NATIONAL FEDERAL MILK MARKETING ORDER

PRICING FORMULA HEARING

DOCKET NO.: 23-J-0067; AMS-DA-23-0031

Before the Honorable Jill Clifton, Judge

---o0o---

Carmel, Indiana

January 17, 2024

---o0o---

Reported by:

MYRA A. PISH, RPR, C.S.R.
Certificate No. 11613

1   A P P E A R A N C E S:

2   FOR THE USDA ORDER FORMULATION AND ENFORCEMENT DIVISION,
    USDA-AMS DAIRY PROGRAM:
3
          Erin Taylor
4   Todd Wilson
          Brian Hill
5   Michelle McMurtray

6   FOR THE MILK INNOVATION GROUP:

7   Charles "Chip" English
          Ashley Vulin
8
    FOR THE NATIONAL MILK PRODUCERS FEDERATION:
9
          Nicole Hancock
10   Brad Prowant

11 FOR SELECT MILK PRODUCERS, INC.:

12   Ryan Miltner

13 FOR INTERNATIONAL DAIRY FOODS ASSOCIATION:

14   Steve Rosenbaum

15 FOR THE AMERICAN FARM BUREAU FEDERATION:

16   Dr. Roger Cryan

17
    FOR THE MAINE DAIRY INDUSTRY ASSOCIATION:
18
          Dan Smith
19
20   ---o0o---

21

22 (Please note: Appearances for all parties are subject to

23 change daily, and may not be reported or listed on

24 subsequent days' transcripts.)

25

26   ---o0o---

27

28

1   M A S T E R   I N D E X

2   SESSIONS

3   WEDNESDAY, JANUARY 17, 2024   PAGE

4   MORNING SESSION   10,651
         AFTERNOON SESSION   10,776

5

6

7   ---o0o---

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

1   M A S T E R   I N D E X

2   WITNESSES IN CHRONOLOGICAL ORDER

3   WITNESSES: PAGE

4   Dr. Mark W. Stephenson:

     Warren Erickson:
9

14   Mike Newell:

     Heath Miller:
20
     Tim Kelly:
24
25

26   ---o0o---

27

28

1   M A S T E R   I N D E X

2   INDEX OF EXHIBITS

3   IN CHRONOLOGICAL ORDER:

4   NO.   DESCRIPTION   I.D.   EVD.

5   454   MIG/AE-17   10,727   10,773

6   455   MIG/AE-17A   10,727   10,774

7   456   MIG/AE-17B   10,727   10,774

8   457   MIG/HOOD-21   10,776   10,837

9   458   MIG/HOOD-21A   10,777   10,837

10   459   MIG/HOOD-21B corrected 10,777   10,837

11   460   MDIA-1   10,839   10,879

12   461   MDIA-2   10,839

13   462   MIG-23   10,884

14   463   MIG-23A   10,885

15   464   MIG-23B   10,885

16

17   ---o0o---

18

19

20

21

22

23

24

25

26

27

28

1   WEDNESDAY, JANUARY 17, 2024 -- MORNING SESSION

2   THE COURT: Let's go back on record.

3   We're back on record. It's 2024, January 17,

4   approximately 8:09 in the morning. I apologize. Our

5   starting late is entirely my fault. This cold weather and

6   these dark mornings make it difficult for me to be here on

7   time.

8   All right. This is day 45 of this hearing, and we

9   have the witness back in the witness stand.

10   Would you, again, identify yourself, please.

11   THE WITNESS: Yes. My name is Mark W.

12   Stephenson. I'm retired from the University of Wisconsin.

13   THE COURT: Thank you. And you remain sworn, of

14   course, and we are ready for cross-examination.

15   Who would like to begin?

16   Dr. Cryan.

17   MARK STEPHENSON,

18   Having been previously sworn, was examined

19   and testified as follows:

20   CROSS-EXAMINATION

21   BY DR. CRYAN:

22   Q.   Good morning, Mark.

23   A.   Good morning, Roger.

24   Q.   How are 'ya?

25   A.   I'm well. Thanks.

26   Q.   I'm Roger Cryan with the American Farm Bureau

27   Federation. Thank you for your testimony. I have a few

28   questions about it. Sorry, it happened all of a sudden.

1   Okay. So your -- you talked about, as you

2 discussed the three -- these three elements of the $1.60

3 minimum Class I differential that the Department came up

4 with at the time of order reform. And you -- you -- you

5 have talked quite a few times about that in the context of

6 the value of the milk.

7   But those three elements are all about the cost?

8 Aren't they -- aren't they all cost elements?

9   A.   Well, it costs to be able to provide value to a

10 product. I mean, we have to pay for the factors of input

11 that go into a bottle of milk. We have to pay for the

12 milk itself that's moving in there. So there are costs

13 involved, yes, of course.

14   Q.   Okay. But a lot of your conversations have been

15 about, is the milk worth that as opposed --

16   A.   I don't think I have ever said that.

17   Q.   Okay. But, well, would you -- you did -- you also

18 talked in your written testimony, you talked a good bit

19 about the history of the programs, the history of the

20 system. And is it -- is it -- it's my understanding that

21 in a lot of THE discussions in the 1930s when the Federal

22 Order programs were put into place, there was a sort of a

23 sense of developing the regulation of fluid milk as, like,

24 a public -- sort of like a public utility.

25   Is that -- is that your understanding, that this

26 pricing system was sort of developed to make sure that --

27 that fluid milk was available as a first priority for the

28 benefit of the public?

1   A.   I mean, the basic tools of the Federal Orders that

2   were implemented at the time of their conception had been

3   in place and devised by cooperatives 40, 50 years earlier,

4   so they predated that. It was a system used by dairy

5   cooperatives, but enforcement was difficult.

6   And at the time of the Great Depression when we

7   had a lot of problems across the board, there was a

8   request, you know, for ideas about all kinds of things,

9   what could help. And one of the ideas that was brought

10 forward was these tools of classified pricing and pooling

11 that would help elevate some of the problems that dairy

12 farmers were facing at that time.

13   Q.   But wasn't the prioritization of Class I sort of

14 centered around the idea that there's a public good in

15 making sure there's fluid milk available?

16   A.   Well, Class I was the most valuable portion of

17 that, also the most perishable portion. It was the one

18 that was, in my reading of the problems, having the most

19 problems of the day. So it was the focus of the early

20 part of the Federal Orders. And those tools of classified

21 pricing and pooling worked, I think, reasonably well when

22 fluid milk was, indeed, the largest portion of the

23 classified pricing in the marketplace.

24   But as we have grown milk supply and it's become a

25 less of, you know, highly-utilized product in most of the

26 Federal Orders, then the tools have not worked as well as

27 they did originally.

28   Q.   But have you read materials about those programs

1 and how they are developed that indicate that there was an

2 understanding that there's a public good for making sure

3 fluid milk was available?

4   A.   Well, there was a lot of sense that dairy products

5 were good for nutrition, good for people, and -- and, yes,

6 that they should be made available. But I'm not sure that

7 this was a nutrition program first and foremost. I think

8 it was about a marketplace that was just demonstrating

9 some market failures at the time.

10   Q.   And do you think that the Federal Order system

11 has -- has succeeded essentially in integrating the fluid

12 manufacturing markets?

13   A.   What do you mean by that?

14   Q.   Maybe it was a little more of a separation between

15 fluid -- you know, fluid milk sales and fluid milk

16 delivery and manufacturing before the Federal Order system

17 sort of brought them together, one helping serve the

18 other.

19   A.   Well, I'm not -- I'm not sure about that, Roger.

20 I mean, we have had separate uses of the input well before

21 we had Federal Milk Marketing Orders, and we have separate

22 uses of the input today. That one can give up a portion

23 of the input to another utilization within an order was

24 probably always the case. But it was perhaps hard to make

25 that happen and make sure that there was an adequate

26 supply of milk in an area that would be made available for

27 all Class I uses.

28   Q.   Okay. So facilitated the dovetailing of those two

1 parts of the market?

2   A. It -- certainly. I mean, it's been about

3 coordination from the very beginning. But I think it's

4 also been about access to those markets where there was

5 the potential for higher valued sales.

6   Q. You discussed the idea of $1.60 being shared

7 directly with the producers who supply the Class I milk.

8 That, yet -- right? Right? I mean, it's here in front of

9 me.

10   A. Yes.

11   Q. Okay.

12   THE COURT: And "producers" includes three

13 categories of providers of fluid milk?

14   THE WITNESS: Three categories of providers -- oh,

15 sure. I talked about the individual producers,

16 cooperatives, or manufacturing plants might give up the

17 load of milk that they already had.

18 BY DR. CRYAN:

19   Q. That -- that does move away from the uniform

20 pricing principle that the system has operated on for

21 quite some time?

22   A. It does move away from that a bit, and I recognize

23 or acknowledge that. But we have had Federal Orders that

24 did have individual handler pools utilized in them in the

25 past, so this is not an entirely new concept. I do

26 acknowledge that we have, under the provisions of pooling,

27 the idea of uniform treatment, you know, to dairy

28 producers in the area, but that was as much about trying

1 to make sure that we didn't have fights for the

2 marketplace occurring.

3   Q.   Okay. I have a reference here in my notes to

4 another document, but let me -- you -- you went -- you

5 laid out your analysis of the USD --

6   A.   USDSS.

7   Q.   -- USDSS. And it's a very interesting analysis, I

8 thought, about the difference between the -- you know, the

9 incremental value, the -- the shadow value of Class I

10 versus Class III milk on a location-by-location basis.

11 And you have -- and you -- you have -- you have -- you

12 talked about how the average across the whole -- that

13 whole system, the shadow value, was higher for Class III

14 than for Class I.

15   But you also identified in your written testimony

16 that that kind of represents a give-up charge, represents

17 a sort of -- the notion of what a give-up charge for

18 cheese milk to deliver to a fluid plant would be?

19   A.   That was part of my impetus in looking at that in

20 the first place was to see if I couldn't provide some

21 metrics around both that and also the cost of balancing

22 across the system. So it was those two things

23 simultaneously that I was trying to like take a look at

24 with analytical data.

25   Q.   One of the elements of the $1.60, according to the

26 order reform, development of the minimum Class I

27 differential, was the incentive to -- essentially the

28 incentive to deliver to a fluid plant, essentially

1 something akin to the give-up charge?

2   A.   Yes. And, you know, I thought that the analysis

3 that I looked at there was interesting to understand that

4 in many regions or parts of the country that manufacturing

5 plants had reason to want to hang on to that milk. I

6 mean, it's not just that they are greedy, it's that the

7 economic system is rewarding them for making the product

8 and to getting it to customers across the country. So I

9 can understand why give up charges in some region of the

10 country are indeed high and difficult.

11   Q.   And to -- to -- but one element of the $1.60 is

12 the give-up charge in the sense. It is the incentive to

13 deliver milk to a bottling plant instead of to a cheese

14 plant. And from my -- you know, you have given us the

15 county-by-county breakdown, and there's -- there's --

16 there's numbers -- there's higher numbers, but for

17 example, in Meeker County, Minnesota, where First District

18 has its cheese plant, the give-up charge by this

19 calculation would be about -- would be $1.78 per

20 hundredweight.

21   And those highest give-up charges, those highest

22 sort of requirements for give-up charges on your -- on

23 your numbers, on your own numbers, are in those regions

24 where you would be most likely to have that minimum

25 Class I differential; isn't that correct?

26   A.   It is correct. And I tried to speak to that a

27 little bit yesterday when I said the model results appear

28 to mimic what has happened in reality, that we tend to

1 have manufacturing plants in area where we have a lot of

2 milk, more than is needed for fluid markets, let's say,

3 and fluid plants tend to be located more where we have

4 population centers and not necessarily all of the milk

5 that may be wanted there for the fluid operations.

6   Q.   But in terms of the system, the efficiency of the

7 system, delivering dairy products to folks across the

8 country from where the milk is produced through these

9 plants, that that efficiency that is implicit

10 profitability of making the cheese in those places where

11 we have $1.60 -- where we tend to have now $1.60 or would

12 have proposed $1.60 minimum Class I differentials, I mean,

13 that indicates that there is some need to shake the milk

14 loose potentially for fluid use?

15   A.   Well, I think that can be the case, for sure. I

16 mean, there's -- as you would well know, there aren't as

17 many fluid plants in that Upper Midwest area that you are

18 talking about. They are really small portion of the total

19 utilization of milk in that region. They can find it

20 difficult to get milk into a plant, or just like it can be

21 difficult to get milk into a plant in Atlanta. But there

22 are somewhat different reasons. In that local area in

23 Atlanta there's not as much trying to pull that away from

24 a nearby cheese plant as it is about balancing costs and

25 maybe moving milk in from long distances away.

26   Q.   So there are balancing costs substantial -- there

27 are balancing costs even in those milk surplus --

28   (Court Reporter clarification.)

1   BY DR. CRYAN:

2   Q.   There are balancing costs even in those milk

3   surplus regions?

4   A.   Yes. But I think that they are probably minimal

5   relative to the total supply of milk. Balancing is much

6   easier when, you know, Class I utilization is 10%. There

7   it begins to be more about what does it -- opportunity

8   cost that a cheese plant has for that milk in their own

9   operation.

10   Q.   And the Class I price surface as a whole,

11 you're -- so much of your work over the years has been

12 about demonstrating the relative geographic value across

13 the -- across the country. And I think to -- you know, to

14 good effect, you have helped -- 25 years ago and today,

15 you know, your work has helped come up with some

16 foundation for understanding -- understanding the

17 importance of setting these different -- having these

18 differentials from location to location.

19   If we establish a location -- if we establish a

20 Class I differential in the Upper Midwest, is it -- is

21 it -- does it not -- is not important to maintain a

22 geographic relationship of the sort that is reflected in

23 your modeling in order to sort of maintain orderly

24 geographic relationships in order to maintain orderly

25 pricing from location to location all the way down to

26 Miami?

27   A.   I'm not sure that I understand what you mean by

28 maintain geographic relationships. You mean physical

1   plants, where physical plants are located?

2   Q.   No.   I mean, the relationship in the Class I

3   differential.   The Class I differentials that -- that

4   exist today or that would be built on the sort of modeling

5   you have done, is that -- is that not a reasonable thing

6   to maintain, to maintain those differences from Minnesota

7   to Miami?

8   A.   Well, I think that they are hard to ignore.   The

9   marketplace is trying to accomplish the movement of milk

10 to satisfy all the needs across this geography on a daily

11 basis.   Regulation can either hinder that or it can help

12 make that possible to do.   But one way or another I think

13 the markets are likely to express themselves in the ways

14 that they have before we had Federal Orders.   We had price

15 surfaces back then.

16   Q.   And if the minimum prices are going to mean

17 something, they should at least approach -- or tend to

18 approach that -- those geographic differences --

19   A.   They should.   And, you know, you -- I -- maybe it

20 wasn't your meaning, but it's part of what I took out of

21 what you were saying there.   In my opinion those should

22 not be static.   In other words, set them today, don't

23 think about them for another 25 years.   I think that you

24 should look at them from time to time, because population

25 centers do move.   I mean, the -- where people are choosing

26 to live.   Milk production regions shift around and

27 transportation costs change.   It changes the price surface

28 and the competitive nature of the dairy market.   So if

1 we've hardwired something from 25 years ago into the

2 system, then it gets to be difficult for the system to

3 operate the way it's feeling like it needs to today.

4   Q.   Sure. Sure. That makes sense. That's why we're

5 here.

6   A.   Yes. Partly.

7   Q.   Well, absolutely. Partly, yes.

8   Okay. Last my last question is about, in your --

9 in your written testimony, you -- you said that -- trying

10 to make sure I get the word right -- the shackles,

11 shackles to the 1938 -- 1937 Act? I took it to mean we

12 were shackled to it. You didn't quite say it that way,

13 but essentially you said we're shackled to the 1937 Act.

14   Is there anything -- is there anything that the

15 1937 Act does not allow us to do in terms of developing a

16 marketing program, in terms of developing a Federal Order?

17   Is there -- I mean, from my read of the Act, and

18 it's my reading of the history of, I guess, John Black or

19 one of those books about how these programs developed, but

20 they had a huge range of possibilities, including Federal

21 Orders for products or -- you know, or -- what is it that

22 couldn't be done under the authority of the 1937 Act that

23 shackles us to --

24   A.   Well, I think that, at that point in time, they

25 had the luxury of asking themselves the big questions:

26 What are the problems we face in this industry today? And

27 how do we fix those problems?

28   We don't get that luxury today. If we could say,

1 what are the problems we face in the industry, and start

2 with a clean slate, we might not be addressing these

3 little things that are kind of nudging us around the edges

4 of the issues.

5   For instance, I would say that we cannot ignore or

6 consider to be a trailing spouse or something of the dairy

7 industry; that would be manufacturing. Manufacturing is a

8 huge piece of our industry today, and it needs to be

9 thoughtfully incorporated into this. So I would ask,

10 first of all, have we identified the problems we're trying

11 to fix? And I would say that depooling, it's not a

12 problem. It's a symptom of the problems.

13   And I think it's difficult to do that when we have

14 the boundaries that were prescribed by the '37 Act that

15 don't let us think very far beyond those. We have to

16 navigate within those boundaries.

17 Q.   And what -- what boundaries -- what -- what could

18 be done that the Act doesn't allow?

19 A.   As I said, it's difficult for us to sit down here

20 and think about this as an entire industry and system,

21 recognizing manufacturing for what it is today and -- and

22 identifying these problems. We have to think about this

23 as: What are the fluid milk problems that we have? How

24 can we best address those within the bounds of what we can

25 do, you know, based on the early provisions of the Federal

26 Order?

27   I'm not suggesting it's wrong, but it would be

28 really nice -- this would have been a painfully long

1 hearing if we started with what is the problem that we're

2 trying to fix, you know, with a clean slate, and how do we

3 do it. But I do think that, you know, that would be an

4 optimal way to go about it.

5   And then I think you need to ask yourself whether

6 or not these are problems that policy can best address

7 that we can't do without it. It may not need that.

8   Q. Okay. I'm impressed that you don't think this has

9 already been a painfully long hearing.

10   A. It's bordering on it.

11   Q. Well, thank you, Mark.

12   THE COURT: Dr. Stephenson, I had difficulty

13 distinguishing the word you used when you described the

14 manufacturing sector as a -- we no longer treat it as a

15 trailing...

16   THE WITNESS: Spouse, I said. Yeah, I mean,

17 it's -- it is certainly closely married to the fluid milk

18 industry, but, you know, we -- it used to be that that was

19 a -- we need to recognize this as part of the solution to

20 help the fluid milk industry. But today, I think that it

21 is such a powerful portion of our dairy industry that you

22 can't simply treat it as potentially helpful. I think

23 it's something that competes very strongly with milk for

24 fluid plants.

25   CROSS-EXAMINATION

26 BY MS. HANCOCK:

27   Q. Good morning. Nicole Hancock with National Milk.

28   Good morning, Dr. Stephenson.

1   I thought it would be helpful to put in context

2 when you started working on the Class I differential piece

3 that has become your testimony in Exhibit 453, at least

4 that's the PowerPoint presentation?

5   A.   When I began working on that?

6   Q.   Yeah. When were you hired to work on the Class I

7 differentials.

8   A.   It was reasonably early on. I'm trying to

9 remember exactly when that would have been, but, you know,

10 I want to say in the early part of the summer, something

11 around that time period. This was before MIG had their

12 proposal actually. They were talking about looking at

13 pieces of what would ultimately become their proposal.

14 But, in particular, they had asked me to think about this

15 $1.60, what are the elements of it, how do we use that.

16 And so I began to systematically try to answer some of

17 those questions.

18   Q.   When you said "summer," did you mean summer of

19 2023?

20   A.   Yes, not this summer. Yes.

21   Q.   Okay. So about seven months ago or so?

22   A.   Yes.

23   Q.   And yesterday, Ms. Keefe testified that she had

24 some early working groups that started in the winter of

25 2022 and into 2023.

26   Were you involved in those meetings?

27   A.   No, I wasn't.

28   Q.   So you picked up after those meetings had

1 occurred.

2   Did you attend the IDFA meeting where she

3 presented to the IDFA members?

4   A.   No. I did not.

5   Q.   And then I think that she said, also, that there

6 was an information session to the USDA.

7   Did you participate in that?

8   A.   No.

9   Q.   Did you -- so who hired you?

10   A.   I was hired by Davis Wright & Tremaine to work on

11 on behalf of the MIG group.

12   Q.   Okay. And were you -- you had done some other

13 work for MIG or IDFA related to this hearing; is that

14 right?

15   A.   IDFA had retained me to do another update of the

16 cost of processing study and estimates.

17   Q.   Were you already working on the Make Allowance

18 cost estimates and surveys when you were hired to do the

19 Class I differentials?

20   A.   I don't recall exactly, but they would have been

21 close to contemporaneous, yes.

22   Q.   Okay. Did you -- can you tell me what it is that

23 you were hired to do by MIG? What's the scope of what you

24 were retained to do?

25   A.   Initially the scope of what I was retained to do

26 was to take a look at that $1.60, but I have been a

27 sounding board for them for a period of time to talk about

28 some of the questions and issues. As I did mention

1   yesterday in my testimony, that what I have offered here

2   was not in support of the MIG proposal. It was some of my

3   own ideas, I guess, about how the industry might be able

4   to work to move milk in ways that address a modern -- a

5   current contemporary dairy industry.

6   Q.   So I'm going to get to that in just a second, but

7   before I get there, I just want to make sure that I have a

8   good understanding about what you were hired by MIG to do,

9   and you said take a look at the $1.60.

10   Anything else that you were hired by MIG to do

11   related to the Class I price differentials?

12   A.   No, not at that time. No.

13   Q.   And you said "not at that time."

14   So then I have to ask the next question which is

15   at some point later in time were you asked to do anything

16   different with respect to Class I differentials?

17   A.   No, I had -- as a part of looking at that $1.60

18   had begun to discover some of this from our analytical

19   work with the USDSS model and shared that with them. It

20   took me a while to begin to think about what does -- what

21   are the implications of this, what does it actually mean,

22   and that began to become my testimony. So it wasn't as

23   though MIG or indeed the Davis Wright & Tremaine asked me

24   to go ahead and do this. This is something that I had

25   done.

26   Q.   Okay. So you were hired by MIG to look at the

27   $1.60 base differential that was included in the current

28   Class I differential calculation?

1   A.   Yes.

2   Q.   And --

3   A.   And part of it was just history, do we know where

4 that came from, do we know what those pieces of that A

5 plus B plus C really represent, when did that first begin

6 to show up or occur, you know, that kind of thing.

7   Q.   Okay. So -- and when you were hired to do that,

8 what work did you do?

9   A.   Well, I began to look at some of the earlier work.

10 In fact, I managed to reboot some very old computers that

11 I had that had a bit of the original work from back in

12 1997 and '8 that I was doing at the time. We were in the

13 Cornell Program on Dairy Markets and Policy.

14   Q.   Is that from 1998?

15   A.   Yes. That would have been back in -- in that time

16 period. Right. So I was looking for documentation notes

17 that we would have had, you know, some of that kind of

18 material. And I didn't find much there, but I did find

19 some of the original documents that began to talk about

20 that, that were partly from the office and -- or from AMS.

21   Q.   Anything else that you did?

22   A.   At that time, no, that was the beginning of that.

23 And, you know, then to begin to understand those pieces

24 and where they came from and what the implications of them

25 were, I did begin to look at the data to see whether, you

26 know, it -- I have had quite a few years in the industry

27 and may have some ideas about, you know, what things are

28 and why they are. But I do think that anytime we can

1 address some of these questions with a bit more rigor

2 rather than just say, "my opinion is," I think that's

3 worth doing.

4   Q.   Okay. So you looked at the historical context

5 when order reform set the current price one [sic]

6 differentials.

7   Anything else that you did for your work on behalf

8 of MIG to get to where you are today?

9   A.   No. I have answered questions as we go along, and

10 a lot of those questions have been about the work that I

11 had done, you know, where they wanted to understand

12 what -- what that meant or what the implications would be.

13   Q.   So is it fair to say that you have kind of

14 operated a little bit like a historian for them to be able

15 to give them some of that historical knowledge and

16 resources that went back to when order reform set the

17 current Class I price differentials?

18   A.   For sure. I mean that's been a part of what I had

19 done.

20   Q.   Okay. Did you conduct any kind of study or

21 analysis on Class I price differentials or any of those

22 three elements that made up the $1.60?

23   A.   Looking at that 2016 data, this was analysis that

24 had been done, yes, I did go back and look at the

25 differentials. I didn't rerun models. Those were models

26 that we had used a few times in the past and felt that the

27 data were good, and had been used in other studies. So,

28 in fact, published from that data, so...

1   Q.   So you -- you said you went back and looked at the

2   model.

3   You are referring to the 2016 version of the USDSS

4   model?

5   A.   Yes.

6   Q.   And that had already been run in 2016?

7   A.   It had been run just shortly after that, yeah. I

8   mean, a year or more after when the data are available.

9   Q.   Okay. It had been run with data results that took

10   it through the end of the calendar year 2016?

11   A.   Two months of 2016, that's correct.

12   Q.   Okay. And any -- any -- so you didn't do that

13   study on behalf -- or analysis on behalf of MIG, you just

14   looked at the 2016 USDSS model results?

15   A.   That's correct.

16   Q.   Did you do any independent study or analysis on

17   your own for the work that you were doing on behalf of MIG

18   related to the Class I price differentials?

19   A.   Absolutely. I mean, there's a good deal of this

20   that's just a lifetime of curiosity and following threads

21   that, you know, become exposed as you are working with

22   some of the information. So much of that actually was

23   personal curiosity.

24   Q.   Yeah. So what -- what studies or analysis did you

25   undertake in order to provide your testimony related to

26   the MIG's Class I price differential proposal?

27   A.   Well, it would have been going back and looking at

28   the price relative values from those model runs. Those

1 needed to be transformed back to the mapping values, which

2 give us values at all geographic points across the

3 contiguous 48 states, and then looking at the differences

4 between the Class III and Class I.

5   Q.   Can that be summarized as you analyze the 2016

6 model results?

7   A.   Yes.

8   Q.   Okay. Anything that you did independently to

9 conduct your own analysis or studies related to current

10 costs of providing or servicing the Class I markets?

11   A.   Not more current than 2016.

12   Q.   So other than analyzing the 2016 model results,

13 you didn't do any other analysis or studies?

14   A.   No.

15   Q.   Okay. And then, I think, from that you had said

16 that you came up with what you described as a novel

17 approach to looking at Class I differentials, and it

18 wasn't something that was on behalf of MIG, but something

19 you had come up with.

20   Do you recall that yesterday, from your testimony

21 yesterday?

22   A.   I'm not sure that I do. Perhaps you could provide

23 me a little more background or trigger that would help me

24 to recall?

25   Q.   Yeah. I think it was related to what you just

26 talked about a few minutes ago, and I'll get back to that

27 in a second, but you are talking about kind of a change in

28 and a little bit of a deviation that wasn't on behalf of

1 MIG in your testimony.

2   A.   Well, I think that, you know, that was after MIG

3 had developed their proposal, you know, which was for a

4 zero value of the $1.60, my independent contribution to

5 this was that, you know, perhaps we still need that, but

6 that it could be more directed and would probably need to

7 be directed. Diluting that into pool values in many parts

8 of the country would simply not liberate the milk that

9 would be needed.

10   Q.   And so are you -- are you proposing independent

11 producer pools?

12   A.   No, not necessarily. I know it appears like it

13 could be the case, but, you know, I would throw this open

14 as a possibility, more for the concept and ideas that it

15 has. The $1.60 has been a value that has been recognized

16 by the industry on all sides for some period of time, and

17 you could use that full $1.60 as the motivation to move

18 milk to fluid plants, or in some regions it may be a

19 possibility where you simply decide, we don't need all of

20 that here, we can pool a portion of that $1.60, but let

21 some of that be available as a direct payment to

22 producers.

23   Q.   And you understand that MIG had had at least a

24 related proposal that was not accepted with -- to fall

25 within the scope of this hearing, where they could use at

26 least a portion of that $1.60 that would be used to cover

27 at least balancing costs?

28   A.   Honestly, I didn't recall that, and perhaps I

1 should have. But I have been retired and relatively

2 disengaged from a lot of the hearing process.

3   Q.   Except that where you have been hired by MIG to

4 actually provide that historical context --

5   A.   Sure.

6   Q.   -- of Class I differentials?

7   A.   No. These specific pieces where I have been down

8 here, I have been trying to be fully engaged. But that

9 didn't mean that I went looked at all of the proposals

10 that were offered.

11   Q.   Okay. And -- and are you, in taking that position

12 that that $1.60 could be used independently outside of --

13 if it's pulled out of the pricing formulas, that it could

14 be used independently, is that a position that you are

15 here to testify to on behalf of MIG?

16   A.   I haven't asked them if I can do that, and I'm not

17 offering that at this point in time. All that I'm

18 suggesting is that it seems to me that it may take all of

19 the $1.60 in some regions of the country to move milk to

20 fluid plants, and that in other regions it may not take

21 all of that.

22   Q.   Okay. So in -- in your kind of independent

23 observations and making that, not on behalf of MIG as a

24 scope creep here in this hearing, but just as your own

25 independent opinion, it at least inherently acknowledges

26 that those costs are still justified in order to move

27 milk; is that fair?

28   A.   It is fair, that when you look at not only the

1 value of the milk at location per use, that if you need

2 additional milk in that region, it's not going to readily

3 be given up by the value that is in the pool.

4   Q.   Okay. And you would in your -- maybe your more

5 creative way of trying to find some -- some solutions, it

6 acknowledges that those dollars, that $1.60 used in a

7 different way, as you are proposing it, would still be

8 then used to incentivize the movement of milk when it was

9 needed in certain areas?

10   A.   Yes. I mean, that is what I was proposing here.

11   Q.   Okay.

12   MS. HANCOCK: Your Honor, I think just for

13 purposes of making sure that our record's clear, because

14 it wasn't clear to me if this is a proposal that's being

15 suggested to expand this scope of the hearing or alter in

16 any way what's being considered at the hearing. But

17 National Milk would like to make sure that our position is

18 clear that we would object to the -- to the modification

19 of any scope, especially to the extent that it is related

20 to something that's already been specifically excluded

21 from the hearing.

22   THE COURT: Yes, your objection is noted. And

23 I -- sitting here, hearing it all come in, I never heard

24 anyone suggest that we're having another proposal.

25   MS. HANCOCK: It might not be. I just wanted --

26 in an abundance of caution, I just want to make sure that

27 the record is clear.

28   THE COURT: Yes. Thank you for that.

1   MS. HANCOCK: Appreciate that.

2   BY MS. HANCOCK:

3   Q.   Okay.   So let me just dive in a little bit to the

4   substance of the report that you have offered.

5   In the work that you did as the historian and then

6   analyzing the 2016 model results, did you collaborate with

7   any other groups or individuals?

8   A.   No.

9   Q.   Did you go out and talk with producers about any

10 of the costs that they -- that they have in serving the

11 Class I fluid milk markets?

12   A.   No.

13   Q.   Did you talk with anybody about their actual

14 balancing costs?

15   A.   No.

16   Q.   Did you talk with anybody about what it actually

17 takes to move milk or make a decision as to deliver to one

18 plant or another?

19   A.   Not at this point in time.   But I would also

20 remind you that I have had 40-some years of having done

21 this, and my Ph.D. thesis was looking at the cost of

22 balancing in the Northeast.   So these are not new ideas

23 for me.   And it's -- it's not that I'm entirely naive, but

24 I would hesitate to say that anybody can understand all

25 corners of the elephant --

26   Q.   Okay.

27   A.   -- that Sally was trying to eat.

28   Q.   Yet again, there's another bite.

1   When did you obtain your Ph.D.?

2   A.   Eighty -- this I should know off the top of my

3   head. '87, '86. I -- I can't recall specifically without

4   looking.

5   Q.   Okay.

6   A.   It was a memorable day, but not a memorable date.

7   Q.   It was a long time ago?

8   A.   Yeah.

9   Q.   40-some years ago?

10   A.   Yeah.

11   Q.   Okay. And then you have -- you have worked in

12 academia throughout the course of your career and studied

13 the market and industry?

14   A.   Yes.

15   Q.   And, in fact, you did conduct a pretty

16 comprehensive cost survey a couple of different times in

17 order to support the Make Allowance proposal that's part

18 of this hearing?

19   A.   Yes.

20   Q.   And throughout the course of your career you have

21 done lots of kind of studies and analysis in order to

22 evaluate and analyze the industry; is that fair?

23   A.   Yes. That's been exclusively what I have worked

24 on is the dairy industry.

25   Q.   And gathering data collection points in order to

26 analyze the -- what's happening within the dairy industry?

27   A.   Yes.

28   Q.   Why didn't you conduct any survey or analysis

1 related to your work on Class I price differentials?

2   A.   Why do I, did you say?

3   Q.   Why didn't you?

4   A.   Oh, why didn't I?

5   Well, we have the secondary data that are

6 available and we think are fairly good that were used in

7 the USDSS model, or at least as good as we can get. There

8 are some proprietary data that we used to assure ourselves

9 that the secondary data are good, and transportation

10 costs, for example. And there simply wasn't time to be

11 able to do a great deal of collecting information for

12 this. I mean, historically I think that much of the work

13 that we have done, I think, has been well done, but not

14 necessarily quickly done.

15   Q.   And you did have time though to conduct the cost

16 survey on behalf of IDFA in order to support your

17 Make Allowance testimony?

18   A.   That was done. And part of the reason that could

19 be done as quickly as it was is because we have done that

20 in the past, and I had the mechanisms to be able to do it,

21 and participants got their data in fairly quickly.

22   Q.   Did you -- did you try to collect any data for

23 purposes of the analysis that you were conducting

24 evaluating the $1.60 base differentials from order reform?

25   A.   Secondary data, yes, but not primary data.

26   Q.   And secondary data, you mean the analysis that you

27 did on the 2016 model results?

28   A.   Well, and more. I mean, data from secondary

1 sources, so in other words, looking at publications, that

2 were available from dairy programs or from AMS or from

3 NASS or just a variety of other sources.

4   Q.   And I didn't see that in your written materials.

5   Did you cite any of those sources as a basis?

6   A.   Yes, I think so.

7   Q.   Can you show me where? Because I might have

8 missed it.

