BEFORE THE UNITED STATES DEPARTMENT OF AGRICULTURE AGRICULTURAL MARKETING SERVICE

In the Matter of : Docket Nos.:

Milk In The Appalachian, Florida and : AO- 388-A16, AO-356-A38 and

Southeast Marketing Areas : AO-366-A45; DA-07

Exhibit 2 of Jeffrey F. Sims
on behalf of Proponents:
Dairy Farmers of America, Inc.
Lone Star Milk Producers, Inc.,
Maryland and Virginia Milk Producers Cooperative Association, Inc.,
and Southeast Milk, Inc.

October 7, 2004



October 7, 2004

Jeffrey Sims
Dairy Cooperative Marketing Association, Inc.
13400 US Highway 42
Suite 162
Prospect, Kentucky 40059

RE: Hearing on the Appalachian, Florida and Southeast Federal Milk Marketing Orders, Docket Number AO-388-A16; AO-356-A38; AO-366-A45; DA-04-07

Dear Mr. Sims:

This will confirm that you are authorized to testify on behalf of Dairy Farmers of America, Inc. in the emergency Federal Order hearing on the Appalachian, Florida and Southeast Federal Milk Marketing Orders. It is our intention that your testimony be received and considered as speaking for our cooperative.

If anyone has any questions, please do not hesitate to contact me.

Sincerely,

John Wilson

Corporate Vice President

Fluid Marketing/Economic Analysis



October 5, 2004

Jeff Sims
Dairy Cooperative Marketing Association, Inc.
13400 U.S. Highway 42, Suite 162
Prospect, Kentucky 40059

Dear Mr. Sims:

This will confirm that you are authorized to testify on behalf of Lone Star Milk Producers, Inc, in the emergency Federal Order hearing on the Appalachian, Florida, and Southeast Federal Milk Marketing Orders, Docket Number AO-388-A16; AO-356-A38; AO-366-A45; DA-04-07. It is our intention that your testimony be received and considered as speaking for our cooperative.

Thank you,

Jáson Baird

Operations Manager



October 5, 2004

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Mr. Jeff Sims Dairy Cooperative Marketing Association, Inc. 13400 U. S. Highway 42, Suite 162 Prospect, KY 40059

Dear Mr. Sims:

This will confirm that you are authorized to testify on behalf of Maryland and Virginia Milk Producers Cooperative Association, Inc. in the emergency Federal Order hearing on the Appalachian, Florida and Southeast Federal Milk Marketing Orders, Docket Number AO-388-A16; AO-356-A38; AO-366-A45; DA-04-07. It is our intention that your testimony be received and considered as speaking for our cooperative.

Sincerely,

Jay Bryant

General Manager



October 5, 2004

Mr. Jeff Sims Dairy Cooperative Marketing Association, Inc. P.O. Box 248 Goshen, KY 40026

Dear Jeff:

This letter confirms that you are authorized to present testimony on behalf of Southeast Milk, Inc. in the emergency Federal Order hearing starting on October 7, 2004 in Atlanta, Georgia regarding proposals one and two to amend the Appalachian, Florida and Southeast Federal Milk Marketing Orders, Docket Numbers AO-388-A16; AO-356-A38; AO-366-A45; DA-04-07.

Sincerely,

Calvin Covington

Chief Executive Officer

CC:dk

<u>Dairy Cooperative Marketing Association, Inc.</u> 2004 Class I Over Order Pricing Plan

- 1. For Federal Order Class I Base Prices between \$12.00 and \$14.00 inclusive (3.50% butterfat equivalent), the Class I Over Order Price for Atlanta, Georgia, prior to any applicable Fuel Cost Surcharge, shall be \$1.45
- 2. For each cent the Federal Order Class I Base Price (3.50% bf eq.) exceeds \$14.00, the Class I Over Order Price will be reduced by one cent, up to a maximum decrease of \$0.50
- 3. For each cent the Federal Order Class I Base Price (3.50% bf eq.) is less than \$12.00, the Class I Over Order Price will be increased by one cent, up to a maximum increase of \$0.50
 - 4. Class I Over Order Prices in other cities are subject to DCMA location adjustment. 2/

