Exhibit MIG 64

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

AGRICULTURAL MARKETING SERVICE

In re: Milk in the Northeast and Other Marketing Areas	7 CFR Parts 1000 *et seq.* Docket No. 23-J-0067; AMS-DA-23-0031

CARMEL, INDIANA
DECEMBER 2023

TESTIMONY OF SALLY KEEFE, PART 4 REGARDING NATIONAL HEARING ON FEDERAL MILK MARKETING ORDER PROPOSALS

December 7, 2023

I. BACKGROUND

I am the owner and principal of skFigures, a company that provides dairy consulting services to all verticals of the dairy industry. I am here today as a representative of the Milk Innovation Group ("MIG").

I received my B.A. in Economics from Middlebury College and my M.B.A. in finance and entrepreneurship from the University of Colorado. Before entering the organic dairy field, I worked as an environmental economics and policy consultant. Beginning in 1996, I worked in Operations and Milk Procurement for Horizon Organic Dairy. I joined Aurora Organic Dairy as Supply Chain Director in 2003 and was a key member of the team who launched that new, innovative organic dairy company. I served in this and other roles in supply chain management before I became the Vice President of Legal & Government Affairs for Aurora Organic Dairy in 2007. I served in this role until 2012. In this capacity, I directed the company's legal, regulatory, and legislative activities, and was active in both the dairy and organic policy arenas.

In 2012, I left Aurora Organic Dairy and founded skFigures. I provide management consulting services as well as technical and policy expertise to agriculture and food businesses. I have particular expertise in Federal Milk Marketing Orders and have testified in prior FMMO proceedings. My clients include farmers, agricultural cooperatives, dairy processors, corporations, trade associations, and investors.

I am an expert consultant for MIG and support its proposals at this hearing. I am testifying in opposition to NMPF's Proposal 19 here today. MIG's position is that USDA should not raise the Class I differentials at all, particularly given the growth in milk supplies and declining Class I sales. But USDA certainly should not adopt Proposal 19 as it is not a reliable nor justifiable approach to setting Class I differentials.

II. USDA SHOULD REJECT NMPF'S PROPOSAL 19

From the outset of its testimony and to the conclusion of the roughly 20 witnesses NMPF put forth on its Proposal 19, it was clear that NMPF's proposal lacked any consistent rationale for how it set differentials. This fatal flaw in its Proposal alone warrants its outright rejection. The only way the FMMO system can fairly and efficiently function is if its policies use sound data and principled methodology while being applied equally and fairly across all industry participants. NMPF's Proposal 19 is instead an amalgamation of differing approaches, individual preferences, and changing justifications that bear troubling hallmarks of self-serving. USDA should reject NMPF's Proposal 19.

A. NMPF failed to provide specific or compelling justification for a base of $1.60 (or $2.20) for its proposed Class I differentials.

NMPF failed to explain or justify the starting point for Proposal 19 – the base Class I differential. During federal order reform, USDA established Class I differentials with a base value of $1.60 and then used county-level adjustments to create a coherent national Class I price surface. Fundamentally, the county-level adjustments reflect the location value of Class I milk, i.e., they are the geographic element of the Class I price. Currently, the base Class I differential is $1.60. MIG has its own Proposal about the appropriate level for the base Class I differential (but I will not be addressing that today and will address it during MIG's Proposal 20 testimony). But in proposing a new set of Class I differentials, NMPF must justify in its own proposal both the base and the geographic elements. They did not do so here.

Despite early representations regarding their approach to the Class I differentials, NMPF has not clearly changed the base amount of the differential nationwide from $1.60 to $2.20. Instead, NMPF utilized the $1.60 in some areas (for example, North Carolina and Michigan) and, in other areas used a base level of $2.20 (for example, Minnesota and California). But even the adjustment to $2.20 from the current $1.60 base is unclear in NMPF's testimony, as it was

repeatedly referred to as a "new minimum" – so I am still left asking, "what is the base Class I differential?"

