14 215:11,17,19,26

refunds 39:20,28

refusal 31:24

regard 109:21 190:21

region 108:14

regional 210:1 223:26

regions 100:25 104:11

168:26

Register 9:15 10:19,22,23 20:12 51:22,24 53:2,17,19 54:14

regs 53:6 126:17 127:4

regular 20:23 209:1,10

regularly 161:4

regulate 211:17,18

regulated 81:14,22,24 82:10,16 83:1,10 102:10 107:25,27,28 108:3,4 143:3, 4,6,7 163:17,25 169:3 188:19 195:25 211:13,15 213:3

regulation 99:24 100:24,28 117:1 118:14,24 206:14 224:20

regulations 20:18 30:4 51:20 52:26 53:5 54:25 105:13 115:24 118:3 143:14, 15 154:14,27 155:2,24 169:14,26 181:13 183:23 188:17

regulatory 33:10 34:7 53:9, 13 74:9 151:24 163:14 164:13,24 167:25 168:2 169:9 174:2 204:13 211:6 217:13.28 218:26 223:11 225:28 226:28 227:3

reinforce 40:5

reiterate 27:11

reject 45:27

rejected 37:24 40:4

relate 43:16,19 66:5

related 9:24 37:14 38:9,10 87:20 88:28 89:1 121:5 123:3,12 144:19

relates 44:4 49:14 99:1

relating 20:13

relation 167:1

relationship 107:18 212:22

relationships 216:12

relative 83:18,25 84:1 158:26 159:17 160:2 166:13 167:11 208:13

release 129:10 131:1

relevance 101:18

relevant 31:10 39:11 54:5

82:4

relied 101:25

relies 101:27

relieves 12:13

relying 215:21

remain 153:14

remainder 76:26

remained 153:7 159:18 214:12 219:27

remaining 71:11 79:28

**remains** 91:14

remarks 126:18

remember 136:18 141:15 192:24

remind 141:26 191:23

remotely 29:20

removing 206:17

reopen 26:28 37:4

repeat 57:9 59:18 60:2 95:14 110:4 115:28 136:14.17 185:26

repeated 161:17,20 171:27

repetitious 21:9

rephrase 110:5 224:17

rephrasing 101:4

replace 152:5

replaced 152:12

reply 19:23,26

report 24:2 63:25 64:21,23 66:12,22,23 67:3 68:16 70:8, 17 71:6,12,27 72:22 73:24 84:2,6,8,9,10,12 85:1,21 90:14,15 91:23 98:16 104:16 109:27 110:13 135:1 137:1

reported 66:10,18,25 70:6, 14 71:3,25 72:19,24 73:14 74:25 75:19,20 76:1 80:13



83:26 84:1,3,11,13,18 88:26 90:6 91:17 94:12 98:9 104:13,17,19,21,23 106:20 110:12 119:20 132:23 134:5 136:26 137:1 145:17 156:24 164:14 177:2 199:10,22

**reporter** 10:3 12:14 18:10,11 20:23 21:17 29:15 51:6,7 77:8 148:1 191:17 229:20

reporting 56:3 66:10,15 70:6 71:4,26 72:16,20 73:9,13,15 75:20,23,26 76:3,27 77:1,18, 20 84:16,26 110:2,11 134:28 154:28

**reports** 91:2 92:10 104:17 109:28 110:8 111:12,19,21 136:20 156:20 199:14

represent 13:10,24 14:12 17:4 26:1 29:21 80:17 84:10 117:18 151:17 201:23

representatives 10:1

represented 152:11 165:3 177:6 215:26

representing 11:24,28 14:1 15:7,18,26 16:9,25 103:25 137:19 158:4 162:18 167:7

represents 85:3 128:25,26 150:15,24 165:24 167:2

request 29:28 36:9 50:7 57:7,11,15,17 58:19,21 60:8 61:5 65:11 98:21 99:17 100:12 108:10 112:5,18,20 115:18,23 122:3 125:22 128:23,24 129:3,4 130:6,28 133:22 191:16

