

**BEFORE THE UNITED STATES DEPARTMENT  
OF AGRICULTURE  
AGRICULTURAL MARKETING SERVICE**

**In the Matter of** :  
: **Docket Nos.:**  
**Milk In The Pacific Northwest** : **AO-380-A18; AO-368-A30**  
: **DA-01-08**  
**and Western Marketing Areas** :

**Exhibits Concerning  
Proposals 1 & 2 & 9 & 10**

**Elvin Hollon**  
Dairy Farmers of America, Inc.

April 16, 2002  
Salt Lake City, Utah

**Comparison of Class I Utilization by Order  
Reform Final Rule Projection vs Actual Experience**

<b>Federal Order</b>	<b>Reform Final Rule</b>	<b>Actual 2000</b>	<b>Actual 2001</b>
<b>Northeast</b>	<b>48.6%</b>	<b>43.9%</b>	<b>43.3%</b>
<b>Appalachian</b>	<b>85.0%</b>	<b>68.8%</b>	<b>65.2%</b>
<b>Florida</b>	<b>90.6%</b>	<b>88.1%</b>	<b>89.9%</b>
<b>Southeast</b>	<b>85.6%</b>	<b>65.0%</b>	<b>61.9%</b>
<b>Mideast</b>	<b>58.9%</b>	<b>47.4%</b>	<b>38.5%</b>
<b>Upper Midwest</b>	<b>24.1%</b>	<b>17.5%</b>	<b>19.8%</b>
<b>Central</b>	<b>50.1%</b>	<b>30.4%</b>	<b>27.4%</b>
<b>Southwest</b>	<b>53.4%</b>	<b>45.6%</b>	<b>46.8%</b>
<b>Arizona - Las Vegas</b>	<b>46.3%</b>	<b>31.3%</b>	<b>32.2%</b>
<b>Western</b>	<b>32.5%</b>	<b>25.1%</b>	<b>22.1%</b>
<b>Pacific Northwest</b>	<b>35.6%</b>	<b>31.0%</b>	<b>29.6%</b>

**Source: Federal Order Reform Final Rule**

**Comparison of Delivery Charges versus Producer Price Differential  
Fortuna and Turlock California Delivery to Portland OR  
January 2000 - February 2002  
47,500 Pound Load from a Supply Plant**

Assumptions	Fortuna	Turlock
Transport Volume	47,500	47,500
Rate Per Mile	\$ 1.95	\$ 1.95
Miles	417	677
Rate per CWT	\$ 1.71	\$ 2.78