9   A.   Well, they are footnotes. If you look at --

10   Q.   Footnotes in your written testimony?

11   A.   Yes, in the written testimony.

12   Q.   So that's Exhibit --

13   A.   That's --

14   THE COURT: 451.

15   THE WITNESS: -- 451.

16   If you look on page 3, the bottom, there are some

17 of those sources there. On the bottom of page 4 there are

18 some others.

19 BY MS. HANCOCK:

20   Q.   Okay. Those are the secondary sources that --

21 that you -- that you referenced in conducting your

22 analysis?

23   A.   Yes.

24   Q.   So, for example, footnote number 3 has final

25 estimates for 1979 through 1982?

26   A.   Yes.

27   Q.   And then the Milk Production Disposition and

28 Income 2022 Summary, which I believe Ms. Keefe put in as

1 part of her testimony exhibits?

2   A.   Didn't look at that yesterday, but perhaps.

3   Q.   And then Measures of Growth in Federal Orders,

4 that was the other source?

5   A.   Yes.

6   Q.   Anything else that you considered for your

7 analysis that you can think of?

8   A.   Yeah. There were -- on page 4, there are also a

9 few footnotes down there. The questions and answers on

10 Federal Milk Marketing Orders and rules and regulations in

11 the industry.

12   Q.   And these publications that I have looked at, I

13 don't see any kind of analysis over the elements that went

14 into that $1.60, as far as the cost of supplying the

15 market with fluid milk.

16   Are you aware of whether any of those had any

17 current costs analysis or summaries?

18   A.   Not cost analysis. I did find AMS documentation,

19 you know, where they were noting the three elements of the

20 $1.60, and that was from back before 2000. It would have

21 been at the time of Federal Order Reform.

22   Q.   Okay. Just that those three elements were what

23 were used in determining the base differentials in order

24 reform?

25   A.   Yes. And I also recall personal conversation with

26 a former member of Dairy Programs. And this was many

27 years ago, but I was curious about the $1.60 or the $1.20

28 that existed before the Federal Order reform as to how

1   they thought about that and what it was for. And I do

2   recall them saying that -- although I couldn't find any

3   documentation about it, but that this had to be justified

4   at the time of World Trade Organization negotiations. We

5   had green box, amber box, red box on a lot of programs

6   that were being looked at, and this was one of them that

7   they used to justify.

8   Q.   And in your 40 years plus of experience, have you

9   ever been involved in marketing any milk?

10   A.   No. I'm a consumer. I buy milk but in small

11 quantities.

12   Q.   Have you ever been involved in selling raw milk?

13   A.   No.

14   Q.   Have you ever been involved in buying raw milk?

15   A.   I have been an academic.

16   Q.   Yeah. I just want to make sure I'm clear on

17 what -- what we're drawing on for experience.

18   So other than academia, the work that you have

19 done in academia, have you ever been involved in balancing

20 milk?

21   A.   I have been involved in studies of balancing milk,

22 which involved a great deal of interaction with all

23 members of the industry. So do I actually balance? I

24 don't think any one person balances milk.

25   Q.   You have never had a role on a team of people who

26 balanced milk either, have you?

27   A.   I have interacted with teams that do that.

28   Q.   Have you yourself ever had any responsibility in

1 balancing milk?

2   A.   I have never been paid to act on a team to balance

3 milk.

4   Q.   Have you ever filled out a pool report?

5   A.   No. But I have seen them.

6   Q.   Okay. So the experience that you are drawing upon

7 is from your role in academia and reading studies about

8 what's happening in the industry and looking at the model

9 results?

10   A.   Yes.

11   Q.   Let's take a look -- so I am looking at

12 Exhibit 453, which is your PowerPoint presentation. And

13 on page 5 you have a footnote there that talks about --

14 that there are testimony from experts at this hearing that

15 suggest that own-price elasticity for fluid milk may now

16 be elastic.

17   Do you see that?

18   A.   Yes.

19   Q.   Do you believe that fluid milk is elastic or

20 inelastic?

21   A.   I have not studied that. And many things I don't

22 study, I would count on the research that has been done,

23 read that, and if I feel like it's a reputable source,

24 then, you know, you would either believe it or you might

25 try to conduct your own study to disprove that.

26   Q.   Can you think of any reputable source that you

27 believe that has concluded that price of fluid milk is

28 elastic?

1   A.   Dr. Oral Capps is certainly an expert in his area,

2   and he has testified, I believe, that in our current time

3   period since COVID that milk has moved into that elastic

4   territory.

5   Q.   And you're also familiar with other studies

6   throughout the course of your historical experiences over

7   40 years --

8   A.   Sure. Absolutely.

9   Q.   Just let me finish so I have a complete sentence.

10   A.   Sorry.

11   Q.   Sorry.

12   But you are familiar with other studies that have

13   been done over the course of your experience in the

14   industry over the last 40 years that have repeatedly been

15   peer reviewed and concluded that fluid milk is an

16   inelastic product?

17   A.   Yes. It's been long held that dairy products were

18   inelastic.

19   Q.   And did you work with Dr. Kaiser?

20   A.   I worked with Dr. Kaiser when I was at Cornell

21   University. And certainly Dr. Kaiser had been involved in

22   studies looking at the elasticity of milk. Dr. Olan

23   Forker before him.

24   Q.   And you are familiar with the work that they do,

25   even through today, that they have done in the industry?

26   A.   I'm not familiar with recent studies that

27   Dr. Kaiser may have done. I haven't been trying to keep

28   up on that, I guess.

1   Q.   Are you familiar with the work that Dr. Capps has

2 done on behalf of the USDA and its reports to Congress

3 related to the elasticity studies for fluid milk?

4   A.   I'm familiar that Dr. Capps has been an expert in

5 that area. I have not scrutinized his -- his studies or

6 his testimony recently. I did watch the hearing process

7 here when he was on.

8   Q.   And did you also observe Dr. Kaiser's testimony at

9 this hearing as well?

10   A.   I didn't. I wasn't available that day.

11   Q.   Okay. Any reason to believe that Dr. Kaiser's

12 conclusions are not accurate?

13   A.   I didn't see or hear Dr. Kaiser's conclusions, so

14 I couldn't really speak to that.

15   Q.   Yeah. So as you sit here today, do you have --

16 based on your 40 years of experience in the dairy

17 industry, do you have an opinion about what you think is

18 the most credible source for determining price

19 elasticities of the fluid milk market?

20   A.   Well, no, I don't at this point in time. Again, I

21 haven't looked at those studies in that level of scrutiny

22 for quite a period time. I wasn't aware that Dr. Kaiser

23 had done recent work, I guess. Dr. Capps has been doing

24 contemporary work, I know that.

25   Q.   And you know that Dr. Capps has different

26 contemporary works that reach different conclusions?

27   A.   Yes. I do realize that earlier. And I think even

28 in his testimony he was saying that this has become a

1 fairly recent phenomenon, that it's been moving toward

2 being unitary elastic or even elastic.

3   Q.   And as you sit here today, based on your

4 experience in the industry, you don't know which of

5 Dr. Capps' contemporary work is the correct one?

6   A.   No. I would assume that his most recent work

7 reflects the most recent conditions of the industry. I

8 would have a hard time imagining that he was not trying to

9 be honest about his scrutiny of the data.

10   Q.   On page 7 of your PowerPoint presentation in

11 Exhibit 453, you have Figure 2 which says "Discovering a

12 Market Clearing Price."

13   You're not suggesting that Class I is a market

14 clearing product, are you?

15   A.   This is merely an illustration of what we're

16 talking about when we are saying a market-clearing price.

17   Q.   Yeah. I just want to clarify, you are just

18 talking about the price at which Class I sales are made,

19 you are not trying to say that Class I fluid milk is a

20 market-clearing product, are you?

21   A.   No, I'm not suggesting that. I mean, any product

22 that's made will have to have a market-clearing price.

23 And, you know, that's for non-dairy products as well.

24   Q.   If you turn to page 9 of your PowerPoint

25 presentation, you are talking about the model in this --

26 on this page.

27   And I think that you had testified that the reason

28 you used the 2016 model results is because you believed

1   that the more recent model results that Dr. Nicholson used

2   for National Milk was data that was owned and proprietary

3   to National Milk; is that right?

4   A.   I felt that it would be unethical for me to use

5   that.

6   Q.   Did you ever ask National Milk if you could use

7   that data?

8   A.   I didn't. No.

9   Q.   Why not?

10   A.   Didn't occur to me. This data was readily

11 available as well, and for illustrative purposes, I think

12 that, you know, it would have been just as good to use

13 this. I would suggest that if you really wanted to go in

14 this direction, that researchers like Dr. Nicholson could

15 be asked to take a look at the same outcome or analysis

16 with more contemporary data.

17   Q.   And if -- if you look at the second bullet point

18 on page 9 there, it says, "The model's task is to find the

19 most efficient movements of milk assembly, product

20 processing, and distribution of final projects subject to

21 many constraints."

22   Do you see that?

23   A.   Uh-huh.

24   Q.   Is that a "yes"?

25   A.   Pardon?

26   Q.   You said "uh-huh."

27   A.   Yes. Oh, I'm sorry, yes.

28   Q.   I just want to make sure that we get your words on

1 the transcript.

2   Can you tell me how the model works to determine

3 the product -- the most efficient product processing at

4 the plant?

5   A.   It works to get the most -- sure.

6   The plant locations that we have identified in the

7 model are also identified as to the products they process

8 there, and we have some idea about the milk input of those

9 plants. So -- not of all plants but of the majority of

10 plants. It allows us to be able to constrain the model to

11 process only those products at those locations. So the

12 model's task is to assemble that milk to get to the plants

13 to make the products, and distribute them to the points of

14 demand that the model used.

15   Q.   Okay. So when you say that the model task is to

16 find the most efficient movements of milk, product

17 processing, and distributions of final products, you are

18 not saying that the model is determining the most

19 efficient product processing at each plant, are you?

20   A.   No. It's -- it's looking at the products they can

21 process and constraining them by the volumes that the

22 plant can handle.

23   Q.   So it doesn't -- it doesn't do anything to

24 evaluate the efficiency within the plant's operations

25 itself?

26   A.   It doesn't. We do have the capability of turning

27 on returns to scale on plants so that plants could operate

28 at slightly lower costs if they were larger. But we don't

1 always use that in the model runs.

2   Q.   And the three elements that you evaluated for the

3 $1.60 criteria, nothing in the model results tells us

4 whether that $1.60 is warranted or unwarranted; is that

5 correct?

6   A.   No, it doesn't at all. The model results do not

7 include that. The $1.60 lives outside of the efficient

8 solution of that model. That's something that has been

9 imposed, you know, through regulation.

10   Q.   And -- and so it's -- is it fair to say then that

11 the model results are just the -- related to the spatial

12 movement of the milk on a geographical map?

13   A.   Yes, it is.

14   Q.   Okay. And so there's no kind of subjective

15 evaluation of where milk should move, other than just that

16 spatial relationship within that modeling?

17   A.   That's correct. I mean, the model is making the

18 most efficient choice that it can from all of those

19 constraints and all of the resources it has available. We

20 don't impose anything on the model that is subjective.

21   And that isn't one of the shortcomings. I believe

22 that Dr. Nicholson in his testimony mentioned that, you

23 know, for example, business relationships may not respect

24 the precise flows that the model has, that, you know, you

25 may find that I buy milk from this cooperative to move to

26 my plant here, and it may be somewhat different than the

27 model looks at.

28   Q.   And those market factors that -- that you would

1 like to have used for purposes of covering those balancing

2 costs or incentives to move milk, those are things that

3 are not factored into the model?

4   A.   Those are -- the model solves the problem of

5 getting milk to plants and finished products to consumers.

6 It does that. So we don't need to do things outside of

7 that to look at the most efficient solution.

8   Q.   And is that -- the model, when it's talking about

9 that spatial movement of milk, it's really focused on the

10 transportation of the milk; is that correct?

11   A.   It's focused on the transportation of assembly and

12 distribution, recognizing all of the road system networks

13 that we have and costs associated with it.

14   Q.   And Exhibit 452, this is MIG-16A.

15   Is 452 the 2016 model results?

16   A.   Yes.

17   Q.   With the $1.60 removed?

18   A.   Yes. These are, you know, just the shadow prices.

19   Q.   Okay. And so I -- it -- was there a version of

20 the 2016 model results that had the $1.60 base

21 differentials included?

22   A.   There certainly would have been reported, but

23 that's a straightforward addition to those columns here

24 in -- or the column called "Class I Shadow Price."

25   Q.   Okay. So then you took that, you just across the

26 board did a $1.60 reduction in all of the counties that

27 are in Exhibit 452?

28   A.   No.

1   Q.   Okay.

2   A.   These would have been the shadow price values as

3   reported out of the model.

4   Q.   Okay. So this has the $1.60 included?

5   A.   No.

6   Q.   Well, that's what I'm trying to get at.

7   A.   Okay. The model itself does not report those

8   values with $1.60. When we report them as Class I

9   differentials, we would add the $1.60 to these values.

10   Q.   Okay. That's why I asked the earlier question of

11 was there a version of this model that had the $1.60

12 included, and you were saying not as the model ran it, but

13 later as it was added as the base differentials?

14   A.   That's correct.

15   Q.   Okay. And so this in Exhibit 452 looks as it came

16 out of the 2016 model results?

17   A.   Yes.

18   Q.   And did you do any other modifications or analysis

19 of the 2016 model results that would be reflected in

20 Exhibit 452?

21   A.   No, these are about as pure as they get. They are

22 just the dumps from the model that we would use for

23 matching purposes or anything else.

24   Q.   And -- and do you know what month it was run?

25   A.   This was for May of 2016.

26   Q.   Why use May of 2016?

27   A.   May is what we would refer to as the flush month,

28 and these tend to be the smaller of the shadow price

1   values. When we are only reporting one month, we usually

2   use the flush month.

3   Q.   All right. So you didn't apply or adopt any other

4   methodology or analysis or study other than just report in

5   Exhibit 452 the 2016 model results?

6   A.   That's correct.

7   Q.   Were you ever asked within the scope of the work

8   that MIG hired you to do to look at the costs of balancing

9   that are actually incurred?

10   A.   I was not asked to do that nor would I have had

11 time to do that.

12   Q.   Were you ever asked within the scope of the work

13 that you were hired to do to evaluate or analyze the cost

14 of maintaining Grade A products?

15   A.   No.

16   Q.   Were you ever asked by MIG or -- to conduct an

17 analysis or study of what the costs are that are

18 associated with incentivizing the movement of milk to the

19 Class I fluid milk market?

20   A.   No. I was asked to take a look at these things

21 and to see whether or not I had some information that

22 might be able to shed light on it, and that was why I had

23 gone to this model. Not quickly. It took a little while

24 for me to think about whether or not this had something to

25 say about it.

26   Q.   And I think that in your testimony on page 7 of

27 your written testimony, so that's Exhibit 451, you talk

28 about Grade A elimination from the base differential.

1   Do you see that?

2   A.   Yes.

3   Q.   And you say in here that there actually are costs

4 of maintaining Grade A, but because it's standard in the

5 industry, you don't think that it is right to be included

6 within the base differential?

7   A.   My professional judgment is that it's a trivial

8 cost. Most of the costs -- I mean, Grade A describes the

9 conditions under which milk is produced, and most of those

10 conditions are things that would be considered to be a

11 sunk cost on dairy farms today, that they have made the

12 investment, and it's a capital cost. I located my well so

13 many feet from animal concentration or manure. I have a

14 screen door on my milk parlor. You know, just a variety

15 of things like that. And those are standards of the

16 industry that I think don't really bear looking at very

17 closely at this point in time.

18   Q.   Are there other costs that are continuing and

19 ongoing that the farms have to incur in order to maintain

20 Grade A milk standards?

21   A.   I think that there are few things. They have to

22 keep records, for example, of use of medications on the

23 animals, that type of thing. It's something that they

24 would probably be doing anyway. They need to control

25 rodents and flies and that type of thing. Most of them

26 would want to do that for their own working environment.

27 And, you know, I think those are relatively small costs.

28   Q.   And deep cleaning as well; is that right?

1   A.   Cleaning, sure.

2   Q.   Energy costs in order to maintain the

3 refrigeration requirements?

4   A.   Grade B has to clean as well. I don't think --

5   Q.   With the same frequency?

6   A.   I don't think that most of the Grade B farms would

7 be finding a market for a product if they weren't

8 cleaning. They are the standards under which -- I

9 understand the difference between Grade A and Grade B, and

10 there has been in the past some ungraded milk, which

11 doesn't even have standard but...

12   Q.   And I just want to be specific to my question to

13 you, which is you understand that there are continuing and

14 ongoing costs that are incurred in maintaining Grade A

15 status?

16   A.   Yes, I do understand that. And I do think that

17 most of those costs would probably be done Grade A or no

18 Grade A. I don't think that Grade A imposes those upon

19 farms. I think they do that because -- very much as I

20 mentioned in the course of the testimony here, or at least

21 the written documentation, that we have had such things as

22 premiums that have been paid for low somatic cell count

23 milk. That costs something for those farms to achieve

24 that initially. But it's become commoditized now, and

25 it's so available that premiums are not being paid at the

26 same degree or level that they did at one point in time.

27   Q.   And whether the farms are used to paying those

28 costs or not or will pay them, they are still costs in

1 order to maintain a Grade A standard of milk; is that

2 right?

3   A.   They are. And I think that to use, again, the

4 example of low somatic cell count milk, farms have also

5 discovered that there are additional benefits to having

6 that, not just what the plant wants, but that my cows are

7 healthier and I get more production from them and so

8 forth. And I think the same thing is for many of the

9 Grade A standards.

10   Q.   And understandably, there are lots of benefits to

11 having higher quality practices.

12   But with those higher quality maintenance costs,

13 those farms still have to incur those costs; is that a

14 yes?

15   A.   Farms still have to incur the costs, sure.

16   Q.   And based on your historical -- or the historian

17 role that you were performing on behalf of MIG, you -- and

18 the records that you reviewed, that was estimated at order

19 reform at around $0.40 a hundredweight?

20   A.   That was quite a while ago, and I'm not sure

21 that -- I don't recall that that involved a great deal of

22 study at that point in time. I don't know what the source

23 of that $0.40 was.

24   Q.   Did you find any information on that in your work?

25   A.   I didn't find information on that.

26   Q.   Okay. And are you aware of any costs in the last

27 20-plus years that have gone down in a way that would

28 suggest that that number would be less?

1   A.   The $0.40?

2   Q.   Yeah.

3   A.   To attain Grade A status?

4   Q.   Yeah.

5   A.   We have very few farms trying to attain Grade A

6   status. They are at Grade A status. So that would be

7   maintain Grade A status. Is that what you are asking?

8   Q.   Yeah. Are you aware of any factors that would

9   suggest that the cost of maintaining Grade A quality milk

10 have decreased in the last 20-plus years?

11   A.   No, I'm not sure. But, again, I think that the --

12 I think that the documentation that AMS had offered was

13 that this was to support the conversion from Grade B to

14 Grade A. Correct?

15   Q.   I'm not asking about that. I'm asking about the

16 maintenance costs.

17   Anything that you read in any of the work that you

18 did in order to provide your testimony that would suggest

19 the costs of maintaining Grade A milk have decreased?

20   A.   I'm not sure that I know what would have become

21 less expensive in the way of inputs to the cleaning or

22 supplies, if that's your question. But, again, I don't

23 think that's what the AMS justification was about.

24   Q.   Because you are focused on the conversion?

25   A.   I think that that's what it was.

26   Q.   What about the costs of balancing, anything in the

27 work that you did, either as the historian or the

28 documents that you reviewed, that would suggest the costs

1 of balancing have decreased in the last 20-plus years?

2   A.   No, I -- well, yes, I guess, some things have

3 changed or at least shifted. So, for example, the

4 intra-week balancing that was common in the fluid milk

5 industry, when plants didn't operate on a Saturday or

6 Sunday, plants were incented to put in capacity to store

7 milk on the weekend and to at least receive milk on the

8 weekends and have that to be able to process on Monday.

9 So those investments had been made.

10   Q.   You ever have to update any of those investments

11 that are made more than 20 years ago?

12   A.   You have to update those you say?

13   Q.   Yeah. You have to update those from time to time?

14   A.   Oh, sure. Absolutely.

15   Q.   Or if you build a new plant, you have to incur --

16   A.   Capacity.

17   Q.   -- new costs?

18   A.   Sure.

19   Q.   So nothing in your reading that would suggest

20 those costs have decreased in the last 20-plus years?

21   A.   No. Who is incurring them perhaps has changed.

22   Q.   And you understand based on your historical work

23 in the industry that the Federal Order was put in place to

24 help neutralize some of the disparate bargaining power

25 between the parties?

26   A.   Yes.

27   Q.   And in some ways, it is your testimony that some

28 of those protections are no longer needed.

1   Is that because those -- those systems that were

2   put in place were successful?

3   A.   They were successful, during their time, that's

4   correct. I still think that there is a role to play.

5   Milk is still a perishable product when it's produced in

6   its raw state. It is still bulky and expensive to

7   transport long distances. There's still a lot of the

8   factors of milk and milk production that I think can make

9   farms vulnerable to market positions.

10   Q.   And that disparate bargaining power that was the

11   situation wasn't limited to just fluid milk, but it

12   pertained to all types of milk that was being delivered;

13   is that right?

14   A.   It was focused on fluid milk at the time.

15   Q.   And you understand that the system that was put in

16   place is designed to pay producers for their milk without

17   regard to its final end use?

18   A.   I understand that. That's correct.

19   Q.   And do you believe that that's necessary today?

20   A.   I -- I'm not sure that it is. We have a lot of

21   milk that is opting out of Federal Order regulation. The

22   total amount accounted for by Federal Milk Marketing

23   Orders has been declining for several years. We find a

24   number of plants, particularly those that are at the outer

25   zones of a Federal Milk Marketing Orders that are simply

26   feeling as though there's not enough money in the order

27   for me to put up with the hassle of reporting.

28   Q.   Okay. So you think there's enough change in the

1 circumstances now that suggest that now producers could be

2 paid differently based on the final end use of their

3 products?

4   A.   I think that we can reexamine whether or not the

5 Federal Order system is accomplishing what it was set out

6 to accomplish.

7   Q.   And what analysis or study did you conduct in

8 order to evaluate whether it would create disorderly

9 market conditions if producers were paid based on the

10 final end use of the product?

11   A.   Could you give me an example of disorderly

12 marketing conditions?

13   Q.   I'm asking you. Did you do any kind of analysis

14 or study to evaluate what would happen if producers were

15 paid based on the end use of their product?

16   A.   If producers were paid on the basis of the end use

17 of their products, I did not do that. What I did try to

18 take a look at is what it may take to incentivize milk

19 movements and to compensate for -- for balancing funds.

20   Q.   And you did that on behalf of your client, which

21 are the ten fluid milk processors that make up MIG?

22   A.   I did that for Davis Wright Tremaine.

23   Q.   Which is the law firm that represents MIG --

24   A.   I agree --

25   Q.   -- that is made up of just --

26   A.   -- yes.

27   Q.   -- fluid milk processors --

28   A.   Yes --

1   Q.   -- is that right?

2   A.   -- they are representing --

3   THE COURT: Finish your question, and then please

4   answer.

5   MS. HANCOCK: Yeah. I'll restate it just to make

6   sure it is a complete sentence.

7   BY MS. HANCOCK:

8   Q.   You did your work for Davis Wright Tremaine, which

9   is the law firm that represents MIG, that has the ten

10   fluid milk processor clients?

11   A.   That's correct.

12   Q.   And you did not do any of that work analyzing any

13   of the producers' actual experiences; is that right?

14   A.   No, I did not.

15   Q.   Did you conduct any kind of analysis or study

16   related to the economic conditions that affect supply and

17   demand of milk?

18   A.   No. And, again, I will repeat, as I have stated

19   before, that the USDSS takes the supply of milk and the

20   demand for dairy products as a given.

21   Q.   Did you look at the historical differentials prior

22   to order reform where differentials were set at $1.04 a

23   hundredweight?

24   A.   No. I looked at differentials I believe that were

25   $1.20 a hundredweight prior to reform.

26   Q.   And did you look at --

27   A.   It may have gone to $1.04. I don't recall. The

28   $1.20 -- I'm sorry for interrupting. The $1.20 was the

1 differential at that point in Minneapolis.

2   Q.   And did you do any kind of evaluation or analysis

3 to determine what it was that made up that $1.04 or $1.20?

4   A.   No, I did not.

5   Q.   Do you know what criteria was used to increase it

6 to the $1.60?

7   A.   This was in the Federal Register at the time that

8 it was published, I guess, but I don't recall what that --

9 at least I believe it was in the Federal Register, the

10 increase to $1.60.

11   Q.   So your work would have been limited to what was

12 published in the Federal Register?

13   A.   No, it was limited to the documents that I had

14 available.

15   Q.   And have you provided any of those as part of the

16 evidentiary record that you are putting forth today and

17 yesterday?

18   A.   I don't recall that I did. I can.

19   Q.   In -- in Exhibit 452, the May of 2016 model

20 results, did you do any work to evaluate the impact at the

21 local county level for these price differentials?

22   A.   I'm not sure I understand the question. These are

23 all at the county level.

24   Q.   Did you evaluate any of the local county results?

25   A.   I have looked at the county results, and I looked

26 at a few of the specific examples on here of what the

27 differences have been. Every county has been mapped, as

28 well as reported in this document. So I'm not sure I

1 guess what your question is. I have touched every county.

2   Q.   Yeah. So I understand that you have looked at the

3 model results, which includes all broken down by county.

4   Did you do anything at the local level to actually

5 evaluate the local conditions of the market to determine

6 if the model results are accurately being utilized in

7 those specific counties?

8   A.   Well, I think the short answer would be no. But,

9 yes, we have looked at every county and looked at the

10 estimated milk supply on a county-by-county basis. We

11 have made estimates of the components that do add up to

12 the state values that are reported. We do look at the

13 population of all counties. We do look at the estimates

14 of per capita consumption of all counties.

15   And so I do think that when you are asking

16 questions about have we considered supply and demand

17 conditions or -- at the local level, yes, we have.

18   Q.   And those elements that you were just describing,

19 those are the factors that are taken into account by the

20 model?

21   A.   Those are the factors taken into account by the

22 model.

23   Q.   So separate from the model results, have you done

24 any kind of subjective evaluation of the local market

25 conditions and the competitive circumstances to evaluate

26 the model results?

27   A.   Could you give me an example of the competitive

28 conditions that you want me to respond to?

1   Q.   Anything that you can think of that would affect

2 the competitive circumstances based on your 40 years in

3 the industry.

4   A.   The term competitive condition seems a little

5 loose to me. Can you make that more precise?

6   Q.   Yeah. Did you do anything -- other than use the

7 model results, did you do anything to evaluate the local

8 conditions of the dairy industry to make sure that the

9 model results are accurately being applied in each market?

10   A.   We do extensive work to make sure that the model

11 data and the results are correct, that when we get a final

12 report from the model, that they add up to all of our

13 known factors of production that are going into here,

14 including locations of plants. In other words, the model

15 cannot make product where there is not a plant to do so,

16 so --

17   Q.   Did you do any kind of evaluation or changes to

18 the May 2016 model results to update it for plants that

19 had closed?

20   A.   No. These were 2016 results.

21   Q.   Did you do any kind of local evaluations to make

22 sure that Exhibit 452 includes new plants that have come

23 online since 2016?

24   A.   These are 2016 results. I would repeat that. If

25 we wanted 2023 results, it would require that we try to

26 pull all of those data together and rerun the model which,

27 you know, we -- we would do if this was something that

28 would help forward the industry.

1   Q.   I'm just trying to figure out as part of the work

2   that you did in putting Exhibit 452 into the record, did

3   you do anything at the local level to make sure that

4   Exhibit 452 is accurate today?

5   A.   It wouldn't be accurate today. It would be

6   accurate as of 2016.

7   THE COURT: Remember where you are, Ms. Hancock.

8   Let's take 15 minutes. I would like you to be back at

9   9:50. Go back on record about 9:50. Go off record at

10   9:35.

11   (An off-the-record discussion took place.)

12   THE COURT: Let's go back on record.

13   Back on record at 9:52.

14   Ms. Hansen [sic].

15   MS. HANCOCK: Dr. Stephenson, I don't have any

16   further questions. Thanks for your time this morning.

17   THE WITNESS: You're welcome.

18   THE COURT: Who next has cross-examination for

19   Dr. Stephenson?

20   If no one else has cross-examination, I'll turn to

21   the Agricultural Marketing Service for questions. I see

22   no one.

23   The Agricultural Marketing Service is invited to

24   ask questions of Dr. Stephenson.

25   MS. TAYLOR: Thank you. I'm surprised. You

26   caught me off guard.

27   //

28   //

1   CROSS-EXAMINATION

2   BY MS. TAYLOR:

3   Q.   Good morning.

4   A.   Good morning.

5   Q.   Thanks for coming back today.

6   A.   You're welcome.

7   Q.   Okay. A couple questions to help us understand

8   the numbers.

9   For the model that you -- the 2016 run that you

10   did --

11   A.   Yes.

12   Q.   -- when you and Dr. Nicholson talked about what

13   you have done -- the updated things that you have done,

14   you talked about a small run and a large run. So, for

15   example, the graph you have on page 10 of Exhibit 451, the

16   written statement, and then the numbers on Exhibit 452

17   that go along with that, is that out of the small run or

18   the large run?

19   A.   This is out of the small run. We didn't have the

20   large run completed at that time.

21   Q.   Okay. We noticed -- I'll turn to page 10 with the

22   graph.

23   When we're looking at the reds and the greens, we

24   found it -- you could almost draw a line at the California

25   border, and then down through Nevada at that border, to

26   kind of where the red stops and the green starts again.

27   And just kind of found that interesting, and I'm just

28   wondering if you might have an idea of why that's

1 happening, and -- and is the fact that you did a small

2 versus a large run impacting that?

3   A.   No.   I can, I think, fairly safely assure you that

4 that's not a small-versus-large model run, but it is a

5 curious set of outliers. And I think that what it's doing

6 is reflecting the fact even though there's a lot of milk

7 in California, there's also a lot of population there, and

8 it's requiring that that processing of fluid milk and its

9 needs -- and the same thing would be true in Nevada

10 that -- relative to the population -- or relative to the

11 milk production there's a lot of population there -- sways

12 this toward being more advantageous, I guess, for fluid

13 than it has been for manufacturing. And it probably has

14 something to do -- and I -- I meant to go in and take a

15 look at that in more detail because this is another one of

16 the things that stuck out to me was that those two states

17 appear to be an island of green in, you know, a sea of

18 red.

19   You see a little bit of the inverse of that, I

20 think, also a curiosity when you look at New York State on

21 a map like this, that that single state also has aspects

22 of green as you get toward Long Island area and aspects of

23 red as you look at the northern and western parts of the

24 state. But, once again, the model has real need for these

25 manufactured dairy products. There's large population

26 that wants those as well. And then it places where you

27 have got surplus milk, it -- those are truly advantageous

28 to the model to have them there.

1   Q.   And -- okay. And so I know you didn't look at the

2   2021 data for this purpose?

3   A.   No.

4   Q.   But do you have an idea if you think the greens

5   would be greener and the reds would be redder, for

6   example, over the seven years?

7   A.   I can honestly tell you I didn't even peek at

8   that, and I would have had to do some additional data work

9   to be able to do that. But my intuition tells me that the

10   green would be greener and the red would be redder.

11   Q.   Okay. We noticed -- and I want to talk a little

12   bit about the numbers in Exhibit 452. And as we

13   understood how the model works, just generally, not

14   specifically these numbers -- and you did clarify with

15   Ms. Hancock that there's no dollar -- there's no base

16   differential in these numbers. It's a complete shadow

17   price.

18   So my assumption is somewhere in here would be a

19   zero, but the lowest number we see in here for a Class I

20   shadow price is $1.03 in three different areas. Just

21   curious why that is.

22   A.   Well, there would be a zero somewhere. And I'm

23   not sure -- I didn't look at these closely enough, I

24   guess, to determine what the lowest values were.

25   One of the things that does happen is that --

26   important to recognize that a zero value happens at an

27   infinitesimally small point where there is manufacturing

28   going on, and there is interpolation to get the data

1 values across all points. And that's one of the reasons

2 why I think in at least one of the month's model runs, if

3 I recall, for the 2021 data, that you don't see $1.60

4 showing up in the county maps because there is a point

5 within the county that isn't $1.60, but by the time it is

6 averaged and spread across the county, by the

7 interpolation of the other 12 points closest to it, those

8 values become big enough to make it something larger than

9 $1.60 average in the county.

10   Q.   Yeah. And I think when we looked back at the 2021

11 survey, the lowest point was, I think, $0.10. Right? I

12 think it came out in the studies or in the evidence

13 entered in this record as $1.70, so I took off the buck

14 60, which was included, say $0.10.

15   A.   Yes.

16   Q.   But I don't see anything on here that's kind of

17 that low. Right? We went through the spreadsheet -- and

18 so it was a buck, and it just seems like that's rather

19 higher than we would think as an actual base zone.

20   A.   Yeah. I -- I hadn't caught that, Erin --

21   Q.   Okay.

22   A.   -- and I would want to look at that, I guess, to

23 see and make sure because it should be down in that range

24 of, you know, $0.05 or $0.10, not -- not a buck.

25   Q.   Okay. Okay. Another question we had, so we

26 looked at a few anchor cities. Well, National Milk talked

27 about the anchor cities that they used to kind of look at

28 the model from 2021 and then come up with their proposal.

1   And we just wanted to look at the shadow price for the

2   2016 run and then the shadow price for the 2021 run.

3   And so -- and I'll take Yuma, Arizona, as example,

4   and if you would just give me the pleasure to assume the

5   numbers I'm telling you are correct.

6   A.   Okay.

7   Q.   But I -- for everyone else's following along, the

8   numbers came out of MIG Exhibit 64C. And I don't have the

9   other exhibit number written down.

10   So in Yuma, the model number in that exhibit is

11   2.15. So if I take out $1.60, that leaves me with a

12   shadow price of $0.55. And then in your 2016 run, if I

13   look at the shadow price, it is 3.31, significantly more.