requested 12:23 36:3 58:20 101:21 102:4 112:1 115:20 121:22 122:2 128:16 145:18

requester 121:6

requesting 58:2,20 112:11 129:2,5 169:22

**requests** 57:12 58:2,26,27 60:12 121:10,18 144:21 156:2 185:4

require 57:23 127:4 155:22

required 20:9 36:13 38:12 51:19 52:25 53:16 66:16 126:17 198:7

requirement 28:20 121:22

requirements 10:16 120:11 121:10,19

**requires** 33:9 44:9 53:2 151:23

research 13:19 115:3 150:11 156:23 199:7

reservations 22:16

**reserve** 41:22 45:5 47:25 160:6 219:1 221:24

reserved 103:15 170:26

residence 20:22

resolve 46:4 48:5

resources 169:15

respect 34:23 99:1 101:22 145:1 148:10

respectfully 41:4

respective 138:1 164:27 168:11 171:14 199:23

**respond** 19:27 47:26 136:1, 3

responded 45:13 158:6

respondents 66:16

**response** 31:24 38:17 45:15 46:1 47:11 50:20 60:7 163:11 198:13 208:10 215:9

responses 45:19

responsibilities 173:5 174:14

responsibility 112:25 192:17 223:28

**responsible** 150:20 173:19, 20 174:8,11

responsive 32:27 108:16

rest 38:21 65:20 146:16 199:21,26

**restricted** 59:1 60:14 79:5 80:12,17,18 97:24,26 123:26,27 124:2,5 145:22

restricting 220:17

restrictions 109:23,25 110:11

restructuring 226:21

result 24:25 37:8,25 86:12 166:22 182:28

resultant 200:18

**resulted** 152:17 154:24 157:20 159:3 167:6 219:23

resulting 38:24 163:5 167:3 168:23 171:17 217:15

results 44:11 63:18 64:14 167:21

retail 112:7 164:25,28 165:3, 20,22,25,27 166:1,6 167:3,

retained 133:2

retains 75:12

retroactive 39:27 56:14

**Return** 155:17

returns 79:22 99:10

reveal 80:7 99:18

revenue 159:18

reversal 30:1 37:20

reversible 37:8

review 151:13 153:22

reviewing 39:16

revise 92:3

revised 47:11 92:5

revising 99:16

revision 80:5

revisions 66:18,21,28

revisit 131:9

revolutionary 215:18

**RFA** 168:3,14

**Rhode** 76:5

**Riordon** 12:19 13:1,3 114:13,22 136:1,10 137:23 141:16,21 146:7,27

**rise** 29:11,17 159:17 179:12 199:16,17

rises 229:16

risk 37:20 39:27 160:24 223:13,16 224:21,23 225:7

risks 38:23 39:14

Rives 13:10,16 14:1 148:14

road 39:28

robust 225:16

Roger 15:17 110:24 224:7

role 11:7 50:28 173:3 174:22

roles 172:20

roll 161:1

Roman 170:15,18,21 171:20

**room** 18:14,17 105:6 142:3 229:10

rose 156:25,28 199:10

Rosenbaum 16:8,13 27:9 28:6 29:2,3 175:12,15 179:1, 3 191:14 198:13,17 208:11 215:10

round 99:3 173:23

rounded 78:15 171:16

rounding 78:23 176:25 177:9

route 79:22 99:9 137:4,10

routes 151:4

row 122:1 138:10,20

**Rs** 80:16

rule 38:26,27 89:20

rulemaking 31:13 36:7 152:2 154:27 192:25

rules 9:12 21:27 26:27 30:16,19,25 51:23 192:20

run 22:20 23:25

running 40:27

**Ryan** 16:22 25:28 103:25 137:19 217:1

S

S-A-L-L-Y 15:10

S-H-A-M-R-O-C-K 14:23

**S-H-E-H-A-D-E-Y** 14:24

**S-J-O-S-T-R-O-M** 16:15

S-L-E-P-E-R 13:23

S-M-I-T-H 17:4

safe 102:11

safety 211:18

sales 40:10 65:24 66:7,9,12, 16,20,22,25 67:3,19,27 68:6, 26 69:10,22 70:2,5,8,12,13, 17,21,28 71:3,5,7,8,16,22, 25,27 72:1,2,9,16,19,21 73:1,2,3,7,8 85:6 137:4,10 168:7 206:18

**Sally** 15:9

salted 112:2,9,13

samples 145:10

sandbagging 19:24

satisfactory 143:25

**satisfying** 153:15 **Saturday** 49:5 70:15

Index: reporter..scale

scale 225:26



scene-setting 220:11

schedule 228:18

scheduled 25:4 173:28

science 172:14

**scope** 10:21,23 32:2 38:8, 15,19,23 48:8 173:4 223:25

Scott 162:26 218:7

screen 56:17 61:5 164:10

scrutinized 92:2

seasonal 75:6

**secretary** 35:20 39:14 40:21 49:24 50:9 156:3 169:10,22

section 20:3 29:26 30:8,17, 18 32:9 33:11 35:14,17,18 44:1,8 54:17 105:12,14 115:4 143:18 145:4 169:28 170:27 171:12 214:22 215:1, 2,3 218:25

**sections** 33:10 82:5 218:18,

**sectors** 150:28

securing 221:13

seek 31:28 32:4

seeking 47:10 154:24,26

seeks 33:2 35:12

segment 40:10,12 218:4

**Select** 16:25 26:1 35:7 103:25 137:19 217:1 222:11

selected 77:20 192:8

self-reported 84:25 85:6

sell 74:8 189:17

selling 85:22

sells 153:17

send 132:15,16,28

Senn 16:17

sense 21:27 23:6 25:23 88:23 89:18 100:19 131:14 177:10,11,13 198:16 222:27 225:26

sensitivity 165:17

**sentence** 199:6 201:2 212:9, 18,20 220:16

**separate** 36:6 37:12 50:6 128:23,24

**separately** 104:21 128:16 130:3

**September** 18:16 62:26 67:11 147:5,9

seq 30:8

seriatim 149:24

**series** 90:9 96:4 143:28 152:8 154:11 176:9 182:14 212:9

serve 23:24,25

served 174:21 179:4

**service** 9:14 11:15,25 12:1 33:26 72:25 74:10 85:19 156:19,23 199:7

services 75:13

**SESSION** 9:1 114:1

set 9:5 10:10,16 22:27 36:25 51:1 148:6 150:5 157:18 164:8 165:1 176:27 180:16 181:19 186:24 216:10 217:23 224:11