FO 1124 Monthly PPD	Column I Return After Daily Delivery One Load			Column II Return After Monthly Delivery One Load		Column III Return After Monthly Delivery 20% Delivery Standard					
	Fortuna	Turlock		Fortuna	Turlock	Fortuna			Turlock		
						Pooled	Delivery	Net Return	Pooled	Delivery	Net Return
	per cwt			total dollars							
Jan-00	\$ 1.06	\$ (0.65)	\$ (1.72)	\$ (9,444)	\$ (24,908)	\$ 15,357	\$ 4,960	\$ 10,397	\$ 15,357	\$ 8,053	\$ 7,304
Feb	\$ 1.52	\$ (0.19)	\$ (1.26)	\$ (2,780)	\$ (18,244)	\$ 22,021	\$ 4,960	\$ 17,061	\$ 22,021	\$ 8,053	\$ 13,968
Mar	\$ 1.63	\$ (0.08)	\$ (1.15)	\$ (1,186)	\$ (16,650)	\$ 23,815		\$ 23,815	\$ 23,815		\$ 23,815
Apr	\$ 1.90	\$ 0.19	\$ (0.88)	\$ 2,725	\$ (12,738)	\$ 27,526		\$ 27,526	\$ 27,526		\$ 27,526
May	\$ 2.33	\$ 0.62	\$ (0.45)	\$ 8,955	\$ (6,509)	\$ 33,756		\$ 33,756	\$ 33,756		\$ 33,756
Jun	\$ 2.45	\$ 0.74	\$ (0.33)	\$ 10,693	\$ (4,770)	\$ 35,494		\$ 35,494	\$ 35,494		\$ 35,494
Jul	\$ 1.53	\$ (0.18)	\$ (1.25)	\$ (2,635)	\$ (18,099)	\$ 22,166		\$ 22,166	\$ 22,166		\$ 22,166
Aug	\$ 1.81	\$ 0.10	\$ (0.97)	\$ 1,421	\$ (14,042)	\$ 26,222		\$ 26,222	\$ 26,222		\$ 26,222
Sep	\$ 1.35	\$ (0.36)	\$ (1.43)	\$ (5,243)	\$ (20,706)	\$ 19,558	\$ 4,960	\$ 14,598	\$ 19,558	\$ 8,053	\$ 11,505
Oct	\$ 1.77	\$ 0.06	\$ (1.01)	\$ 842	\$ (14,622)	\$ 25,643	\$ 4,960	\$ 20,683	\$ 25,643	\$ 8,053	\$ 17,590
Nov	\$ 3.23	\$ 1.52	\$ 0.45	\$ 21,994	\$ 6,530	\$ 46,795	\$ 4,960	\$ 41,834	\$ 46,795	\$ 8,053	\$ 38,742
Dec	\$ 2.90	\$ 1.19	\$ 0.12	\$ 17,213	\$ 1,749	\$ 42,014	\$ 4,960	\$ 37,054	\$ 42,014	\$ 8,053	\$ 33,961
Jan-01	\$ 2.35	\$ 0.64	\$ (0.43)	\$ 9,245	\$ (6,219)	\$ 34,046	\$ 4,960	\$ 29,085	\$ 34,046	\$ 8,053	\$ 25,993
Feb	\$ 2.08	\$ 0.37	\$ (0.70)	\$ 5,333	\$ (10,131)	\$ 30,134	\$ 4,960	\$ 25,174	\$ 30,134	\$ 8,053	\$ 22,081
Mar	\$ 1.92	\$ 0.21	\$ (0.86)	\$ 3,015	\$ (12,449)	\$ 27,816		\$ 27,816	\$ 27,816		\$ 27,816
Apr	\$ 1.99	\$ 0.28	\$ (0.79)	\$ 4,029	\$ (11,434)	\$ 28,830		\$ 28,830	\$ 28,830		\$ 28,830
May	\$ 1.29	\$ (0.42)	\$ (1.49)	\$ (6,112)	\$ (21,576)	\$ 18,689		\$ 18,689	\$ 18,689		\$ 18,689
Jun	\$ 0.76	\$ (0.95)	\$ (2.02)	\$ (13,791)	\$ (29,254)	\$ 11,011		\$ 11,011	\$ 11,011		\$ 11,011
Jul	\$ 0.34	\$ (1.37)	\$ (2.44)	\$ (19,875)	\$ (35,339)	\$ 4,926		\$ 4,926	\$ 4,926		\$ 4,926
Aug	\$ 0.44	\$ (1.27)	\$ (2.34)	\$ (18,427)	\$ (33,890)	\$ 6,375		\$ 6,375	\$ 6,375		\$ 6,375
Sep	\$ 0.44	\$ (1.27)	\$ (2.34)	\$ (18,427)	\$ (33,890)	\$ 6,375	\$ 4,960	\$ 1,414	\$ 6,375	\$ 8,053	\$ (1,678)
Oct	\$ (0.22)	\$ (1.93)	\$ (3.00)	\$ (27,988)	\$ (43,452)	\$ (3,187)	\$ 4,960	\$ (8,147)	\$ (3,187)	\$ 8,053	\$ (11,240)
Nov	\$ 1.99	\$ 0.28	\$ (0.79)	\$ 4,029	\$ (11,434)	\$ 28,830	\$ 4,960	\$ 23,870	\$ 28,830	\$ 8,053	\$ 20,777
Dec	\$ 0.55	\$ (1.16)	\$ (2.23)	\$ (16,833)	\$ (32,296)	\$ 7,968	\$ 4,960	\$ 3,008	\$ 7,968	\$ 8,053	\$ (85)
Jan-02	\$ 0.66	\$ (1.05)	\$ (2.12)	\$ (15,239)	\$ (30,703)	\$ 9,562	\$ 4,960	\$ 4,602	\$ 9,562	\$ 8,053	\$ 1,509
Feb	\$ 0.51	\$ (1.20)	\$ (2.27)	\$ (17,412)	\$ (32,876)	\$ 7,389	\$ 4,960	\$ 2,428	\$ 7,389	\$ 8,053	\$ (664)
26 Mo Avg	\$ 1.48	\$ (0.23)	\$ (1.30)	\$ (85,900)	\$ (487,951)	\$ 558,928	\$ 69,443	\$ 489,485	\$ 558,928	\$ 112,741	\$ 446,187
				\$ (0.23)	\$ (1.30)	\$ 1.48	\$ 0.18	\$ 1.30	\$ 1.48	\$ 0.30	\$ 1.18