Even assuming a $1.60 base Class I differential, NMPF's references to transportation costs or production costs do not explain how they arrived at a $1.60 (or $2.20). The base Class I differential must be made up of specific amounts – for example, USDA's prior determination that FMMO's compensate costs for maintaining Grade A costs status so that farmers did not revert to Grade B status and that these costs were calculated to be $0.40 / cwt. Reexamining this factor, NMPF has not put forth a clear statement or justification for whether or not it still considers the Grade A maintenance costs to make up $0.40 of the $1.60. And NMPF has not and cannot establish that there is any real risk that farmers will revert to Grade B status in such significant numbers without the $0.40 support that fluid milk supplies will run dry (as will be addressed by others following me). The same shortcomings apply to the rest of NMPF's base Class I differential.

B. NMPF did not follow the USDSS model estimates.

Any proposal to change FMMO policy must be supported by understandable, impartial support – NMPF's Proposal 19 fails on this front. Although NMPF did hire Dr. Stephenson and Dr. Nicholson to update and run the USDSS to generate Class I county-level differentials, it all but discarded the ultimate estimates. NMPF's failure to follow the model estimates, invoking them in certain jurisdictions and essentially ignoring them in others, has resulted in a wildly disparate level of differentials across the country. In significant areas, NMPF did not follow the model *in a single instance*.

Of course, the USDSS is a model, and thus a simplification of reality. It is not a perfect, omniscient system, and by its operator's own statements warrants continued updating and improving. But the USDSS is the most precise and sophisticated model for the relative spatial value of milk that is known to me or has been introduced at this hearing. USDA has been used in the past to develop Class I differentials. And the respect for the expertise of its creators can be

summed up by the fact that NMPF, IDFA, and MIG all separately engaged Dr. Stephenson for information created and used at this hearing.

The USDSS model estimates can be found in Exhibits 300 and 301. I have created maps reflecting these estimates: fall, spring, and an average between the two. Looking to Maps 3 – 6, you can see the degrees of variation between the USDSS model estimates. Exhibit MIG 64A, pages 4–7. Map 3 shows the model minimum Class I differentials. Note the gradual and consistent darkening of the map out from Idaho slowly to the west and east, getting darker (i.e., differentials getting higher) towards Florida. Map 4 shows the model spring Class I differentials, which (given the spring flush) will appear the same as the model minimum.[1] The differentials increase across the country from the model average (Map 5) through to the fall estimates (Map 6).

Critically, the USDSS takes into account the important variables that drive the spatial value of milk, and NMPF duplicates these very data points in many of its justifications in deviating from the model ("double counting" certain data points when convenient). Dr. Nicholson's conclusion notes that the differences between the new model results and the current (old) Class I differentials ". . . arise from the combined effects of changes in the locations and amounts of milk supply, changes in the nature and location of dairy product demand, changes in the locations and capacity of dairy processing facilities and changes in transportation costs." (Ex. 302, p. 29). Dr. Stephenson elaborated further on the extensive data input into the model and its careful and impartial processing of that data into a spatial analysis. NMPF cannot then rely upon these same variables when the USDSS model already (more precisely) takes them into account.

Even setting aside NMPF's flawed methodology (as examined further below) looking just at the final numbers in NMPF's Proposal as compared to the USDSS demonstrates the numbers lack consistency both between each other and between the USDSS and Proposal 19. While NMPF claims that "NMPF's final Class I recommendations *deviated somewhat* from the model results

[1] There is only one county where the fall estimate is the minimum instead of the spring estimate – Ada County, Idaho.

due to a variety of real-world milk movement considerations…" (p. 6 Peter Vitaliano, NMPF (Ex. 299 NMPF 35) (emphasis added), the deviations are in fact substantial.

This problem is visually apparent in Maps 7 and 8. Maps 7 and 8 compare Proposal 19 with the model average and Maps 9 and 10. There are 1,034 counties in 36 different states where NMPF' Proposal 19 is below the model average. Looking at Map 7, these counties are gray to light yellow and primarily found east of the Mississippi. In contrast, most counties west of the Mississippi is colored orange to maroon. Additionally, in the east, the sporadic orange counties sprinkled throughout suggests yet another different approach for these individual places. Map 8 shows that in relative terms, there are areas within the Orders 30, 32, 51, 124, 126, and 131 with relative changes that are quite large versus other regions. Overall, these maps show the lack of consistency in NMPF's approaches.