Sets 51:27

**setting** 116:26

Settlement 33:14 40:17

setup 126:7 218:15

**shaking** 182:23

Shamrock 14:23

**share** 73:7 123:3,4,7 139:19 159:8 165:24 228:27

shares 123:12 124:3,6

**sharp** 133:16

She'll 127:1

Shehadey 14:24

Shelby 77:8

shelf 31:19,25 32:25 37:13

shifted 153:9 214:15

**Shifting** 162:25

ship 203:11

shipment 203:27

**shipped** 121:4 124:9,16 140:26 141:10

shipping 120:11,21 139:10

ships 205:28

shorter 218:27 228:1,3

shot 101:4

**show** 22:21 121:24 124:26 163:2 168:16

**showing** 116:17 118:15 119:13 120:20,23,25 124:15 135:1 137:4 174:9

**shown** 66:20 75:22 116:21 119:16 123:22 125:10,23,26 164:10,19,22 165:17 166:4

**shows** 98:25 99:6 124:21 130:22 132:4 165:3 174:12

**shrink** 30:3 34:16,18,24,26 35:1,2,5,10,13,15,17,19,21, 24,28 48:18 49:13,20

**shrinkage** 31:19,25 32:26 36:5 37:13

sic 77:19 174:26

**side** 30:12 45:23 94:20 165:5

signals 158:6 163:11 179:10

signed 47:5

significance 166:10

significant 33:13,15,23 151:7 158:13 160:24

**significantly** 153:10 158:6 172:28 214:16 227:28

similar 22:17 35:24 42:14 48:19 53:11 121:20 125:14 126:6,7 143:21

similarly 190:9

simple 81:3 99:24 100:3,4,9 102:8 166:15 168:6 171:13 190:15 199:24 217:6

**simply** 27:27 40:27 44:26 57:14 100:5 115:23 125:17 200:16

simulating 152:18

simultaneous 19:20

sincerely 169:10

single 32:19 216:3

**sir** 12:18 14:9 109:3 127:11, 12 128:18 129:26 134:10 146:11 177:15 181:22

site 61:6 65:11

situation 27:24.25 130:13

situations 40:25 210:7

size 168:7,10

Sjostrom 16:14,15

**skewed** 227:8

skfigures 15:11

**skim** 44:15 61:15,17,18

62:20,21 116:9,17,20,25,27 117:3,4,7,9,10,12,15,24 118:1,4,16,22 125:19 126:4, 11 127:26 135:2,3 143:17,22 155:10,17 156:2,7,12,14,24 157:2,4,5,11,13,17,18,22,25, 28 158:3,8,12,14,24,25,26 159:2,4,11,15,18 160:3,10, 13,14,19,21,23,26 161:2,7, 16,24 162:1,2,4,7 170:4,10 171:12,15,28 177:6 178:1 180:25 181:1,6,13 182:1,3 183:9,21 184:26 185:1,17,25 186:5,10,26 187:18 188:18 189:16 196:22 199:10,12,16, 18,25 200:2,4,7,17 201:8,19 202:6 205:3 207:28 208:4,5, 12 209:19 211:9,24 212:4,14 216:6.21

skip 38:21 116:23 143:27

skipped 77:12

skipping 38:5

slash 207:25

Sleper 13:23,24,26

**slightly** 24:16 96:15 99:18 161:23 165:6,8,14 177:9 224:17

slippage 28:23

slow 84:22

slowly 21:16

**small** 15:1,2 22:20 54:5,11, 19 78:6 167:26,28 168:4,13, 19 169:7 184:6 224:12

smaller 129:17 162:7 165:24

smaller-sized 153:13

smallest 167:7

**Smith** 17:3,4,6 109:2,12,14, 17 110:22 136:1,6,9,13,27 137:16.17

sold 75:2 191:11 194:26

sole 57:17

solely 176:17

solids 61:19 62:22,23 63:23, 25 64:18,21 126:1,2,3,9,10 155:9 156:24,27 157:4,5,19, 20,21 158:8,11,14,23 159:13,15 160:15,16,20,21 161:6,18,24 162:9 170:2,8, 12,19,23 171:1,2,3,6,7,8,11, 17 175:21,22 182:12 188:20 190:2,4 191:3 193:17 196:28 197:1,3,9 199:10,12,16 200:27 201:5,24



