

STATEMENT OF JOHN ENSLEN ON BEHALF OF  
DAIRY FARMERS SHIPPING TO DAIRY FRESH COWORATION

I am John E. Enslen, here on behalf of the 140 dairy farmers currently shipping their milk to the Dairy Fresh Corporation facilities located in Alabama and Mississippi. Dairy Fresh Corporation is a Division of National Dairy Holding LP, located at 3811 Turtle Creek Boulevard, Suite 1300, Dallas, Texas.

The dairy farmers shipping to Dairy Fresh Corporation are located in Alabama, Florida, Louisiana, Mississippi and Tennessee. Their milk is delivered to Dairy Fresh Corporation plants located in Cowarts, Alabama; Greensboro, Alabama; Hattiesburg, Mississippi and Prichard, Alabama. Except for the Greensboro facility, which manufactures ice cream, these plants are traditional Class I operations.

I am appearing today in limited opposition to Proposal 2 which would establish a new intra-market transportation credit fund. The dairy farmers shipping to Dairy Fresh oppose that portion of Proposal 2 that would permit funds to be deducted from the producer-settlement fund in order to make up any short-fall in the handler funded portion of the fund. As already has been stated by proponents and others, the Southeast markets are deficit markets. Why would we create a

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situation that can reduce blend prices to dairy farmers in this region when local production is already inadequate?

Dairy farmers in this market need more, not less money returned for their milk. And their experience has been that whatever changes are made in these hearings or from federal order reform, the end result has been lower Class I market utilization and lower blend prices relative to other dairy farmers. The larger Southeast order merger didn't help. It appears to have hurt. Transportation credits for supplemental milk haven't helped – they appear to have resulted in ever lower Class I utilizations. Why should dairy farmers in this market pay for another idea resulting in ever lower blend prices?

We are not opposed to proposals 1 or 3 or to the remainder of proposal 2. We are neutral on proposals 4 and 5.