14   I'm just curious if you had an idea as to why that

15   is. And that's -- it is similar for other cities, that

16   the 2023 -- 2021 numbers are significantly higher than the

17   2016 numbers.

18   A.   I don't have a good explanation for that, Erin.

19   You may have caught a major flaw in what I have done here,

20   and I would want to look at that.

21   Q.   Okay.

22   A.   I mean, that's seriously something that I

23   should -- I should have caught.

24   Q.   Okay. I mean, for all I know it could be correct.

25   We're just kind of trying to process what this all means.

26   A.   That would not make sense to me.

27   Q.   Okay. So you talked in general about how there

28   was a difference between I and III you look at as a

1 give-up charge basically. But the results coming out of

2 the model, as we understand them, and as I understand

3 them -- and you talked a little bit about this with

4 Ms. Hancock -- is that the model kind of puts out the

5 optimal result for efficiency sake. And you're -- you're

6 kind of taking that number and saying, okay, well, that's

7 a proxy for what a give-up charge would be.

8   Is that a correct characterization?

9   A.   The model has solved for all the needs that we

10 have in the country. When you take a look at the

11 differences between one class and another out here, I

12 think it describes just exactly how much a particular

13 plant may want to hold on to their milk, it is of that

14 level of value to them, and they would have to be

15 compensated at at least that rate to feel like they are no

16 worse off by giving that up.

17   Q.   And so I'm -- do you have an idea of what -- what

18 goes in the determination of a plant to want to hold on to

19 that milk, from like a cost perspective, what do they

20 weigh to determine, I'm willing to send it to a fluid

21 plant for X amount rather than keep it here and make

22 cheese, for example?

23   A.   Uh-huh. This would be -- you know, the concept of

24 the shadow price that we're using in a model like this is

25 to be I'm indifferent between receiving a next

26 hundredweight of milk at this location, or how much would

27 I have to pay to get that next 100 of milk to move -- a

28 hundredweight of milk to move here. And that's what the

1   shadow price really is.

2   In the more global model sense, it would be

3   saying, if I had another hundredweight of milk at this

4   location, could I reconfigure the model results by

5   something that would lower the total cost to the entire

6   dairy system? So that really is what we're talking about

7   when we are looking at the shadow price.

8   It is that economic current, if you will, that

9   people are feeling as, you know, they have opportunities

10 for their product and their sales opportunities and what

11 we -- what I would call, I guess, the opportunity cost of

12 giving up that milk.

13   So, I mean, a marginal value is how much would it

14 cost me to procure one more unit of that milk, and a very

15 close proximity to that would be how much would I have to

16 be compensated to give up one unit of milk.

17 Q.   Okay. And so for the Class I -- so following that

18 logic, so for Class I handlers, it would be the cost of

19 getting the raw milk to my plant, how much do I have to

20 spend to get the raw milk to my plant?

21 A.   Beyond what was required to process what I

22 processed here.

23 Q.   Yeah.

24 A.   Yeah.

25 Q.   And then for the Class III side, that shadow price

26 is a lot of factors, one of them to be what is the lost

27 sales I would incur to give it up to the fluid plant

28 rather than to process it and distribute it out into the

1 finished product market?

2   A.   Yeah. You should probably think of it in exactly

3 the same way you thought of the fluid plant.

4   Q.   As an assembly cost?

5   A.   Or the give-up charge, correct. I mean, it's --

6 it is that marginal value at having solved what the model

7 solved for at that point in time.

8   Q.   Okay. And you -- so this is listed as a Class III

9 shadow price.

10   What -- is that all Class III or just cheese?

11   A.   It's all Class III.

12   Q.   That includes whey?

13   A.   It includes all of the hard cheeses -- all of the

14 products that are in Class III manufacturing.

15   Q.   Okay. I wondered if you could expand a little bit

16 about how exports are handled in the model. I guess I'll

17 just start there.

18   A.   We identify all of the ports that dairy products

19 can be shipped out of. We know how much were shipped out

20 of each of those ports. So we make those port

21 destinations a new demand center. So it is almost as

22 though we have got people demanding these specific

23 products right there. So the model has to get the product

24 to that port. We -- beyond that we are not incurring

25 shipping costs or anything else. But we do have to get

26 the product to that port and committed for what actually

27 occurred at that month and year that we are making the

28 model run for. I believe that there are 16 ports that we

1 have in the model. I'd have to double check that, but I

2 think that's about it.

3   Q.   So, whey, you know, a lot of whey is exported --

4   A.   Yes.

5   Q.   -- a bunch of it. And since that's in Class III,

6 I was wondering if you might opine in maybe how that might

7 be impacting the Class III shadow -- or if that might be

8 impacting these Class III shadow prices in some particular

9 way, W-A-Y?

10   A.   You know, again, this is where you would want to

11 go back and take a look at some of the primal values, the

12 actual shipments, the processing that occurs in the model.

13 You would want to look at a port, just take a port as an

14 example, trace it back, and -- and discover where did that

15 whey come from. But that would be part of the demand that

16 the model has met to be able to meet the demands for

17 export as well as domestic consumption. So shadow prices

18 are really falling out of how did we meet the actual

19 physical product movements to meet the demand needs for

20 export.

21   Q.   Okay. So in your discussions with Dr. Cryan and

22 Ms. Hancock, I think I generally -- and reading your

23 testimony, you know, the overall sentiment I get from your

24 testimony is not that you don't think these costs don't

25 exist in the base differential, so Grade A maintenance or

26 conversion, I think you said that was -- to your opinion

27 was more of a conversion cost, a balancing cost, and then

28 incentive to supply. So you are not saying they don't

1 exist, you are just of the opinion that those should be

2 not in the regulated costs -- should not be covered in the

3 minimum regulated price, they should be outside of the

4 system.

5   Is that correct?

6   A. That's correct. As an example, we have been

7 talking a lot about the differentials and the values that

8 are composed in the differential costs here. But by far,

9 the larger value of milk the dairy farmers are receiving

10 are from the calculated monthly values that you're

11 announcing as Class III, Class IV, II, and I prices.

12   So Class I has the additional components here of

13 the differential in that announcement, but the base cost

14 is much bigger than the differential.

15   Q. Uh-huh.

16   A. And those additional costs of some of these things

17 would -- wouldn't be much different than the grease I use

18 on my tractor. You know, that has to be somehow paid by

19 the milk that's produced too, and we don't include that as

20 part of the differential.

21   Q. And I think what I heard you also say is that

22 those costs can differ regionally, so in one part of the

23 country, let's say, balancing costs were higher, and maybe

24 in another part of the country, for example, the

25 Southeast, the incentive to supply the fluid milk plants,

26 that cost would be higher.

27   Is that accurate?

28   A. Yes. I think that it was convenient to me as a

1 way of thinking about this, the components that have been

2 written about what is in this $1.60, and both the give-up

3 charge or the opportunity cost is there as one of them,

4 and balancing is another one. I think that in some

5 regions of the country, balancing costs are much more

6 important than give-up costs, and in some regions of the

7 country give-up costs are probably bigger than the

8 balancing costs.

9   Q.   Okay. So if we -- if the Department did set the

10 base differential at zero, I want to talk a hypothetical

11 example.

12   With the understanding, you know, the Act -- and

13 you talked about this, one of the objectives of the

14 program as outlined in the Act is to ensure efficient

15 supplies of milk are available for fluid needs. So that's

16 interpreted as the fluid order needs to make sure that the

17 milk gets to the fluid plant, and we use pricing and

18 pooling provisions to do that.

19   So an example of Los Angeles, the current

20 differential is $2.10. If we took the $1.60 out of that,

21 that would leave a differential of $0.50.

22   So my question is, you know, how -- would $0.50

23 move milk to those plants in L.A.?

24   A. $0.50 doesn't move milk very much, very far,

25 anywhere. But I gave as an example in my previous

26 testimony, that if you had a dairy producer who had two

27 plants equidistant from his farm, one of -- or they were

28 both, let's say, 100 or 200 miles away from the operation,

1   the cost to transport is going to be the same. But if one

2   of those farms was in -- or plant was in a zone that was

3   say $0.10 different than the other plant, he would

4   probably always want his milk to move in the direction of

5   the $0.10 greater value. It doesn't compensate for his

6   full transportation costs, but it encourages the movement

7   of the milk in the direction it's needed.

8   And that's what I think, you know, you see with

9   any of these kind of values that don't cover full costs.

10   Q.   Sure. But in -- in -- as you all -- you had

11 talked about, and other witnesses have, typically the

12 plants are where the people are, and the fluid plants are

13 where the people are, and the cheese plants are where the

14 cows are. So in that example, there's not a lot of farms

15 near the fluid plant, so there is no farm equidistant from

16 a cheese plant and a fluid plant to make that decision.

17   I mean, how does that help us serve the fluid

18 plants if the cheese plant is 30 miles from me and the

19 nearest fluid plant that needs to get milk is 150 miles

20 from me, for example?

21   A.   Well, my thought process here would be that if I

22 had a dairy farm near -- or just outside of Bakersfield or

23 something, and I had a cheese plant to the north, and the

24 fluid plant is to the south, that were about the same

25 distance from my operation, would I have that milk flowing

26 north to the cheese plant or would I have it going south

27 to the fluid plant? I would probably want it to go south.

28 I would want to pick up that extra $0.50.

1   Q.   Okay. I was wondering if you had -- I don't

2   believe you did any analysis, but given your background,

3   put any thought into the impact to the pools should the

4   base differential be set at zero?

5   A.   Yeah. It could be very difficult with some of the

6   pools, no question about it, because many of the pools

7   have those $1.60 values in a portion at least of that

8   market area, so the pools could be much smaller.

9   I also just -- and I'm not trying to pick winners

10 and losers in this kind of thing, nor would I think USDA

11 would be trying to do that. You would be trying to think

12 about what the best representation of an efficient market

13 could be and how can we help forward that.

14   So it's likely under those conditions that much

15 less milk would be pooled. I'm not sure that that would

16 be a bad thing in many cases. I don't want it to be zero.

17 I think that we need to have milk pooled in all those

18 orders, but if it moved utilization from -- Class I

19 utilization from 10% to, say, 50% of a pool, because you

20 lost milk in that pool, I'm not sure that's a bad thing.

21 I think you are still supplying the Class I needs. You

22 are meeting the requirements of what the orders are

23 supposed to do.

24   MS. TAYLOR: Okay. I wonder if I could ask Your

25 Honor for a quick five-minute break.

26   THE COURT: Of course.

27   MS. TAYLOR: And I have a few questions on

28 Make Allowances, since it's I think our last opportunity

1 to probably ask you about that study, and I just need to

2 get another -- have a little discussion. So if we could

3 take a five-minute break.

4   THE COURT: Of course. Yes. We'll go off record.

5 Please be back ready to go at about 10:22.

6   (Whereupon, a break was taken.)

7   THE COURT: Let's go back on record.

8   We're back on record at 10:23.

9   And so I have an essential participant who is not

10 in the witness chair, and we'll go back off record.

11   (An off-the-record discussion took place.)

12   THE COURT: Let's go back on record.

13   We're back on record at 10:23.

14   Ms. Taylor, you may resume.

15 BY MS. TAYLOR:

16   Q.   This will be short. I did put on your table there

17 two exhibits for everyone. It is Exhibit 158, which is

18 NMPF-18C, and Exhibit 178, which is IDFA-1, and they are

19 the 2021 and 2023 manufacturing cost studies. You

20 probably won't have to look at them, but just in case you

21 did, I wanted you to have them.

22   In the 2023 study, you put not only the new

23 numbers on there, but you also in it put in -- you had

24 gone back and done the 2021 study using the

25 non-transformation allocation.

26   A.   Yes.

27   Q.   Okay. The question we have is, in all the other

28 studies you put a high and a low breakout, but because --

1 you just put the average in that study, so we were

2 wondering if you had the high and low breakout for the

3 non-transformed 2021 numbers.

4   A.   I don't have the table available that way or, at

5 least I didn't look at it, I guess. I simply reported it

6 as the average on there. Apparently I -- if you would

7 have asked me, I would have said they were probably high

8 and low. There was no reason not to do that.

9   Q.   Would it be possible to get that?

10   A.   I suppose. I'm feeling as though --

11   Q.   You don't want to come back here?

12   A.   -- I may not be able to escape here as easily as I

13 thought.

14   THE COURT: What part of "retired" did you not

15 understand?

16   MS. TAYLOR: But he keeps coming back, so he must

17 enjoy this.

18   THE WITNESS: Erin, you have spoiled my entire

19 day.

20 BY MS. TAYLOR:

21   Q.   I'm sorry. You are probably not the first person

22 that feels that way about me.

23   Just as we kind of go through, trying to analyze

24 the evidence, it might be helpful to just have that

25 additional piece of data since we do have it for the two

26 other studies that you put in there.

27   A.   I will make sure that I get that to you.

28   Q.   Thank you very much.

1   And then one last question. With the 2023 survey,

2   in particular the whey piece of that, I was just wondering

3   if you could share any more information on the plants that

4   participated particularly in the whey study, the high cost

5   plants that participated.

6   A.   And by share additional information, what do you

7   mean by that? I have -- I have always told plants who

8   participated.

9   Q.   Sure. I'm not asking for anything confidential.

10   More along the lines, you kind of had said how, for

11   example, butter surveyed between the two, the sample was

12   very different of plants.

13   A.   Yeah.

14   Q.   But could you kind of speak to that on the whey

15   side.

16   A.   Also true with whey, that we had different plants

17   who participated in the two different studies. Not

18   entirely different, there was some overlap between them,

19   but there were clearly different plants and different

20   sizes. So you may give some additional information with

21   the high-low breakout. I'm not sure about that. But I

22   would assume that that may give you some additional

23   information.

24   Q.   Okay. And when you say, there's -- there was some

25   overlap, can you estimate what that is? Half of the

26   plants were the same?

27   A.   I was going to say half of the plants were the

28   same. And specifically for the whey operations.

1   Q.   Yeah. Okay.

2   And so if the number is higher, I would assume

3 then that the other half were more high cost plants on the

4 2023 study. Could I assume that I guess is a better

5 question?

6   A.   Well, that the average prices came up, I think you

7 certainly could assume that.

8   MS. TAYLOR: Okay. I told you it would be quick.

9 I think that's it from AMS. Thank you so much for your

10 time.

11   THE WITNESS: You're welcome.

12   THE COURT: And the time to be spent in the

13 future, Dr. Stephenson.

14   THE WITNESS: Thank you?

15   THE COURT: Mr. Miltner, you may come forward.

16   MR. MILTNER: Thank you, Your Honor.

17   CROSS-EXAMINATION

18 BY MR. MILTNER:

19   Q.   Ryan Miltner, I represent Select Milk Producers.

20 And I apologize, I was a few minutes late back in the room

21 when USDA asked questions, which is helpful, because you

22 asked several of the questions that I was going to ask,

23 Ms. Taylor.

24   Dr. Stephenson, I -- I want to ask your help in

25 looking at one example here to help me get a better

26 understanding of your analysis, and it's similar to some

27 of the questions that USDA asked.

28   I'm looking at -- I want to look at a couple

1   counties in particular. I wanted to look at Michigan.

2   And I pulled these numbers from Exhibit 452. So I was

3   looking at Clinton County, Michigan, and the difference

4   for that county is a negative $0.329.

5   A.   I see that.

6   Q.   And Clinton County is where St. Johns, Michigan,

7   is. There's a relatively new cheese plant there.

8   A.   That's my hometown.

9   Q.   That is your hometown. That I did not know.

10   So you are familiar with that cheese plant, at

11 least its existence?

12   A.   I'm familiar with its existence, yes.

13   Q.   So the difference -- what does -- what does the

14 difference of negative $0.329, what would that mean to the

15 buyers of milk at that cheese plant?

16   A.   For the buyers of milk at that cheese plant, it

17 would mean that if they were being asked to give up milk

18 to a fluid plant in that area, that they would be

19 unwilling to give that up. It would be worth at least the

20 $0.33 to them, unless they were compensated that much

21 more.

22   Q.   Now, if I look at Kent County, Michigan, which is

23 Grand Rapids, the difference is a negative $0.484. And I

24 don't know -- I'm not aware of any Class III plants in

25 Kent County, but there are bottling plants in Kent County.

26   So for a bottling plant in Kent County, what does

27 that $0.484 mean?

28   A.   That $0.484 to that particular region would mean

1 that they would be expected to have to pay at least an

2 additional $0.48 to be able to get milk into that

3 operation.

4   Q.   And they are going to pay $0.484 above what?

5   A.   Above their regulated cost. This depends on

6 should this be adopted, you know, so, for example, then

7 they would have money for sure in the $1.60 that would be

8 available to them to target that milk. They shouldn't

9 have trouble attracting that. So if they are looking at

10 the base value of their milk production, then that would

11 be the assumed cost that would be required to get that

12 milk there.

13   Q.   Right now Kent County's differential is $1.80?

14   A.   Uh-huh.

15   Q.   So does this suggest that they would pay $0.484

16 above $1.80 or above $0.20?

17   A.   Well, the differential would be different if -- if

18 this was adopted. I had assumed that the differentials

19 would be the shadow price values that are given here and

20 that the $1.60 would be on top of that. So that the fluid

21 plant would be required to pay the shadow price value plus

22 $1.60, but they could pay that directly to -- the $1.60

23 directly to the procurement of milk rather than into the

24 pool.

25   Q.   Now, very early on in the hearing there was a

26 producer from Michigan who testified. I believe his farm

27 was located very close to the plant in St. Johns. I think

28 he also testified that the closest Class I plant to him

1 would be in Grand Rapids.

2   If you are a producer, and you are receiving a

3 uniform price, do the numbers you provide as a difference

4 affect that producer's income in any manner?

5   A.   The data that I have here is not indicative of a

6 blended price, but it would be suggestive that he would --

7 he or she would receive the $1.60 on top of the uniform

8 price that would be calculated at that point in time.

9   Q.   That $1.60 under your analysis would be paid

10 directly to the supplying producer, it would not be a

11 pooled figure?

12   A.   If this member or person was a member of a

13 cooperative, then the cooperative would receive the $1.60

14 and can reblend within the cooperative. But, yes.

15   Q.   Okay. And if the producer were independent?

16   A.   If the producer were independent and shipper to

17 that, they would receive that directly. If the fluid

18 plant received the milk from the St. Johns cheese plant,

19 and the cheese plant had paid for -- in the blended price

20 from the pool, then they would receive that $1.60.

21   Q.   Now, in testimony from Ms. Keefe, she included a

22 chart which estimated the uniform price impact if -- if

23 the $1.60 were reduced to zero, and for the Mideast order,

24 the uniform impact was presented as a $0.59 decrease.

25   So in your scenario that producer would be net

26 $1.01 under the adoption of this scenario; am I correct

27 then?

28   A.   I believe that would be correct math, the plus

1   $1.60 minus -- did you say $0.59?

2   Q.   Yes.

3   Now, if I look at Merced County, California, in

4   Exhibit 452, the difference there is a positive $0.059.

5   There is a cheese plant and a bottling plant in Merced

6   County.

7   So just so, again, I'm clear, for the cheese

8   plant, what does the positive $0.059 mean to them?

9   A.   You're telling me that the positive $0.59 is the

10 same in California as it was in Michigan pool?

11   Q.   I'm sorry, I was unclear. So let's just take --

12 let's -- we're done with Michigan.

13   A.   Yep.

14   Q.   Let's just look at California.

15   A.   Okay.

16   Q.   And if I look at Exhibit 452, where you have got

17 your shadow prices and the differences, and I'm looking at

18 Merced County, the difference there is $0.059, but it is

19 positive. Okay?

20   So if -- if you are a cheese plant operator in

21 Merced County, California, what does that $0.059 convey?

22   A.   That $0.059 conveys the fact that the fluid plant

23 can attract milk from the cheese plant without the need

24 for the $1.60. That they would have the ability to pay

25 about the same as they would, but the $1.60 would still be

26 required to be paid under what I had conceptually

27 provided.

28   Q.   Okay. I think just one more question I have, and

1 this is a question about part of your written statement.

2 And I'm looking at the last lines of page 11.

3   A.   Okay.

4   Q.   And you stated that "handler actions such as

5 depooling are more a symptom of the underlying problems

6 than the problems themselves."

7   With respect to just that sentence, what

8 underlying problems were you thinking of when you wrote

9 that sentence?

10   A.   I was thinking that when we see depooling

11 occurring, it's because there is not enough money in

12 Federal Order pools to be attractive to do the things that

13 were trying to be done in the Federal Order. So in other

14 words, you paid more out on the basis of components,

15 value, and Class III than you had collected.

16   MR. MILTNER: That's all I have. Thank you very

17 much.

18   MR. ENGLISH: Good morning, again, Your Honor.

19   REDIRECT EXAMINATION

20 BY MR. ENGLISH:

21   Q.   Chip English for the Milk Innovation Group.

22   So I only have a few questions that I want to

23 preface with the following. Dr. Stephenson, as much as it

24 pains you, you are likely going to return in the last week

25 to address the issue addressed -- that USDA addressed

26 about 452 and the shadow prices, correct?

27   A.   Correct. Apparently I have made an error in here,

28 and I willingly admit that this is something that, you

1 know, should have been caught. I'm glad that AMS caught

2 that.

3   Q.   So with that as a predicate, I'm going to limit my

4 questions to a few things, just because they were asked

5 today, and I think it makes more sense to tie them up

6 today.

7   In response to some questions from Dr. Cryan, I

8 think one summary statement you made is that the Act as

9 adopted was dealing with fluid milk issues, but today,

10 it's your view we have to look at those in the -- in the

11 lens of a manufacturing market, correct?

12   A.   That's correct.

13   Q.   And why is that significant?

14   A.   Well, it's significant because they create a

15 different set of forces on the marketplace than was true

16 back in the late 1930s and early '40s.

17   Q.   And then one set of questions, because I think

18 time got away from all of us. In answer to questions

19 from -- from National Milk's lawyer, you suggested that

20 you were retained in the summer of 2023.

21   Were you, in fact, retained in the summer of 2022,

22 the first conversations?

23   A.   I believe that's true.

24   And I also believe that I received my Ph.D. either

25 in '89 or '90.

26   Q.   And then the formal retainer letter of Davis

27 Wright Tremaine was in early November of 2022; is that

28 correct?

1   A.   I believe that's correct.

2   Q.   And most of the work leading to this report today

3   was actually done in February or March of 2023, before MIG

4   submitted its proposal to USDA?

5   A.   That's correct. Yes.

6   Q.   And finally, you have been a participant in these

7   Federal Order hearings at least since 1993, correct?

8   A.   Yes.

9   Q.   That's the first time I encountered you, correct?

10   A.   At least. Yes. I did testify in the -- yes, the

11   1993 hearings, that's correct.

12   Q.   And you have appeared either on your own or, for

13   instance, as part of informal rulemaking with Dr. -- with

14   the Cornell model, which eventually became the USDSS

15   model. You have appeared -- in those cases you have

16   appeared for Make Allowance, and you have appeared here

17   for MIG.

18   In all of those cases, you have provided your own

19   independent views and not taken instructions from others,

20   correct?

21   A.   That's correct.

22   MR. ENGLISH: That's all I have for now,

23   recognizing that Dr. Stephenson will indeed be back.

24   THE COURT: Are there any other questions for

25   Dr. Stephenson today now?

26   Apparently not.

27   Thank you so much, Dr. Stephenson.

28   THE WITNESS: Thank you.

1   THE COURT: You may step down.

2   MR. ENGLISH: I actually moved admission -- we

3   already admitted them, right?

4   MR. HILL: Yes.

5   THE COURT: The record should reflect that we are

6   returning the record copies of the two exhibits that were

7   utilized in the Agricultural Marketing Service questions.

8   Before you begin, Mr. English, I just wanted to

9   make an announcement. I referred to our sound man with

10   the wrong name yesterday. I made the same mistake I had

11   made in December and been corrected. His name is Dakota,

12   and he has requested that anyone that has a PowerPoint

13   presentation, please be certain that during the break

14   before we start again, that you give him an opportunity to

15   test it out. So any time exhibits are being distributed,

16   including a PowerPoint, please invite Dakota to work on

17   the transmission to the screen that we have here.

18   Thank you, Mr. English.

19   MR. ENGLISH: Thank you, Your Honor.

20   We next call to the stand Warren Erickson of

21   Anderson Erickson Dairy.

22   We have earlier passed out Exhibits 17A and 17B,

23   which were pre-submitted. I think we had a pagination

24   error that we corrected with respect to 17A. But if we

25   could have 17A and 17B marked, Your Honor. And I confess,

26   I have lost track of exhibit numbers.

27   THE COURT: Which one do you want to be first?

28   MR. ENGLISH: 17A is the testimony, and 17B is his

1 PowerPoint presentation.

2   THE COURT: All right. Let's utilize for 17A --

3   MR. ENGLISH: Sorry, that's not what's on here.

4   THE COURT: Let's go off record for just a moment.

5 We'll also make sure that the PowerPoint will work.

6   We go off record at 10:45.

7   (An off-the-record discussion took place.)

8   THE COURT: We're back on record at 10:46.

9   MR. ENGLISH: I stand corrected. There are three

10 documents submitted: Exhibit 17, MIG-17, which was

11 pre-submitted; 17A, which was submitted last Friday; and

12 17B.

13   So 17 -- Exhibit MIG-17, could I have that marked

14 as the next exhibit number, Your Honor?

15   THE COURT: I would move 454 is 17; 455 is 17A,

16 and 456 is 17B.

17   (Thereafter, Exhibit Numbers 454, 455, and

18   456 were marked for identification.)

19   MR. ENGLISH: Thank you, Your Honor.

20   Was the presentation working, indeed?

21   THE COURT: You may presume that it is. So you

22 want to start with it?

23   MR. ENGLISH: Bingo.

24   THE COURT: All right. Excellent.

25   MR. ENGLISH: All right. Have we sworn the

26 witness?

27   THE COURT: No. Thank you, Mr. English.

28 Sometimes I forget my main job. All right.

1   Would you identify yourself by stating and

2   spelling your name into the microphone, not to me.

3   THE WITNESS: Yes. My name is Warren Erickson.

4   That's W-A-R-R-E-N. Erickson is E-R-I-C-K-S-O-N.

5   THE COURT: Have you previously testified in this

6   proceeding?

7   THE WITNESS: No.

8   THE COURT: I'd like to swear you in.

9   WARREN ERICKSON,

10   Being first duly sworn, was examined and

11   testified as follows:

12   THE COURT: Thank you.

13   Mr. English.

14   MR. ENGLISH: Thank you.

15   DIRECT EXAMINATION

16   BY MR. ENGLISH:

17   Q.   So, Mr. Erickson, what is your position with

18   Anderson Erickson?

19   A.   My position is one of president and CFO of

20   Anderson Erickson Dairy.

21   Q.   How long have you worked for AE?

22   A.   I've worked for AE in a full-time basis about

23   27 years. It is a family business, so I worked there the

24   rest of my life also, but we won't count that.

25   Q.   What's your educational and professional

26   background?

27   A.   I have a bachelor of business administration

28   degree in accounting from the University of Iowa, as well

1 as a master's degree in accounting from the University of

2 Iowa.

3   Those were in 1990 and 1991, if anybody cares. I

4 remember mine. Yes.

5   Q.   So given your role as president and CFO, what does

6 that actually mean on a day-to-day basis at AE today?

7   A.   On a day-to-day basis I do oversee plant

8 operations, office operation, financial operations, and

9 intimately involved in milk procurement.

10   Q.   Let's go to your first slide beyond the title

11 slide.

12   So tell me a little about AE's history.

13   A.   AE started in 1930. So this is a picture in the

14 late '30s. My grandfather is in the picture. And humble

15 beginnings in Des Moines, Iowa. Started as a family

16 business. Most of the people in the picture are his

17 brothers and sisters, and they all worked to distribute

18 milk around the Des Moines area.

19   Q.   What about Mr. Anderson?

20   A.   Mr. Anderson was a business partner with Iver

21 Erickson, my grandfather. He did leave the company in the

22 late '30s, but the name continues.

23   Q.   Let's go to the next slide.

24   So what does this depict?

25   A.   Currently we're still based in Des Moines. We're

26 still a family operation. This is our headquarters in the

27 east side of Des Moines. We're -- we're still a humble

28 dairy in the middle of Iowa. We serve most of Iowa and

1 around the Kansas City Metro area. And we have about 400

2 employees. And we do a full variety of dairy products,

3 including milk, some sour cream, cottage cheese, dips. We

4 do some juices. And other non-dairy items also.

5   Q.   The next slide, please.

6   What's this showing?

7   A.   Yes. This picture inside of our plant and cooler

8 facility, I guess, proof that we actually make milk and

9 distribute it.

10   THE COURT: Inside your plant and what?

11   THE WITNESS: And -- and cooler facility.

12   THE COURT: Thank you.

13 BY MR. ENGLISH:

14   Q.   Is AE a small business as defined by the Small

15 Business Administration?

16   A.   Yes, we are.

17   Q.   What role do employees play in your business?

18   A.   Employees are a big part of the AE family.

19 Obviously we need them. We have got about 400, like I

20 said. 200 of those work in distribution and help get our

21 products to our customers. And another 200 are helping

22 make the products and sell and do all the other stuff

23 involved in that. We're all partners in making this

24 happen. We all have a vested interest in the well-being

25 of Anderson Erickson for sure.

26   Q.   Please tell me a little bit about MIG and why it

27 is here today.

28   A.   MIG is the Milk Innovation Group. Been referred

1   to a lot in these hearings. But we are just interested

2   parties in Class I. We -- when there was indications that

3   there would be a Federal Milk Marketing Order hearing, we

4   wanted Class I to have a clear voice, and these -- there's

5   a lot of different -- there's a variety of members of MIG.

6   Some are very big; some are very small like myself. Some

7   do specialty milk; some are just a little bit more

8   conventional like AE. But we all have a vested interest

9   in, like I said, having Class I have a clear voice and

10 furthering the awareness of some of the issues that

11 Class I faces.

12   Q.   So what kind of milk supply does AE have?

13   A.   AE gets -- we get our milk from independent

14 suppliers. So we are completely direct ship, 100%.

15   Q.   Has that always been the case?

16   A.   No, it has not. This has been a long process.

17 That's been a lot of bumps along the road. But when I

18 started, it was my father's desire, who was my boss, of

19 course, and he and I had a desire to increase the

20 independent milk supply, which at that point was zero.

21   And we went about, and this is a long process to

22 get to -- to get it to an independent milk supply, but we

23 managed to do that. And along the way we were encouraged

24 to do that by some of the people that were shipping us

25 milk. They said we were hard to serve. They said there's

26 no milk in Central Order Iowa. They said a lot of

27 different things.

28   And we were encouraged to -- or at least we felt

1 encouraged to develop our own independent milk supply

2 based on those factors in trying to procure milk. Milk

3 obviously is a very important part of everything that we

4 do.

5   Q.   So not notwithstanding what you were told from

6 your milk suppliers back then, were you able to find a

7 milk supply within Iowa?

8   A.   We were. It's not something -- like I said, you

9 don't snap your fingers and get this done. But we have an

10 all-Iowa milk supply, all of which comes from within a

11 hundred miles of our plant.

12   Q.   Are your independent shippers your partners? And

13 if so, what do you mean by that term?

14   A.   They are absolutely our partners. We all have a

15 vested interest, like I said, in the success of AE. They

16 are a big part of our finished product, and they are

17 absolutely in a partnership with us to not only dispose of

18 their milk but be proud of where it's going and how -- how

19 it gets used. I brought some product yesterday, and

20 hopefully some people got to enjoy that. We're all real

21 proud of AE products.

22   Q.   So let's go to the next slide.

23   And can you tell me how does this milk supply

24 issue affect your position on Proposals 1 and 2?

25   A.   Yeah. So Proposals 1 and 2, we are against. And

26 we did -- I did some -- there's no "we" -- I did some

27 quick numbers on a two-year average of our milk supply,

28 and our actual numbers are all below Proposal 1, what they

1 would want to charge the Class I for the -- for that milk.

2 And I feel it's unfair that we would get charged more than

3 what we're actually receiving. And we don't have any

4 ability to -- milk has a standard of identity. We can't

5 add or subtract to that to, you know, make up for any

6 differences from Proposals 1 and/or 2.

7   We are in Order 32, and it's a -- the -- we -- the

8 producers get paid for components, and the only one we can

9 adjust is butterfat. We can't change the other

10 components, like I said. And honestly, customers

11 aren't -- they are not dictating, well, it has to have

12 this amount of nonfat milk solids or this amount of

13 protein. They are happy with AE milk in general.

14   Q.   Has any customer ever requested higher protein or

15 higher nonfat -- higher solids, other solids?

16   A.   On a conventional gallon of milk, no.

17   Q.   And that's what you sell?

18   A.   Yes.

19   Q.   All right. Let's go to the next slide. And this

20 is your position on Proposals 13, 16, 17, and 18.

21   Does AE hedge today?

22   A.   We don't have any open hedges at the current time.

23 We have hedged in the past. And we -- we would oppose

24 anything that would get in the way of our ability to

25 hedge. We do have customers that look for a fixed cost

26 over a period of time. And, you know, our only way to

27 accommodate that is either keep it open or actually hedge

28 that difference. So we appreciate the ability to hedge.

1   Q.   So that means you oppose Proposals 13, 17, and 18,

2 which would interfere with that ability?

3   THE COURT: Would you --

4   MR. ENGLISH: That means you oppose, that means AE

5 oppose Proposals 13, 17, and 18, which would interfere

6 with that ability to hedge.

7   THE COURT: Okay. I'm looking at a slide that has

8 another number.

9   MR. ENGLISH: I'm deliberately choosing these

10 numbers, Your Honor.

11   THE COURT: All right.

12   MR. ENGLISH: If you give me a moment, I'll get to

13 the other one.

14   THE COURT: Okay. Thank you.

15   MR. ENGLISH: There's -- there's overlapping

16 issues, but different proposals. So my characterization

17 is correct.

18   THE COURT: Thank you.

19   MR. ENGLISH: But I will address the one that you

20 think I omitted in a moment.