solution 43:20,24 160:9

somatic 62:23 64:19,23

somebody's 198:2

**sort** 24:13,14 112:2 164:23 174:3 203:26 225:1,25 228:5

sought 32:13 37:24

sound 27:6 48:4 133:19

sounds 45:23 112:19 146:1

**source** 74:9 84:5 104:5,9,12 127:16,17 137:5,6

sourced 81:5 85:18,20

**sources** 100:22 101:6 137:12

south 76:11,18 203:7

**Southeast** 44:16 52:6 76:12 82:12 157:15 159:25 162:18 179:17 202:23 208:4,6,12, 15,17 212:14

southeastern 153:10 214:16

Southern 76:15

**Southwest** 52:20 82:14 142:2

**speak** 21:16 28:15 44:1,8 97:8 223:16,18

speaks 217:20

special 190:18 209:28

specialty 96:27

**specific** 12:22 33:6 70:13 176:16 180:26 194:1,8 197:6 198:8 210:14 211:24 220:5, 12 222:24

specifically 30:17 38:9 108:10 120:11 128:4 144:1 187:13 193:9 212:6 213:9 218:25

speculation 100:11

**spell** 11:6 13:1,13 20:15 77:7 114:21 148:25

**spelled** 193:22

spent 224:2

**spikes** 165:18

split 76:25

sponsored 20:10

**sponte** 57:6

**spot** 46:26 83:17,25,28 84:15,26 85:6 108:12

spread 119:21 123:14

spreadsheets 27:21 28:10

spur 40:26

squarely 30:11

St 76:17

**staff** 94:20 154:9 173:13 224:7

staged 22:10 24:22,26

stagnation 165:19

**stand** 20:14 25:18 54:26 55:17 113:7 114:3 135:25 141:21 148:22

**standard** 95:24,27 149:23 157:26 190:18,25,28 210:6

**standards** 38:17 120:1,10,

standing 45:25

**start** 11:10 32:21 41:22 60:17 98:21 123:21 142:20 148:6 182:10 188:22 189:3 195:16 217:5 228:1

**started** 39:23 50:25 51:14 101:15,24

**starting** 17:10 70:14 76:26 177:22 203:28 215:26 227:25,26

**starts** 37:7 71:16 73:27 77:24,25 116:8 123:17 144:2

state 11:6 16:19 19:25 20:15 52:24 74:9 81:27 114:20 133:3 148:25 172:13,24 175:27 176:5 180:8 221:1

state-run 75:4

stated 31:13 35:23 44:26 62:12 120:22,27 122:1 159:10 167:26 176:11 178:2 219:11

**statement** 20:26 55:18 149:13,27 150:8 172:7 195:1 217:7 218:9 219:7 220:11,26 221:5 27

statement's 186:16

statements 149:20

states 9:13 11:23 54:11 61:26 62:17 67:12 76:3,10, 12 77:2,10 78:19 83:27 118:10 126:20 137:25 143:17 150:17,25 151:1,6 153:11,17 155:20 156:21,25, 28 158:17 167:8 168:10,20 173:16 190:17,27 214:16

**static** 153:7 159:19 196:4 209:4 214:12 216:2 219:27

stating 125:17 205:16

statistic 139:15

statistical 119:5,14 137:1

**statistics** 56:4 72:25 74:10 85:19 97:19 115:5 156:19 164:15

statute 50:10

stay 23:20

stayed 203:7

stays 202:26

steady 165:12

steeper 166:4

stem 93:20

stems 165:21

**step** 11:3 19:21 146:7 194:24 195:22,23,24

Stephenson 101:16

stepped 42:7 103:21

steps 182:14

Steve 27:9 175:12 187:13

Steven 16:8

stipulate 19:12 55:1

stipulated 55:5

Stoel 13:10,16,28 148:14

stones 206:21

**stood** 48:3

stop 227:25,27

store 204:5

strict 201:10

**strike** 170:5,7,10,15,18,21 182:9 184:22 186:1

striking 170:1,26

strong 27:5

strongly 151:22

Strother 9:7

**structural** 153:5 154:17 159:5 164:4 192:4 193:23 213:27 214:6,10,14,19 220:5

structurally 219:25

structure 126:1 192:15 193:25

structured 218:9

struggling 98:24 99:5

stuck 23:1 40:15

student 225:21

studied 193:9 225:19 226:6

**studies** 154:25 221:6,18 227:1

study 101:23,27 102:1 154:6

stuff 17:16 134:19

**style** 123:10

**sua** 57:6

**subject** 10:19 34:26 48:26 79:25 103:15 167:27 175:5

subjects 50:13

**submission** 10:1 47:12

submissions 45:19

**submit** 30:28 31:3 66:16 73:11 90:13

**submitted** 29:13 31:17 38:23 42:12,15 43:7,16 44:22 45:12,13,16 47:3,8,12 50:15 63:18 64:14 91:26 111:2 150:13 155:6 228:22