Additionally, a summary of those changes shows the impact of NMPF's Proposals in the different orders. Maps 9 and 10 compare Proposal 19 to the current Class I differentials. They show the meaningful impact Proposal 19 will would have if adopted. On Map 9, which reflects the absolute dollar change between Proposal 19 and the current differentials, goes from a low of $0.25 – $0.35 in 19 counties in Colorado, Idaho, and New Mexico to a high of $2.55 – $2.70 in eight counties found in Georgia, Kentucky, South Carolina, and West Virginia. On Map 10, which is the percentage change between Proposal 19 and the current differentials, goes from a low of 10 – 15% in 18 counties in Colorado and New Mexico to a high of 120% (and higher) in 15 counties in Kentucky, Ohio, and West Virginia. The magnitude of the proposed increases cannot be understated.

An additional observation regarding these maps: compare Maps 2, 9, and 10. This comparison suggests artificial ridges (or "cliffs") where prices change more dramatically between neighboring counties than the model estimates advise. Price disparities at borders create incentive for disorderly marketing. These areas demand careful consideration.

Additionally, the variations between orders are concerning. Given that there are 3,108 counties in 11 different FMMOs, understanding the impact of the proposed increases in Class I differentials requires peeling the onion on a large data set. This includes considering the distribution of the differentials both within an order and among orders. I used the data summarized in Exhibit MIG 64A, Table 2, which is from Exhibits 300 and 301, to make box and whisker plots. These plots are found in Chart 1, page 15 in Exhibit MIG 64A. They demonstrate the substantial size of the proposed increases.

C. NMPF's novel approach to setting differentials has contributed to the problematic Proposal 19 Class I differentials.

NMPF's use of "anchor cities" itself is not necessarily bad, but they do not appear to have been uniformly deployed. Considering the locations NMPF selected, it is difficult (if not impossible) to tease out a unifying principle. Attached as Exhibit MIG 64B, I list the anchor cities and their deviations from the USDSS. For each of these cities, cities which NMPF says drove much of its regional analysis, it appears NMPF took a different approach to setting the differentials. The cities selected are also discordant. I found no way to discern a coherent principle when NMPF used anchor cities like the borough of Sharpsville (population appx. 4,300) along with Los Angeles and the small city of Yuma, AZ (population appx. 93,000) as well as the metropolis of Chicago. Nor is it clear why two non-FMMO Arizona counties were included but not one city in the Northeast or the Pacific Northwest.

Then NMPF takes wholly different approaches with each of these anchor cities. NMPF *increased* western cities (Phoenix, Yuma, Los Angeles, and San Francisco) $0.60 - $0.80 from the model average, which is a 25 – 38% increase from the USDSS. In contrast, NMPF *decreased* Chicago and Asheville, NC by $0.60 and $0.30, respectively, from the USDSS average (a 16% and 5% decrease). And then still other cities – Kansas City, MO and Winchester, VA – NMPF follows the USDSS average without change. I truly do not know what to make of this approach.

Additionally, one final point to note regarding NMPF's approach, which is its use of the model average. In comparing the model average to the spring estimates, using the average has little impact in some areas but big impact in others. There are 254 counties in the following states that are equal for the spring and fall: CA, CO, ID, IA, MN, MT, NE, NV, NM, ND, OK, OR, SD, TX, UT, WA, WY. In contrast, there are 551 counties where fall is $0.50 to $1.00 above spring, found in the following states: AL, AR, FL, GA, IL, IN, KY, MO, NC, OH, SC, TN, VA, WV. For example, Broward County, Collier County, and Miami-Dade County, all in Florida, have $1.00 difference in their spring and fall Class I differentials. Using the average in many counties will over-value milk by meaningful amounts in the spring. This difference matters because you do not want to enhance prices during the spring flush.

D. NMPF's Proposal 19 lacks reliable support for the county-specific Class I differentials.

It cannot be ignored that cooperatives are themselves significant Class I processors today. Attached Exhibit MIG 64C lists all Class I fluid plants (to my knowledge). There are a large number of fluid plants owned by cooperatives. In fact, Mr. Gallagher testified multiple times that Dairy Farmers of America is both the largest Class I processor in the country *and* the largest cooperative. Given the risk of self-serving decision-making (whether inadvertent or not), any proposal that directly impacts competitors in different ways must have a clear and consistent approach and be supported by objective, verifiable information. NMPF's Proposal 19 does not do so.