21   THE COURT: Thank you, sir.

22   THE WITNESS: We would be opposed to any proposal,

23 including 13, 17, and 18, that would limit our ability to

24 hedge.

25 BY MR. ENGLISH:

26   Q.   So, now, Proposals 16, 17, 18 address the issue of

27 advanced pricing.

28   And do you have a position on advanced pricing?

1   A.   I do have a position on advanced pricing. I'm a

2 proponent of advanced pricing. I have lived in an era of

3 non-advanced pricing, and it's -- it's very cumbersome.

4 Customers don't live in an era of non-advanced pricing,

5 I'll say that. They expect that we -- they are going to

6 know their price in advance. That's the expectation. And

7 when it's not available on the majority of the cost of our

8 product, it's very problematic.

9   Q.   And so that is why, hedging and advanced pricing,

10 you opposed all four of these proposals, 13, 16, 17, and

11 18, correct?

12   A.   Yes. And that's where the 16 came in. Yes.

13   Q.   Thank you.

14   So let's go to the next slide.

15   And this is your position on Proposal 19.

16   What is AE's position on Proposal 19?

17   A.   Our position is we oppose Proposal 19.

18 Proposal 19 tends to increase the Class I price in all

19 areas, and really fairly arbitrarily. And there were

20 winners and losers in the authorship of Proposal 19. We

21 resent that, and we're in opposition of that.

22   We take a look at Iowa, in particular, which is

23 near and dear to my heart, obviously. The slide on the --

24 on the right there shows a close-up of Iowa. Des Moines,

25 Iowa, is in the middle of the state, so we're the blue dot

26 in the middle. To the west is Omaha, so there's a blue

27 dot there, which would be a competitor. To the northwest

28 is Le Mars, Iowa, which is another competitor. Both of

1   which are co-ops and members of NMPF. And directly -- not

2   quite directly south but to the south is Kansas City, and

3   we compete in that market. And then to the northwest --

4   northeast, excuse me, is Dubuque, which is another pretty

5   significant dairy plant.

6   That encapsulates our competition. You can see

7   the Twin Cities, Minneapolis area in the north of that

8   map. We don't really go up there much. But just for

9   clarity sake, we kept their dots on the map.

10   Q.   So if you -- if -- that's where the maps are.

11   So if you now look at the next page, which is

12 Table 1.

13   A.   Yeah. We look at Table 1.

14   Q.   Why don't we look at a couple of items here.

15 Let's start with -- with the second line, which is

16 Le Mars. Tell me about Le Mars and why that concerns you.

17   A.   Yes. So Le Mars in Northwest Iowa, probably our

18 closest competitor, and currently we have a 1.80 Class I

19 differential, and Le Mars has a 1.75 Class I differential.

20   Under NMPF Number 19, we would go to $3, and they

21 would go to 2.80, so that's increasing that difference

22 between Le Mars and us by $0.15.

23   Q.   So you mention Kansas City.

24   You sell significant quantities of milk in Kansas

25 City?

26   A.   Yeah, we do. It's a large population base. I was

27 blessed with a lot, but not a large population. So we

28 have more pigs than people. A just random fact there,

1   Chip. But Kansas City, we do ship there. If you can

2   see -- if you look at the model, that's the third column

3   over with the dollar sign.

4   So in the model, AE is at a 2.80 differential, and

5   Kansas City is at a 3.35. So that difference is about

6   fifty -- or it isn't about, that difference is $0.55. If

7   you go to NMPF Number 19, we're $3, still, and Kansas City

8   is at 3.35. So that -- that has decreased that difference

9   by $0.20. All of which makes a big difference for AE.

10 When you are talking about $0.10 a hundred, that can make

11 a very big difference on the street and when you are

12 competing with customers.

13 Q.   So given what you did with building your

14 independent milk supply within a hundred miles of your

15 plant in Iowa, having been told there was no milk, what

16 does that tell you about the business models that you are

17 addressing here?

18 A.   Well, when I listened to testimony about

19 Proposal 19, there was a lot of talk about shipping of

20 milk and stair-stepping and this and that, which was

21 precisely the reasons we were given that we weren't a

22 viable market for milk supply of certain -- from certain

23 people. So, you know, we built our own, and we enjoy

24 strong partnerships with our partnership -- with our

25 farmer shippers.

26   And I resent being asked to pay for a business

27 model that wasn't effective for me and was -- when I had

28 to go around. So when I built up -- when AE built up an

1 independent milk supply, we did that on our own volition,

2 and we made our own partners, and we don't think we should

3 be asked to pay for a cooperative business model that

4 wouldn't service us.

5   Q.   So let's turn to Proposal 21 in the next slide.

6   What is your position on Proposal 21?

7   A.   We are in opposition of Proposal 21. That would

8 increase the Class II differential by $0.86. So in the

9 slide that I showed with AE's products, we do make

10 Class II products. We make yogurt. We make cottage

11 cheese. We make sour cream. We make dips, as well as

12 whipping cream, half and half. And we do that under the

13 fully regulated Class I milk plant, but we cannot avoid --

14   Q.   Explain.

15   A.   -- being -- we cannot avoid getting pooling.

16   A lot of our competition is very specialized.

17 Like I said, AE is just a small operation in Iowa, and a

18 lot of the competition is very specialized, and they have

19 specific plants that would make these specific products,

20 which those plants wouldn't have any Class I milk in them,

21 they wouldn't be fully regulated milk plants, and they

22 would have the ability to depool, which we never had that

23 ability to depool. So that $0.86 of additional cost is

24 just that to us. We have no ability to avoid it, and that

25 is why we're in opposition to Proposal 21.

26   Q.   So -- so would you read your last bullet point on

27 that slide?

28   A.   Yeah. Saddling those properties -- which many of

1 which are very important products for Anderson Erickson.

2 They are some of our iconic products that we're known for.

3 Saddling those with additional costs to feed a broken

4 system that we can't avoid is not going to fix the

5 problem.

6   Q.   Would that be orderly marketing, to have to

7 compete against milk that's not regulated by the Federal

8 Order?

9   A.   I would consider it such, yes.

10   Q.   Let's go to your next slide.

11   THE COURT: I want to make sure that's clear. Say

12 again.

13   THE WITNESS: Yes. We would consider that

14 disorderly marketing.

15   MR. ENGLISH: Thank you, Your Honor.

16 BY MR. ENGLISH:

17   Q.   All right. If you could turn to the next slide.

18   What is -- what is AE's position on MIG's

19 Proposal 20?

20   A.   We are in support of Proposal 20. And there's

21 been a lot of discussion about Proposal 20, but we are in

22 support. We -- we -- just the first -- the first item and

23 class -- and the $1.40 -- or $1.60 differential, $0.40 of

24 that is supposed to apply to being a Grade A milk plant.

25   I was curious, just intellectual curiosity, and I

26 queried the Department of Agriculture in the State of

27 Iowa, 741 dairy farms, seven of which are Grade B. So

28 hardly any. And they produce basically no milk, according

1 to the USDA. There's no Grade B milk in the state of

2 Iowa.

3   So that tells me that those 734 remaining dairy

4 farms, they are all Grade A. I'm not getting -- or their

5 Class I isn't getting all the milk from those 734 dairy

6 farms, so they are going to manufacturing plants, many of

7 them are, and that cost is -- for Grade A is built into

8 the cheese and the butter price already. So that $0.40

9 should not be part of the differential.

10   Q.   We have heard a lot of -- we have heard a lot

11 about super Grade A requirements during this hearing.

12   What comments do you have on that?

13   A.   I think any prudent Class I manufacturer has their

14 own quality standards, and certainly we do. But we -- we

15 partner with our farmers, and usually those are in the way

16 of an incentive or some add-on to -- to the price to -- to

17 be able to achieve those quality standards.

18   Q.   In your experience, do a lot of those apply to all

19 milk as well, not just Class I?

20   A.   I -- I can only speak for what we buy, but I

21 believe that is the case, yes.

22   Q.   Now let's turn to the next slide.

23   So let's talk about balancing.

24   A.   Balancing is an issue for anybody that buys milk.

25 It's -- milk is perishable, and balancing is a big part of

26 what all dairy supply plants have to worry about. And we

27 have achieved an ability to balance with independent

28 suppliers. And, you know, if we need extra milk or if --

1   I know co-ops charge for a balancing fee if it's a -- not

2   an everyday delivery, and those charges can range from

3    $0.45 to $0.65 a hundred just to start. But it's not a

4   flat rate. There's no silver bullet to fix that balancing

5   problem. And certainly the Class I differential hasn't

6   assisted us in balancing.

7   Q.   Have you also made investments in your plant to be

8   able to -- I think we heard yesterday from Ms. Keefe, sort

9   of shift the costs of balancing?

10   A.   Absolutely. Yeah. You invest in raw silos to be

11   able to have an even-day delivery, invest in other areas

12   that -- that would help with balancing.

13   Q.   And those costs are incurred by AE, correct?

14   A.   Absolutely. Yes.

15   Q.   We have heard over-order premiums are difficult

16   for co-ops to charge.

17   Is that your experience?

18   A.   My experience is they have a monthly meeting.

19   They have what they call an agency that sets the

20   over-order premium. And they mail out a letter, an

21   e-mail, e-mail out a letter and says, here's what it is.

22   That doesn't really sound so difficult to me.

23   Q.   And does AE pay its dairy farmers -- in addition

24   to the -- you know, the quality premiums, do you pay other

25   premiums over the Federal Order price?

26   A.   We do. We pay over the minimum price, for sure.

27   Q.   So now let's turn to the last piece. And that's

28   the incentive piece.

1   What's your position about the incentive piece?

2   A.   My position is we have heard pretty compelling

3 testimony from Dr. Stephenson that that might not be an

4 issue. I know from personal experience that if you build

5 a longstanding partnership, that attracting milk is --

6 kind of goes hand in hand with long-term relationships,

7 and those costs of -- really are more appropriate on an

8 over-order premium that's going to go directly to the

9 farms that are servicing Class I plants. To build in a

10 nebulous attraction charge into a number that gets pooled

11 over a very, very large area, in our case, Order 32, it

12 spans a lot of geography and hits many, many farms, a

13 multitude of farms that never would consider shipping to

14 us. It's not effective.

15   Q.   So it's more effective to use over-order premiums

16 for this purpose?

17   A.   It is.

18   Q.   Did MIG and Anderson Erickson have a proposal to

19 address this very issue?

20   A.   We did. We -- we have an assembly credits

21 proposal that would incent people to -- or would actually

22 pay people that are shipping to Class I some of those

23 premiums. Unfortunately that wasn't accepted.

24   Q.   Do you still support that concept?

25   A.   I do. I think in this day and age people that are

26 shipping to Class I should enjoy the -- some of those

27 over-order benefits that are -- in days gone by were

28 pooled.

1   Q.   So let's wrap up on Proposals 19, 20, and 21.

2   What is your conclusion here?

3   A.   Yeah. I think we're trying to fix a system that

4   is struggling to adapt to new market realities. And I

5   don't feel it's appropriate to saddle Class I, which has

6   not seen growth in the past decades, with extra costs,

7   to -- as a solution to some of these new market realities.

8   I think a healthy Class I is very important to the

9   industry as a whole. And it's certainly important to MIG,

10   and one of the reasons that we bonded together as a group.

11   But I think it's -- Class I -- a healthy Class I market

12   should be encouraged by all the players in the dairy

13   market because that would help everyone.

14   Q.   So I'm going to turn to one other issue, which

15   is -- well, here, you are the president and CFO of a dairy

16   company located in Iowa.

17   What is your actual experience with respect to

18   the, you know, intellectual inquiry you've had, but as a

19   practical matter, what is your experience with respect to

20   the demand elasticity for fluid milk?

21   A.   I'm not an economist. You are going to ask for my

22   studies. I don't have any. But I have real experience,

23   that when the price goes up, people shop differently.

24   When the Class I prices increase, you see less gallon

25   sales, more half gallon sales. You see people downsizing.

26   I can attest that -- and I would attribute that to

27   elasticity and the fact that the milk does struggle when

28   you saddle it with increased costs.

1   Q.   Do you have anything to add before I turn you over

2   for cross-examination?

3   A.   No, sir.

4   MR. ENGLISH: Your Honor, I'll move, and we can

5   wait on Exhibits 454, 455, and 456. But I don't want to

6   forget to move their admission and make the witness

7   available for further examination.

8   THE COURT: Very good. And we'll deal with

9   admission of the exhibits following cross-examination.

10   Who would like to begin?

11   CROSS-EXAMINATION

12   BY MS. HANCOCK:

13   Q.   Good morning, Mr. Erickson. I'm Nicole Hancock

14   with National Milk.

15   A.   Good morning.

16   Q.   I won't ask you if you have done any studies.

17   A.   Thank you.

18   Q.   But I appreciate you being proactive. All right.

19   So your distribution territory for Anderson

20   Erickson is in -- comes out of Iowa? You have one

21   location?

22   A.   We do.

23   Q.   And your distribution territory is Minnesota,

24   Nebraska, Kansas, Missouri, Illinois, and Iowa?

25   A.   Yeah. I would characterize it mostly as Iowa and

26   around the metropolitan area of Kansas City.

27   Q.   Okay. And so is it fair to say that the

28   experiences that you are drawing upon focus on those

1   experiences within that territory?

2   A.   It would be fair to say my direct experiences

3   focus on that territory. But we are involved in other

4   organizations and have discussions with other people in

5   the dairy industry.

6   Q.   Okay. And you talked about the formation of MIG.

7   Were you part of the original founding members?

8   A.   Yes.

9   Q.   And so can you -- when it talks about -- when you

10 said that it's the Milk Innovation Group, is the goal of

11 MIG to be innovative?

12   A.   I would say -- I would characterize MIG as very

13 innovative.

14   Q.   And maybe you can help expand upon the innovation

15 part of Milk Innovation Group.

16   What's the mission?

17   A.   The reason the group was formed, like I said, was

18 to give Class I a clear voice in -- in proceedings like

19 this.

20   Q.   Is it to expand the demand for Class I fluid milk?

21   A.   There's not a member of MIG that would not want

22 expansion of Class I.

23   Q.   Okay. When you say that it was formed, though, to

24 be able to give Class I a voice, were you talking about

25 within the Federal Order system?

26   A.   Certainly.

27   Q.   How many independent producers does Anderson

28 Erickson have today?

1   A.   We have several.

2   Q.   Are you comfortable sharing how many you have or

3 can you give me a range?

4   A.   I'm -- I'm not comfortable sharing specific

5 numbers.

6   Q.   Okay. Can you give me a range? Is it more than

7 ten?

8   A.   No.

9   THE COURT: Is that, no, you cannot give her a

10 range?

11   THE WITNESS: I will say it is not more than ten.

12 BY MS. HANCOCK:

13   Q.   All right. And are you -- can you give us a

14 utilization percentage for your Class I fluid milk?

15   A.   In -- at the -- at our plant, it's around the 80%.

16   Q.   So mostly Class I fluid?

17   A.   Mostly Class I, yes.

18   Q.   But you do a pretty diversified portfolio of

19 products?

20   A.   We do.

21   Q.   And it's just the 20% that goes into those other

22 products?

23   You have to answer audibly for the record.

24   A.   Yes. Although Mr. Wilson could answer that more

25 completely than I could because he has all the records

26 but...

27   Q.   And are you comfortable sharing what your plant

28 volume is that you process through your plant?

1   A.   How would you like that?

2   Q.   However it is that you measure it.

3   A.   On a per day, per month, per year?

4   Q.   How about on a per month basis?

5   A.   A per month basis, approximately 30 million

6   pounds.

7   THE COURT: Say it again?

8   THE WITNESS: 30 million.

9   BY MS. HANCOCK:

10   Q.   And do you receive milk 365 days a year?

11   A.   This year will be 366.

12   Q.   Leap year?

13   A.   Yes.

14   Q.   Okay. And do you have any balancing that you

15   perform?

16   A.   Well, certainly. Yeah.

17   Q.   And how --

18   A.   Because we -- we receive milk seven days a week.

19   Q.   And how do you balance your milk? Do you do it

20   all within your own plant --

21   A.   Yes.

22   Q.   -- capacity?

23   A.   Yes.

24   Q.   Do you use cooperatives for balancing at all?

25   A.   No.

26   Q.   And do you know what your costs of balancing are?

27   A.   No.

28   Q.   Do you measure that or track that within your

1 organization?

2   A.   Do not track it.

3   Q.   And do you have to balance on a monthly basis?

4   A.   I'm not sure I understand your question.

5   Q.   Yeah. Do you balance on a daily basis, monthly

6 basis, weekly basis, or is it more seasonal?

7   A.   I guess I don't understand your definition of

8 balancing.

9   Q.   Do you have to manage supply issues that --

10 matching your supply issues with your distribution?

11   A.   Yeah, we do that on a daily basis, hourly basis.

12   Q.   And are there seasonal issues as well?

13   A.   There's absolutely seasonal issues, yes.

14   Q.   And, again, regardless of whether it's daily,

15 monthly, seasonal, you don't track those costs of what it

16 costs you to balance that milk supply with your demand?

17   A.   No.

18   Q.   Do you know what the degree of variability is on a

19 monthly basis that you have to balance?

20   A.   It is several loads a day.

21   Q.   Okay. And what would the volume be? What's the

22 range of the volume of variability that you have to

23 balance?

24   A.   Well, several loads a day would be 180,000 pounds

25 a day. That would be three tankers.

26   Q.   Meaning that's the variability, it can give or

27 take those 180,000 pounds a day?

28   A.   Roughly.

1   Q.   So not an insignificant amount; is that fair?

2   A.   That is very fair.

3   Q.   In your --

4   MS. HANCOCK: I'm sorry, I didn't get the exhibit

5   number on the PowerPoint.

6   THE COURT: That's 456.

7   BY MS. HANCOCK:

8   Q.   In Exhibit 456, if we can turn to slide 6.

9   Your second bullet point there you say, in

10   Order 32 we already pay for components.

11   A.   Producers are paid for components under Order 32,

12   yes.

13   Q.   Okay. You don't do that for your Class I milk?

14   You are not paying for your components in your Class I

15   milk?

16   A.   We are measuring components, and we sync up that

17   measurement with the MA, and the producers are paid based

18   on those components.

19   Q.   Do you pay for components on your Class I milk?

20   A.   We pay for butterfat and skim.

21   Q.   Based on the volume?

22   A.   Based on poundage.

23   Q.   Which is the volume?

24   A.   That's one way to look at it.

25   Q.   And -- okay. Let's turn to page 10.

26   This is your Table 1. And you were selecting

27   these locations to highlight National Milk's Proposal

28   Number 19 and the effect on -- or I guess comparing where

1 your plant is located with your competitors.

2   Is that what you were selecting here?

3   A.   That's a factual chart of, yeah, plants close to

4 AE and -- and current differentials and other options.

5   Q.   So do you -- do you compete with all of these

6 plants that you have listed here?

7   A.   No. Like I said, the Twin Cities, not so much.

8   Q.   Okay.

9   A.   That would be the Minnesota plants.

10   Q.   Okay. You were just selecting the Minnesota

11 plants here in Ramsey and Washington Counties just to show

12 the examples?

13   A.   Just because they were on the previous map, for

14 clarity.

15   Q.   Okay. You mean the map on page 9?

16   A.   Yes.

17   Q.   Okay. And you gave the example of Plymouth and

18 Polk County, Iowa, and the proposed changes, and the

19 impact with one of your competitors, and that you have

20 listed here as DFA Dean in Le Mars.

21   A.   Yes.

22   Q.   It's fair to say that based on this factual lens

23 that you have grabbed here on page 10, that there are some

24 instances where National Milk has proposed an increase

25 from the model and some instances where National Milk has

26 proposed a decrease from the model results; is that right?

27   A.   Yeah, that is.

28   Q.   And it's about half and half based on the ten that

1 you have selected here?

2   A.   I am particularly interested in the ones I

3 directly compete with.

4   Q.   And other than the one that you pointed out in

5 Plymouth, are there others that you believe you directly

6 compete with?

7   A.   Yes.

8   Q.   Which ones?

9   A.   We would directly compete with Prairie Farms in

10 Dubuque. We would directly compete with Hiland in Kansas

11 City.

12   Q.   Any others?

13   A.   Somewhat Hiland in Omaha.

14   Q.   Any others that you can think of?

15   A.   No.

16   Q.   And of those that you believe -- that are your

17 direct competitors, I have four now, even just with those

18 four, some of those National Milk has proposed an increase

19 from the model average and some National Milk has proposed

20 a decrease; is that right?

21   A.   I'll take your word for it.

22   Q.   Well, you don't have to take my word for it. You

23 can use your own exhibit to see that, right?

24   A.   Well, I would have to take some time to look at

25 the four. But, yes.

26   Q.   Okay. Well, we can just look at Prairie Farms in

27 Dubuque, right?

28   A.   Okay.

1   Q.   For example, is a decrease that National Milk

2   proposed from the model average; is that right?

3   A. $0.15, yes.

4   Q. $0.15 decrease?

5   A.   Yes.

6   Q.   And Hiland, Kansas City, there was no deviation

7   from the model; is that right?

8   A.   That is right.

9   Q.   And then Hiland, Omaha, it was an increase from

10   the model; is that right?

11   A.   That is right.

12   Q.   And fair to say that National Milk has -- in some

13   instances had some increases and some instances had some

14   decreases?

15   A.   It is also fair to say that in Des Moines at my

16   plant they're a $0.20 increase, right?

17   Q.   From the model average, right?

18   A.   Yes.

19   Q.   Okay. And can you tell me how that would put you

20   at a competitive disadvantage based on the net effect of

21   those changes?

22   A. $0.20 difference in a differential is a very

23   significant.

24   Q.   And that's a $0.20 difference just from the model

25   average though; is that right?

26   A.   That -- that's right.

27   Q.   Okay. Not a $0.20 difference from your

28   competitor.

1   A.   Well, let's look at Le Mars. That's $0.10

2 different from where we started. That's a significant

3 difference for us.

4   Q.   Okay. And does that mean that you would be able

5 to sell less milk?

6   A.   That is -- that's the worry. I don't -- I

7 don't -- yes.

8   Q.   It's a concern of yours because you believe that

9 it would cause you to pay more for your milk than what

10 Le Mars would have to pay?

11   A.   Relatively, yes.

12   Q.   What are you paying today for your over-order

13 premiums to your producers?

14   A.   I consider that proprietary information.

15   Q.   Okay. Do you know if it's more or less than what

16 your competitors are paying?

17   A.   I wouldn't have any idea.

18   Q.   Okay. Is it fair to say that you don't have

19 visibility into what your competitors are paying when

20 people are paying through over-order premiums?

21   A.   It would be fair to say that the competitors that

22 we have are mostly cooperatives, who are not -- I have no

23 visibility into what they pay, nor are they required to

24 pay the same things that we are under the Federal Order.

25   Q.   But you don't know if you would have a competitive

26 advantage or disadvantage over what's being paid under

27 today's prices; is that right?

28   A.   I can assure you that if Proposal 19 was adopted,

1   that the street prices would change accordingly.

2   Q.   My question to you was, you don't know whether you

3   would have a change in the competitive pay price if

4   National Milk's proposal were adopted, compared to what's

5   being proposed -- what's being paid today through

6   over-order premiums; is that correct?

7   A.   The original question was, am I worried about

8   selling less milk. My response to that is, I can assure

9   you, if Proposal 19 was adopted, that those changes

10 would -- would become evident in the price of milk, and we

11 would be put in a competitive disadvantage.

12   Q.   And you don't know to what extent that

13 disadvantage would occur compared to what's currently

14 being paid under over-order premiums; is that right?

15   A.   I would look at the changes in -- on the table as

16 indicative of what the selling prices would change.

17   Q.   And if you turn to page 15.

18   We talked a little about with Mr. English that you

19 do have quality standards in excess of the Grade A

20 standards for your independent producers; is that right?

21   A.   That is true.

22   Q.   Are you comfortable sharing what those quality

23 requirements are?

24   A.   Specifically, I wouldn't be the right one to ask,

25 but they involve somatic cell counts and PI counts and

26 standard plate counts.

27   Q.   What about temperature controls?

28   A.   Temperature is a pass fail. If it is over temp,

1 it goes away.

2   Q.   Is it -- is the threshold pass/fail amount set at

3 the Grade A standard or something lower than that?

4   A.   Never had a trouble -- never had any trouble with

5 temperature, so I -- I can't answer that.

6   Q.   Do you know what the pass/fail number is?

7   A.   Well, we're looking at 40 but --

8   Q.   And do you pay any kind of incentives to your

9 producers who exceed those Grade A standards?

10   A.   We do, yes.

11   Q.   Is that negotiated through the over-order premium

12 as well or something separate from that?

13   A.   That's part of the over-order premium.

14   Q.   And do you buy any milk from any cooperative?

15   A.   Ever or today or -- that's an ambiguous question.

16   Q.   How about today?

17   A.   No.

18   Q.   Do you -- at what point in time did you move fully

19 to independent producer supply?

20   A.   Approximately 18 months ago.

21   Q.   Okay. So before that how did you supply your

22 milk? Was it through cooperatives or a blend?

23   A.   We have been on a slope of becoming fully

24 independent. It's been a gradual process that's

25 culminated, like I said, a couple years ago to 100%.

26   Q.   Okay. So that process started a couple years ago,

27 until about 18 months ago when you were --

28   A.   Oh, no. That process started decades ago and

1 culminated a couple years ago.

2   Q.   And it sounds like you have been able to -- to

3 establish some really good relationships with your

4 producers, I think you called them your relationship

5 partners?

6   A.   Yeah.

7   Q.   And in that, you are incentivized to maintain

8 those relationships and treat them fairly; is that

9 accurate?

10   A.   That's accurate, yes.

11   Q.   But you would agree with me that there are other

12 examples throughout the country where people are maybe not

13 quite as generous or as cooperative with their producers

14 as what you have described your relationships to be?

15   A.   Generally I have found that your relationship with

16 your milk suppliers is a very important thing in the dairy

17 business.

18   Q.   And you understand that historically there's been

19 some challenges with being able to maintain those

20 relationships, and some of which is why we have a Federal

21 Order system?

22   A.   I'm not aware of any specific examples.

23   Q.   Nothing that you have ever experienced in your

24 time in the industry?

25   A.   No. Not -- no.

26   MS. HANCOCK: Okay. I have no further questions.

27 Thanks for your time.

28   THE WITNESS: Thank you.

1   CROSS-EXAMINATION

2   BY MR. MILTNER:

3   Q.   Good morning, Mr. Erickson. My name is Ryan

4   Miltner, and I represent Select Milk Producers.

5   A.   Good morning.

6   Q.   First question I have is actually I want to

7   clarify something. I understand from your testimony and

8   from your questions from Ms. Hancock that you do not

9   purchase from cooperatives right now.

10   A.   That's true.

11   Q.   On page 15 of your slides, second bullet point

12   reads: "AE with independent supply balances with a co-op

13   and pays for that service through over-order premiums."

14   A.   Historically that's been correct, but currently,

15   less and less.

16   Q.   Okay. So am I correct then that you purchase all

17   of the milk produced by your independent supplying farms

18   at all times?

19   A.   No.

20   Q.   Okay. Would you care to share how you balance

21   those supplies if you are not taking all of that milk?

22   A.   Some farms I take all their milk; some farms I

23   order on a weekly basis.

24   Q.   Elsewhere, and this may be in your written

25   statement -- let me find it, so I don't misspeak.

26   I'm on page 4. It's about a third of the way

27   down.

28   A.   Which -- which one?

1   Q.   I'm sorry. This is your written statement.

2   A.   There's two.

3   Q.   Oh, you are correct. This is MIG-17.

4   A.   Okay.

5   THE COURT: Which is also Exhibit 454.

6   THE WITNESS: Yes.

7   MR. MILTNER: Okay.

8   BY MR. MILTNER:

9   Q.   Okay. So about a quarter of the way, third of the

10   way down: "AE always pays more for milk that is used to

11   balance a Class I plant."

12   So are you paying more to those producers that you

13   are only buying their milk on an occasional basis?

14   A.   Certainly.

15   Q.   Okay. Now, a couple lines down from there: "In

16   order to balance our supply needs, we have to augment

17   those supplies with another supplier who has the ability

18   to balance for us."

19   Based on your answers to my other questions, the

20   other supplier you are refer to, that's also an

21   independent dairy farmer?

22   A.   Yes.

23   Q.   Okay. And then if you look a little further down,

24   that paragraph, you discuss and state: "This premium can

25   change but is currently more than the $0.60 built into the

26   Class I differential."

27   Is that based on your historical experience buying

28   from cooperatives?

1   A.   Yes.

2   Q.   Okay. And so if you are not buying from

3   cooperatives, I'm curious on what basis you state that

4   it's currently more than $0.60?

5   A.   They publish a weekly -- or a monthly price list.

6   Q.   Okay. Does that come from an over-order pricing

7   agency?

8   A.   There's an over-order pricing agency, yes.

9   Q.   Okay. And I'm just trying to clarify the record.

10   I'm -- I'm not trying to ask --

11   A.   No.

12   Q.   Okay. The record sometimes doesn't reflect

13   everything that's said.

14   You spoke a little bit about hedging in your

15   testimony, your direct testimony, and I did not quite hear

16   your answer to Mr. English's question.

17   Do you -- does Anderson Erickson currently hedge

18   its milk costs?

19   A.   Do I have any open hedges at the present time?

20   No.

21   Have we historically hedged? Yes.

22   Q.   Okay.

23   A.   Do we value the ability to continue to hedge?

24   Yes.

25   Q.   What are the business considerations or other

26   considerations that -- which would encourage you to hedge

27   at some point in time but not currently?

28   A.   The business implications of a hedge would be if

1 you had a customer or a group of customers that would --

2 that want a fixed price over a longer-term, which does

3 happen. And we -- we desire to have the flexibility to

4 address those situations with a financial instrument if

5 necessary.

6   Q.   So your decision to hedge raw milk costs is driven

7 by your customers' desires more than fixing a price for

8 your -- for your business?

9   A.   I don't consider myself smart enough to know

10 market moves, so I wouldn't take an open hedge.

11   Q.   Okay. With respect to Proposal 19, the increases

12 or updates to the Class I surface, do you have or does

13 Anderson Erickson have an opinion about whether the model

14 used to generate the base level of those changes is

15 accurate?

16   A.   I do not have an opinion on that.

17   Q.   Is your opposition to Proposal 19 based on your

18 opposition to any increases to the differentials or

19 something else?

20   A.   My opposition to Proposal 19 is I had no input on

21 any of it, was not considered on any of it, and it

22 affects -- greatly affects our business.

23   Q.   If you look at page 10 of your slides. This is

24 the table that you had prepared.

25   If I look at the column that is labeled "Current,"

26 and I look at those plants that you previously stated were

27 direct competitors of yours, those differentials are

28 relatively in line with one another. If I look at the

1 column "Model Average," some of those relationships

2 change, and I wondered if you have examined or thought

3 about what those changes and relative relationships to

4 your competitors might mean to your business.

5   A.   I'm selfishly going to say, I oppose us paying any

6 more than any of those direct competitors on a beta basis

7 or just in general. It -- it is -- we're all drawing milk

8 from the same area. It should be pretty -- pretty equal.

9   MR. MILTNER: Okay. Thank you, Mr. Erickson.

10 That's all I have.

11   THE WITNESS: Thank you.

12   CROSS-EXAMINATION

13 BY DR. CRYAN:

14   Q.   Good morning. I think it is still morning.

15   I'm Roger Cryan with the American Farm Bureau

16 Federation. It is nice to see you. Thanks for coming.

17   You say you balance your market. You balance by

18 buying -- you balance your supply by buying less than a

19 full supply from a farmer or farmers.

20   Is that -- is that what I understand from your

21 discussion?

22   A.   That's correct.

23   Q.   Okay. Do you know how that producer or producers

24 balance their supply?

25   A.   Gladly it is not my problem. So, no, I don't.

26   Q.   You don't. Okay.

27   So that's their problem?

28   A.   Yes.

1   Q.   Okay. Sorry, I should have gone another

2 direction.

3   Okay. You oppose return to the higher-of because

4 of concerns about your ability to hedge your Class I milk?

5   A.   Yes.

6   Q.   If there was a Class I futures and options complex

7 on the CME, would that satisfy your need to hedge Class I

8 milk?

9   A.   I think you are just making it more complicated.

10 There are other options that you don't need to invent a

11 new financial vehicle to accomplish what you are trying to

12 accomplish.

13   Q.   But if the CME did introduce a Class I contract,

14 would that satisfy your need?

15   A.   It would be helpful, other than just being --

16 having no ability.

17   Q.   Okay. And why -- why do you need advanced pricing

18 of Class I milk?

19   A.   Those costs are approximately -- well, in excess

20 of 60% of our total costs. It's very difficult to run a

21 business not knowing what your costs are.

22   Q.   Do you -- do you -- okay.

23   Your Class II products are perishable products?

24   A.   They are. They are delicious though.

25   Q.   And, you know, especially because they are

26 perishable products, you can't just produce and store them

27 for six months out, you need to --

28   A.   We don't have that ability, no.

1   Q.   You need a continuous supply of milk to produce

2   those --

3   A.   We do.

4   Q.   -- products?

5   So those -- you have balancing costs associated

6   with the supply for those products as well; is that right?

7   A.   I worry about balancing as a whole regardless of

8   the disposition of the milk. But it -- it -- balancing is

9   an issue for Anderson Erickson and everybody in the dairy

10   industry.

11   Q.   For everything you make?

12   A.   Yes.

13   DR. CRYAN: All right. Okay. That's it. Thank

14   you very much. Have a great day.

15   THE WITNESS: Thank you.

16   CROSS-EXAMINATION

17   BY MR. SLEPER:

18   Q.   Jim Sleper, Sleper Consulting, LLC.

19   Good morning, Mr. Erickson. I just have a couple

20   real quick questions for you.

21   A.   Good morning.

22   Q.   Do you support the Federal Order program?

23   A.   It's my understanding that the Federal Milk Order

24   program was developed by farmers for farmers, of which I'm

25   not really a party to, right? So it's not really my place

26   to say whether -- it's a system that's been in place for

27   very long time. It's a system that adds little or no

28   value to Anderson Erickson in particular. It wasn't

1 necessarily designed to add value to Anderson Erickson.