submitting 29:23

**subsequent** 161:17 162:6 173:1 178:22 184:10 213:13 218:24

**subsequently** 153:3 176:22 179:9 214:8

**subsets** 78:26 105:22 106:23

substan- 172:27

**substance** 30:20 33:11 229:12

substantially 179:10

substantiating 222:12

substantively 44:21

**substitute** 170:5,7,11,16,19, 22.26 198:28

subtle 212:21

**successful** 39:15 153:12 173:27 219:11,15

successfully 226:9,22

suffice 59:4

sufficient 60:15,16 191:18

suggest 27:23,24 38:8 229:6

suggested 88:8 216:21

suggesting 147:10 186:14



213:14 215:18 216:17

suggestions 18:13

suggests 22:25

**Suite** 149:6

sum 71:8 72:1 73:2 124:25

summarize 218:17

summary 108:9

**Sunday** 70:14

superior 226:12

supermarket 191:7

superpool 75:5

superseded 111:13

supervise 115:3,4

supervised 115:15

supervision 57:4 115:12,13

supervisory 12:20 114:25

**supplemental** 159:27 160:1,

**supplied** 160:1 163:23 169:1 210:25

supplies 96:27 132:14

**supply** 83:1,10 124:17,24 139:3,11 140:27 153:16 158:19 159:26 160:6,8 163:10 205:11

**supplying** 133:23 163:21 168:28 208:3 212:13

**support** 11:5 40:11 43:8 150:12 155:27 173:8 208:9 216:24 220:3,12

supporting 10:1

**supports** 35:1 150:21 151:22 162:16

suppose 48:6

supposed 21:8

surface 101:23 152:25

surplus 208:3

surprise 23:17

**survey** 48:24,25,28 103:10, 11,12 152:6 190:27 192:12 194:16

survey-based 152:13

**surveys** 191:8 **suspect** 222:9

sustained 100:15

swear 20:14 56:7 148:15

**sworn** 9:26 56:10 114:14 142:16 148:20

synonymous 181:7

synthesize 226:3

**system** 36:5 40:13 43:18,28 44:11,12 90:26 104:8 151:14,28 152:12,13 179:25 183:8 187:5 195:6 196:1 211:6 212:6

Т

T-A-Y-L-O-R 11:13

T-O-D-D 11:16

T-U-R-N-E-R 14:27

table 13:7 17:20 21:5 39:28 58:7 65:9,10,13,17,19 66:5 67:16,17,26 68:1,12 69:5,6, 17,28 70:27 71:21 72:14 74:5,6,24,25 78:5 79:4,14 80:16,27 81:21 83:8,10,15, 24 84:18 85:15 87:3,5,10,11, 13,14,17,19,25,27 88:4 89:25 90:1,5,7 92:28 96:26 97:15 98:23 99:22 103:2,3 104:6 105:1 107:7 116:16 117:5 119:1,12,26 120:9,14 121:17,20,24 122:6,17,18 123:11,13 124:14,15,20,21 128:3,12,15 129:15,17 131:5,6,10 143:12 168:6

**tables** 61:6 65:4 66:4 69:19 76:26 88:23 103:16,18 104:12 127:20,22

takes 20:14 100:4

**taking** 92:26 108:24 123:4 203:20 226:12,27

talk 18:5 22:22 23:16 28:17 45:26 49:17 98:12 111:26,27 210:25

talked 28:21

talking 24:2 51:2 59:21 89:27 94:24 102:21 130:10 180:15,17 193:26 200:6 204:27 215:2 216:7 229:11,

tandem 138:6

tank 145:9

tanker 34:21

task 12:12 162:19 222:3

taught 206:13

Taylor 11:11,12,13 17:22,23

22:13 26:16 65:2,7,21 81:9 87:24 88:1,3,11 95:19,20,27 96:1,4,8,12,17 129:7,9 130:6,8,9,14,21,25,27 131:7, 11,14 136:3 139:28 140:2,5, 22 141:1,4,9,12,15 142:10, 13.19

teach 220:8

team 154:12

**Tech** 206:14

technical 11:5 27:20 151:24

**ten** 147:17 173:20 196:13 224:13 227:22

ten-year 162:4,12

tend 36:17

Tennessee 56:1 76:11

tentatively 39:2

term 44:5 107:6,9 163:13 181:1 195:3 197:7,11 198:12,19 200:22 204:4,22 214:19,22 220:16

terminated 64:1.28 144:4

terms 17:8 32:19 108:5 174:18 181:4,7 194:1 198:17 204:10,27 210:2 223:5 228:24

test 63:18,22,23 64:14,17,18 65:16 95:9,18 96:20 125:3, 15 126:2,9 129:18 193:16 199:12.17 200:1 202:27

test- 220:2

**testified** 56:11 114:15 142:17 148:21 224:5,6

testifies 10:21 223:24

testify 16:19,28 20:6 27:14 114:6 162:27 175:5 184:13 186:22 218:13 221:15 223:21

testifying 11:9 13:20 17:27 23:13 93:8,23 95:8 133:21 162:22 184:15 208:8 220:3 224:24

testimony 9:20,27 10:11
12:22 16:27 17:25 19:10
20:26 21:9 23:7 24:6,26 26:4
27:19 48:19 49:15 50:1
133:24 150:12 155:27 156:6
162:14,16,17 168:16 172:2
175:6,17 177:24 184:10,11
189:24 192:1 196:2 204:18
207:5 216:2 217:9,19,22
218:5,7,19,22,24,27 220:2,4,
12 222:22 228:23

testing 157:6 198:3 211:1

tests 63:6,16,18 64:5,12,13 65:18 75:21 87:18 88:26 125:18 157:3,4,12 160:17 171:15 176:1,7 193:17 199:14,23,25 200:1