**Comparison of Delivery Charges versus Producer Price Differential  
Jerome ID to Roy WA  
January 2000 - February 2002  
47,500 Pound Load from a Supply Plant**

Assumptions	Jerome
Transport Volume	47,500
Rate Per Mile	\$ 1.95
Miles	792
Rate per CWT	\$ 3.25

FO 1124 Monthly PPD	Column I		Column II		Column III		
	Return After Daily Delivery		Return After Monthly Delivery		Return After Monthly Delivery		
	One Load Jerome	per cwt	One Load Jerome	total dollars	Pooled	Del Cost	Net Return
Jan-00	\$ 1.06	\$ (2.19)	\$ (31,747)		\$ 15,357	\$ 9,421	\$ 5,936
Feb	\$ 1.52	\$ (1.73)	\$ (25,083)		\$ 22,021	\$ 9,421	\$ 12,600
Mar	\$ 1.63	\$ (1.62)	\$ (23,490)		\$ 23,615		\$ 23,615
Apr	\$ 1.90	\$ (1.35)	\$ (19,578)		\$ 27,526		\$ 27,526
May	\$ 2.33	\$ (0.92)	\$ (13,348)		\$ 33,756		\$ 33,756
Jun	\$ 2.45	\$ (0.80)	\$ (11,610)		\$ 35,494		\$ 35,494
Jul	\$ 1.53	\$ (1.72)	\$ (24,938)		\$ 22,166		\$ 22,166
Aug	\$ 1.81	\$ (1.44)	\$ (20,882)		\$ 26,222		\$ 26,222
Sep	\$ 1.35	\$ (1.90)	\$ (27,546)		\$ 19,558	\$ 9,421	\$ 10,137
Oct	\$ 1.77	\$ (1.48)	\$ (21,461)		\$ 25,643	\$ 9,421	\$ 16,222
Nov	\$ 3.23	\$ (0.02)	\$ (310)		\$ 46,795	\$ 9,421	\$ 37,374
Dec	\$ 2.90	\$ (0.35)	\$ (5,090)		\$ 42,014	\$ 9,421	\$ 32,593
Jan-01	\$ 2.35	\$ (0.90)	\$ (13,059)		\$ 34,046	\$ 9,421	\$ 24,625
Feb	\$ 2.08	\$ (1.17)	\$ (16,970)		\$ 30,134	\$ 9,421	\$ 20,713
Mar	\$ 1.92	\$ (1.33)	\$ (19,288)		\$ 27,816		\$ 27,816
Apr	\$ 1.99	\$ (1.26)	\$ (18,274)		\$ 28,830		\$ 28,830
May	\$ 1.29	\$ (1.96)	\$ (28,415)		\$ 18,689		\$ 18,689
Jun	\$ 0.76	\$ (2.49)	\$ (36,094)		\$ 11,011		\$ 11,011
Jul	\$ 0.34	\$ (2.91)	\$ (42,178)		\$ 4,926		\$ 4,926
Aug	\$ 0.44	\$ (2.81)	\$ (40,730)		\$ 6,375		\$ 6,375
Sep	\$ 0.44	\$ (2.81)	\$ (40,730)		\$ 6,375	\$ 9,421	\$ (3,046)
Oct	\$ (0.22)	\$ (3.47)	\$ (50,291)		\$ (3,187)	\$ 9,421	\$ (12,608)
Nov	\$ 1.99	\$ (1.26)	\$ (18,274)		\$ 28,830	\$ 9,421	\$ 19,409
Dec	\$ 0.55	\$ (2.70)	\$ (39,136)		\$ 7,968	\$ 9,421	\$ (1,453)
Jan-02	\$ 0.66	\$ (2.59)	\$ (37,542)		\$ 9,562	\$ 9,421	\$ 141
Feb	\$ 0.51	\$ (2.74)	\$ (39,716)		\$ 7,389	\$ 9,421	\$ (2,032)
			\$ (665,781)		\$ 558,928	\$ 131,892	\$ 427,036
26 Mo Avg	\$ 1.48	\$ (1.77)	\$ (1.77)		\$ 1.48	\$ 0.35	\$ 1.13