The process NMPF has described over the weeks of hearing testimony revealed that small committees – and even individual people – were setting Class I differentials based on their own personal observations and beliefs. This fragmented approach resulted in a price surface is inconsistent across the FMMOs. When NMPF formed committees to utilize "local knowledge," it did not invite one proprietary processor to join. Not only does this mean the committees have significant holes in the scope of their local knowledge, but the process did not provide a seat at the

table for people outside the cooperative processing world. Nor did it include the entire cooperative universe. Coupled with the reliance on individual input and non-standard approaches taken across the numerous committees, it is understandable that those outside the process are concerned about its ultimate results.

This individualized process has also resulted in differentials that appear to an outsider to be fungible. I examined NMPF's three public iterations of its proposals (the two versions in the May spreadsheet and one in the June proposal) as well as the USDSS model estimates. Exhibit MIG 64A (Table 3), page 14. Exhibit 300 and 301 show that NMPF altered its approach a number of times. NMPF had a series of differentials in its first May proposal (Exhibit 300, column O, "Proposed Class I", referred to here as "May version 1"). For May version 1, 93.4% of the counties differed from the model average. But then, in that same spreadsheet, NMPF has another set of differentials (Exhibit 300, column S, "New Proposal," referred to here as "May version 2"). In May version 2, there are 886 counties that NMPF changed from May version 1. Interestingly, NMPF did not change a single county in FMMOs 1, 5, 6, 7, and 33 between May version 1. and May version 2. However, NMPF changed ***every county*** in Orders 51 and 124. This change is unexplained.

Then between May version 2 and June (Exhibit 301, column O, "Proposed"), NMPF changed nearly 50% of the differentials in Order 30 and nearly 12% of the differentials in Order 32. Additionally, at the hearing, NMPF correct two counties in the Mideast order and two in the Southwest order. It cannot be ignored that there is one or more plants in each of these counties:

County	State	FIPS	Proposal 19	Corrected Proposal 19	Plants
Clark	OH	29023	$4.00	$3.70	DFA
Alleghany	PA	42003	$4.40	$4.20	Schneiders, Turner (2)
Comanche	TX	48093	$4.35	$3.85	Volleman
Travis	TX	48354	$4.70	$4.35	Hiland

NMPF's Proposal 19 rests entirely upon the effectiveness and accuracy of the decision-making process of the individual committees. While an iterative process is to be expected, the pattern of changes here does not reflect a systematic, principled approach. NMPF's proposal itself, as well as the information we have on how it was developed, lacks the rigor and consistency necessary to determine the Class I differentials for the 3,108 counties in the 48 continental states.

E. NMPF fails to justify its deviations from the USDSS estimates.

NMPF makes various representations about the reasons it believes deviations from the USDSS model results are justified, but these factors are either already incorporated in the USDSS model or do not support deviation. These arguments include:

- Alignment or regional competitiveness
- Current business relationships
- Transportation issues related to traffic
- Cover costs of production
- Increase producer pay/impact on blend
- Reduce or minimize depooling
- Weather

MIG's counsel has already addressed a number of these criticisms in its cross-examinations, so I will not belabor them here. But I do want to specifically discuss the first two of these justifications.

First, NMPF has frequently, but inconsistently, invoked the word "alignment" when justifying its deviations from the model estimates. *But the model's job is to generate aligned county-level estimates.* This is visually apparent in Maps 3 – 6. By overriding the model estimates

in certain areas, NMPF creates misalignment and then make further changes to "realign" the counties. NMPF also uses this alignment justification in different contexts, including geographic similarities in neighboring areas, maintaining the slope of the current differentials, and ensuring similar blend prices. Likewise, we have heard "equity" or "regional competitiveness" invoked for similar arguments. NMPF used this approach in particular in raising prices in the Minnesota, then increasing Colorado, the mountain west, and ultimately California and the Pacific Northwest from there. But it appears to be a circular or self-fulfilling approach that allows large areas to be driven by distant changes.