**Texas** 76:16 77:5 104:14,19

text 53:9,13 217:28

Theoretically 203:9

theory 24:11

there'll 28:26

thing 23:3 24:24 45:10 76:28 88:21,24 89:28 115:6 131:26 146:26 149:23 178:9 210:19 212:2 213:14 226:6 228:8

things 10:20 12:14,15 18:6 23:16,21 27:2 29:25 48:11, 18 50:23,25 88:9 97:8 99:13 112:1,23 140:23 142:8,10 145:16 146:2,19 174:3 181:18 182:25 194:5,21 207:26 212:11 214:3 216:13 219:5 222:18 223:6 225:1

**thinking** 18:9 26:15,16 126:27

thought 24:25 49:7 92:7,8 178:11 209:18 228:5

thoughtfully 169:12,16

thoughts 23:21

three-quarters 48:21 168:5

threshold 54:19 161:14,22 162:9

throat 207:21.25

throw 204:22

thumb 28:14

**Thursday** 18:16 22:2

tied 160:26 188:15,17

ties 33:5

Tim 16:18

time 9:5 12:16 16:20 17:21 18:1 19:4,14 21:17,23 24:21 25:4,25 26:21,24 27:3,17 32:8 41:1 45:25 46:1,10 48:15 49:20 50:10,11,16 51:4 84:2 95:14 97:21 98:18 101:27 108:25 113:7 114:20 119:16 120:19 122:2 124:17 131:6 145:7 147:4 148:4 152:22 153:2 158:1 169:15, 21 175:10 181:22 186:19 190:20 192:18 193:24 216:14 218:20,22 224:19



225:15

timed 30:26

timeframe 49:27 75:24

timely 30:12,15,26

times 92:2 98:4 216:1

timing 46:5

**title** 11:7 58:19,23 77:25 82:24 116:6,8,23,24 119:20 125:22 126:10 140:25 141:4

**titled** 53:7 62:6 73:27 121:18 122:19 124:7,15 125:3,15

titles 58:14

today 12:21 16:18,27 29:10, 20 30:25 38:4 45:1,2 48:5 88:9 142:11 155:27 187:18 201:28 227:27 228:9

Todd 11:16

tomorrow 87:28 88:3,19,25 89:7,16 92:16 94:22 96:16 97:12 127:23 131:8 146:14 148:5 228:11,24,28

**top** 51:26 53:12 58:25 108:2 119:23 123:11 194:13 223:10

topic 20:4 148:8

topics 46:7

total 64:24 66:16 67:3 77:25 78:6,7,8,9,13,17,21,24,25, 26,28 80:2,15,17 97:17,23, 24,26 98:7,16 105:20,21,22, 27 106:4,11,12,15,17,23 119:22 123:2,7,20 124:23,24 125:21 126:5,12 129:18 139:1,15 165:25 167:2,8 190:2 200:18,23

totality 217:23 220:10

**totals** 73:13,16 78:20,23 80:2,11,12 124:3,6

touch 219:6

touched 217:7

**track** 12:14 87:4 112:22 129:22

**trade** 51:26 84:14,16,20 112:7 150:14 173:14,17,24, 25,26 174:1 205:22

tragedy 49:9

transactions 160:26,28

transcribe 10:3

**transcript** 10:4,8 19:2,6,8, 10,12,15 21:18

transfer 152:19 194:13,25 196:3 215:22

transferring 195:21,24

transformational 215:23

transition 194:16

translate 199:24

translated 163:26 169:5

**transportation** 107:18 153:9 165:28 203:13 214:15

transported 159:28

**Travis** 16:17

treat 33:3 89:5

treatment 34:6

**Tremaine** 14:11,14 15:7 29:21

trial 28:9

trials 28:8

triggers 171:23

**Trotter** 16:18

truck 203:26

**true** 82:20 102:27 159:1,4 160:15 181:16 184:4 201:19 203:22 204:3,4,6 205:20

trust 91:1

**turn** 88:20 89:24 99:22 159:16 172:9 175:16 201:13

**Turner** 14:27

turning 28:21 34:16

two-screen 164:8

two-thirds 150:24

two-week 61:19

two-year-long 154:5

**type** 37:21 62:3 115:6 124:23 141:6

typical 18:3 22:3

typically 28:13 160:1

U

**U-M-P-Q-U-A** 14:26

**U.S.** 30:10 72:23 73:5,7,9 84:6 85:9,16,18,21 100:26 101:14 108:11,15 151:9,19 153:4,8,15 159:5 164:4,15, 26,28 167:6 169:18 173:28 214:9,14,20 220:9