2   Q.   But dairy farmers are not regulated. Anderson

3 Erickson, as a Class I processor, is regulated. So I

4 would assume you would have an opinion whether or not you

5 support it or not.

6   A.   Well, we are regulated, yes. And where it becomes

7 problematic is when your competitors aren't -- or they

8 have ways around the regulations, which is kind of the

9 world we live in.

10   Q.   Okay. Have you heard of Great Plains Dairy

11 Cooperative?

12   A.   Yes, sir.

13   Q.   Okay. Do you buy milk from this entity?

14   A.   We do.

15   Q.   Okay. What is the agency -- you were talking

16 about the agency sends out a pricing letter and so forth.

17   What is the agency in Iowa?

18   A.   Could you re-ask the question? I'm sorry.

19   Q.   Well, you were talking about -- and I think

20 through Mr. English's questions, talking about how

21 agencies send out letters, and you thought it was pretty

22 easy for them to send out pricing throughout their

23 particular region and so forth.

24   What is the agency that co-ops use in Iowa?

25   A.   There's an Iowa milk agency, which is a

26 conglomeration of co-ops that supply milk to dairy

27 facilities in the state. And they meet, and they decide

28 the price.

1   Q.   Okay. So that particular agency, is it in

2   operation today?

3   A.   I believe it is. I don't buy milk in that agency,

4   so I can't speak directly.

5   Q.   Sure. I understand.

6   That particular agency was called Iowa, the Iowa

7   Milk Marketing Agency, and it went defunct about ten years

8   ago.

9   MR. ENGLISH: I object to his testimony. It is

10 not --

11   MR. SLEPER: I just -- I understand.

12   THE COURT: Okay. You may -- you may re-ask that.

13 You may ask him to assume that, and then you will need to

14 prove it if it's going to result in usable evidence.

15   MR. SLEPER: I'll just move on.

16   THE COURT: Okay.

17   MR. SLEPER: Thank you.

18   THE COURT: Are there other cross-examination

19 questions before I turn to the Agricultural Marketing

20 Service questions?

21   Mr. Rosenbaum.

22   CROSS-EXAMINATION

23 BY MR. ROSENBAUM:

24   Q.   Steve Rosenbaum for the International Dairy Foods

25 Association.

26   So you have testified that currently you -- your

27 over-order premium is currently $0.05 higher than your

28 competitor located in Le Mars, correct?

1   A.   True.

2   Q.   And that the Proposal 19 would mean that your

3 Class I differential would be $0.20 higher than your

4 competitor in Le Mars, correct?

5   A.   Uh-huh.

6   Q.   You should say yes or no.

7   A.   Yes, sir.

8   Q.   Okay. And so that would represent a $0.15

9 increase in your, if you will, competitive disadvantage in

10 term of a milk procurement price, correct?

11   A.   Yes. Did I do the math wrong earlier?

12   Q.   No, no. No, no. You did it right.

13   A.   Okay.

14   Q.   And I just want to -- so now I'm going to give

15 you -- just ask a math question, which is given that these

16 differentials are in terms of a hundredweight of milk, and

17 that a gallon of milk weighs roughly 8.6 pounds, that

18 appears to me --

19   A.   Roughly.

20   Q.   -- to translate to $0.02 a gallon?

21   A.   Yes. We're all -- everybody in this room does

22 that math in their head all day long. Yes.

23   Q.   Of course. And -- but since we're creating a

24 record --

25   A.   Yes.

26   Q.   -- I thought I would go ahead and ask that

27 question.

28   And now that all leads me to the following

1 question, which is you obviously compete for particular

2 customers, grocery stores, I assume, for example, you want

3 them to carry your milk, as opposed to the milk coming

4 from your competitor in Le Mars, for example, correct?

5   A.   Absolutely. Yes.

6   Q.   And so this is all leading up to the question: Is

7 $0.02 a meaningful amount of money when it comes to trying

8 to get a customer like a grocery store in the real world?

9   A.   Yes. I could give you evidence of bids that we

10 have lost, million-dollar bids, over hundreds of dollars.

11 So minisc- -- you know, .0001 cents per gallon, it is a

12 very, very significant difference, $0.02 a gallon.

13   Q.   That's all I have.

14   MR. ROSENBAUM: Thank you.

15   THE COURT: Ms. Hancock.

16   CROSS-EXAMINATION

17 BY MS. HANCOCK:

18   Q.   Mr. Erickson, do you support MIG's Proposal 20?

19   A.   Yes.

20   Q.   What is the difference between MIG's Proposal 20

21 for your price differential as compared to your

22 competitor; do you know?

23   A.   It would be the same. We are taking the Class I

24 differential down $1.60 for everyone.

25   Q.   You would still have a difference between what

26 your proposed payment would be and what their proposed

27 payment would be?

28   A.   The difference would be the same.

1   Q.   Do you know what the model results are?

2   A.   The model results for what?

3   Q.   For Proposal 20, between yours and your

4 competitors? Do you know what the model results are that

5 are being proposed by MIG in Proposal 20?

6   A.   MIG Proposal 20 decreases the Class I differential

7 by $1.60.

8   Q.   From where they are set currently?

9   A.   Yes.

10   MS. HANCOCK: Okay. Thank you.

11   THE COURT: Are there any other cross-examination

12 questions before I turn to the Agricultural Marketing

13 Service?

14   There are none. I invite the Agricultural

15 Marketing Service to ask questions.

16   CROSS-EXAMINATION

17 BY MS. TAYLOR:

18   Q.   Good morning. Thank you for joining us today.

19   A.   It's been a pleasure.

20   Q.   To ask you --

21   A.   I don't know why you are laughing.

22   Q.   I have to laugh. I have been here 45 days.

23   A.   I get it.

24   Q.   I'm going to try to be rather brief.

25   I'm going to start just on your Exhibit 17, which

26 is kind of your opposition to all the other proposals --

27 or your stance on all the other proposals. And I just

28 want to turn to page 5 of 6. And in the middle of that

1 paragraph -- and this is talking about the incentive for

2 the Class I market service there that's in that $1.60.

3 And you have a statement: "Adding this incentive

4 compensation to the current Class I differential magnifies

5 disorderly marketing in the supply chain."

6   Can you expand on what you are saying there about

7 disorderly marketing and what that means to you?

8   A.   What it means to me is that $0.60 should -- if

9 we're trying to attract milk as a Class I plant, the $0.60

10 is better served giving directly to someone that's going

11 to -- going to supply your plant. If we're diluting it

12 among tens of thousands of farms, it's not -- it's not

13 helpful.

14   Q.   And so is that dilution that you are talking

15 about, is that the disorder that you think that exists in

16 your opinion?

17   A.   I don't think it helps in attracting milk. So it

18 would not help on orderly marketing.

19   Q.   Okay. And you talk about how you pay premiums to

20 your suppliers. And in your opinion or can you expand

21 kind of what you think that premium is meant to represent?

22 What does that premium serve to do, or what service is

23 being provided to you for which then you are willing to

24 pay this premium?

25   A.   We are getting a milk supply, continual milk

26 supply, with people that we know, trust, and partner with,

27 and it is in the -- it's the one constant in the milk

28 price, too. Right? You can look at it that way. The

1 over-order premium is a set number that they can count on.

2 They can't necessarily count on what their month-to-month

3 price would be because there's a lot of market

4 fluctuations.

5   Q.   Okay. And so what kind of factors go into

6 determining that number for you? You talked about

7 continuous supply. Is there other things?

8   A.   Quality is definitely a part of it.

9   Q.   Okay.

10   A.   And I think those are the main --

11   Q.   The main things?

12   A.   Yeah.

13   Q.   Okay. If we -- or under MIG's proposal that $1.60

14 would come out of the regulated price.

15   Are you concerned at all if -- if the regulated

16 price is lower, somehow that will result in a lot of

17 differences between raw milk costs that arise between you

18 and your competition?

19   A.   I guess it is possible. That does not concern me.

20 I feel we can compete in a free market system adequately.

21   Q.   You wouldn't have trouble getting a supply?

22   A.   No.

23   Q.   Okay. I want to turn to your second statement on

24 Exhibit 455.

25   On your hedging, you said the reason you have done

26 it in the past is because you had a customer that wanted

27 some type of long-term fixed price?

28   A.   I already have a group of customers or something

1   like that, yes.

2   Q.   Certainly.

3   What type of products -- well, let me back up.

4   For the Class I products you produce, are they

5   HTST product or are they ESL products?

6   A.   All HTST.

7   Q.   Okay. So you did do hedging utilized on your HTST

8   products for a customer?

9   A.   Yes.

10   Q.   Okay. And you don't do it now, but I'm just

11 trying to -- did you do it once? Did you do it regularly

12 and not -- and, you know, just kind of like --

13   A.   No. We did it over the course of several years.

14   Q.   Okay. And the component levels you talk about on

15 page 3 for your plant?

16   A.   Yes.

17   Q.   Are those on a skim basis?

18   A.   I believe so, yes.

19   Q.   Okay.

20   A.   I had to ask Sally. She affirmed yes.

21   Q.   Okay.

22   A.   For the record, I did the computation, but she's

23 the brains, so you know.

24   Q.   Got it.

25   You mentioned -- well, it's on page 4, but you

26 also mentioned how you have operated in a world when there

27 wasn't advanced pricing --

28   A.   Yes.

1   Q.   -- is that correct?

2   A.   That's true.

3   Q.   And then on page 4 you talk a little bit about how

4 there's kind of -- the difficulty you came -- the

5 difficulty that presented to you.

6   Can you expand a little bit on your experience on

7 operating without advanced pricing and what products were

8 they for?

9   A.   Well, obviously, we don't have advanced pricing

10 for Class II products currently, which is somewhat

11 problematic. But when the Class I did not have advanced

12 pricing was a significant issue for Anderson Erickson,

13 very volatile results, hard to predict month to month,

14 hard to price your product, hard to -- I mean just adds a

15 layer of complexity that doesn't seem necessary since we

16 have had advanced pricing for a long time.

17   Q.   Okay. And your customers are used to the benefit

18 they get of knowing their price in advance?

19   A.   They are. There's no customer that would not take

20 an advanced price. So if our cost is an advanced price,

21 then that's certainly problematic.

22   Q.   On page 4, at the bottom when you are talking

23 about specifically why you don't want the differentials to

24 be increased as proposed by National Milk, you talk about

25 how you don't think differentials should be arbitrary or

26 in this case arbitrarily changed.

27   So is your issue that the model results that came

28 out, in your view, might be arbitrary or that the

1 resulting changes that National Milk looked at and then

2 put forward are arbitrary or both?

3   A.   Well, I listened to a lot of testimony on 19, and

4 it did seem arbitrary, changes that were made, up, down.

5 The model is the model, but -- so I don't have the

6 expertise to critique the model. I respect Mark and his

7 work. But we're tinkering with it. When competitors are

8 tinkering with it, that strikes a chord with Anderson

9 Erickson.

10   Q.   The tinkering part is more of the problem?

11   A.   I think increasing in general is a problem.

12 Tinkering and increasing is a twofold problem.

13   Q.   Okay.

14   MS. TAYLOR: That's it from AMS. Thank you so

15 much.

16   THE WITNESS: Thank you.

17   THE COURT: Mr. English.

18   MR. ENGLISH: Your Honor, this is Chip English. I

19 have no further questions. I move that -- I actually

20 already moved, so now I ask you to rule on my motion to

21 admit 454, 455, and 456.

22   THE COURT: Thank you, Mr. English.

23   Is there any objection to the admission into

24 evidence of Exhibit 454, also marked MIG/AE-17?

25   There is none. Exhibit 454 is admitted into

26 evidence.

27   (Thereafter, Exhibit Number 454 was received

28   into evidence.)

1   THE COURT: Is there any objection to the

2   admission into evidence of Exhibit 455, also marked MIG/AE

3   Exhibit 17A?

4   There is none. Exhibit 455 is admitted into

5   evidence.

6   (Thereafter, Exhibit Number 455 was received

7   into evidence.)

8   THE COURT: Is there any objection to the

9   admission into evidence of Exhibit 456, also marked MIG/AE

10 Exhibit 17B, like boy?

11   There is none. Exhibit 456 is admitted into

12 evidence.

13   (Thereafter, Exhibit Number 456 was received

14   into evidence.)

15   MR. ENGLISH: This concludes Mr. Erickson's

16 testimony. And I guess we're ready for lunch. I don't

17 know if Mr. Miller has arrived. My understanding is that

18 he would be first up after lunch.

19   THE COURT: Ms. Taylor.

20   MS. TAYLOR: That's fine with AMS. I think

21 Mr. Smith, his counsel, indicated to me 2:00 p.m. I don't

22 know if they are shooting for 2:00 p.m.

23   THE WITNESS: Mr. Smith hasn't arrived yet, so I

24 would appreciate if we wait for him. I think his goal is

25 to be here by 2:00.

26   MS. TAYLOR: Right. I got an e-mail of 2:00 p.m.,

27 so --

28   MR. ENGLISH: And that's fine. In that case, my

1 understanding is that the next witness would be the

2 HP Hood witness Mr. Newell right after lunch.

3   THE COURT: All right. Very fine.

4   MR. ENGLISH: We're flexible.

5   THE COURT: Thank you, Mr. English.

6   MR. ENGLISH: And we will get those exhibits

7 distributed at lunch, during lunch, so when we come back,

8 we can start right away. At 1:05 I guess. I'll let Your

9 Honor set the time.

10   THE COURT: All right.

11   And, Mr. Erickson, I thank you so much. Thank you

12 for being here, and thank you for your preparation, and

13 thank you for your decades of work in the industry.

14   All right. Let's break for lunch. I would like

15 to you come back today at 1:10. 1:10.

16   We go off record.

17   (Whereupon, a luncheon break was taken.)

18   ---o0o---

19

20

21

22

23

24

25

26

27

28

1   WEDNESDAY, JANUARY 17, 2024 - - AFTERNOON SESSION

2   THE COURT: Let's go back on record.

3   We're back on record at approximately 1:12.

4   MS. VULIN: This is Ashley Vulin with the Milk

5   Innovation Group. We call next Michael Newell with

6   HP Hood to the stand.

7   THE COURT: You have testified here before.

8   THE WITNESS: I have testified here before, and

9   the mic's working, so I am ready.

10   THE COURT: Good. Good.

11   State and spell your name for us.

12   THE WITNESS: It's Michael Newell, N-E-W-E-L-L.

13   THE COURT: And you remain sworn.

14   THE WITNESS: I remain sworn.

15   MICHAEL NEWELL,

16   Having been previously sworn, was examined

17   and testified as follows:

18   MS. VULIN: And, Mr. Newell, in front of you and

19   handed out to the audience, we have three documents. The

20   first is Exhibit MIG/Hood 21.

21   And we ask, Your Honor, that that be marked as

22   Exhibit 457.

23   THE COURT: Yes.

24   (Thereafter, Exhibit Number 457 was marked

25   for identification.)

26   MS. VULIN: The second is MIG/Hood 21A, and we ask

27   that that be marked as Exhibit 458.

28   THE COURT: Yes.

1   (Thereafter, Exhibit Number 458 was marked

2   for identification.)

3   THE COURT: Yes.

4   MS. VULIN: And these are your written testimony

5   on Proposal 20 and then your opposition testimony,

6   correct?

7   THE WITNESS: That's correct.

8   MS. VULIN: And then we also have MIG/HP Hood

9   Exhibit 21B Corrected.

10   And, Your Honor, we ask that that be marked as

11   Exhibit 459.

12   THE COURT: Yes.

13   (Thereafter, Exhibit Number 459 was marked

14   for identification.)

15   BY MS. VULIN:

16   Q.   And that last Document 21B, Exhibit 459, is your

17   PowerPoint testimony, correct?

18   A.   That is correct.

19   Q.   Thank you.

20   So if we could bring up that PowerPoint, please.

21   A.   We hope it's coming.

22   THE COURT: Dakota, is this PowerPoint going to

23   come up?

24   Thank you so much.

25   BY MS. VULIN:

26   Q.   Thank you.

27   So, Mr. Newell, remind us what your position is

28   with HP Hood.

1   A.   Yes.   So my official position is I'm a director of

2 sales with HP Hood, and my background is I was -- had a

3 family dairy -- or milk processing company in Sacramento

4 California.   I served at -- in a number of positions in

5 sales marketing, operations.   Eventually was president of

6 the company when Hood acquired our business in 2007.   So

7 that was Crystal Cream & Butter Company, and our plant is

8 now Hood's Sacramento plant.

9   So for Hood, I am responsible for sales in

10 Northern California and the Pacific Northwest.   And then I

11 have a dual role, which I'm their industry relations

12 person in California, and as such, I serve on the Dairy

13 Institute of California board, the Dairy Council of

14 California, and some other organizations representing

15 Hood.

16   Q.   Some other organizations, sorry?

17   A.   Representing Hood.

18   Q.   Thank you, Mr. Newell.

19   And I will say, if you want to slow down just a

20 titch, I know our court reporter would be grateful.   But

21 appreciate that background.

22   And so you have been with Hood since 2007 when

23 your prior company was acquired?

24   A.   Correct.

25   Q.   Thank you.

26   And I see now you have the Hood production plants

27 up.   We won't retread too much ground, but I just want you

28 to reorient us as to where Hood's manufacturing facilities

1 are located.

2   A.   Yeah.   So Hood has five manufacturing -- ESL

3 manufacturing facilities: In Sacramento, California;

4 Winchester, Virginia; Batavia, New York; Oneida, New York;

5 and then a plant in Philadelphia, which is actually under

6 contract to be sold.

7   We have four HTST facilities: In Massachusetts,

8 Maine, New Hampshire, and Vermont.

9   And then we have three culture plants and one ice

10 cream plant.

11   Q.   Great.

12   And you said of the 14 facilities that Hood has,

13 three are -- or excuse me -- five of those are ESL?

14   A.   Correct.

15   Q.   And four of those are HTST?

16   A.   Yes.

17   Q.   Thank you.

18   And if you want to go to the next slide.

19   And can you refresh us just a little bit about

20 some of the products Hood makes.

21   A.   Yes.   So this is a picture of our -- our HTST --

22 that Hood HTST fluid line.   So we -- which is our -- our

23 biggest HTST brand.   We also produce products under the

24 Crowley label.   Booth Brothers is another label that we

25 have.   And then we do assorted private labels, Class I

26 products.

27   And we -- similar business as far as culture

28 products goes.

1   And then ESL-wise, Lactaid would be by far our

2   biggest brand, which is national footprint. We have some

3   plant-based beverages that we sell nationally. We also

4   have some ESL milk that we export to the Pacific Rim.

5   Q.   Thank you.

6   THE COURT: To the Pacific Rim?

7   THE WITNESS: To the Pacific Rim, yes.

8   BY MS. VULIN:

9   Q.   Can you describe for us a little bit the nature of

10   Hood's milk supply, cooperative versus independent,

11   distance. Give us a sense of that, please.

12   A.   Yeah. So we purchase milk from four different

13   co-ops. We have independent shippers as well. We also

14   have a milk broker that we purchase milk through. So kind

15   of a diverse supply, if you will. Most of the farms that,

16   you know, end up shipping to us are located within 150

17   miles of our facilities, and all the milk is direct

18   shipped to our plants.

19   Q.   And if we could go to the next slide, please.

20   THE COURT: Let me interrupt just to get a couple

21   of spellings.

22   You mentioned a couple of other labels, and you

23   mentioned Crowley.

24   THE WITNESS: Yes.

25   THE COURT: How is that spelled?

26   THE WITNESS: So C-R-O-W-L-E-Y.

27   THE COURT: All right. And Booth?

28   THE WITNESS: Booth, B-O-O-T-H.

1   THE COURT: Thank you.

2   BY MS. VULIN:

3   Q.   And so if you want to go to the next slide,

4   please.

5   So Proposal 20, tell us just generally why does

6   Hood support Proposal 20?

7   A.   So the reason we support Proposal 20 is, you know,

8   given that we're looking at Class I differentials due to

9   Proposal 19, we felt it was really important to take a

10 look at the components behind proposal -- behind the base

11 differential. Class I has, you know, fallen quite a bit

12 in terms of pool utilization. It's about 30% now. So the

13 conditions have definitely changed over the past 20 years,

14 so...

15   Q.   Thank you.

16   And let's talk first about the Grade A portion of

17 the $1.60, which I know is $0.40.

18   What is Hood's experience with Grade B milk?

19   A.   You know, we don't -- we don't have any. We can't

20 utilize it, and it's not available 99 -- over 99% of the

21 milk on the market is Grade A. So it's the de facto

22 standard.

23   Q.   And I know Hood manufactures cultured products.

24 But does Hood purchase any Grade B milk for those

25 products?

26   A.   No.

27   Q.   And so when considering whether or not Hood

28 believes that poolwide incentive is necessary to ensure

1 milk is Grade A, do you think the marketplace requires

2 that any longer?

3   A.   Can you repeat the question?

4   Q.   Is being Grade A still a Class I feature or has

5 that become a marketwide feature?

6   A.   I think it is a marketwide feature. I think it

7 is -- yeah. It's the de facto standard.

8   Q.   And then going to the second element, balancing

9 costs, which I understand is $0.60 per hundredweight of

10 the base price, correct?

11   A.   Correct.

12   Q.   And so can you tell us what are the ways in which

13 Hood balances its milk supply?

14   A.   Sure. As I have stated earlier, we -- all of our

15 milk is received directly from farms. We do pay our co-op

16 suppliers a handling charge to -- that includes the cost

17 of balancing.

18   Now, we -- we try to be as consistent as we can in

19 terms of our receiving schedules, and there has been some

20 discussion about what even "days" mean. So really that's,

21 you know, what we -- we attempt to do. A lot of our

22 plants run 24 hours, seven days a week, so we -- we can

23 accomplish that.

24   With some of our supplier contracts we actually

25 have what's called universal receiving credits in place,

26 which are the co-ops players coming back to us to incent

27 us to have that even-day schedule. So it's a nice kind of

28 free-market approach to balancing.

1   Q.   I want to ask a little bit about this direct

2 shipment.

3   What are the costs or efforts of receiving direct

4 ship milk that are different from purchasing milk in a

5 balancing plant?

6   A.   Well, I mean your -- your -- whatever the farm

7 is -- is producing, you are getting, so it's not -- it's

8 not a tailored product. So then we need to separate it --

9 store it, separate it. So we need to kind of deal with,

10 you know, balancing, with -- which -- what comes in from

11 the farm.

12   Q.   Are there administrative costs to receiving direct

13 ship milk 24 hours a day, seven days a week?

14   A.   I mean, there's obviously labor costs, too, to

15 maintaining that.

16   Q.   And I believe you said that Hood pays its

17 cooperatives, suppliers, handling charges that include the

18 cost of balancing, correct?

19   A.   Yes.

20   Q.   And so even outside of the FMMO system, Hood is

21 compensating its suppliers for balancing activities?

22   A.   Correct.

23   Q.   And these even-day receiving credits and the

24 direct shipment of milk, is that handled exactly the same

25 for every single supplier or will those features be

26 tailored to each supplier relationship?

27   A.   So, no, it really varies by supplier, so -- and I

28 can't go into specifics of supplier agreements, one,

1 because I don't know them, and secondly, because that

2 would be proprietary information.

3   Q.   But you can tell us that this is a

4 relationship-by-relationship or supplier-by-supplier

5 decision, such that there's not a blanket receiving -- or

6 blanket cost of balancing that is identical amongst all

7 suppliers?

8   A.   No.

9   Q.   And then you also discuss here ESL processing

10 facilities.

11   Can you tell us first, give us a little bit of

12 update on the Batavia facility, and then I want to talk

13 about how ESL processing aids in balancing.

14   A.   Okay. So Batavia is our newest ESL facility, and

15 in the summer we announced a $120 million expansion to

16 that facility. And a couple primary elements of that

17 expansion are we're adding two receiving bays and adding

18 two large raw milk silos to enable us to better balance

19 that milk supply.

20   Q.   And in comparing the expense of an ESL processing

21 line or facility compared to HTST, is ESL more expensive?

22   A.   ESL is more expensive. The processing is very

23 expensive. But even -- even more so, product storage,

24 because you are doing much longer production runs, you

25 know, producing specific products less often, but longer

26 runs, so you need to store product two, three weeks. We

27 had a discussion about, you know, producing over the

28 summer to sell in the winter. We don't go quite that far.

1 But with eggnog, you know, we will produce at the end of

2 August, and we'll be shipping that product well into

3 October.

4   Q.   And even day to day, having ESL processing can

5 allow for storage in terms of days or weeks, correct?

6   A.   Correct.

7   Q.   And does Hood utilize its ESL products to manage

8 its supply chains day to day or week to week?

9   A.   So with your production planning, you're

10 scheduling way out in the distance, so that allows you to

11 better, you know, manage your ingredient flows.

12   Q.   And it's my understanding that the expense of an

13 ESL facility is not just slightly more expensive than HTST

14 but magnitudes more expensive; is that right?

15   A.   That would be correct.

16   Q.   And certainly there are other reasons other than

17 balancing why Hood utilizes ESL processing, correct?

18   A.   Absolutely. Yes.

19   Q.   But it also is an expense that aids in Hood's

20 ability to balance the marketplace for its milk supply?

21   A.   That -- that is -- yes, that's the side benefit of

22 having the extended shelf life and the large facilities.

23   Q.   And has Hood ever had any milk shortages that it

24 wasn't able to solve either through spot purchases or

25 negotiating new supply agreements?

26   A.   No. I mean milk is amply available, so we have

27 not had any milk shortages. If we did have a temporary

28 spike, we would look to buy milk on the open market. If

1   we had a -- we -- our contracts are mid/max contracts, so

2   if we were above the maximum, we would look to renegotiate

3   the contract.

4   Q.   And do over-order premiums figure into any Hood's

5   supplier agreements?

6   A.   We do have over-order premiums in place with our

7   suppliers.

8   Q.   And those are negotiated with each supplier as

9   needed, correct?

10   A.   Yes, and they are part of the contract.

11   Q.   And has Hood ever charged -- excuse me. I'll

12 start that again.

13   Has Hood ever been charged fuel costs by its

14 suppliers?

15   A.   Yes. So we -- we do have fuel surcharges that are

16 passed through from our co-op suppliers.

17   Q.   And so compensating your suppliers for shipping

18 expenses outside of the FMMO system, but on a

19 supplier-to-processor relationship, allows you to tailor

20 those to specifically compensate that supplier for the

21 exact miles travelled?

22   A.   I can't say that it goes down to that level, but I

23 mean, if we see, you know, the cost of fuel rise, then

24 they are compensated for that increase.

25   Q.   Maybe a better way to put it is it is allowed to

26 adjust in real time when it's outside of the FMMO system?

27   A.   That's correct.

28   Q.   And then let's talk about the third piece, the

1 incentive to serve the Class I market.

2   Do you have any views on whether or not the base

3 Class I differential is needed in order to incentivize

4 service of Hood's plants?

5   A.   So we do not have any problem attracting milk to

6 our plants, so -- and with Class I at 30% of the pool,

7 we -- we don't see the need for -- and over-order premiums

8 in place to attract milk, we don't see the need for

9 Class I to bear the burden of the $0.60 incentive.

10   Q.   Okay. And even if there's a short-term shortage,

11 I believe you said that Hood would solve that through

12 purchasing on the spot market; is that right?

13   A.   Correct.

14   Q.   Not through the FMMO system in some way?

15   A.   That's correct.

16   Q.   And now if we could go to the next slide, please.

17   So this chart I will identify is also found on

18 page 5 of your written testimony, which is Exhibit 457,

19 but we have it here in the PowerPoint so that we can

20 discuss it.

21   So can you tell us what does -- what data does

22 this chart reflect?

23   A.   Yes. So this is -- well, let me explain my

24 purpose.

25   In looking at Proposal 19 and 20, I thought it

26 would be helpful to take a look at what we call bump

27 charts, which is --

28   Q.   What we call what kind of chart?

1   A.   A bump chart. So a bump chart looks at the impact

2   of price changes over time on volume.

3   Q.   Bump?

4   A.   Bump.

5   Q.   Okay.

6   A.   B-U-M-P.

7   Q.   So this specific chart is the -- and our

8   categories development team put this together for me, and

9   it's data from Circana, which was formally IRI before

10 merger. And this is U.S. multi-outlet sales, which is

11 kind of the broadest measure we have of sales. It

12 captures grocery stores and mass merchandise and a little

13 bit of club, not all club. Costco is not included in this

14 data. But it's kind of the broader -- broadest measure we

15 have.

16   And so this looks at gallon sales of branded and

17 private label gallons for four-week periods over about a

18 five-year period. So it -- it kind of looks at the impact

19 of the inflation that we had in 2022 on gallon sales,

20 so...

21   I mean, so what we see is, you know, sales

22 approaching 200 million at the start of the period. We

23 see the price spike in early '22, and you see the gallon

24 sales drop from probably the -- a little over 150 million

25 to probably down to about 140 million over the last

26 15 months of the chart, which kind of shows the impact of

27 higher prices.

28   So it was my attempt to look at elasticity. Not

1 as elegant as Dr. Capps did, but I think it kind of paints

2 the picture of what higher prices -- the impact they have,

3 so...

4   Q.   Put simplistically, as price goes up, purchases go

5 down?

6   A.   Yeah.

7   Q.   If we could look at the next slide, please.

8   A.   So the next slide looks at the 64-ounce size of

9 branded and private label products. And I thought it was

10 really interesting that Warren kind of referenced this

11 pattern when he talked about elasticity.

12   So this -- this looks at half gallon sales, and

13 the unit sales here for a four-week period are really kind

14 of remarkably flat throughout this five-year period and

15 through the inflationary period. So it kind of

16 demonstrates the pattern that when you see prices

17 increase, you see some consumers move from the gallon size

18 to the 64-ounce size because that's more affordable for

19 them, so which indicates, you know, lower overall volume

20 consumption.

21   Q.   So as we see the price for both gallons and half

22 gallons going up, we're seeing less gallon consumption,

23 and in your estimation -- or in your conclusion from this

24 data, also, consumers trading down to a smaller volume of

25 milk?

26   A.   That is correct.

27   Q.   Thank you.

28   And then let's look at the final chart, please.

1 A.   So the final chart is I thought it would be

2 interesting to look at branded gallon sales, so not --

3 removing private label from the equation, and what impact

4 does higher prices have on branded. And for independent

5 processors like Hood, brand is really what's most

6 important.

7   And this slide to me was pretty alarming. We see

8 sales dropped from 40 million in 2018. You have the COVID

9 spike in 2020, but as those prices start to ramp up, you

10 really see the unit sales of gallons drop to less than

11 20 million per four-week period at the end of that time

12 period.

13 Q.   And so when you are considering elasticity, right,

14 or the consumer's reaction to price increases, that

15 appears to be more significant or severe in response to

16 price increases for branded products than for all

17 products?

18 A.   And the assumption here is they are moving to

19 smaller sizes. They could be moving to plant-based. They

20 are moving to private label for sure.

21   So my implications here are, for higher Class I

22 prices, if we increase the differential, we're going to

23 see lower gallon sales overall. We're going to see

24 consumers switch to smaller sizes, consider other

25 substitutes, or they are going to consume less. I think

26 branded sales will decline faster than the market.

27   And with branded sales declining and private label

28 getting stronger, I think that really favors captive

1 dairies for sure because they exist to serve their retail

2 owners, and then also co-ops I think are in a better

3 position to serve private label since they can reblend, so

4 their costs are -- they have a cost advantage.

5   And another implication is declining volume sales

6 will lead to further consolidation and plant closures in

7 the industry.

8   So I just -- I don't think it bodes well for the

9 Class I market.

10   Q.   And in terms of Proposal 20 and reducing the pool

11 obligation by $1.60, we heard some questions yesterday to

12 Ms. Keefe about, well, what's about going to happen to

13 that $1.60 if it's not going into the pool.

14   And how would you expect that Hood could utilize

15 or would utilize capital freed up from having a lower pool

16 obligation?

17   A.   Yeah. So for -- for HTST products, I mean, we

18 typically base our cost to the customer on the price. So

19 if we see the price fall, we will see our price to our

20 customers fall.

21   Q.   And that really -- so you are talking about

22 bringing down this blue line here and hopefully bringing

23 up some of the volume back?

24   A.   Yeah. We don't control the retailers, but, you

25 know, we -- we do move with the market on conventional

26 milk products, so hopefully that's what would happen.

27 Now, certainly, if we had to attract more milk to our

28 plants, then we would need to look at the over-order

1 premiums that we pay, so...

2   Q.   So utilizing that $1.60 to pay directly to your

3 suppliers to attract more milk?

4   A.   And that's -- that's -- I mean, that's kind of our

5 preference with all three components -- well, maybe not

6 Grade A, but it -- it would be much better to have a

7 direct relationship with our suppliers and have those

8 incentives diluted by the pool.

9   Q.   And that would be consistent with the approach

10 today, where part of the payment is a pool obligation and

11 part of the payment is an over-order premium, correct?

12   A.   That is correct. I mean, I -- I -- I didn't get

13 involved in this process until June, so I didn't really

14 even have a good understanding of the base differential

15 prior to that. So when I saw these were the components

16 and what MIG's proposal was, I thought it was pretty

17 compelling.

18   Q.   Thank you.

19   So if we could turn to the next slide, slide 8. I

20 would now like to move away from your support for our

21 Proposal 20 to talk about Proposal 19.

22   What is Hood's position on Proposal 19?

23   A.   So our position is that regulated prices should be

24 minimum prices. The industry uses over-order premiums and

25 fuel surcharges to incent milk movement. The USDA should

26 not burden Class I minimum prices with variable

27 transportation costs as the proposal has -- has requested.

28 So...

1   Q.   And we talked just a minute ago about the fact

2   that Hood already addresses transportation costs in

3   realtime with its suppliers or at least some of its

4   suppliers, correct?

5   A.   That's correct.

6   Q.   Thank you.

7   A.   So these first three bullets are really our --

8   yeah, this is why you should reject Proposal 19. The next

9   two bullets really focus in on the proposal and the

10   working group proposals and some of the inequities we see

11   there.