Second, NMPF explained that they proposed certain differentials in order to reinforce or support current business relationships. The fact that DFA witnesses want to earmark and exclude a Colorado milk supply that DFA has voluntarily contracted to sell to a certain cheese processor should be swiftly discarded from this process. Likewise, other witnesses testified that USDA should take into account "historic relationships" when setting differentials. Such an approach would only reinforce current market participant dynamics, and all but exclude new entrants. It also would incentivize suppliers to allocate milk away from fluid milk and to manufacturing milk to create artificial "shortages" that would support raising Class I differentials. Finally, I am not a lawyer, but cannot imagine that the AMAA supports setting an FMMO formula to accommodate the business interests of a particular company. Certainly, it violates all sense of fairness in the system.

III. USDA SHOULD NOT RAISE CLASS I DIFFERENTIALS

A. With a surplus of milk far above fluid needs, there is no reason to increase Class I differentials.

USDA should not raise Class I prices when there is already more than enough milk to serve the market. Interfering with the market in this way would be price enhancing and will lead to disorderly marketing. NMPF raises the issue of the need for sufficient milk to serve the fluid market but provides no compelling support that there is a shortage of such supplies (particularly outside of the southeast). Raising Class I prices in the face of declining demand and abundant

milk violates economic principles and will exacerbate the challenges uniquely faced by the fluid sector.

USDA's own data supports this conclusion that there is more than sufficient farm milk in the market to meet fluid needs. For example, Exhibits 53 – 58 show milk production grew substantially from 2000 – 2022, while at the same time Class I sales declined. The primary driver in demand for farm milk is coming from manufacturing plants, not fluid bottlers. FMMOs cannot and should not raise Class I prices because manufactured dairy products are enjoying increased demand and production.

Here, **not one witness for NMPF has shown there are national Class I plant shortages**, let alone pervasive and ongoing shortages. In fact, it is the opposite. Exhibit 39 summarizes adjustments in performance standards since 2010. In Order 1, performance standards have been reduced *every single year* from 2013 to present. Likewise, performance standards were reduced in Orders 30, 33, 124, and 131 in the last 13 years. As seen in Exhibit 40, which compiles the requests for these reductions, a decline in Class I utilization and sales was frequently cited as the reason a reduction was needed.

The downward spiral that is traditional white fluid milk is not just the enormous problem of declining sales. It is also underinvestment and lack of innovation (better packaging, shelf life, marketing, etc.). Further, this dynamic feeds on itself. You do not sell more fluid milk if you keep doing what you have always done, losing market cup by cup without reprieve. You need to invest to break the cycle, but when your sales are down, it is tremendously difficult to find the margin dollars to do that. Class I processors are not asking USDA to "save" them or "fix" the sales trend – but they are asking that the system not be stacked against them before they even get one gallon through the line.

I agree that Class I differentials are due for an update – but we must look at the entire sector and determine what change is warranted both within the regulatory constraints of the AMAA and the reality of the market as it is today. The fact that there is an abundance of farm milk available

means that USDA should not make any changes to the regulations that stimulate more milk production. NMPF's Proposal 19 is a significant increase in the Class I differentials from their current level. If adopted, it would increase Class I prices and the producer uniform prices in turn. Dairy producers are rational market participants – when prices go up, milk production will increase. This is why MIG submitted Proposal 20 – so that the Class I differentials can be evaluated on their merits and reconsidered. I will discuss MIG Proposal 20 separately.

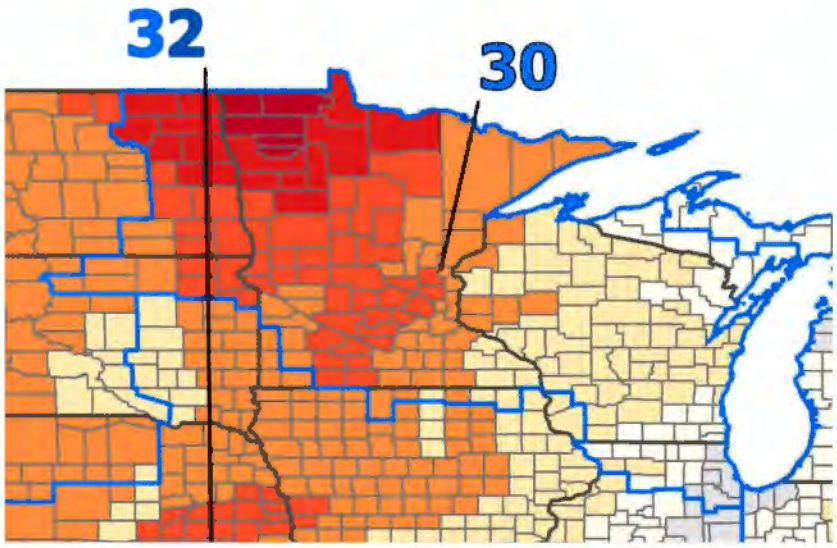
B. NMPF's proposed changes are significant.