F.O. Class I Base Price	Atlanta OOP 1/	F.O. Class I Base Price	Atlanta OOP 1/	F.O. Class I <u>Base Price</u>	Atlanta OOP 1/
\$11.50 & below	\$1.95	\$11.84	\$1.61	\$14.18	\$1.27
\$11.51	\$1.94	\$11.85	\$1.60	\$14.19	\$1.26
\$11.52	\$1.93	\$11.86	\$1.59	\$14.20	\$1.25
\$11.53	\$1.92	\$11.87	\$1.58	\$14.21	\$1.24
\$11.54	\$1.91	\$11.88	\$1.57	\$14.22	\$1.23
\$11.55	\$1.90	\$11.89	\$1.56	\$14.23	\$1.22
\$11.56	\$1.89	\$11.90	\$1.55	\$14.24	\$1.21
\$11.57	\$1.88	\$11.91	\$1.54	\$14.25	\$1.20
\$11.58	\$1.87	\$11.92	\$1.53	\$14.26	\$1.19
\$11.59	\$1.86	\$11.93	\$1.52	\$14.27	\$1.18
\$11.60	\$1.85	\$11.94	\$1.51	\$14.28	\$1.17
\$11.61	\$1.84	\$11.95	\$1.50	\$14.29	\$1.16
\$11.62	\$1.83	\$11.96	\$1.49	\$14.30	\$1.15
\$11.63	\$1.82	\$11.97	\$1.48	\$14.31	\$1.14
\$11.64	\$1.81	\$11.98	\$1.47	\$14.32	\$1.13
\$11.65	\$1.80	\$11.99	\$1.46	\$14.33	\$1.12
\$11.66	\$1.79	\$12.00 to \$14.00	\$1.45	\$14.34	\$1.11
\$11.67	\$1.78	\$14.01	\$1.44	\$14.35	\$1.10
\$11.68	\$1.77	\$14.02	\$1.43	\$14.36	\$1.09
\$11.69	\$1.76	\$14.03	\$1.42	\$14.37	\$1.08
\$11.70	\$1.75	\$14.04	\$1.41	\$14.38	\$1.07
\$11.71	\$1.74	\$14.05	\$1.40	\$14.39	\$1.06
\$11.72	\$1.73	\$14.06	\$1.39	\$14.40	\$1.05
\$11.73	\$1.72	\$14.07	\$1.38	\$14.41	\$1.04
\$11.74	\$1.71	\$14.08	\$1.37	\$14.42	\$1.03
\$11.75	\$1.70	\$14.09	\$1.36	\$14.43	\$1.02
\$11.76	\$1.69	\$14.10	\$1.35	\$14.44	\$1.01
\$11.77	\$1.68	\$14.11	\$1.34	\$14.45	\$1.00
\$11.78	\$1.67	\$14.12	\$1.33	\$14.46	\$0.99
\$11.79	\$1.66	\$14.13	\$1.32	\$14.47	\$0.98
\$11.80	\$1.65	\$14.14	\$1.31	\$14.48	\$0.97
\$11.81	\$1.64	\$14.15	\$1.30	\$14.49	\$0.96
\$11.82	\$1.63	\$14.16	\$1.29	\$14.50 & above	\$0.95
\$11.83	\$1.62	\$14.17	\$1.28		

^{1/} Prior to any applicable fuel cost surcharge

^{2/} Location Adjustments for selected cites are: New Orleans / Baton Rouge / Mobile / Shreveport / Lafayette / Kosciusko / Hattiesburg / Little Rock / Memphis / Fulton: -\$0.20; Birmingham / Montgomery: -\$0.05; Nashville / Charleston / Winston Salem / Spartanburg / Greenville / Baxley / Chattanooga / Athens / Florence / New Bern / Asheville / Kingsport: \$0.00

<u>Dairy Cooperative Marketing Association, Inc.</u> 2004 Class I Over Order Prices - Atlanta, Georgia

	F.O. Class I Base Price	Atlanta OOP 1/
January	\$11.85	\$ 1.60
February	\$11.59	\$1.86
March	\$11.94	\$1.51
April	\$13.64	\$1.45
May	\$19.65	\$0.95
June	\$21.13	\$0.95
July	\$17.95	\$0.95
August	\$14.62	\$0.95
September	\$13.94	\$1.45
October	\$14.78	\$0.95

^{1/} Prior to any applicable fuel cost surcharge

DAIRY FARMERS OF AMERICA, INC. (DFA) LONE STAR MILK PRODUCERS, INC. (LSMP) MARYLAND & VIRGINIA MILK PRODUCERS COOPERATIVE ASSN., INC. (MDVA) SOUTHEAST MILK, INC. (SMI)

SUMMARY OF LOADS OF MILK, DISTANCES AND HAULING COSTS

BULK MILK MOVEMENTS ASSOCIATED WITH HURRICANES CHARLEY, FRANCES, IVAN & JEANNE

FEDERAL MILK MARKETING ORDERS 5, 6 & 7

	Appalachian <u>Order Area</u>	Florida <u>Order Area</u>	Southeast Order Area	Three Order <u>Total</u>
Number of loads				
DFA LSMP MDVA SMI	110 0 8 <u>0</u>	15 185 0 <u>123</u>	207 0 9 <u>7</u>	332 185 17 <u>130</u>
Total	118	323	223	664
Number of miles				
DFA LSMP MDVA SMI	14,817 0 2,071 <u>0</u>	19,785 307,700 0 <u>146,859</u>	4 5,081 0 5,687 <u>5,383</u>	79,683 307,700 7,758 <u>152,242</u>
Total	16,888	474,344	56,151	547,383
Cost of hauling				
DFA LSMP MDVA SMI	\$92,889 0 9,317 <u>0</u>	\$44,516 652,591 0 <u>437,362</u>	\$341,127 0 16,846 <u>12,112</u>	\$478,532 652,591 26,163 <u>449,474</u>
Total	\$102,206	\$1,134,469	\$370,085	\$1,606,760

Source: Hurricane hauling costs exhibits of DFA, LSMP, MDVA & SMI