12   So we -- you know, we object to the working groups

13   using different supporting logic for their differentials,

14   so -- and sometimes that logic was contrary or

15   contradictory, so -- and then when we took kind of a deep

16   dive into how our plants would be impacted, we found the

17   proposed location differentials often varied significantly

18   from the spatial model and in some cases seem to give a

19   competitive advantage to competitive plants owned by the

20   cooperatives that helped craft the location differential

21   proposal.

22   Q.   Thank you.

23   And if we -- I could dig a little bit into that by

24   going to the next slide, please.

25   So I see you have five plants highlighted on this

26   slide. Can you just tell us the names of those plants and

27   why you chose to examine those five.

28   A.   Yeah. So I -- I kind of chose the Massachusetts,

1   New Hampshire, Maine area to focus in on three of our

2   fluid plants and two of our competitors and kind of the

3   way the proposal impacted our plant.

4   So -- and I'm really going to kind of focus in on

5   Hood Agawam, DFA Franklin, and Hood Portland, Maine, in

6   this discussion for the sake of time.

7   So when you look at the Hood Agawam plant, which

8   is located in kind of Central Massachusetts, about

9   80 miles from Boston, you see the current differential is

10 $3, the model average is 4.85, and the proposal

11 proposed -- the proposal in Proposal 19 is 4.85. So no

12 variance from the model average, which seems right if you

13 are going to use that as your base.

14   However, the DFA Franklin plant, which is south of

15 Boston, so it is much closer to that market, currently has

16 a differential of 3.25. The model average would dictate

17 it goes up to 5.25. However, the proposal put forth by

18 the working group was 5.10, so -- which is a $0.15

19 variance. So it favors their plant by $0.15, so that puts

20 our Agawam plant at a disadvantage. And those plants

21 compete.

22   So then looking to the northeast in Maine, our

23 Portland -- we ship a lot of milk from that Maine plant

24 into Boston and south of Boston. Currently the

25 differential is $3. The model average calls for 4.50.

26 There's lots of milk available in Maine. The proposed

27 increase is 4.85, so $0.35 above the model average, which,

28 you know, now puts our Maine plant at a $0.50 competitive

1 disadvantage from current state to the DFA Franklin plant.

2 And we have a lot of milk shipping into the Boston market

3 from that Maine plant.

4   So part of the logic given for that $0.35 increase

5 was, well, we need to keep the milk in Maine, so let's

6 come back to that in a minute.

7   So I'm going to move on to the next slide, which

8 looks at our ESL plants.

9   Q.   And so just to kind of summarize the prior slide,

10 the concern is, right, that vis-a-vis competitive plants,

11 right, DFA did not feel as though the adjustments were

12 done fairly or equitably between those plants, correct?

13   A.   Hood did not feel those -- those --

14   Q.   Oh, yes.

15   A.   That's correct. And I -- I didn't talk about our

16 Concord plant, but a similar situation there. We do ship

17 a lot of milk into Massachusetts from that plant, and that

18 plant is at a disadvantage to the Franklin plant as well.

19   Q.   Thank you. So the next slide would be great.

20   A.   Okay. So this plant thought it would be helpful

21 to look at our ESL facility. So Hood Batavia and Hood

22 Oneida are located about 150 miles from each other, and

23 when you look at -- so they kind of pull from the same

24 milk shed. When you look at the current situation,

25 Batavia's differential is 2.20, Oneida is 2.50. The model

26 average would call for them to narrow, so within $0.05.

27 However, what was proposed is that Oneida increases $0.20

28 above the model average, which doesn't seem quite right

1 when the model would dictate that the cost would -- should

2 be -- the differential should be the same, so...

3   And then, separately, we took a look at our

4 Sacramento facility, and I know there will be a lot of

5 discussion coming about the California differential

6 increasing, so much more for the model as we get further

7 into the Proposal 20 testimony. But what we saw with our

8 plant is currently the differential is 1.70, the model

9 average would call for a $0.20 increase to 1.90, but the

10 proposal is for 2.50, so a $0.60 increase.

11   In California I just looked at the average

12 proposed increase, and it was $0.69 over the plants there,

13 and comparing that to the model deviation for the rest of

14 the U.S., that was $0.14, so a $0.55 difference. So the

15 justification there is hard to understand.

16   And then we look at the Appalachian region where a

17 milk deficit was cited earlier. So it seems like you

18 would want to increase above the model average there, or

19 at least hit the model average. And actually there it is

20 almost $0.15 short of the model average. So it doesn't

21 seem -- it doesn't seem rational when you compare it to

22 the increase that's proposed for California.

23   THE COURT: Repeat the tail end of your sentence.

24   THE WITNESS: It doesn't seem rational when you

25 compare it to the increase proposed for California.

26 BY MS. VULIN:

27   Q.   And I think this is an interesting comparison

28 because, as I understand it, the critique here is not how

1   Hood was treated vis-a-vis a competitor, but the lack of

2   consistency even amongst Hood's ESL plants?

3   A.   That's correct. It's -- it's -- kind of goes back

4   to there being no set methodology.

5   Q.   Thank you.

6   And if we could go to the next slide, please.

7   A.   So this next slide, we're coming back to Maine.

8   So what was proposed was $0.35 above the model average to

9   keep milk in Maine. Maine has the Maine Milk Commission,

10 which was founded in 1935, and was created to arbitrate

11 differences, establish minimum prices in designated areas

12 after hearings, and exercise general supervision over the

13 milk industry in Maine.

14   So Maine kind of has a dual regulatory -- has two

15 regulatory bodies. So on-farm costs of production are

16 reviewed every three years by an independent party and

17 adjusted by -- accordingly. I believe the Maine Milk

18 Commission is a five-person board.

19   The producer margin is added to Class I prices

20 which help establish minimum wholesale and on-shelf prices

21 in the state of Maine. So Maine specifically is highly

22 regulated.

23   The producer margin is paid back to the Maine pool

24 on the milk produced, processed, and sold in Maine. So

25 there's an incentive already built into the regulatory

26 structure to keep milk in Maine.

27   And I -- in earlier testimony I think the

28 testimony was given that 30% of the milk produced in Maine

1 stays in Maine. And that's NMPF-54, Appendix 1B is where

2 we pulled that data from.

3   So for us, this would indicate that additional

4 Class I differentials are not needed with the close

5 oversight of the Maine Milk Commission and a surplus of

6 milk to service Class I demand.

7   So I think it's important for the USDA to kind of

8 look at those regions that have separate bodies that --

9 that are involved when they are considering this

10 differential proposal.

11   Q.   Thank you. Appreciate that.

12   And then if we can go to the last slide on your

13 opposition testimony on Proposal 21, please.

14   Just in a high level, why does Hood oppose

15 Proposal 21?

16   A.   Yeah. So we're opposed to Proposal 21. We think

17 it -- and Warren mentioned this -- unfairly impacts

18 Class I facilities that produce both Class I and Class II

19 products. They -- they -- they are locked into the pool

20 and --

21   Q.   When you say "they are locked into the pool,"

22 facilities that also produce Class I and II products?

23   A.   Yes, they can't -- they can't -- you know, they

24 can't depool. I guess in some cases Class II plants can

25 depool.

26   So our feeling is in lieu of another stagnant

27 differential, we would lean on our opposition to

28 Proposal 19 and reiterate the need to let a free market do

1   its job and place the value of Class II milk in the hands

2   of over-order premiums based on supply and demand signals

3   in the marketplace.

4   We also feel that a permanent cost increase in

5   Proposal 21 might decrease demand for Class II stall --

6   decrease the demand for Class II skim solids by

7   encouraging low cost raw material optimization from nonfat

8   milk powders, whey, or buttermilk in place of Class II.

9   So this -- this displaced Class II would move into

10 Class III and IV plants, incurring additional freight

11 costs and potentially lowering over-order premiums, and --

12 and the amount of money that goes in the pool, which would

13 be completely at odds with the Farm Bureau's proposal and

14 reasoning. And then in a region like the Northeast where

15 you have limited manufacturing plants, it could result in

16 disorderly marketing conditions.

17 Q.   And so really there are a number of collateral

18 consequences to Proposal 21 that you believe makes it

19 unfeasible?

20 A.   Makes it -- it would not be to the benefit of the

21 industry to adopt it.

22 Q.   Thank you.

23   And if we could go to the last slide, please.

24   If you want to tell us what this chart is here,

25 and namely how USDA should take into account this decline

26 in sales when deciding what -- where to set the current

27 Class I differential.

28 A.   Yeah. So, I mean, obviously, the trend in fluid

1 milk consumption, per capita consumption, is not

2 favorable. We have talked about the -- how utilization

3 has fallen. I think this really paints the picture. So

4 we appreciate the USDA for holding the hearing and

5 allowing a thoughtful conversation.

6   I think the Agricultural Act of 1937 requires we

7 bring forth an adequate supply of milk for fluid use. So

8 we have a differential structure in place that does it.

9 It doesn't mean that all transportation costs should be

10 covered. If other classes of milk are able to attract

11 milk without covering all the transportation costs or

12 without a locked-in defined system in place, why are we

13 doing -- burdening Class I with such a system at this

14 point when utilization is 30% of the pool and less than

15 20% of overall milk production? So Class I is steadily

16 declining. I think any regulatory change must account for

17 this regulatory reality -- or this market reality. That's

18 it.

19   Q.   Thank you. Appreciate it.

20   A.   Thank you, Ashley.

21   MS. VULIN: Nothing further, Your Honor. I would

22 move to admit Exhibits 458 -- excuse me -- 457, 458, and

23 459.

24   THE COURT: Thank you. And I'll wait until we

25 have had cross before responding to your motion.

26   MS. VULIN: Nothing further. And I present the

27 witness for cross-examination.

28   THE COURT: Mr. Newell, that was extremely well

1   presented, very concise, and nicely laid out.

2   And I invite cross-examination.

3   CROSS-EXAMINATION

4   BY MS. HANCOCK:

5   Q.   Good afternoon, Mr. Newell.

6   A.   Hello, Ms. Hancock.

7   Q.   I'm Nicole Hancock with National Milk.

8   Let's see. I'm looking at Exhibit 457 on your

9   written testimony, and I just want to get a little

10 background on your HP Hood's plants.

11   On the last paragraph on page 2 there in the

12 Company Background is where I'm at least kind of anchoring

13 these questions. But you have listed out the location of

14 your various plants there, and I'm wondering if you could

15 help us understand what you produce at those plants.

16   A.   Okay. So --

17   Q.   While you are looking, I'll catch you before the

18 judge does, that your volume will drop off if you are

19 looking down.

20   A.   Thank you.

21   Okay. I'm sorry, I was looking at page 3.

22   Okay, page 2. So our -- so our ESL plants, we

23 produce Lactaid. We produce ESL milk for export.

24   Q.   I'm sorry. At which one?

25   A.   Our ESL plants. So do you want me to walk through

26 plant by plant or --

27   Q.   Yeah. That would be great.

28   A.   So Sacramento, we produce Lactaid, and we produce

1   ESL milk for export. Additionally, we produce plant-based

2   beverages.

3   Q.   Okay.

4   A.   Winchester, Virginia, we produce Lactaid. We may

5   produce some private label dairy products in Winchester.

6   We also produce those in Sacramento. So I should have

7   stated that. And then we produce non-dairy creamer and

8   some plant-based beverages.

9   THE COURT: Some plant-based beverages?

10   THE WITNESS: Plant-based beverages.

11   Batavia, New York, would be -- and I -- I'm unsure

12 of whether we produce private label products -- or dairy

13 products in Batavia. I know we produce plant-based

14 beverages, and we produce Lactaid in Batavia. And we

15 would have the same product line up in Oneida, New York.

16 BY MS. HANCOCK:

17   Q.   As Batavia?

18   A.   Yes. Yes.

19   We also produce half and half and cream in some of

20 these facilities as well, some of these ESL facilities.

21   So in our -- I'm going to move on to our HTST

22 plants. And we have -- in those plants we produce the

23 HTST products, so gallons, half gallons, quarts, in the

24 Hood Crowley and Booth Brothers and private label. And I

25 really can't break that down by plants. We also produce

26 half and half and cream and ice cream mix in some of those

27 facilities.

28   HTST products, our Vernon plant is our yogurt

1 plant, so we produce yogurt there. I believe we also

2 produce some sour cream there.

3   And then Agawam and LaFargeville are culture

4 plants as well, so cottage cheese and sour cream. And I

5 believe Heluva Good! Dip is produced in some of those

6 facilities.

7   THE COURT: What was --

8   MS. HANCOCK: What was the last thing you said?

9   THE WITNESS: Heluva Good! Dip.

10   THE COURT: Would you spell that, please?

11   THE WITNESS: I knew you were going to ask me

12 that. Yes, it's H-E-L-U-V-A.

13   THE COURT: Oh.

14   THE WITNESS: It's good. Good stuff.

15   THE COURT: Thank you.

16   THE WITNESS: And then our Suffield plant we

17 produce ice cream and...

18 BY MS. HANCOCK:

19   Q.   And so your ESL plants are Sacramento and

20 Winchester, and then Oneida and Batavia?

21   A.   Yes. And I left Philadelphia out of the mix

22 because that plant is under a sale agreement.

23   Q.   Okay. Why are you selling that plant?

24   A.   It -- it doesn't really fit with the rest of our

25 plants, which are newer, modern facilities. That's an

26 older facility. We do -- it's a smaller facility, and we

27 do some creams there. But I -- it just doesn't -- I mean,

28 I'm -- I'm not at the level of the company to exactly say

1 why, but just from my seat observing, it doesn't seem to

2 fit with the rest of our facilities, which are larger,

3 more modern facilities.

4   Q.   Okay. Not an indication that it's a decline in

5 demand, it is just not the right -- the right plant for

6 the otherwise growth opportunities that you have?

7   A.   Yes.

8   Q.   Because you are growing in other areas, as you

9 noted that you have a new plant coming online?

10   A.   Yeah -- well, we have a plant expansion coming

11 online.

12   Q.   Okay. Fair enough.

13   A.   Yep.

14   Q.   And -- and so in all of the four locations in

15 which you produce ESL products, you also produce non-dairy

16 products as well?

17   A.   That's correct.

18   Q.   Okay. And do you use those unanimous dairy

19 products to balance the production of your ESL products or

20 your --

21   A.   So not really to balance. We -- we typically

22 have -- those plants are kind of an isolated system, so we

23 run them on separate fillers, not always set -- use

24 separate lines, batching systems to produce those

25 products.

26   Q.   And you note in your testimony that your Class I

27 utilization rate, I think that it's for the totality of

28 all of your locations is 87% for Class I?

1   A.   Yes. Yes. So -- so 13% would be Class II.

2   Q.   And you note the -- you source most of your milk

3   from cooperatives, but that you also utilize direct ship

4   and brokers as well?

5   A.   I think one broker. So I don't think that's

6   really a major part of our business. So co-ops would be

7   the large majority, but independent suppliers are

8   important to us also.

9   Q.   Which plants do you have that receive direct ship,

10 do you know?

11   A.   So when you say "direct ship," do you mean -- so

12 all of our plants are direct ship from the farms.

13   Q.   I'm sorry, I should have said from your

14 proprietary -- from your independent suppliers.

15   A.   I don't know precisely. I know our Sacramento

16 plant has some independents. I believe our plants in

17 northern New England. But I could not take that down to

18 the plant level for you.

19   Q.   Is it fair to say it's a very small percentage?

20   A.   It's -- it's definitely -- the large majority

21 is -- comes from co-ops.

22   Q.   And to the extent that you have talked about some

23 of the balancing that you have either done or that you are

24 expanding your plant to be able to do, that comes on top

25 of the balancing that's done by the cooperative as well?

26   A.   So we -- we do the best that we can to have

27 even-day receiving, which makes it easy for the co-ops to

28 balance their milk production, and in some cases they

1 incent us to do that, which is a nice partnership.

2   Q.   Can you explain the even-day receiving?

3   A.   So -- so basically, you know, farms tend to

4 produce the same amount of milk day in and day out. So if

5 we receive every day, throughout the week, then we can

6 handle that production, and it's -- it makes for an easy

7 relationship to take the milk right off the farms and not

8 have to redirect it somewhere else.

9   Q.   And if you don't have the same volume of receipts

10 to achieve that, who is responsible for managing those

11 supply variations?

12   A.   So that would be the -- then that would fall to

13 the co-op.

14   Q.   And then the co-op would absorb the burdens and

15 costs of those balancing costs?

16   A.   And we pay them a handling fee to do that.

17   Q.   Okay. And you say that you pay over-order

18 premiums?

19   A.   We do.

20   Q.   And is that across the board with all of your

21 suppliers you pay an over-order premium?

22   A.   I believe that's with all of our suppliers.

23   Q.   And how does -- how does the even-day receiving

24 play into that over-order premium, if at all?

25   A.   It doesn't. My understanding, the handling is

26 separate from -- from the over-order premium.

27   Q.   And do you -- if you achieve those even-day

28 receiving, do you receive a credit?

1 A. Yeah. I think we -- I talked about that in my

2 testimony. It's called a universal receiving credit.

3 Q. And that is -- that's a deduction off of the

4 over-order premium that you pay?

5 A. It's a -- it's money that comes back to us from

6 the handling charge.

7 Q. Okay. If you achieve that?

8 A. If we achieve that.

9 Q. Okay. And do you know what the percentage is that

10 you hit that mark?

11 A. I'm sorry, I have no idea.

12 Q. Okay. We fly a little blind in our questions, so

13 I have to ask just to find out.

14   And do you know what the credit amount is that you

15 receive -- or at least if it's not a dollar amount, the

16 percentage of the credit that you receive if you hit that

17 even-day receiving target?

18 A. I -- I do not. No, I don't know any of the

19 economic specifics.

20 Q. So in the plants where you receive -- or I'm

21 sorry -- in the plants where you process ESL products, do

22 you take in the same volume of milk seven days a week?

23 A. I can't answer that question. I -- I don't have

24 that knowledge. I know that we strive to, but I can't

25 affirmatively say that.

26 Q. Do you know if you alternate the days of

27 production that you are producing milk products versus

28 your plant-based products?

1   A.   So our plants are large, so we have various lines

2   going. So it's really not -- usually we're -- we're

3   producing both sets of products on separate

4   pasteurizers -- separate ultra pasteurizers, separate

5   lines. So it's -- they're not mutually exclusive.

6   Q.   Is that the case with all four of the plants that

7   process ESL products?

8   A.   I can't say that. I would think so, but I -- I

9   can't say that positively.

10   Q.   And overall, your -- as a business, Hood is

11   increasing the volume of its ESL products year over year?

12   A.   We have been fortunate to have good growth over

13   the -- yeah.

14   Q.   That's a growing segment?

15   A.   It's been a growing segment of our business, and

16   certainly the addition of the Batavia plant for us came at

17   a good time, which was I think 2018 that plant opened.

18   Q.   And I think you talked a little bit about this,

19   but I want to make sure I understand -- or at least with

20   respect to eggnog you talked about it. But you talked

21   about how you build up a supply, and you can -- you can

22   store that, and then distribute it at a later time?

23   A.   Yeah. I mean, eggnog's an extreme example,

24   producing, you know, in August to ship in late September

25   and October. And certainly we do other production runs

26   later in the year. But, yeah, that's an example of, you

27   know, freeing up some line time in maybe a slower season.

28   Q.   Okay. You can use that as an internal method to

1 balance some of your -- at least the incoming supply?

2   A.   Yes.

3   Q.   And can you do that with your ESL products as

4 well?

5   A.   We -- we -- we don't do that with our regular ESL

6 products. Those are more on a regular production

7 schedule.

8   Q.   And you talk about, in page 4 of your testimony,

9 the cost of balancing and -- and Hood's experiences in

10 balancing itself.

11   Have you done anything to quantify the costs that

12 Hood incurs in balancing milk?

13   A.   I have not.

14   Q.   And have you done any -- is it fair to say, then,

15 you haven't done anything to determine what your

16 cooperatives' costs are in balancing milk?

17   A.   I don't know what -- what our cooperatives' costs

18 are in balancing milk. I know we have made significant

19 capital investments to, you know, better be able to

20 receive milk. But I -- yeah, I don't know what our

21 cooperative costs are.

22   Q.   Is it fair to say you haven't engaged in any

23 conversations with the cooperatives that would let you

24 know that the extent to which Hood's investments in being

25 able to balance milk would offset some of the burdens that

26 the cooperative would have?

27   A.   It would be safe to say that I have not done that

28 in my position, so I -- I -- I know that on the milk

1   procurement side of the business, we work very closely

2   with our co-op partners, but I specifically can't answer

3   that question.

4   Q.   You also talk about the current need for

5   incentives to service the Class I market. And -- and in

6   your experience, you have had good experiences with being

7   able to supply a sufficient quantity of milk for Hood's

8   needs; is that right?

9   A.   Yes.

10   Q.   And able to -- to sufficiently obtain that supply,

11   you have to pay an over-order premium?

12   A.   We -- yes.

13   Q.   And do you know what that over-order premium is

14   designed to compensate to your suppliers?

15   A.   I -- I have -- I believe it's there to, you know,

16   incent them so we can have a min-max contract so we can be

17   assured that we're going to have the milk that we need in

18   our facilities.

19   Q.   And when you talk about a min-max contract, can

20   you describe for our record what that means?

21   A.   And so it means that we will take a minimum of

22   this amount of milk and be able to flex up to a maximum of

23   that amount of milk. And I -- I think that allows our

24   partners to better manage their milk supply.

25   Q.   And what's the delta there? How big of a range is

26   it, do you know?

27   A.   I don't know.

28   Q.   A significant amount, or is it within a couple of

1 truckloads in the range, or do you have any idea?

2   A.   I don't have any idea. I'm sorry.

3   Q.   That's okay.

4   A question on that, I was going to try and jump to

5 it, but it is not here.

6   So you are still, at least through your over-order

7 premiums, having to pay an incentive to entice that milk

8 or ensure that adequate supply.

9   So is it fair to say that it's your position that

10 it's just better paid through the over-order premiums as

11 opposed to the Class I differentials?

12   A.   It's -- it's our -- it's definitely our position

13 to pay directly to the supplier than to pay into the pool

14 and have it diluted to other manufacturing classes.

15   Q.   So when you say pay to -- paid directly to the

16 supplier, you mean you would like to pay to the

17 supplier -- the supplier of the raw milk, for the milk

18 that you are going to be using for Class I use?

19   A.   Yeah, that would be our preference.

20   Q.   And you understand that it's a fundamental

21 principle under the Federal Order system that suppliers or

22 producers would be paid without regard to the end use of

23 their final product?

24   A.   I do understand that when the system was created.

25 But Class I was such a large part of the pool then, and we

26 needed to assure that milk was available. It's just

27 drastically changed now. So it seems that, you know, the

28 differentials need to reflect that.

1   Q.   Okay. And -- and if we just look at on

2   Exhibit 459, your PowerPoint, on page 4, those are the

3   three buckets that you are saying -- the three buckets of

4   costs that make up that $1.60 base differential that you

5   are saying are no longer needed to be included in base

6   differentials?

7   A.   That's correct.

8   Q.   But they could be instead privately negotiated

9   directly with those handlers?

10   A.   Correct.

11   Q.   So you are not saying that these costs don't exist

12   or that they haven't gone up --

13   A.   So, no.

14   Q.   -- you are just saying that --

15   A.   I don't -- for -- for Grade A, I think -- Grade A

16   is the de facto standard, so it makes no sense to have

17   that as part of the Class I differential at this point.

18   So I think we need to carve that out separately.

19   Q.   Okay. And just because I didn't get a complete

20   sentence in there --

21   A.   I apologize.

22   Q.   That's okay. It's an awkward conversation under

23   any standard.

24   So under -- on page 4 of your PowerPoint

25   testimony, the three buckets of -- that make up the $1.60

26   base differential, you are not saying that those costs

27   don't exist in some form, you are just saying that those

28   should be privately negotiated between the Class I fluid

1 milk handler and the supplier of that milk?

2   A.   Correct.

3   Q.   And I think the clarification you were making is

4 that you don't believe the Grade A, to the extent that

5 there is a portion of that base differential that includes

6 a Grade A standard, for either converting that milk from

7 Grade B to Grade A or to maintain that milk, you don't

8 believe that that's valid any longer?

9   A.   I don't. No.

10   Q.   Okay. But you would agree with me that in order

11 to maintain a Grade A quality standard, that those are

12 still costs that are incurred, your position is just that

13 it's standardized across the industry so you don't want to

14 pay for it?

15   A.   Right. It's the cost of doing business if you

16 want to be a milk producer.

17   Q.   But a producer still has costs associated with

18 that, but you are just saying that's just a sunk cost of

19 operating?

20   A.   Yes.

21   Q.   And you are not aware of any other place in the

22 Federal Order system where that Grade A requirement is

23 otherwise compensated to maintain that standard?

24   A.   I'm not.

25   Q.   You are just, again, relying on the private

26 contract negotiation between a fluid milk handler and the

27 producer or the supplier?

28   A.   Well, for -- for Grade A, I think it's -- you

1   know, it's assumed that the product is Grade A, so it's

2   part of the cost of doing business at this time.

3   Q.   Okay. And then if we turn to the next page of

4   your PowerPoint on page 5.

5   You have put together some -- some chart

6   comparisons based on the Circana database.

7   A.   Yes.

8   Q.   And you understand that the Circana database

9   focuses on just the retail pricing or the retail outlets?

10   A.   Yes. So Circana looks at most grocery stores.

11 There are some chains that don't participate, but most.

12 It includes mass merchants like Walmart. It includes some

13 club stores, but Costco is excluded.

14   Q.   And it doesn't include things like the government

15 contracts, schools, military, things like that, right?

16   A.   No.

17   Q.   Okay. And those obviously have very -- they would

18 have a very differing effect if you would add those

19 contracts into this mix?

20   A.   That would change the picture. I don't know if it

21 would make it look better or worse, but the -- yeah. This

22 is really looking at milk that is sold through retail.

23   Q.   And does Hood have any government, military, or

24 school contracts?

25   A.   We do.

26   Q.   They are not as -- they are not as reactive to

27 short-term price changes; is that fair to say?

28   A.   Well, I think they move with the market, so volume

1 could be impacted.

2   Q.   So volume can be impacted?

3   A.   Can be impacted, yes.

4   Q.   How long are the terms of your government

5 contracts?

6   A.   I can't answer that -- that question.

7   Q.   Multi-year?

8   A.   I -- I don't know.

9   Q.   Okay. And you have a time period that you have

10 charted here from February of 2018 through May of 2023.

11   Any reason it's that timeframe?

12   A.   So I went back to 2018 because I didn't want to

13 start in 2020 because of the COVID spike. So I mean,

14 that's kind of typical when we look at data, we like to

15 try to get a picture of what it looked like before the

16 pandemic.

17   Q.   Are your margins higher on a half gallon of milk

18 as opposed to a gallon size milk?

19   A.   I don't know the answer to that -- to that

20 question.

21   Q.   Is it fair to say that the retail price to

22 consumers is generally more than half the price for a half

23 gallon of milk than a gallon of milk?

24   A.   Yes, if you -- if you look at -- compare the two

25 charts, the gallon chart to the half gallon chart, it

26 shows that the price of the gallon, average price, is

27 3.50, and the price of a half gallon looks to be about

28 3 -- about 2 -- 2.30.

1   Q.   And do you know who reaps the benefits of that

2 additional cost on a per unit basis?

3   A.   Do I know who reaps the benefit of that additional

4 cost? I know it's more expensive for us to produce. I

5 think that retailers tend to, you know, probably price up

6 and need to be more competitive on gallons because that

7 seems to be the price item.

8   Q.   And let me ask it more directly. Is margin

9 greater on a half gallon of milk than on a gallon of milk?

10   A.   Well, you asked me that question before, and I

11 cannot say that affirmatively.

12   Q.   Okay. And is it fair to say that -- well, what

13 are the -- what are the specialty products, the branded

14 products that fall under Hood's brand?

15   A.   So it -- it would be -- Hood is our -- is, you

16 know, our brand, so that's kind of our premium brand. In

17 some markets, Crowley.

18   Q.   So on page 7 of your PowerPoint you have charted

19 the multi-outlet for the branded gallon products from

20 Hood?

21   A.   Yeah. This isn't from Hood. This is for the

22 market overall. So this is looking at branded label

23 overall.

24   Q.   Okay. So these would be the premium products like

25 fa!rlife and Lactaid?

26   A.   No, no, no, no. So this is gallons. So gallon

27 size, and it would be branded, so like Hood or Anderson

28 Erickson or Garelick, those would all be considered

1   branded, versus private label was factored out of this

2   measure.

3   Q.   These are the ones that would be premium priced

4   products?

5   A.   It's what the retailers would -- if the retailer

6   has a private label product, so their private label would

7   be in competition with these branded products.

8   Q.   And on general, these are the -- these are the

9   products that are the most price sensitive to changes in

10 prices at the retail level?

11   A.   That's certainly what we see on this chart,

12 because they tend to be priced at a premium to private

13 label. So when prices go high, you have customers saying,

14 well, maybe -- you know, I like my local label, but maybe

15 I need to save some money and buy the private label.

16   Q.   Buy more of a generic product?

17   A.   Yes.

18   MS. HANCOCK: And that's all I have. Thank you so

19 much.

20   THE WITNESS: Thank you.

21   THE COURT: Mr. Newell, would you please look at

22 these charts on pages 5, 6, and 7, Exhibit 459, and the

23 words do seem to indicate that the time period measured

24 ended in May of 2023, but every one of the charts seems to

25 include through July of 2023.

26   Am I seeing that correctly on the charts?

27   THE WITNESS: You are correct.

28   THE COURT: So you got some more data before this

1   was printed.

2   THE WITNESS: I actually think when I put the

3   caption in here, I mislabeled it.

4   THE COURT: Oh, okay.

5   THE WITNESS: Because the PowerPoint was produced,

6   and then recently the charts were added, so this was my

7   error.

8   THE COURT: Okay. So we have even more fresh

9   information here.

10   THE WITNESS: Yes.

11   THE COURT: All right.

12   Who else has questions for Mr. Newell?

13   CROSS-EXAMINATION

14 BY DR. CRYAN:

15   Q.   Hi.

16   A.   Hello. How are you, Roger?

17   Q.   I'm good. How are you?

18   A.   I'm good.

19   Q.   I'm Roger Cryan with the American Farm Bureau

20 Federation. Thanks for being here. Thanks for

21 testifying. I've got just a couple of things.

22   What -- what -- what do you think the Class II

23 differential should be?

24   A.   What do I think it should be?

25   Q.   Yes.

26   A.   That's not a question that I have considered. I

27 think what we're saying here is let's not change it, so

28 that's our position.

1   Q.   Does -- do you think -- does -- do your Class II

2   needs have similar balancing costs to your Class I needs?

3   A.   So our --

4   Q.   For the fresh products, for the perishable

5   Class II products?

6   A.   So our -- our -- certainly our HTST plants, they

7   are intertwined, so the balancing costs would be similar.

8   The cultured plants, you know, I'm not familiar enough

9   with those operations to speculate.

10   Q.   But they are fresh products?

11   A.   They are fresh products.

12   Q.   Produced every day?

13   A.   Yes.

14   Q.   With limited shelf life?

15   A.   Yes.

16   Q.   You can't store it?

17   A.   Can't store it for long.

18   Q.   So presumably have similar --

19   A.   Yes.

20   Q.   -- similar balancing needs?

21   A.   Yes.

22   Q.   And do you think for your products you have got a

23   lot of good high quality Class II fresh products that you

24   think -- how easily do you think you would switch over

25   using powder in place of fresh skim?

26   A.   So I -- I think it's a risk of the proposal, is

27   that -- that people would look for substitutes. So I

28   mean, we have got great products, and we would want to be

1 very careful about -- about doing that. But it certainly,

2 you know, creates an opportunity for a manufacturer to

3 look at.

4   Q.   Right. Is the barrier, though, roughly what it

5 would cost to turn milk into a Class IV product and then

6 use it again?

7   A.   I don't -- I don't -- I don't know the answer to

8 that question.

9   Q.   That's fair.

10   Are you -- are you aware that at one time a lot of

11 these perishable Class II products, especially cream, were

12 in Class I, once upon a time?

13   A.   So I come from the California order, so we --

14   Q.   Of course. Of course.

15   A.   -- we actually had cream in Class I, and then we

16 had some in Class IV.

17   Q.   Right.

18   A.   But I -- I -- I was not aware that the Federal

19 Order used to have them in Class I.

20   Q.   And one of the issues that's been raised, one of

21 the concerns about this higher Class II differential is

22 that standalone Class II plants are able to depool, which

23 has other costs, and the ability to draw, and so forth.

24   But would it be fair if -- if these perishable

25 Class II products were moved back into Class I?

26   A.   We -- I mean, I think we have had a lot of

27 testimony here about the difficulty of Class I, so we

28 certainly would not want to see those products moved back

1   into Class I given the issues those higher differentials

2   are causing.

3   Q.   Okay. That's fair.

4   There was the -- there was testimony from

5   Dr. Stephenson earlier today about these implicit give-up

6   charges associated with bottling versus cheese production,

7   and he has a map that shows some red in Western New York,

8   indicating, for example, that -- that in Western New York

9   presumably the Class III give-up charge for bottling plant

10 would be would be significant.

11   Is that your experience?

12   A.   So that is -- that's not our experience that I'm

13 aware of. We -- we -- yeah, we don't encounter milk

14 supply problems in Western New York.

15   Q.   Okay.

16   DR. CRYAN: That's it. Thanks.

17   THE WITNESS: Thank you.

18   THE COURT: Ms. Hancock.

19   CROSS-EXAMINATION

20 BY MS. HANCOCK:

21   Q.   I'm sorry, Mr. Newell, I forgot to ask one

22 question.

23   On page 9 of your PowerPoint, Exhibit 459, this is

24 the page where you have mapped some locations of your

25 plants in comparison with some of the competitors?

26   A.   Yes.

27   Q.   And I think one of the -- one of the biggest

28 deviations that you noted that you said put one of Hood's

1 plants in Portland, Maine, at a disadvantage -- or put

2 Hood at a disadvantage, is located in Portland, Maine?

3   A.   Correct.

4   Q.   Does DFA also have a plant in Portland, Maine?

5   A.   They do. Yeah, their Oakhurst plant.

6   Q.   And are they competitor of yours?

7   A.   They are a competitor of ours. And I did -- in my

8 written testimony, I did mention that. So the difference

9 is Oakhurst sells most of their milk in Maine. We sell --

10 we use our Maine plant and sell down into the Boston area,

11 so...