**Uh-huh** 107:1 127:28 132:8 138:7 182:21 201:16

ultimate 102:12,13,16

ultimately 49:12 178:18

umbrella 32:23

Umpqua 14:26

unable 109:22

unanimously 155:3

uncertainty 225:28

unchanged 169:20

undercut 206:18

undergone 153:4 214:9

underlying 36:24 128:1

129:5

undermined 205:13

undermines 206:23

underneath 125:27

underpaid 159:3 186:20 187:2 201:18 202:2,12,14,19 204:2,15 208:15,18 209:20, 23 210:9,12 211:3

underpayment 212:26

understand 10:7,12 20:6 23:23 24:1 25:13 26:7 27:16 50:17 53:28 54:6 55:11 89:28 90:1 92:8 93:24 94:19, 21 98:25,26,28 99:5 101:1 105:7 112:15 127:19 128:4, 17,24 130:13 131:25,26 132:2,6 137:24 148:3,8 202:10 211:12 218:11 228:18 229:13

understandably 106:10

understanding 93:16 98:10 132:18 135:7 181:9 191:8 213:7,12 225:25

understood 22:5 94:10 188:14,16 205:18 209:18 217:8 221:26

undertake 151:13

undertaken 154:7 182:14

undoubtedly 34:17 35:3

unduly 21:9

unhappiness 205:26 206:2

uniform 32:1,4,13 36:4 42:17 43:26,27 44:9,10,14, 15,18 63:26 64:22 119:5,14 154:14 155:1,23 168:24 181:19 183:27 186:24 198:5, 10 206:22,24,27

uniformly 35:1 212:2

unifying 32:23

**unique** 34:23 166:24 190:21, 23

**unit** 157:6 166:22,25 200:17, 19.20.22

United 9:13 11:23 54:10 83:27 126:20 150:16,25 151:1,6 153:17 155:20 156:21,25,28 158:17 167:8 168:20 173:15

units 140:10

universally 44:17

University 55:28 162:27 172:12,14,15,24

unlike 25:6 103:11

unpaid 159:1

unpersuasive 36:12

unprocessed 152:21 194:14

unrelated 33:20

unsalted 112:2,10,12

unsponsored 21:24

update 35:12 61:7 155:8,19 156:1 160:9 161:15,28 209:16 210:16 215:13 216:18,23

**updated** 54:11,23,27 152:23 154:2 161:4,10,19 171:13,20 209:1,9 216:15,16,20 223:3

**updates** 151:18,24 154:6,16, 22 160:12

**updating** 156:8 160:22 209:16

**Upper** 52:8 78:8,22,24 82:12 105:20 106:12,17,19

urge 41:4

**Uruguay** 173:23

usage 129:21

**USC** 29:26 30:8 168:3

**USCA** 30:18

USDA 10:28 11:4,10,17 12:3,5,7 20:5 22:4,24 23:11 25:8 27:18,26 29:12 30:18, 22,28 31:1,12,23,24 32:3,7, 8,11,14,18 33:27 34:8,11,19 35:11,13,23 36:2,9 37:2,4,15 38:12,14,15 39:21,26 40:18, 25 41:2 42:13 43:6,15 44:26

Index: timed..USDA



45:3,16 50:28 51:27 54:8 55:27 56:1 72:25 74:10 85:19 90:4,23,26,28 91:7 97:16 98:3,8 99:24 101:21, 27,28 129:18 154:25 174:3 176:9,22 177:3 178:19 181:27 184:25 203:16 208:24 209:26 210:16 221:17 228:22

**USDA's** 9:7 29:27 30:6,9,16 32:24 35:5,7 36:11 37:17 38:7,17,22 54:4,18,22 156:19,23 160:17 175:28 176:6 199:6

**USDA-SUGGESTED** 152:24

**Uses'** 79:19

usual 60:5 90:25

Utah 77:23

Utilization 119:15

utilize 10:28

**utilized** 125:19 126:4,11 127:26 135:2,3

#### ν

V-E-T-N-E 16:1 42:9

V-I-E-R-R-A 12:3

V-I-T-A-L-I-A-N-O 13:18

V-U-L-I-N 14:14

**valid** 49:15

validly 38:25

Valley/cropp 14:22

valuable 211:10

values 119:19,26 157:10,20 159:12,18 161:10 165:7 178:1 180:5,6 181:24 200:12,14,17,22,23 205:7 206:8 209:3,4 210:18

**Valuing** 194:23

Van 77:6

variance 139:23

variation 133:15

**variations** 92:23,28 93:26 95:9,10,17,18 96:20 97:11

varies 100:8 167:1

vehicular 143:20

verbatim 10:4

verification 79:25

verified 143:24 145:14

Vermont 76:5

Vernon 76:16

version 29:23 53:9,14

versions 173:9

**versus** 19:21 110:2 132:22 160:3 197:27 206:9 225:20 227:3

vertical 125:24

Vetne 16:1,4 42:9 45:8 46:19,22,27 47:2 50:19 131:20,21,23 133:14 134:11, 13,24,25 191:25,28 207:14, 18 216:26 217:7