NMPF's Proposal 19 raises the Class I differentials substantially, as shown by the maps attached to this testimony in Exhibit MIG 64A (pages 2 – 11). A few things to note for maps 1 – 6. The color gradients are the same between the maps. It is light yellow at $1.60, the current minimum Class I differential, and gets progressively darker as the differentials increase. It is dark purple at $7.90, which is the Proposal 19 maximum.

Map 1 shows the current Class I differentials, which range from $1.60 to $6.00. The boundaries of the 11 FMMOs are shown in blue. Map 2 shows Proposal 19. Proposal 19 ranges from $2.20 (in 13 counties in north-central Idaho) to $7.90 (in the six southern-most counties in Florida). Map 2 also shows areas where there are sharp contrasts proposed between the differentials in neighboring areas. For example, there is a clear line of higher differentials stretching from Missouri across Kansas to Colorado.

Looking at the numbers themselves also demonstrates that the Class I differential increases are often disconnected from what the model suggests an efficient market would do in these areas. For example, as shown in Table 1 in Exhibit MIG 64A (page 12), NMPF's proposed Class I differentials in the California (51) and Pacific Northwest (124) orders are more than $0.60 above the model average. Similarly, the changes in the Central (32), Southwest (126), and Arizona (131) orders are remarkably higher than the model average on an absolute basis. But none of these areas are known or generally believed to be milk deficit.

These averages also only tell part of the story. For example, the Upper Midwest (30) only has a $0.10 deviation from the model on the average. This lower level of deviation for the order as a whole is because Wisconsin follows or only slightly deviates from the model. But Minnesota has large increases from the model average. Looking at an excerpt of Map 7, it is clear that different approaches were taken even within the same order for neighboring states, both of which have significant milksheds, as well as dairy product processing and manufacturing:



It is difficult to overstate, the extremely meaningful impact of Proposal 19 on Class I processors, if adopted.

C. Proposal 19 interferes with market forces, which should drive milk movement and pricing (including through over order premiums).

Testimony has made clear that NMPF lacks justification for increasing the minimum price here – what they really seek is a replacement for over-order premiums they claim the market has not delivered in recent years. But NMPF witnesses testified that they negotiate for and receive over-order premiums, a fact that will be reiterated by MIG's witnesses during their testimony. In other words, producers are universally able to obtain prices above the regulatory minimum in the open marketplace. To the extent higher prices are needed to attract farm milk to fluid processors, processors can and are paying over-order premiums to obtain the milk supplies they need. And if

cooperatives are not receiving the over-order premiums they believe are needed, that is itself evidence that the market is not valuing milk at a level to demand more production. One NMPF witness stated that when their cooperative was offered prices under a contract it felt were insufficient, they declined to sell that milk to a processor. This is the rational economic behavior that market participants can and should engage in. USDA should not interfere with those critical market signals.

Additionally, over order premiums in the form of direct payments to suppliers are more effective at addressing the issues NMPF argues supports a change to the Class I prices. For example, compensation for higher quality standards should be paid by the handlers demanding those qualities to the farmers who meet those standards and bear any alleged costs incurred at meeting those standards. This distinction is particularly true for transportation costs. It is not appropriate for the Class I differentials to ensure the furthest or most expensive transportation costs are covered. Some producers are very close to plants, some are very far. This tradeoff has been well-discussed – some plants are located near farms to be close to their suppliers and others are located near cities to be close to their customers. Treating both types of plants as far from suppliers (and thereby requiring that compensation for transportation be built into the minimum price) is disorderly. USDA should not entrench this imbalance in the FMMO system.