12   Q.   So that where you have Hood Portland located --

13 noted there under "Plant," it should also say DFA has a

14 plant in that same location?

15   A.   I just didn't list them on this chart, because I

16 didn't really want to focus on -- on them as far as this

17 discussion goes.

18   Q.   Okay. But you did have DFA located in those other

19 jurisdictions that you were using as a comparison?

20   A.   Yes.

21   Q.   But at least with respect to what you have noted

22 here is where you feel like you were most disadvantaged

23 that in Portland, Maine, DFA has the same price under

24 National Milk's proposal as to what you would have?

25   A.   They do. Yes.

26   Q.   Okay. Thank you.

27   THE COURT: Who next would like to cross-examine

28 Mr. Newell before I invite questions from the Agricultural

1   Marketing Service?

2   I see no one. Agricultural Marketing Service, you

3   may ask your questions of Mr. Newell.

4   MS. TAYLOR: Thank you, Your Honor.

5   CROSS-EXAMINATION

6   BY MS. TAYLOR:

7   Q.   Good afternoon.

8   A.   Good afternoon.

9   Q.   Thank you for coming back.

10 A.   This is the last time.

11 Q.   Be careful what you say.

12   Dr. Stephenson thought that, too.

13 A.   Be nice to me, please.

14 Q.   Okay. I'm going to try to keep this pretty short.

15 I'm going to start on Exhibit 21 and questions relating to

16 that. And you talked -- well, this was in both, but you

17 talked about your ESL plants and your products.

18   Can you define kind of what makes it -- what

19 makes -- define ESL as in what makes it ESL?

20 A.   Sure. So the products are ultra pasteurized, so

21 pasteurized at I believe above 280 degrees. Then they are

22 stored kind of under a vacuum, so highly sanitary. And

23 then they are packaged in a high-hygiene carton or bottle

24 on a sterile filler, and that allows you to get that ESL

25 extended shelf life code, which can range from 90 days to

26 over 120 days depending on the product.

27 Q.   Okay.

28 A.   Still requires refrigeration.

1   Q.   So for Hood's ESL products, they get anywhere from

2   90 do 120 days?

3   A.   I should -- actually 70 to 120 days.

4   Q.   Thank you.

5   On your charts that are on page 5 and 6 of the

6   Circana data --

7   A.   Yes.

8   Q.   -- it seems it stops in July of 2023.

9   A.   Yes.

10   Q.   I'm just curious, if you had looked at the -- you

11 know, the later months of the year and if the fact that

12 inflation has come down has changed any of those patterns?

13   A.   I -- I have not looked at the data since I put the

14 testimony together.

15   Q.   Okay. So MIG's argument for having the base

16 differential set at zero and what you have discussed

17 was -- and I think Ms. Hancock summarized it, is, you

18 know, these costs might exist, but you'd rather it be left

19 to the negotiation between the two parties instead of

20 caught in the Federal Order system; is that correct?

21   A.   That is correct.

22   Q.   Okay. And you say you already pay some premiums

23 to your suppliers?

24   A.   Yes. We pay over-order premiums in handling

25 charges.

26   Q.   To cover some of those costs, balancing, for

27 example?

28   A.   Yes.

1   Q.   How do you know that the premium that you pay

2 covers that cost for your supplier?

3   A.   We -- we -- I don't know that specifically.

4   Q.   So are the --

5   A.   But I will say we -- we try to do -- I mean,

6 receiving milk directly from the farm, and on a regular

7 basis, we certainly try to minimize the balancing costs

8 that are -- that burden the supplier.

9   Q.   And your premiums, since you have plants on both

10 sides of the country, do they differ from what you pay in

11 the Northeast to California?

12   A.   Unfortunately I don't -- I don't know the specific

13 premiums, so I can't answer that question.

14   Q.   Okay. And you wouldn't be sure if they had any

15 seasonality to them or anything like that?

16   A.   So my understanding is that the premiums are part

17 of the contract, so they don't vary, and if the contract

18 were renegotiated -- or when the contract's renegotiated,

19 then those premiums are up for discussion. So I don't

20 believe that they are seasonal.

21   Q.   Okay. And how often does that stuff come up for

22 negotiation?

23   A.   I -- I think that a lot of the contracts are kind

24 of evergreen contracts, so it's when either party wants to

25 discuss.

26   Q.   Okay. And when you are going through that

27 negotiation, how do you assure your -- Hood isn't paying

28 excessive amounts of premiums to the market?

1   A.   So I haven't been through those negotiations, but

2   I would say I know that because we -- we have

3   relationships with several suppliers, we -- and we have a

4   good understanding of the market, we would -- we would

5   have a pretty good idea.

6   Q.   Okay. Turning to your statement on the other

7   proposals that we have heard so far. The first one up is

8   the Proposal 1 and 2 on the milk components. And you

9   mentioned that your colleague, Ms. Landry, earlier in the

10   hearing gave testimony on the components that you all have

11   in your milk?

12   A.   Yes.

13   Q.   And that you don't get components as high as

14   what's been proposed?

15   A.   Yes.

16   Q.   We went back and looked at what she put in the

17   record, and she did give us a range.

18   I'm wondering if you know what the average is?

19   A.   I do not.

20   Q.   Okay. So there's no way of knowing if the average

21   is higher or lower than the proposed?

22   A.   So she gave a range, she didn't give the average.

23   I believe her testimony is the -- you know, the milk that

24   we get is well below the proposed components.

25   Q.   Okay.

26   A.   I thought that was her testimony.

27   Q.   It was a long time ago.

28   A.   It was a long time ago. I --

1   Q.   And I appreciate your detailed statement, and I

2   don't have that many questions.

3   But one I did have on Maine, you mention the state

4   of Maine has its own regulatory system?

5   A.   Yes.

6   Q.   And that would regulate plants that are not

7   associated with the Federal Order at all.

8   Do you know how many plants are in Maine that are

9   not federally regulated?

10   A.   So I believe there's -- I believe there's two.

11   Q.   Okay.

12   A.   We looked that up last night because I had that

13 question also, and I think they are pretty small

14 facilities.

15   Q.   Pretty small.

16   Do you know where they are located about in the

17 state?

18   You have dots --

19   (Court Reporter clarification.)

20   MS. TAYLOR: No, I just spoke over him, and I

21 apologize.

22 BY MS. TAYLOR:

23   Q.   But I will add, if I looked on your chart of your

24 PowerPoint presentation, page 9, and that's Exhibit 459,

25 there is a dot in the northeastern part of the state.

26   Is that where they are located?

27   A.   Well, that's where one is located.

28   Q.   Okay.

1   A.   And the second one, I don't know.

2   Q.   Okay.

3   A.   And maybe it is in the Portland area, and it's

4   just covered up by one of those bins. But, yeah.

5   Q.   Okay. So in your testimony on Proposal 19 on the

6   proposed Class I differentials by National Milk, you go

7   into good detail on the kind of specific areas where your

8   plants are located and talk about what the model says the

9   proposed results with the differentials under an optimal

10 situation should be versus what you currently have.

11   And I'm curious if you could talk a little bit

12 about, is it important to -- is it important to you to

13 keep those same plant-to-plant competitive relationship or

14 is it of more importance to follow the optimal solution

15 that the model produced?

16   A.   So those -- you know, I -- so I think we were

17 clear that we're -- you know, we're against changing the

18 differentials, so I mean, first and foremost. But if you

19 are going to consider it, I think keeping that -- those

20 competitive positions are extremely important. I don't

21 think the -- your decision should give one competitor an

22 advantage over the other. So I -- I mean, the Portland,

23 Maine, to Franklin comparison, and -- and to a lesser

24 extent our Agawam comparison, I think those are very

25 alarming to us.

26   Q.   Uh-huh. Bear with me for a second.

27   A.   Sure.

28   Q.   On page 4 of Exhibit 21A, I believe, you had a

1 line in there that says, "Declining volume will put

2 greater" -- and volume, we're talking about Class I

3 volume -- "will put greater financial pressures on Class I

4 processors and could lead to additional bankruptcies of

5 Class I processors. This situation would favor the

6 co-op-owned Class I plants and, to a lesser extent,

7 producer handlers."

8   I wonder if you could expand on why you think

9 that.

10   A.   Could you ask the question one more time?

11   Q.   Sure. So I mean, in general in that you are

12 saying if Class I prices go up, you would expect Class I

13 sales to go down?

14   A.   Yes.

15   Q.   And that would put greater financial pressure on

16 Class I processors.

17   But then you say how that financial pressure would

18 be different for, say, co-op and producer handler plants,

19 as opposed to independent plants like yourself?

20   A.   Yeah. Because I think that those co-ops have the

21 ability to reblend those costs, so they have got a cost

22 advantage there, and for a producer handler it would be --

23 it would be similar. I think it -- they have got an

24 advantage in the system over this -- under that situation.

25   Q.   Okay.

26   A.   The declining volume is very alarming for all of

27 us.

28   MS. TAYLOR: I think that's it from AMS. Thank

1   you.

2   THE WITNESS: Thank you.

3   THE COURT: Ms. Taylor, I think you were actually

4   in MIG/Hood 21 on your page 4, which is Exhibit 457.

5   MS. TAYLOR: Thank you, Your Honor.

6   THE COURT: Thank you.

7   Ms. Vulin.

8   MS. VULIN: Just a couple of questions.

9   REDIRECT EXAMINATION

10 BY MS. VULIN:

11   Q.   We've heard a lot of discussion about balancing,

12 right, the cost of balancing.

13   The suppliers, the cooperative suppliers to Hood,

14 do they, to the extent you know, sell to any other

15 processor?

16   A.   Oh, yes. I think that they sell to a number of

17 processors.

18   Q.   Any non-Class I processors?

19   A.   I would assume, yes, they -- they do. I mean,

20 that's why they are there is to market their milk.

21   Q.   And so to the extent Hood's suppliers have

22 balancing costs, those are not specific to Hood, but those

23 are balancing of their supplies to all of the purchasers

24 of that milk, correct?

25   A.   Yeah, they are -- I mean that's really a service

26 that they provide, and they spread that out over, yeah,

27 all of their customers.

28   Q.   And so in looking at the balancing cost in the

1   Class I -- in the base Class I differential, is part of

2   the concern there also that Class I is carrying this

3   burden of balancing that's really experienced

4   industrywide?

5   A.   Again, yes. Yes. So...

6   Q.   And in terms of how Proposal 20, if at all,

7   changes what's currently done, or what's historically been

8   done, under the system the FMMO system today, producers

9   receive a uniform blend price, correct?

10   A.   Correct.

11   Q.   And under MIG's Proposal 20, producers will still

12   receive a uniform blend price, correct?

13   A.   Correct.

14   Q.   And today, suppliers receive, to some degree,

15   over-order premiums, correct?

16   A.   Yes.

17   Q.   And under MIG's Proposal 20, suppliers will still

18   receive some form of over-order premium, correct?

19   A.   Correct.

20   Q.   So MIG's Proposal 20 is not a policy change, it's

21   just a reexamination of how those particular lines are

22   drawn between those buckets, correct?

23   A.   Correct.

24   MS. VULIN: Nothing further, Your Honor. And I

25   would move to admit Exhibits 457, 458, and 459.

26   THE COURT: Is there any objection to the

27   admission into evidence of Exhibit 457, also marked

28   MIG/Hood-21?

1   MS. HANCOCK: Your Honor, I don't have an

2   objection. I just have a couple of extra questions.

3   THE COURT: Let's have you ask those.

4   MS. HANCOCK: I wasn't sure which order I should

5   be going in. Sorry.

6   RECROSS-EXAMINATION

7   BY MS. HANCOCK:

8   Q.   Good afternoon, again, Mr. Newell.

9   When the USDA had asked, which -- you know, which

10   is better to follow if there is going to be a change,

11   honoring the current competitive relationships that exist

12   or following the model results, do you recall that?

13   A.   Yes.

14   Q.   And I think you responded, said that you -- it's

15   important, at least from your perspective, to honor those

16   same competitive relationships; is that right?

17   A.   I think that when -- when they are looking at what

18   the model -- what the model dictates and what the working

19   group proposals are, and they see a big variance there, I

20   think that they need to take into account those current

21   competitive relationships. So I think they need to keep

22   those in -- in -- in balance.

23   Q.   Okay. When you say take them "into account,"

24   then, are you saying that some variation would be

25   acceptable, but just keeping those relationships somewhat

26   consistent?

27   A.   So I -- we're against Proposal 19.

28   Q.   Understood.

1   A.   Yes. So with that caveat, yes.

2   Q.   Okay. But currently, with the use of over-order

3 premiums, you don't have visibility into what your

4 competitors are paying; is that fair?

5   A.   That's fair.

6   Q.   And if you were to go with Proposal 20, for

7 example, and take what is the base differential currently

8 out of the differentials and allow the parties to

9 negotiate it by contract, you would have even less

10 visibility into what your competitors are paying; is that

11 fair?

12   A.   I would say that's true, but I don't even know if,

13 you know, that overall base differential, those

14 components, even equate to reality any -- anymore. I

15 mean, we know we all pay 1.60. If the 1.60 were to go

16 away, then we would all be paying less. And if part of

17 that had to go and do an over-order premium directly to

18 the supplier, that is correct, it would not be as

19 transparent, but I think that it would be a fair

20 trade-off.

21   Q.   Okay. And your expectation is, is that if that

22 $1.60 were removed from the base differential to allow

23 free markets to be negotiated, that that full $1.60

24 wouldn't be negotiated into the over-order premiums, it

25 would be something less than that?

26   A.   I -- I think that's true. I think a lot of it

27 would -- would go into the price of product, so you

28 would -- you would see Class I prices lower.

1 Q.   And you can understand that that's not what a

2 producer would want, to have a lesser -- to have that

3 $1.60 removed and to get something less than that $1.60 in

4 the contract negotiation?

5 A.   Yes. And right now what they are getting is -- is

6 obviously diluted by the pool.

7 Q.   Yeah. But I'm just saying --

8 A.   Yes, I understand.

9 Q.   Well, just so my question is clear. You can see

10 from the producer's perspective that taking $1.60 out of

11 the Class I price differentials and not getting that full

12 $1.60 in a contract negotiation is less desirable?

13 A.   Yes.

14 Q.   And if your assumption is that in those contract

15 negotiations, you, as Hood, will be able to negotiate

16 something less than that $1.60, it suggests you have a

17 stronger bargaining position, doesn't it?

18 A.   In certain cases we may, yes.

19 Q.   Okay. And then on your chart that -- that you

20 were just talking with, the Circana charts?

21 A.   Yes.

22 Q.   Was there a -- between May of 2022 and May of

23 2023, was there a 20% drop in the Class I prices?

24 A.   I don't -- I don't know that off the top of my

25 head.

26 Q.   Okay. Do you want to look at the chart real

27 quick?

28 A.   Which chart?

1   Q.   Well, the hard part is you can't really see it at

2   this granular level, so let's look at -- if we look at

3   between -- I'm on page 6 -- if we look at May of 2022.

4   And then we don't have a May of '23, but we can get to

5   April.

6   THE COURT: Or the next one for May.

7   MS. HANCOCK: I guess -- yeah, that's right, the

8   next bar without a title, you can see it.

9   BY MS. HANCOCK:

10   Q.   Was there a drop in the prices, in that time

11 period, in the class prices? Do you know?

12   A.   I don't know.

13   Q.   Okay.

14   A.   I mean, I'm looking at retail prices here, but I

15 don't have the class prices, so --

16   Q.   Okay. Do you know what the -- I mean, did you

17 chart and look at what the class prices were doing in

18 comparison to what was happening at the retail level?

19   A.   I did not.

20   Q.   Okay. Do you know if there's a correlation

21 between the drop in class prices and a corresponding

22 retail effect?

23   A.   So I know that retail will follow. Obviously the

24 retailers price the products where they price them, but

25 typically they will move up and down with the market.

26 There might be a bit of a lag effect there but...

27   Q.   Do you know if when -- when class prices drop, if

28 there is a corresponding increase in demand of Class I

1   milk?

2   A.   So maybe not immediately, but over time I would

3   expect there to be.

4   Q.   You didn't chart that?

5   A.   I did not, no. I did not chart that.

6   Q.   Okay.

7   MS. HANCOCK: Thanks. That's all I have.

8   MS. VULIN: I just want to clarify one thing

9   because I think there's was some confusion in the

10 questions and answers on the $1.60.

11   REDIRECT EXAMINATION

12 BY MS. VULIN:

13   Q.   So the $1.60 paid as part of the base Class I

14 price today, that doesn't mean that Hood suppliers receive

15 $1.60 from the pool, correct?

16   A.   No. It's diluted.

17   Q.   And so whatever Hood's specific suppliers receive

18 from the pool, particularly in orders with low

19 utilization, will be much less than the $1.60, correct?

20   A.   Yes. Correct.

21   Q.   And so even if Hood is only able to redirect a

22 portion of that $1.60 directly to its suppliers, its own

23 suppliers very well could be better off than if they had

24 received the very diluted portion from the pool?

25   A.   That's true.

26   MS. VULIN: Nothing further, Your Honor. I'd move

27 to admit the exhibits, please.

28   THE COURT: Thank you.

1   I'm now looking at Exhibit 457, also marked

2   MIG/Hood-21. Is there any objection to that document

3   being admitted into evidence?

4   There is none. Exhibit 457 is admitted into

5   evidence.

6   (Thereafter, Exhibit Number 457 was received

7   into evidence.)

8   THE COURT: Exhibit 458 is marked also as

9   MIG/Hood, Exhibit 21A. Is there any objection to that

10   document being admitted into evidence?

11   There is none. Exhibit 458 is admitted into

12   evidence.

13   (Thereafter, Exhibit Number 458 was received

14   into evidence.)

15   THE COURT: Exhibit 459 is marked also

16   MIG/HP Hood, Exhibit 21B, like boy, Corrected. Is there

17   any objection to that document being admitted into

18   evidence?

19   There is none. Exhibit 459 is admitted into

20   evidence.

21   (Thereafter, Exhibit Number 459 was received

22   into evidence.)

23   MS. VULIN: Nothing further, Your Honor. Thank

24   you.

25   THE COURT: Mr. Newell, I congratulate you. First

26   of all, I don't think they are going to make you come

27   back.

28   THE WITNESS: Thank you. It's been a pleasure.

1   THE COURT: Thank you.

2   MS. TAYLOR: Your Honor, might I suggest a break,

3   and then we start with Mr. Miller, who's waited patiently,

4   as our next witness.

5   THE COURT: Very good. I would like 15 minutes,

6   if you don't mind. So please come back at -- what would

7   that be? That would be 3:05. 3:05.

8   (Whereupon, a break was taken.)

9   THE COURT: Let's go back on record.

10   We're back on record at 3:06 p.m., and I have a

11   witness in the witness stand that I would like to have

12   identify himself for the record.

13   We are now having some copies of his testimony

14   distributed, and we may want to go off record in just a

15   moment. In fact, I will. I'll go off record for now for

16   just a moment.

17   Off record at 3:06.

18   (An off-the-record discussion took place.)

19   THE COURT: Let's go back on record.

20   We're back on record at 3:08 p.m.

21   First I'd like counsel to identify himself at the

22   podium, and then I'll swear in the witness.

23   MR. SMITH: What is the current custom for moving

24   the microphone?

25   THE COURT: You know, that's an excellent question

26   because it falls off, and you are tall. I do believe

27   Dakota has got the sound system working very, very well,

28   so that you do have to be an inch or two from the

1   microphone.

2   MR. SMITH: Dan Smith representing the Maine Dairy

3   Industry Association. We -- the MDIA is presenting Heath

4   Miller as a witness, Your Honor. And we have two exhibits

5   marked MDIA-1 and MDIA-2. And if I understand the

6   sequence, the first would be 460, and the second would be

7   461.

8   THE COURT: Correct. That's how the copies that I

9   have been given are marked as well.

10   (Thereafter, Exhibit Numbers 460 and 461 were

11   marked for identification.)

12   THE COURT: All right. Good. I'd like the

13   witness please now to state and spell his name.

14   THE WITNESS: Heath Miller, H-E-A-T-H, Miller,

15   M-I-L-L-E-R.

16   THE COURT: And, Mr. Miller, you spoke directly to

17   me, which means you did not speak to the microphone.

18   THE WITNESS: Okay.

19   THE COURT: Now, position yourself so that you can

20   see the document that you are going to be looking at, and

21   have that microphone fairly close to you.

22   That looks good. Let's just test that a minute.

23   Again state your name.

24   THE WITNESS: Heath Miller.

25   THE COURT: That's perfect.

26   All right. Have you previously testified in this

27   proceeding?

28   THE WITNESS: I have not.

1   THE COURT: I'll swear you in.

2   HEATH MILLER,

3   Being first duly sworn, was examined and

4   testified as follows:

5   THE COURT: And, Mr. Smith, you may proceed.

6   MR. SMITH: Thank you, Your Honor.

7   DIRECT EXAMINATION

8   BY MR. SMITH:

9   Q. Good afternoon, Heath. You have already stated

10   your name for the record.

11   Could you state your business address for the

12   record?

13   A. Our farm is at 128 North Road in Newburgh, Maine,

14   04444.

15   THE COURT: Now, your zip code trailed off, so

16   that again may require a little moving of the base of the

17   microphone.

18   THE WITNESS: Do you want me to repeat that?

19   THE COURT: Yes, please.

20   THE WITNESS: 04444.

21   MR. SMITH: Very good.

22   BY MR. SMITH:

23   Q. You have been duly admonished to speak slowly.

24   A. Yes.

25   Q. And if you don't, you will be duly re-admonished.

26   And so --

27   THE COURT: Look what they gave me.

28   THE WITNESS: I have one over here also.

1   MR. SMITH: That's bringing back bad memories,

2   Your Honor, bad memories.

3   BY MR. SMITH:

4   Q.   So, Heath, have you had prepared a statement to

5   present today?

6   A.   Yes, I have.

7   Q.   And will you read your statement --

8   A.   I will.

9   Q.   -- for the record?

10   A.   All right. Good afternoon.

11   As I stated, I am Heath Miller, and I'm here today

12   representing the Maine Dairy Industry Association, MDIA,

13   to provide the Association's position regarding the

14   proposal -- regarding the proposals being considered in

15   this hearing.

16   In summary, MDIA's position is that the Secretary

17   should make changes to the FMMO regulated pricing series

18   as a result of this hearing only if the Secretary's

19   conclusion concludes the change will not result in a

20   reduction in the orders of uniform minimum producer

21   prices.

22   MDIA's position is premised on the historic

23   function of the market order regulation to establish

24   regulated uniform minimum pricing -- producer pricing. It

25   would be inconsistent with this essential function for an

26   FMMO regulatory hearing to cause a reduction of regulatory

27   minimum producer pricing.

28   MDIA's position also stems from a concern about

1   the consequences a reduction in regulated minimum producer

2   would have for the Northeast region. First, and

3   primarily, it would be particularly problematic to lower

4   the regulated minimum price amidst the widespread and

5   accelerated exit of Northeast dairy farmers over the past

6   25 years that is directly traceable to chronically

7   inadequate producer pay prices.

8   I am a member of Dairy Farmers of America

9   cooperative and serve on the cooperative's resolution

10   committee. I serve as the chair of Maine Dairy Promotion

11   Board as well as chair of my district school board

12   consisting of four towns and 2300 students.

13   THE COURT: Let me just stop you, because I have

14   front and back.

15   THE WITNESS: Oh, you do?

16   THE COURT: And you skipped a couple of

17   paragraphs. So I think if you are going to read the

18   statement, we need for you to back up a bit.

19   THE WITNESS: That -- that -- yeah. That -- yeah,

20   I'm fine. I don't know why I did that, but I did.

21   What, did I skip a whole page?

22   (An off-the-record discussion took place.)

23   THE COURT: Now, before -- before you resume, I

24   want you to go back to the paragraph that begins on the

25   top of page 2, and I think you left off out a word in that

26   second line.

27   THE WITNESS: Okay. I'll just start at the

28   beginning of that page and read that whole page over

1   again.

2   THE COURT: Okay. And if there's a word missing,

3   just insert it where it would go.

4   THE WITNESS: Yeah.

5   MDIA's position also stems from a concern about

6   the consequences a reduction in regulated minimum producer

7   prices would have for the Northeast region. First, and

8   primarily, it would be particularly problematic to lower

9   the regulated minimum price amidst the widespread and

10 accelerated exit of Northeast dairy farmers over the past

11 25 years that is directly traceable to chronically

12 inadequate producer pay prices.

13   MDIA's position is further premised on our

14 collective -- on our members' collective experience with

15 the contractual and resulting upheaval in the Northeast

16 milk shed, which has been caused by this loss of farms.

17 We are most concerned that a decrease in the regulated

18 minimum price will likely cause more farm exit and

19 therefore even greater contractions in upheaval in the

20 milk shed.

21   Later in my testimony I will present a letter from

22 the Northeast Secretaries, Commissioners and Directors of

23 Agriculture. This letter described their collective

24 belief that the farm -- that the loss of farms has brought

25 our region's fluid milk supply to a tipping point. My

26 testimony echoes this alarming statement by our region's

27 foremost agricultural leaders.

28   My day job is to operate Green Valle Farm in

1   Newburgh, Maine, a dairy that has been operated by family

2   since the 1860s. With three employees and four family

3   members, we manage a total of 500 animals and 650 acres of

4   hay and corn. Our milk goes to the DFA bottling plant

5   in -- mostly goes -- mainly goes to the DFA Oakhurst

6   bottling plant in Portland about 120 miles away. At

7   times, our milk is trucked to the DFA Garelick bottling

8   plant outside of Boston.

9   I am a member of the Dairy Farmers of America

10 cooperative and serve on the cooperative's resolution

11 committee. I serve as the chair of the Maine Dairy

12 Promotion Board, as well as the chair of my district's

13 school board consisting of four towns and 2300 students.

14   MDIA is a processor -- a producer -- sorry, that's

15 very critical -- MDIA is a producer association that

16 includes all Maine dairy producers, cooperative members,

17 and independent producers, conventional as well as organic

18 dairy farmers.

19   There are 145 MDIA member farms at last count.

20 About 80% of these have fewer than 130 cows and produce an

21 average of 2.25 million pounds of milk per year per farm.

22 I understand that a dairy farm is a small business for the

23 purpose of this hearing if it has an annual gross revenue

24 of 2.75 million or less.

25   THE COURT: Now, that's not what you have got

26 written in your statement.

27   What's the dollar amount?

28   THE WITNESS: 3.75 million or less, sorry. Thank

1   you for keeping me straight, Your Honor.

2   According to this definition, all but 10 to 15 of

3   Maine's 145 member dairy farms, including mine, qualify

4   and are here represented as small businesses.

5   MDIA is a non-profit organization that does not

6   market milk or engage in any other commercial enterprise.

7   It is funded by producer contributions provided partly as

8   required by law and partly voluntarily. MDIA's purpose is

9   to represent the collective interest of its producer

10   members and also the public's interest in maintaining

11   sustainable Maine dairy farms and their continued ability

12   to provide the raw milk supplied for Maine's fluid milk

13   production and consumption.

14   MDIA's main focus is to advocate for sustainable

15   producer pay prices on behalf of its membership. We

16   appear regularly before the Maine Milk Commission with

17   which administers an over-order pricing program that has

18   been in continuous operation for almost 100 years.

19   We also engage in ongoing dialogue with the Maine

20   legislature to promote the effective administration of the

21   state's most recent and unique program of tiered producer

22   payments. This payment program supplements Federal Order

23   minimum and state over-order regulated producer pricing.

24   The legislature and we also recognize the

25   improvements to Federal Order dairy policy and regulatory

26   operations should reduce the need for state action and

27   expenditures. We have, therefore, been involved in

28   Congressional farm bills over the past 20 years and have

1   also appeared in two major Federal Order hearings held

2   since 2000. Additionally, we played an active role in the

3   establishment of the Northeast Interstate Dairy Compact.

4   When developing our policies -- when developing

5   our policy positions at both state and federal level, we

6   take into account the interest and concerns of

7   cooperatives and bargaining agencies -- Agri-Mark, DFA,

8   CROPP, and NFO cooperatives -- which now operate in Maine.

9   We account for these interests as collective marketers of

10   producer milk and as operators of co-packers with milk

11   processing plants. We also account for the concerns of

12   the proprietary milk plants that purchase Maine raw milk

13   and for the concerns and interest of consumers.

14   THE COURT: I do want you to read that again. The

15   sentence that says "we account for their interest," if you

16   would start there.

17   THE WITNESS: We account for their interests as

18   collective marketers of producer milk and as operators of

19   co-packers with --

20   THE COURT: So we have got "of" and we've got

21   "or." I need to know which way this should read,

22   "operators of or co-packers." Is that -- if you could

23   just explain to me what the difference is between an

24   operator and a co-packer.

25   THE WITNESS: Let's see the word "or" -- the word

26   "or" may be a mistake. Maybe if we removed the word "or,"

27   that would make more sense.

28   THE COURT: All right. You may read it that way.

1   THE WITNESS: Okay. We account for these

2   interests as collective marketers of producer milk and as

3   operators of co-packers with milk processing plants. We

4   also account for the concerns of the proprietary milk

5   plants that purchase Maine raw milk and for the concerns

6   and interests of their consumers.

7   Our approach is thus premised on the so-called

8   three-legged school of dairy policy that includes

9   producers, handlers, and consumers. But MDIA's primary

10   focus is to advocate for the collective producer interest

11   of MDIA's farmer membership as producers.

12   A few key background notes for my testimony.

13   First I would like to explain how MDIA has taken a

14   very different approach than we took in two prior hearings

15   in presenting only our summary position with regards to

16   the outcome of the hearing.

17   Some here today may remember that MDIA has

18   previously submitted and advocated for significant, if not

19   radical, change in the FMMO program. The prior national

20   Make Allowance hearing, including AMS' formal review and

21   consideration of MDIA's proposal to replace the Class III

22   end product price formula with a competitive pay price

23   calculation. For the hearing that established the

24   California Federal Order, we argued for inclusion of the

25   supply management program as an alternative to depooling

26   provisions.

27   For this hearing, we conclude that the focus must

28   be on National Milk's package of proposals to update FMMO

1 pricing formula on the -- and on the related proposals

2 submitted by the direct marketing -- market participants.

3 MDIA recognizes there is a pressing need for this update,

4 and this should be the hearing's agenda alone.

5   At the same time, MDIA determined that its

6 collective voice advocating solely for producers as

7 producers can still lend value to this hearing, while

8 recognizing that MDIA's membership, mostly of small-scale

9 operations, is not completely representative. We still

10 believe that our producers share, to some measurable

11 degree, on -- an everyday reliance on their milk checks.

12 All producers, therefore, share some measurable concern

13 regarding this hearing's impact on regulated minimum

14 amount of their milk checks.

15   Finally, I would like to explain how my statement

16 was developed.

17   I have consulted with the MDIA board throughout,

18 as the National Milk and IDFA proposal progressed, and as

19 this hearing was noticed and has been conducted. The

20 board and I have also consulted with our counsel, Dan

21 Smith, during this time. At the board's and my direction,

22 he has helped me prepare this statement.

23   During my testimony, MDIA brings to this hearing

24 and the history -- and the history and experience of our

25 longstanding involvement in both the local Maine milk

26 market and the greater Boston regional milk marketplace.

27 These local and regional markets were critical to the

28 development of the nation's dairy industry, with Boston a

1   key city and center of innovation. Being so involved with

2   the start and at the epicenter of the dairy industry we

3   have continuous experience with the development and all

4   the dramatic changes that have occurred over the past 100

5   plus years.

6   Most significantly for this hearing, our history

7   and experience include continual involvement with the

8   creation and development of the state and federal milk

9   market regulation programs which have occupied the

10   industry's evolution.

11   I will relate a bit of this market and regulatory

12   history to illustrate the two key points of MDIA's

13   position.

14   The history first illustrates the critical

15   interconnection between the FMMO regulated minimum

16   producer pricing and the producer milk checks that has

17   existed virtually from the industry's beginning. The

18   history also provides contents for our heightened concern

19   about the potential impact a reduction in the FMMO

20   regulated minimum pricing will likely have on our region's

21   producers and milk supply.

22   In putting my testimony together, I realized that

23   the history of the farm I grew up on tracks the history of

24   the Maine dairy industry that I will be describing, so you

25   will hear a bit of that as well.

26   As I said earlier, my family's farm was

27   established around the time of the mid 1800s. At its

28   start, the farm primarily provided for subsistence living.

1 Our family kept a typical barnyard of animals: Chickens

2 for eggs, sheep for wool and meat, and cows for both meat

3 and dairy. As the farm and the family grew, it also began

4 selling excess farm products to generate income. My

5 family also recognized the value in diversification and

6 raised squash to ship 230 miles away to the Boston market.

7   My grandfather was born in 1900. This era was the

8 beginning and development of a specialized New England

9 dairy farming prompted by the flourishing by growth of the

10 region's New England fluid milk industry. Capitalizing on

11 the opportunity for additional farm income, my grandfather

12 and his brother saw shipping milk as another form of

13 diversification for their farm. As -- as best I can

14 determine, they sold their milk to a local creamery in our

15 town of Newburgh. The milk was collected and trucked in

16 milk cans to the plant 15 miles away.

17   Like our farm's local customer, small milk plants

18 and creameries were similarly being built all across Maine

19 and all over New England. As like with our farm's local

20 customer, these countless Maine and New England fluid milk

21 plants were served -- were served by literally thousands

22 of small-scale milk can dairy operations that came to be

23 established nearby these receiving plants.

24   The custom of twice monthly milk check was

25 developed as part of the early kitchen table contracts for

26 the sale and delivery of raw milk to local milk plants.

27 Dairy farmers were expected to continuously supply their

28 perishable raw product to the plants. In return, they

1   were to receive twice monthly milk checks per the

2   hundredweight of milk shipped held in each can. The term

3   could also include -- the terms could also include

4   additional incentives such as to promote higher quality

5   and greater volume.