Vetne's 135:8

Vice 13:18 14:6 150:10

Victor 148:27

Vierra 12:2

view 49:15 93:22,27 94:12 164:9

viewed 122:9

viewing 116:16 119:12

views 57:14,16 115:23

Vilsack 169:10

**Virginia** 16:2 76:11 149:6 172:23,25 206:14

virtual 17:25 154:11

virtually 10:11 17:27

Vitaliano 13:17,22 148:19,27 149:1,8,13,28 150:7,10 172:6 174:27 175:16 192:1 217:5

voice 150:22

voir 175:2

volatility 225:19

volume 66:16,20,22 70:21 71:16 73:1,7,8 75:3 91:2 110:1,3,8,12,14 112:12 122:20 124:8,16 136:20,24 137:26 139:18,20 140:26 141:6 177:5

volumes 66:9,18,25,26,28 69:22 70:2,5,12 71:1,3,7,8, 23,25 72:1,2,9,16,19 73:2,3 112:9

voluminous 28:27,28

voluntarily 40:8 84:4

volunteers 131:19

vote 228:7

vouching 86:17

Vulin 14:14 29:19

# W

W-I-L-S-O-N 11:17

wait 19:25 60:22 89:16 109:8,10

waiting 56:18

waive 21:12 28:20

wake 226:21

wanted 22:12,14 23:15 81:9 130:28 141:19 142:20

warranted 36:14 161:11

Warren 76:21

Washington 76:17 77:11 126:24 142:3

water 103:6

waters 198:21

ways 53:3 96:9

weather 227:3

web 148:7

website 10:6 19:2 20:3 27:28 29:11 42:13 44:26,27 45:16 47:3 50:21 58:5,7 59:19,25 60:8,9,18 65:17 66:6,13 67:26 68:13 69:5,17 70:1,9,28 71:6,22,28 72:15, 22,26 73:7 74:5,11,13,25 78:5 79:15 80:28 81:5,6,8,22 83:9 84:7 85:16,23 90:2 111:24 116:16 119:12 120:9 121:17 122:4,8,18 124:15 125:11

websites 58:26

Wednesday 9:1 84:12 114:1

week 17:24 18:6 22:2,13 66:15,17,21,24 70:3,13,14 71:23 84:10,19,27 85:6

weekending 66:21 67:2,9, 10,11 70:11 71:1,2,9 72:2 73:3

weekly 69:22 70:2 71:8 72:2 73:3 99:28 100:7,8 103:12

weeks 10:9 18:20 66:19 100:5 195:3

weigh 135:13 151:14

weighted 64:25 65:24 66:7 67:3,28 68:16,17 75:18 77:19 160:15 161:6 168:9 171:14

weights 145:9

welfare 167:19

**Wendy** 47:5

west 16:2 76:23 77:6

Western 76:20 77:5,21,22 144:4

Westmoreland 76:22

westward 153:9 214:15

whatsoever 94:25

whey 61:20 62:25 68:26 69:7 70:19 71:13 73:22,25 155:16

whichever 56:16

wholesale 85:17,20,22

wholly 168:10

whomever 48:2

wide 123:14

Wilson 11:16 149:5

**Wisconsin** 76:25 85:17,20, 22 172:16

wisdom 226:27

wishes 169:10

withdrawn 50:12

witnesses 9:28 17:14 19:28 20:6,7,21 21:13 22:10,11,15, 19 23:5,6 24:22 25:18 26:6, 11,20 28:1 58:18 89:7,22 94:3 126:17,20 142:8 146:1 148:4 162:21 184:12,13 213:17 220:3 223:15 228:21, 23 229:12

wondered 219:13

wondering 128:11

**word** 198:26,28 200:14,15 213:27 222:17

wording 58:19

words 37:6 102:16 170:1 193:4 196:15 211:17

work 18:26 19:11 27:2 28:3 87:22,23 93:5 94:20 126:24 130:16 134:12 225:3 229:9

worked 115:16 133:27 172:25

**working** 20:23 174:2 192:18 197:15 215:5.13

works 28:2 41:12 133:12 182:6 205:22 229:14

world 28:7,9 173:24 195:19 227:16

Index: Usda's..world



Index: worth..Zuber

worth 204:14 212:16

wrap 17:18

Wright 14:11,14 15:6 29:21

write 18:27 142:21

writing 19:18 48:10 78:6

written 46:18 55:18 149:20

219:11

wrong 65:9 81:1 101:13

179:28 201:21

www.nass.usa.gov. 72:27

www.nass.usda.gov. 74:11

Υ

yardstick 43:14

year 61:11 62:3,16 63:22 64:16,25 70:10 71:9,10 72:3, 28 73:4 75:25 76:28 78:12 79:27 80:2,11,12,15 81:26 84:10 85:24 112:13 117:6 119:19 122:23,24,27 123:1 124:20,24 125:16 126:3,10 156:21,22 160:18 161:12,15, 17 166:6 171:9,14,24,27 172:17 173:22 192:5,7,8 193:4,5,26 194:3,4,6,7 225:18

year-to-date 80:15

yearly 64:5,11,25 65:18

years 39:25 44:7 56:2,6 90:7 115:1 124:22 145:19 150:18 156:15 158:13 161:5,8,17, 21,25,26 163:6 173:15,20 174:25 179:7 193:28 208:15 209:3 210:11 220:10 224:2, 12,13 226:17

yesterday 24:10

yield 35:8,12 153:26 154:26 216:5 221:1,3,6,10,19,27 222:10,14

yields 222:4

York 76:6 126:25

Yoviene 47:5

Ζ

**Zandt** 77:6

**zip** 81:27

Zuber 39:22,23 40:3