D. The three southeastern orders should adjust to the impacts of USDA's recent final rule before further changes are made.

From the first days of this hearing, the milk deficit in the three southeastern federal milk marketing orders (Appalachian (5), Florida, (6), and Southeast (7)) has been the basis for much of the discussion revolving around NMPF's proposals (1, 13, and 19) that seek to increase in various ways Class I prices. But given USDA's recent consideration of that deficit, and pending changes to address it, risks duplication – and thus, price-enhancement – in the three southeastern orders.

With respect to transportation credits, USDA's final decision to amend the Appalachian and Southeast orders increases them. The final decision also establishes distributing plant delivery

credits to provide transportation cost assistance to handlers for the local southeastern milk supply. The transportation credits ("TC") and distributing plant delivery credits ("DPDC") effectively enhance the Class I price in the three southeastern orders as summarized below:

Current vs. Pending Transportation and Distributing Plant Delivery Credits			
FMMO	**Current**	**Pending**	**Increase**
Appalachian (5) TC + DPDC ($ / cwt)	$0.07	$0.90	$0.83
Florida (6) TC + DPDC ($ / cwt)	-	$0.85	$0.85
Southeast (7) TC + DPDC ($ / cwt)	$0.30	$1.10	$0.80

While the pending changes may not fully address the deficit in these three orders. But Proposal 19 does not consider the pending transportation and delivery credit increases at all. Any change meant to address deficits in that region must take into account these recent developments, but NMPF has made no effort to do so. Given that the pending change will support service of the fluid market in the southeast and that even today the market is finding its needs met, USDA should reject any proposal to raise differentials in that region until the impacts of these changes are understood.

IV. AUTHENTICATION OF DOCUMENTS

In aid to the examination of numerous witnesses in this proceeding, I created various tables and records that have been used by MIG's counsel. Below I list those records. I created these records using NMPF's data from Proposal 19, as found in Exhibits 300 and 301, and USDA submitted data, as noted in the legend for each document.

1. Ex. 300, MIG 28 (NMPF_Final_Class_I_Differentials.xlsx)
2. Ex. 301, MIG 29 (NMPF_FinalClassIDifferentialsJune2023.xlsx)
3. Ex. 322, MIG 30 (NMPF_FinalClassIDifferentialsJune2023 Plus 60 Cents.xlsx)
4. Ex. 323, MIG 31 (NMPF_FinalClassIDifferentialsJune2023 Anchor Cities.xlsx)
5. Ex. 344, MIG 33 (NMPF_FinalClassIDifferentialsJune2023 Florida.xlsx)

6. Ex. 350, MIG 34 (NMPF_FinalClassIDifferentialsJune2023 California.xlsx)
7. Ex. 353, MIG 31 (CORRECTED NMPF Anchor Cities.xlsx)
8. Ex. 354, MIG 36 (Selected FMMO 30 and 32 Locations Comparison.xlsx)
9. Ex. 355, MIG 35 (Selected FMMO 1 Northeast County Comparison.xlsx)
10. Ex. 358, MIG 54 (Selected FMMO 32 Central County Comparison.xlsx)
11. Ex. 369, MIG 55 (Selected FMMO 1 Northeast County Comparison.xlsx)
12. Ex. 374, MIG 57 (California and Nevada County Comparison.xlsx)
13. Ex. 402, MIG 58 (Selected ID MT OR WA County Comparison.xlsx)
14. Ex. 396, MIG 61 (Selected KY NC SC TN VA County Comparison.xlsx)
15. Ex. 405, MIG 60 (Selected CO ID KS MN MO MT SD UT WI County Comparison.xlsx)
16. Ex. 417, MIG 38 (Selected FMMO 7, 32, & 126 County Comparison)
17. Ex. 419, MIG 42 (FMMO 126 Texas Milk Production by County)

V. CONCLUSION

I am hopeful that we keep at the forefront of these Class I differential discussions the sole mandatory participant in the FMMOs – fluid milk processors. Adopting Proposal 19's unjustified Class I differentials will risk snuffing out the chance Class I bottlers have at turning the tide of the marketplace.

DATED this 7th day of December, 2023.

By */s/ Sally Keefe*
SALLY KEEFE