**Comparison of Delivery Charges versus Producer Price Differential  
Turlock California Delivery to Salt Lake City UT  
January 2000 - February 2002  
47,500 Pound Load from a Supply Plant**

Assumptions	Turlock
Transport Volume	47,500
Rate Per Mile	\$ 1.95
Miles	680
Rate per CWT	\$ 2.79

FO 1135 Monthly PPD	Column I		Column II		Column III		
	Return After Daily Delivery		Return After Monthly Delivery		Return After Monthly Delivery		
	One Load Turlock	per cwt	One Load Turlock	total dollars	20% Delivery Standard Turlock	Pooled	Del Cost
Jan-00	\$ 1.06	\$ (1.73)	\$ (25,086)		\$ 15,357	\$ 14,155	\$ 1,202
Feb	\$ 1.39	\$ (1.40)	\$ (20,305)		\$ 20,138	\$ 14,155	\$ 5,983
Mar	\$ 1.48	\$ (1.31)	\$ (19,002)		\$ 21,442		\$ 21,442
Apr	\$ 1.35	\$ (1.44)	\$ (20,885)		\$ 19,558		\$ 19,558
May	\$ 1.47	\$ (1.32)	\$ (19,146)		\$ 21,297		\$ 21,297
Jun	\$ 1.55	\$ (1.24)	\$ (17,987)		\$ 22,456		\$ 22,456
Jul	\$ 1.07	\$ (1.72)	\$ (24,941)		\$ 15,502		\$ 15,502
Aug	\$ 1.40	\$ (1.39)	\$ (20,161)		\$ 20,283		\$ 20,283
Sep	\$ 1.18	\$ (1.61)	\$ (23,348)		\$ 17,095	\$ 14,155	\$ 2,940
Oct	\$ 1.47	\$ (1.32)	\$ (19,146)		\$ 21,297	\$ 14,155	\$ 7,142
Nov	\$ 2.11	\$ (0.68)	\$ (9,874)		\$ 30,569	\$ 14,155	\$ 16,414
Dec	\$ 1.83	\$ (0.96)	\$ (13,931)		\$ 26,512	\$ 14,155	\$ 12,357
Jan-01	\$ 1.71	\$ (1.08)	\$ (15,669)		\$ 24,774	\$ 14,155	\$ 10,619
Feb	\$ 1.52	\$ (1.27)	\$ (18,422)		\$ 22,021	\$ 14,155	\$ 7,866
Mar	\$ 1.47	\$ (1.32)	\$ (19,146)		\$ 21,297		\$ 21,297
Apr	\$ 1.35	\$ (1.44)	\$ (20,885)		\$ 19,558		\$ 19,558
May	\$ 0.91	\$ (1.88)	\$ (27,259)		\$ 13,184		\$ 13,184
Jun	\$ 0.65	\$ (2.14)	\$ (31,026)		\$ 9,417		\$ 9,417
Jul	\$ 0.44	\$ (2.35)	\$ (34,069)		\$ 6,375		\$ 6,375
Aug	\$ 0.49	\$ (2.30)	\$ (33,344)		\$ 7,099		\$ 7,099
Sep	\$ 0.42	\$ (2.37)	\$ (34,358)		\$ 6,085	\$ 14,155	\$ (8,070)
Oct	\$ (0.25)	\$ (3.04)	\$ (44,065)		\$ (3,622)	\$ 14,155	\$ (17,777)
Nov	\$ 1.56	\$ (1.23)	\$ (17,843)		\$ 22,601	\$ 14,155	\$ 8,445
Dec	\$ 0.53	\$ (2.26)	\$ (32,765)		\$ 7,678	\$ 14,155	\$ (6,477)
Jan-02	\$ 0.57	\$ (2.22)	\$ (32,185)		\$ 8,258	\$ 14,155	\$ (5,897)
Feb	\$ 0.46	\$ (2.33)	\$ (33,779)		\$ 6,664	\$ 14,155	\$ (7,491)
26 Mo Avg	\$ 1.12	\$ (1.67)	\$ (628,628)		\$ 422,890	\$ 198,171	\$ 224,719
					\$ 1.12	\$ 0.53	\$ 0.60