

Testimony of Sally Keefe, Consultant for the Milk Innovation Group

**Milk in the Appalachian, Florida, and Southeast Areas
7 CFR Parts 1005, 1006, and 1007
Docket No. 23-J-0019; AMS-DA-23-0003**

My name is Sally Keefe. It is spelled S A L L Y K E E F E. I am from Boulder, Colorado. I provided my private address to USDA.

I am a consultant for the Milk Innovation Group. The Milk Innovation Group is a group of fluid processors and producers. The seven members are: Anderson Erickson Dairy, Aurora Organic Dairy, Danone North America, Fairlife, HP Hood, Organic Valley / CROPP Cooperative, and Shamrock Foods. Some of our members are handlers regulated by the three southeastern orders.

The Milk Innovation Group is concerned about efforts to increase regulated minimum prices for Class I milk to fund proposed assembly credits in an environment where fluid milk sales continue to decline precipitously. The group recognizes that market conditions in the Appalachian, Florida, and Southeast orders are unique.

Establishing an assembly performance credit for the producers that actually supply and serve Class I is an interesting policy question. The Milk Innovation Group supports allocating more Class I dollars to the producers supplying Class I plants.

Regarding any proposed assembly performance credit, we suggest consideration of the provisions in Order 30, the Upper Midwest. In the Upper Midwest, the assembly credit is funded by the pool and does not enhance Class I prices.

We do not support effectively increasing the Class I differential by 50 cents per hundredweight with an assembly credit. However, we are intrigued by using assembly credits to better align the Class I supply chain and ultimately improve the health of Class I.

