

1 THE UNITED STATES DEPARTMENT OF AGRICULTURE
2 In the Matter of:)
3) Docket No. AO-14-A69, et al.
4 MILK IN THE NORTHEAST AND) DA-00-03
5 OTHER MARKETING AREAS)
6 Virginia Room
7 Embassy Suites Hotel
8 1900 Diagonal Road
9 Alexandria, Virginia
10 Wednesday,
11 May 10, 2000

1 If you produced -- because if the cheese was truly
2 39 percent moisture, there would be a lot more cheese, and
3 there would --

4 Q Yes.

5 A -- be a cost associated with that. Those costs
6 were never incurred in reality in making the cheese. It's
7 my understanding that that is not factored in in that
8 moisture adjustment in terms of payment on the 39 percent
9 basis.

10 Q The moisture adjustment deals only with the
11 revenue side, not with the cost side? Is that your
12 understanding?

13 A That's my understanding.

14 MR. CHRIST: Okay. Thank you very much.

15 JUDGE HUNT: Yes, sir?

16 MR. CONTENTE: Thank you, Your Honor. I'm Joaquin
17 Contente. I represent National Farmers Union, and I'd like
18 to ask Dr. Barbano.

19 BY MR. CONTENTE:

20 Q Mr. Barbano, has any producer solicited you to
21 come here and testify?

22 A No.

23 Q Or producers?

24 A No.

25 Q Have any processors?

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1 A No. And if they had, I'd have refused to come and
2 testify on their behalf.

3 Q That's good. Thank you. You are considered an
4 expert in all types of cheese made in the United States? Is
5 that right?

6 A My main expertise is in cheddar and mozzarella. I
7 wouldn't say all types of cheese made in the United States.

8 Q What is the major cheese that's made in the United
9 States?

10 A Cheddar is the big one. Mozzarella is also big.

11 Q Are they fairly close in volumes?

12 A They're getting closer. I haven't watched the
13 exact statistics, but mozzarella is getting close.

14 Q Do you feel that the current Class III pricing,
15 end product pricing system, reflects the true value of
16 mozzarella?

17 A I don't think the current system is intended or
18 even attempts to do that. The current system, as I
19 understand it, for establishment of the minimum Class III
20 price is focusing exclusively on cheddar cheese and ignores
21 mozzarella cheese.

22 Q Would you have any recommendations on how to
23 correct the situation?

24 A I'm not sure that for the Class III price that
25 there's any correction for the minimum Class III price. I

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1 think cheddar is the appropriate product.

2 I think mozzarella is a separate issue, and if you
 3 go back 30 or 40 years ago it was a relatively insignificant
 4 product, but with time its total -- the total amount of milk
 5 produced in the United States that is being used to make
 6 mozzarella -- mozzarella has become a very important
 7 product, and considering its importance it's kind of
 8 interesting to me that it's not recognized explicitly as a
 9 product in a particular class, whether it be three or some
 10 other class, considering the importance and the volume of
 11 milk that's used for it.

12 MR. CONTENTE: Thank you.

13 JUDGE HUNT: Yes, sir?

14 MR. BROWN: Good morning. I'm Mike Brown with
 15 National All Jersey. I have a couple questions for Dr.
 16 Barbano and first want to thank him for coming down here. I
 17 feel like I'm taking a food science class again, and it's a
 18 good thing to hear. I'm learning some good things.

19 I have a couple questions, more technical, more
 20 looking at how different people have evaluated data, to see
 21 if they're appropriate.

22 BY MR. BROWN:

23 Q First, a lot of us are trying to look at, of
 24 course, a true protein for the first time because all the
 25 data in the Federal Orders is on a crude basis. We're using