



BEFORE THE UNITED STATES DEPARTMENT
OF AGRICULTURE
AGRICULTURE MARKETING SERVICE

In the Matter of Milk in California
Notice of Hearing on a Proposal to
Establish a Federal Milk Marketing
Order

7 CFR Part 1051
Docket No.: AO-15-0071
AMS-DA-14-0095

Clovis, California, September 22, 2015

In June 2013, the three proponent dairy farm cooperative associations gave public notice, by press releases attached, of a study prepared by dairy economists Mark Stephenson and Chuck Nicholson. Information about the study, from the press release or releases, was reported and published by print and web-based media. However, the study itself has been provided only to senior management of the cooperative proponents and it, and any and all copies thereof in any format, are considered by the cooperatives as confidential proprietary information.

In June 2015, a request was made of counsel for the proponent cooperatives to make a copy of the Stephenson-Nicholson study available to other interested parties. Cooperative counsel promptly responded: "no."

As the hearing has progressed, questions have been asked of witnesses concerning the Stephenson-Nicholson study, to which counsel for the proponent cooperatives has objected. It is the position of the cooperative association proponents that the Stephenson-Nicholson is for the private use of the cooperatives, and cooperatives will continue to object to questions concerning its content and will instruct witnesses not to answer questions concerning its content.



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FOR IMMEDIATE RELEASE

Study Results Suggest Federal Milk Marketing Order Could Benefit California Dairy Producers

VISALIA, Calif. — June 18, 2013 — The findings of a five-month long study commissioned by California Dairies, Inc. (CDI), Dairy Farmers of America, Inc. (DFA), and Land O'Lakes, Inc. (LOL) indicate that a properly written federal milk marketing order for California would provide a regulatory structure that would potentially result in higher farm gate prices, which would benefit California dairy farm families. The three cooperatives, representing approximately 80 percent of the milk produced in California, collectively funded the comprehensive modeling study to examine the issues and benefits of replacing the California state milk marketing order with a federal milk marketing order.

The study was conducted by Dr. Mark Stephenson, University of Wisconsin-Madison and Dr. Chuck Nicholson of Penn State University. After a thorough review of the study results including possible consequences and opportunities, it was agreed upon by the three cooperatives to continue working toward a change in the regulatory structure. Staff from the three cooperatives will begin to draft federal order language to initiate the process. CDI, DFA, and LOL also will be holding a series of explanatory sessions for its members to share the results and receive input on how best to move forward on possible implementation.

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About California Dairies, Inc.

California Dairies, Inc. is the largest member-owned milk marketing and processing cooperative in California producing 47 percent of California's milk. Co-owned by more than 430 dairy producers who ship 18 billion pounds of Real California Milk annually, California Dairies, Inc. is a manufacturer of quality butter, fluid milk products and milk powders. In addition, California Dairies, Inc. is the home of two leading and well-respected brands of butter – Challenge and Danish Creamery. California Dairies' quality dairy products are available in all 50 United States and in more than 50 foreign countries. For additional information on California Dairies, Inc., visit www.californiadairies.com.

About Dairy Farmers of America, Inc.

Dairy Farmers of America, Inc. (DFA) is a national dairy marketing cooperative that serves and is owned by more than 13,000 members on more than 8,000 farms in 48 states. DFA also is one of the country's most diversified manufacturers of dairy products, food components and ingredients, and is a leader in formulating and packaging shelf-stable dairy products. For more information, call 1-888-DFA-MILK (332-6455) or visit www.dfamilk.com.

About Land O'Lakes, Inc.

Land O'Lakes, Inc. (www.landolakesinc.com) is a national, farmer-owned food and agricultural cooperative with annual sales of more than \$14 billion. The nation's second-largest cooperative and number 210 on the Fortune 500, Land O'Lakes does business in all 50 states and more than 60 countries. It is a leading marketer of a full line of dairy-based consumer, foodservice and food ingredient products across the United States; serves its international customers with a variety of food and animal feed ingredients; and provides farmers and ranchers with an extensive line of agricultural supplies (feed, seed, and crop protection products and services) under the operations of WinField and Purina Animal Nutrition. Land O'Lakes also provides agricultural assistance and technical training in more than 25 developing nations.



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June 19, 2013 07:07 AM Eastern Daylight Time

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