6   Also, in the early periods of the industry's

7   development, Maine's raw milk production began to be moved

8   to the emerging Boston market for fluid milk. Milk's

9   bulkiness and perishability, of course, were big limiting

10 factors. At the start, some Southern Maine milk

11 production being on the coast and close to Boston was

12 transported to the new market by ocean ship.

13   Coinciding with urban growth and the rollout of

14 the urban area railroad network around Boston changed

15 everything. Coupled with the innovation of the

16 refrigerated rail car, the rail network made available the

17 Northern New England and New York milk sheds.

18 Transportation has again transformed when the interstate

19 highway system displaced railroads in the 1950s and '60s.

20 All along, the milk assembly and transport method was

21 continuously refined.

22   As for all of the rural New England milk shed,

23 these changes and improvements engaged the -- engaged

24 Maine's supply to the Boston market to grow -- sorry, I'm

25 going to start that paragraph right over.

26   As for all the rural New England milk sheds, these

27 changes and improvements enabled Maine's supply to the

28 Boston market to grow and become more regularized. By the

1   end of the 20th century, Maine's raw milk was supplying

2   close to 10% of the old New England Order's fluid milk

3   supply.

4   For much of the mid and later 20th century,

5   Maine's producers thus engaged in two-part local and

6   regional marketplace. For many years, this two-part

7   market provided vibrancy and competition for Maine milk

8   production for both independent and cooperative producers

9   alike.

10   Today, the two-part local and regional supply

11 pattern for Maine's raw milk essentially still exists.

12 Maine farmers and milk plants still combine to supply

13 practically all of the beverage milk demand for Maine

14 residents. And raw milk from Maine dairy farms also

15 continue to provide a not insignificant portion of the raw

16 product supplied for the Boston market.

17   But we have also participated in most of the

18 dramatic changes that has swept the industry since the

19 start of the century. Our local and regional conventional

20 fluid milk businesses have also gone through transforming

21 consolidation. The in-state Maine dairy industry now has

22 only two milk plants located in Portland. Hood still

23 operates one of these plants. The other, Oakhurst, is now

24 operated -- owned and operated by DFA. Similarly, the

25 urban Boston market now has one proprietary company, Hood,

26 and one cooperative, DFA, that operate very few plants

27 still located in Boston.

28   THE COURT: So at the bottom of page 9 I just want

1 you to read again that last line, "Similarly."

2   THE WITNESS: Okay. Similarly, the urban Boston

3 market now has one proprietary company, Hood.

4   THE COURT: All right. And I'm just going to say

5 "proprietary."

6   THE WITNESS: Yeah.

7   THE COURT: Okay. No worries.

8   THE WITNESS: That's just a pronunciation issue.

9   THE COURT: It is.

10   THE WITNESS: Yes.

11   THE COURT: And "company," and then we're on the

12 next page now.

13   MS. McMURTRAY: Mr. Miller?

14   THE WITNESS: Yes.

15   MS. McMURTRAY: Before we keep going, could you

16 just watch your speed just a little bit?

17   THE WITNESS: Thank you.

18   MS. McMURTRAY: You are doing great.

19   THE COURT: See, it's more people than just --

20   THE WITNESS: Everybody's joining in.

21   All right. I will start with the -- I'll start

22 back on that. Why don't I read that again. I'll start

23 back on that sentence.

24   Similarly, the urban Boston market now has one

25 proprietary company, Hood, and one cooperative, DFA,

26 operating the very few plants still located in Boston.

27   Also, paralleling the rest of the country, the

28 industry's dairy farm sector in Maine and across New

1   England has gone through dramatic consolidation. Almost

2   all producers are now members of two conventional

3   cooperatives that operate New England, Agri-Mark and DFA.

4   Maine has some of the very few independent producers still

5   negotiating kitchen table contracts directly with local --

6   with a local milk plant. They market their milk to

7   Oakhurst even though it's operated by DFA.

8   Also tracking national trends, the Boston fluid

9   market has been absorbed into a much larger Northeast

10 regional dairy marketplace. The previous New England

11 Order 1 utilized 2.6 billion pounds of milk for Class I

12 out of a total of 6 billion pounds. The new Northeast

13 order uses 8 billion pounds of milk out of a total of

14 27 billion pounds.

15   This greater regional market thus also includes

16 far more dairy products manufacturing than the old Boston

17 market. Many of the manufacturing plants are now owned by

18 cooperatives. This means that as member owners these

19 dairy farmers now also participate in marketplace much

20 greater than only a local or regional fluid milk market

21 place.

22   Maine dairy has also participated in the

23 diversification that has accompanied the conventional

24 market's consolidation. About one-third of MDIA's members

25 are now organic producers. On -- on-farm and smaller

26 scale processing and manufacturing are also operating in

27 Maine.

28   Our Maine's experience tracks this evolution of

1 the conventional fluid -- sorry, I'm going to start that

2 over.

3   Our farm's experience tracks this evolution of the

4 conventional fluid industry. In the early 1800s, the Hood

5 cot- -- 1980s --

6   THE COURT: Go ahead and start that sentence

7 again.

8   THE WITNESS: In the early 1980s, the Hood cottage

9 cheese plant in nearby Newport that we had shipped to

10 since 1950 shut down. We then joined the Boston Milk

11 Shippers and shipped to West Lynn plant near -- shipped to

12 the West Lynn plant near Boston.

13   THE COURT: And just so the record's correct,

14 would you spell that West Lynn plant?

15   THE WITNESS: W-E-S-T, L-Y-N-N.

16   THE COURT: Thank you.

17   THE WITNESS: Then in the 1990s we started

18 shipping through the DMS system that allowed our milk

19 again to be shipped to a local plant in Bangor, Maine,

20 known as Grant's Dairy. After a few years, though,

21 Grant's, which had been bought out by Dean's, was closed

22 down. Seeing the writing on the wall, we had joined DFA a

23 couple years before that happened anticipating the

24 closure.

25   I know that I'm telling a history that most in the

26 room are familiar with. The point is that from the

27 beginning of the industry's development and throughout all

28 these transforming changes, the constant for New England

1   producers has been their twice monthly milk checks.

2   Twice monthly paychecks have provided the steady

3   income needed to cash flow the daily operations that kept

4   the milk flowing in service -- and to service mortgages

5   and loans. At least for some of the time in our history,

6   the payments also provided sufficient return for the

7   establishment of all the beautiful farmsteads still

8   standing across New England.

9   Dairy farms shipped by wagon, sea, rail, and

10 highway, all received payments in return of the -- in the

11 form of a milk check. Dairy farmers who ship close to the

12 farm or to Boston all received a milk check. This has

13 been the basic custom, whether a farmer was an independent

14 producer or a member of a bargaining agency or co-op; no

15 matter all received -- no matter all -- no matter, they

16 all received and continue to receive their twice monthly

17 milk checks.

18   Which brings us to the function of the regulatory

19 uniform minimum pricing as the uniquely controlling

20 feature of the dairy farmers' milk checks. Here is a bit

21 of additional history to fill out the picture of Maine and

22 New England's dairy farms' experience with regulated

23 producer pricing and their milk checks.

24   The dairy industry's early years in the '20s and

25 into the '30s coincided with the onset of the depth of the

26 Great Depression. The times included turmoil for the

27 Boston and Maine fluid markets. I grew up with stories of

28 milk bandits, milk wars, and milk strikes.

1   While an oversimulization -- an oversimpli- --

2   while an oversimp- -- I'm going to have a drink of water.

3   While an oversimplification, the turmoil was

4   mostly caused by unequal market power of the many milk

5   sellers as compared to the number of milk buyers. The

6   perishability of raw milk and its different values when

7   used for fluid and manufactured uses increased this market

8   power imbalance.

9   Cooperatives and other bargaining agencies

10   organized early on in response to enable the collective

11   and enhanced producer bargaining power. In Maine, these

12   included Hood Milk Shippers Association, and also at some

13   point, Boston Milk Shippers Association that supplied West

14   Lynn Creamery.

15   The cooperatives and other collective producer

16   groups innovated minimal classified pricing by handlers

17   and uniform blended pricing for producers in the 1920s.

18   But market-based efforts proved unsuccessful

19   against the depression. Individual state legislatures,

20   including across New England, responded with the enactment

21   of state market orders. And in the '30s, Congress acted

22   to establish the Federal Milk Marketing Order program.

23   The Maine Milk Control Board was created in 1935.

24   It set up a series of Marketing Orders that established

25   marketing areas for the cities and regulation of the

26   plants and producers that serve them. The orders adopted

27   minimum classified and uniform producer pricing to provide

28   marketing stability for these local markets and their

1   producer plants and customers.

2   Federal Order 1 for the Boston market was

3   established right around the same time as the Maine order.

4   The Federal Order program also adapted minimum classified

5   and uniform producer pricing to provide similar marketwide

6   stability for the nation's cities and their marketing

7   area, also intended by the Congressional law.

8   Maine dairy farms have thus participated in

9   regulated pricing programs from their beginning. In the

10 beginning, most dairy farms were pooled under the state

11 orders, while Southern Maine dairy farmers who supplied

12 milk to Boston plants, also described above, were some of

13 the first pooled producers under the first FMMO 1.

14   For this hearing, the key point is that both order

15 programs link the regulated pricing with producer payments

16 and their milk checks. Most significantly, an order's

17 unified blend price became the regulated minimum price

18 that pool producers were to receive in their milk checks.

19 All milk handlers pooled under an order became subject to

20 an audit of their milk payments to producers to ensure

21 they paid their supplying producers the order's regulated

22 minimum blend price.

23   Procedurally, the market order programs also

24 eventually adopted the twice monthly payment custom as the

25 basic process for pooling payments. Class I handlers paid

26 twice monthly into the pool, and equalized disbursements

27 out of the pool were also paid out twice monthly to

28 provide all handlers unified -- uniform blend minimum

1   price payments to producers.

2   This new regulatory commercial practice of

3   required minimum producer pricing completely altered

4   kitchen table contracts and negotiations between plant and

5   producer. For all contracts, again, the regulated uniform

6   minimum amount was just that, and that was a major change.

7   The regulated minimum was also most of the

8   contract amount, but producers could still bargain for

9   prices above the minimum. A new negotiation developed

10 with buyers about over-order pricing terms. Along with

11 over-order procurement premiums, incentive payments for

12 quality and higher volume production continued, now also

13 as over-order premiums. These over-order procurements and

14 other incentives premiums became a market fixture and also

15 became the basis of competition among handlers for

16 producers' milk.

17   As with industry change, Maine's experience with

18 milk marketing regulation has also gone through constant

19 evolution since the market order regulation was adopted in

20 the 1930s. The Maine state and Boston order operated side

21 by side for many years, but the regulatory pattern has

22 now -- is now long gone. Maine's state order has been

23 converted to a regulated over-order premium program.

24   The federal program itself was the course of a

25 dramatic consolidation in the 2000s to include only a few

26 regional orders, and the pricing series was also then

27 changed significantly. Uniform regulated minimum producer

28 pricing for Order 1 and many others now reflect the

1   minimum regulated value of each producer's component

2   production plus the PPD, instead of the pooled uniform

3   premium blend producer price. The support price has come

4   and gone and the Dairy Margin Coverage Program payments

5   are now a new and key source of direct supplemental income

6   provided by the federal government, at least for smaller

7   scale farmers.

8   Yet, again, through all these regulatory twists

9   and turns over the past 90 years, the interconnection

10   between the producer milk check and the regulated producer

11   pricing has also endured and remain constant. The

12   fundamental milk market regulatory principle, establishing

13   a unified -- a regulated unified minimum payment amount to

14   be provided in milk checks received by pool producers that

15   serve an order's market area, remains.

16   If anything, the interconnection between the FMMO

17   regulated pricing and the producer milk check is even

18   tighter in today's market, at least in Order 1. In the

19   Northeast, over-order pricing has become at best marginal.

20   There are virtually no more procurement premiums, and

21   quality premiums are limited. This means the order -- the

22   order's regulated minimum price now more establishes the

23   actual producer pay price. In other words, with only

24   marginal over-order pricing, pay prices for FMMO 1 pooled

25   producers now virtually start and end with calculations of

26   the producer's regulated FMMO component value pricing plus

27   the PPD.

28   This recent development is most important for this

1 hearing because it means that the decision by the

2 Secretary resulting in a reduction of the FMMO regulated

3 minimum producer price will do more than simply be

4 inconsistent with the historic function of the regulated

5 minimum pricing. Of greater concern, this recent

6 development means that a price reduction will likely

7 translate directly into a reduction in producer milk

8 checks.

9   This brings me to our concern about the

10 consequences of such a decision for the Northeast. The

11 first and basic concern is that there is a direct line

12 between the steep and accelerating exit of Northeast

13 producers and the inadequate pay price. A reduction in

14 producer milk checks resulting from this hearing will

15 therefore cause, if not further accelerate, the additional

16 exit of Northeast producers.

17   THE COURT: Ms. McMurtray?

18   MS. McMURTRAY: Just slow down just a little bit.

19   THE WITNESS: Got you. Good for me, too.

20   See, I would have failed. If I couldn't get you

21 to tell me to slow down a little bit, it would've been a

22 failure.

23   In the Northeast, the number of pooled producers

24 has declined by over half between 2000 and 2022. We have

25 gone from 17,280 producers pooled on Order 1 in 2000 to

26 8,319 pooled producers in 2022. The number of New England

27 pooled producers has declined even more during this

28 period, by two-thirds, from 2,588 to 851.

1   Many factors have contributed to this decline,

2   including labor difficulties and milk transportation

3   challenges to name just a few. But we producers know that

4   the plain driving cost is inadequate pay pricing. Without

5   at least adequate pay, it is at bottom hard to rationalize

6   keeping the farm going. Plus, if we had sufficient

7   revenue, we could -- could hire, keep workers, and we

8   could improve the efficiency of milk pickup and transport.

9   Inadequate pay price has become a chronic problem

10 following the market consolidation. Constant confronting

11 inadequate revenue and income over this long period of

12 time has made it truly hard to rationalize keeping the

13 cows milking and the land producing. This is why so many

14 of our neighbors have gone out and will continue to go

15 out.

16   There is no tolerance for a further decline --

17 further price decline. This is why we have our basic

18 concern for the outcome of this hearing. Again, a

19 decision by the Secretary that results in a reduction of

20 the order's regulated minimum producer prices will likely

21 translate directly into a reduction in producer milk

22 checks. Amidst the current pricing environment, this will

23 cause, if not further accelerate, the additional exit of

24 Northeast producers.

25   The potential for this exit of producers leads to

26 our second concern. This concern is the further

27 contraction of Northeast milk shed and the upheaval for

28 the milk shed's infrastructure which would accompany the

1 loss of additional farming operations.

2   Like in so many other states, the Maine dairy

3 industry is the anchor of the agricultural and rural

4 economy and has an integral role in the state's overall

5 economy and culture. Dairying is a very close second to

6 the largest segment of the state's diversified

7 agricultural economy.

8   What distinguishes dairy farming is its dispersal

9 around the state rather than being concentrated in one

10 area like our potatoes. This means that dairy farms have

11 an unusual important impact across the Maine rural

12 economy, both direct and by operation of the agricultural,

13 economic multiplier effect. The historic statewide

14 significance of dairy farms can also be seen across New

15 England and New York, and particularly in Vermont and New

16 York.

17   The really unimaginable loss of dairy farms

18 identified above have already significantly degraded the

19 historic presence of dairy farms across New England and

20 New York. This contraction and upheaval in the region's

21 milk shed has caused tremendous social and economic costs

22 for the Northeast rural communities. I salute the Maine

23 legislature for their adoption of our Maine Tier [sic]

24 program which confronts these costs directly in our state.

25   THE COURT: And name again that program in the

26 next to the last line on page 18?

27   THE WITNESS: Maine Tier Program.

28   THE COURT: Is it the Maine Tier Payment Program?

1   THE WITNESS: It is. Maine Tier Payment Program.

2   Thank you.

3   THE COURT: Okay. Thank you.

4   THE WITNESS: More particularly for dairy farmers,

5   this upheaval has first meant the loss of community's

6   varied from farm operation, size, type, and management

7   style, which is really the historic basis of our region's

8   diverse and flourishing dairy industry.

9   Of equal and more recent concern, the contraction

10   is eroding the infrastructural vital for -- infrastructure

11   vital for the support and long-term sustainability of all

12   farms, no matter the size. The infrastructure's upheaval,

13   unpredictability, and unreliability for dairy farms cannot

14   be overstated.

15   This upheaval and unreliability are the best --

16   are best demonstrated by the diminishment of feed and

17   tractor dealers, milk haulers, seed and fertilizer

18   dealers, let alone the milk equipment repair folks. As I

19   can recall as a young man, there were many nearby small,

20   mom-and-pop feed dealers available to me. Today, there

21   are only two mills in our entire state owned by Upstate

22   companies, plus a few others that haul in grain from mills

23   in other New England states.

24   The same can be said for milk haulers. Many milk

25   haulers who used to be available to haul milk for their

26   neighbors to the plant, now drive hours just to get to

27   their first farm, and then, after getting loaded, drive

28   hundreds of miles to a receiving plant, many times also to

1 wait in line to be unloaded at the plant.

2   I understand, of course, there has been

3 substantial expansion and consolidation of farming

4 operations over the past few years and that milk

5 production from bigger farms has offset the loss of volume

6 associated with the widespread exit of smaller farms. But

7 I don't think this really offers much assurance about milk

8 shed stability for the long-term. I don't see how the

9 infrastructure of the Northeast milk shed can support

10 itself without critical massive dairy farms, regardless of

11 size.

12   In sum, my point for the Secretary is this: The

13 industry cannot support more milk shed contraction and

14 loss of infrastructure. A diversity of Northeast dairy

15 producers is the infrastructure's anchor. The demise of a

16 diverse dairy industry will be the beginning of the end

17 for all small-scale agriculture that make up our rural

18 communities in New England.

19   I would like to now read a -- the letter from the

20 Northeast Dairy -- Northeast Secretaries, Commissioners,

21 and Directors of Agriculture referenced earlier. This

22 letter identifies their collective belief that we in the

23 Northeast are, in fact, at a tipping point for the

24 stability of our region's milk supply.

25   THE COURT: All right. And so now we're leaving

26 page 20 of Exhibit 460, and we're going to Exhibit 461.

27   THE WITNESS: All right. This letter was written

28 October 6, 2023, to Deputy Commissioner Dana Coale.

1   It reads: Dear Deputy Commissioner Coale, we are

2 writing to provide our complimentary concerns and

3 positions as they relate to the Maine Dairy Industry

4 Association's testimony regarding the Federal -- National

5 Federal Milk Marking Order Pricing Formula Hearing.

6   As directors, commissioners, and secretaries of

7 the Departments of Agriculture in our respective Northeast

8 states, we understand the great need for this hearing and

9 for the USDA Dairy Programs to revise the update -- and

10 update the Federal Milk Marketing Order Program's

11 component valuations, product surveys, and formulas. The

12 hearing and the record being developed should enable a

13 decision by the Secretary making the FMMOP more responsive

14 to the industry supply and marketing requirements,

15 particularly for our world's leading manufacturing dairy

16 product industry.

17   Paramount to this effort is the FMMOP's primary

18 responsibility to ensure orderly marketing for fluid milk

19 markets. Rational, regulated producer pricing is an

20 essential -- essentially a market order program function

21 as is price discovery.

22   The COVID-19 pandemic starkly illustrated that we

23 ignore threats to our regional food supply at our peril.

24 The steady loss of our New England family-owned dairy

25 farms is of great -- grave concern. As the number of

26 farms decrease, milk plants in the Northeast must travel

27 ever increasing distances to transport their raw supplies,

28 a perishable product.

1   We believe that the widespread exit of the

2   Northeast dairy operations has brought our region's fluid

3   milk supply to a tipping point. We assert that critical,

4   inadequate, and volatile producer pricing are the primary

5   causes of this almost unimaginable loss of Northeast

6   farms. While we recognize many pricing factors at work,

7   the Dairy Programs -- Program must be vigilant to ensure

8   that FMMOP's producer pricing is part of the solution and

9   not a cause of the problem.

10   Accordingly, when making the needed changes to

11 price formula inputs, the dairy programs and the Secretary

12 must include, as an equal fundamental consideration, that

13 this hearing does not result in a net reduction of

14 producer pricing.

15   Thank you for considering our position.

16   This letter is signed by commissioners in --

17 commissioners, secretaries, in Maine, Rhode Island,

18 Pennsylvania, New Hampshire, Massachusetts, Connecticut,

19 Vermont, and New Jersey.

20   I would like to conclude with a few additional

21 thoughts about MDIA's position for this hearing. First,

22 it follows from MDIA's position that the outcome of this

23 hearing cannot be -- cannot be an increased adjustment

24 alone of Make Allowances. An increased adjustment of

25 Make Allowances alone would, by definition, reduce

26 regulated minimum producer pricing -- prices.

27   If Make Allowances are to be updated and

28 increased, there must be corresponding updating changes to

1 other order provisions, such as an increase also to the

2 Class I differential, which ensures the outcome of the

3 process is, at worst, a net-neutral impact on producer

4 pricing.

5   I am not advocating for some sort of tit-for-tat

6 processor producer pricing numbers calculation, nor am I

7 suggesting that any changes should be adopted that are not

8 supported by the record in order to equal out the math.

9 What I am simply saying is that the Secretary should only

10 act if the system's collective update and modernization

11 has the net result of not increasing regulated minimum

12 producer prices.

13   I would also like to note that MDIA's position

14 reflects our awareness that risk management tools are

15 increasingly being used to relieve cash flow pressures

16 associated with reliance on milk-check-to-check payments.

17   Unfortunately, I can say with great confidence

18 that very few MDIA members rely on hedging strategies to

19 alter their basic reliance or their milk checks. At most,

20 I believe ten out of the 145 members employ these tools.

21 I do not use them, and I could explain why if folks are

22 interested.

23   I also believe that the MDIA's experience is this

24 reward it -- regard -- I also believe -- I'll start that

25 sentence over.

26   I also believe that MDIA's experience in this

27 regard is mostly representative of producers' experience

28 across the Northeast. As in Maine, a big majority of the

1 Northeast producers are still mostly small scale.

2 Certainly, in absolute terms, there are a lot of

3 large-scale farms in regions that are more likely to

4 employ hedging and risk management, but for the vast

5 majority of still smaller scale Northeast producers, these

6 strategies do not yet provide a viable alternative to

7 their basic reliance or their milk checks.

8   More broadly, as I said at the beginning, I also

9 recognize that small-scale MDIA membership is less

10 representative of the national experience. Nationally,

11 and obviously in the West and Southwest regions, there are

12 surely many more large-scale producers that employ hedging

13 and risk management strategies. As I also said, however,

14 we believe that all producers still share, to some

15 measurable degree, a reliance on their milk checks. This

16 means that minimum producer pricing continues to serve its

17 historic function, at least to some degree, across all

18 orders.

19   In conclusion, we ask the Secretary to make

20 specific findings about the impact the decision will have

21 on the FMMO regulated minimum producer pricing in the

22 shorter- and longer-term. The Secretary's decision should

23 also be supported by stated conclusions that the decision

24 will not result in a reduction of an FMMO regulated

25 minimum producer pricing for either the shorter or longer

26 terms.

27   This concludes my testimony, and I thank you for

28 your consideration.

1 BY MR. SMITH:

2   Q.   Thank you, Heath.

3   Before you're made available for

4 cross-examination, do you have anything that you would

5 like to add to your written statement?

6   A.   Nope. I think I have talked enough.

7   THE COURT: Do you need a little water for

8 cross-examination? Is there a bottle available?

9   (Off-the-record discussion occurred.)

10   MR. SMITH: So, Your Honor, at this point, I'd

11 move preliminarily for the admission of Exhibits 460 and

12 461.

13   THE COURT: Very good. And we'll wait until

14 cross-examination has ended before I act on your motion.

15   I'd like a five-minute stretch break. Don't go

16 very far. We'll go back on record at 4:07.

17   (Whereupon, a break was taken.)

18   THE COURT: Let's good back on record.

19   We're back on record at 4:07.

20   Mr. Rosenbaum, you may proceed.

21   CROSS-EXAMINATION

22 BY MR. ROSENBAUM:

23   Q.   Mr. Miller, I'm Steve Rosenbaum. I represent the

24 International Dairy Foods Association.

25   So we only received your testimony right before

26 you testified, so under that condition, I'm going to have

27 to be looking at some things off of the computer, which I

28 did not have an opportunity to print out.

1   But I will just tell you that the U.S. Department

2   of Agriculture Economic Research Service has a website

3   with a bunch of tables, one of which is Milk Cows and

4   Production by State. And the citation is www.ers- --

5   THE COURT: We're not catching your voice.

6   BY MR. ROSENBAUM:

7   Q.   -- www.ers.usda.gov/data-products/dairy-data.

8   So if you look at that table, which is -- that

9   specific table spreadsheet is called Milk -- as I say,

10   Milk Cows and Production by State and Region Annual.

11   So it shows that in Maine in 1970, 619 million

12   pounds of milk was produced; in 2023, 554 million pounds.

13   So it's a decline over that period of time.

14   By comparison, the state of New York, it's

15   obviously part of the Northeast, went from 10,341,000,000

16   pounds in 1970 to 15,660,000,000 pounds in 2023, so

17   basically a 50% increase over that timeframe. And, in

18   fact, New York milk production in 2023 was a record for

19   the state, the most ever.

20   Do you have a view as to why New York has

21   experienced that kind of growth whereas Maine has actually

22   declined?

23   A.   I suppose that with some time I could think of a

24   theory. But I mean, no, I don't have a view why that

25   would be.

26   Q.   Because I mean, you are aware that New York

27   represents roughly half the total production in the

28   Northeast, that one state?

1   I'm sorry, you need to say --

2   A.   Yes.

3   Q.   -- out loud. Okay. Thanks. All right.

4   I did notice, and just curiosity perhaps, New York

5   was not a signatory to the letter.

6   Is there a -- that you presented.

7   Is that a -- is there a reason for that?

8   A.   They were concentrating mostly on New England.

9   Q.   You got New Jersey, which is actually further

10 south I think or --

11   A.   Oh, I didn't understand your question. I -- I --

12 you were talking about the letter. I was thinking my

13 testimony.

14   I -- I do not know. I do not know the answer to

15 that.

16   Q.   Okay. Yeah.

17   And you have talked about the decline in farm

18 number -- farmer numbers. I mean, that's been -- that's

19 sort of been a national phenomenon, right, fewer farmers,

20 bigger farms?

21   A.   Yes.

22   Q.   And one of the figures provided is -- that same

23 dataset is milk per cow. And I note that in Maine, for

24 example, in 1970, the average cow produced -- I guess this

25 is 9,984 pounds, and today it is 21,308 pounds.

26   Does that sound seem reasonable to you?

27   A.   That sounds correct.

28   Q.   So if you are getting that much more milk out of a

1 cow, you are going to need a lot fewer cows, and

2 presumably you are going to end up with fewer farmers,

3 too; is that fair?

4   A.   Yeah. We're getting more milk per cow, so if

5 there's not more of a demand for milk, that would be

6 correct.

7   Q.   And I -- I -- you talk about, you know, whether,

8 what USDA would do would result in a reduction in the

9 regulatory minimum producer price.

10   And I -- I -- I take it your aspiration is that

11 that doesn't happen, correct? But you are not arguing

12 that that's actually forbidden, are you?

13   A.   No. That -- our stance is that -- that -- that

14 this -- this body will -- has been and will continue to

15 collect information, and as -- and, you know, it's not

16 something that I have the ability to analyze and tell --

17 and come up with a solution.

18   So I'm in hopes that this body will pull all that

19 data together, and the Secretary will be able to make a

20 decision that won't reduce producer prices.

21   Q.   But you're not suggesting that hasn't happened at

22 some times in the past? The 2008 hearings themselves

23 were -- which I think you have referenced, did nothing but

24 increase Make Allowances, which had the effect of reducing

25 minimum prices?

26   A.   Well, I think our stance is that it can't happen

27 again. Or shouldn't happen again, I should say,

28 shouldn't.

1   Q.   Shouldn't.

2   A.   That's very critical.

3   Q.   It's the latter, I take it --

4   A.   Yes.

5   Q.   Is that fair?

6   A.   Yeah.

7   Q.   That was a "yes," I'm sorry?

8   A.   Yes.

9   Q.   And I take it you have not yourself performed any

10   studies as to the extent to which the current

11   Make Allowances do or do not reflect --

12   A.   I have not.

13   Q.   -- actual cost of production?

14   A.   That's true. I have not.

15   MR. ROSENBAUM: That's all I have. Thank you.

16   CROSS-EXAMINATION

17   BY MS. HANCOCK:

18   Q.   Good afternoon, Mr. Miller. I'm Nicole Hancock

19   with National Milk.

20   It's been proposed by MIG in Proposal 20 to

21   eliminate the base differential of $1.60 from the Class I

22   fluid milk prices and, instead, allow handlers and

23   producers to negotiate over-order premiums on their own to

24   cover the costs that the base differential is designed to

25   cover.

26   Are you aware of that?

27   A.   Yes.

28   Q.   In your experience, have you been able to

1 negotiate over-order premiums?

2   A.   I haven't had the opportunity to do that, no.

3   Q.   And in your experience as a producer, do you hold

4 sufficient bargaining power in order to negotiate

5 over-order premiums that would compensate you for the

6 items that the base differentials are designed to cover?

7   A.   I do not believe so.

8   MS. HANCOCK: That's all I have. Thank you so

9 much for your time today.

10   THE WITNESS: Thank you.

11   CROSS-EXAMINATION

12 BY MR. MILTNER:

13   Q.   Good afternoon, Mr. Miller. My name is Ryan

14 Miltner. I represent Select Milk Producers.

15   I would like to take you up on your offer to hear

16 about your risk management or hedging activities, and why

17 you use what you use, or don't use what you don't use.

18   A.   So we have dabbled a little bit in it. And it's

19 been our experience that, for one, I don't have time as a

20 small farmer to -- to read up on market trends and feel

21 like that I have -- was making a really informed decision.

22 We have done it a couple of times, and it hadn't worked

23 out.

24   And the other -- the other angle is many times the

25 premiums are of such that I don't feel like I can give up

26 that amount in order to participate.

27   Q.   Do you use the Dairy Margin Coverage Program?

28   A.   I do.

1   Q.   Have you ever used the Dairy Revenue Protection

2   Program?

3   A.   I did one month -- or one quarter, I should say.

4   One quarter, yeah.

5   Q.   Have you ever used the Livestock Gross Margin

6   Program for dairy?

7   A.   No.

8   Q.   An economist or a risk management person from DFA,

9   your cooperative, testified earlier in the hearing that

10 they offer different products or different services to

11 their members for risk management.

12   Have you ever used any of the programs offered by

13 Dairy Farmers of America?

14   A.   It's been a few years since I have, but I would --

15 I would -- I would believe that. There is many options

16 that are available to us as members, yes.

17   Q.   There have been suggestions from some in the

18 hearing that certain proposals, if USDA were to choose to

19 adopt them, should be delayed in their implementation

20 because of producers' risk management decisions.

21   Do you have or does MDIA have any position as to

22 whether any result coming out of this hearing should be

23 delayed for purposes of risk management?

24   A.   No. We haven't had that discussion at all.

25   MR. MILTNER: Thank you very much.

26   THE WITNESS: Thanks.

27   THE COURT: Is there other cross-examination of

28 Mr. Miller before I invite the Agricultural Marketing

1 Service to question him?

2   I see none. I invite the Agricultural Marketing

3 Service to ask questions of Mr. Miller.

4   CROSS-EXAMINATION

5 BY MS. TAYLOR:

6   Q.   Good afternoon.

7   A.   Good afternoon.

8   Q.   Thank you for coming here today.

9   A.   Thanks for having me.

10   Q.   I think we have all been around each other a long

11 time. Ms. Hancock asked my over-order premiums, and

12 Mr. Miltner asked my risk management questions, so they

13 stole my thunder.

14   Just one question, just so the record's clear.

15   MDI- -- does MDIA have any position on any

16 particular proposal before us?

17   A.   No, we do not.

18   MS. TAYLOR: Okay. That's it.

19   THE WITNESS: All right. Thank you.

20   MS. TAYLOR: Thank you.

21   THE COURT: So now we'll see if Mr. Smith has any

22 follow-up questions brought on by the cross-examination.

23   THE WITNESS: He might be the scary one in the

24 room.

25   REDIRECT EXAMINATION

26 BY MR. SMITH:

27   Q.   Dan Smith, MDIA.

28   My only question is, do you have anything to add

1 based on the questions you have been asked or anything

2 else?

3   A.   I do not.

4   MR. SMITH: Okay. Your Honor, I -- I have one

5 preliminary request, which is page 9 and page 10 of the

6 statement referred to two publications, one is the New

7 England Milk Market Order Statistics that the Market

8 Administrator published under the old order, and page 10

9 refers to the current Federal Milk Marketing Order 1

10 Statistical Report. And I would ask that -- that you take

11 judicial notice of those official reports.

12   THE COURT: I'll be happy to do so. I love it

13 when people give me copies of what I'm to take official

14 notice of.

15   You don't happen to have that with you?

16   MR. SMITH: I do -- I do not. I apologize.

17   THE COURT: All right. Well, I know how to find

18 it. So, yes. Let me make a note of this.

19   MR. SMITH: Okay.

20   THE COURT: I will -- we call it official notice,

21 since I'm not in the judicial branch, I'm in the

22 administrative branch, but it's the same thing.

23   So I will take official notice of the publications

24 that are cited at the bottom of page 9 and the bottom of

25 page 10 of Exhibit 460, also marked exhibit MDIA-1.

26   MR. SMITH: Thank you, Your Honor.

27   And with that, I would move the admission of

28 Exhibits 460 and 461.

1   THE COURT: Is there any objection to the

2   admission into evidence of Exhibit 460, also marked

3   MDIA-1?

4   There is none. Exhibit 460 is admitted into

5   evidence.

6   (Thereafter, Exhibit Number 460 was received

7   into evidence.)

8   THE COURT: Is there any objection to the

9   admission into evidence of Exhibit 461, also marked

10   MDIA-2?

11   MR. HILL: Sadly, Your Honor, I think I'm going to

12   have to speak here.

13   THE COURT: All right. You want all these people

14   to come verify their signatures?

15   MR. HILL: Well, it appears that although this was

16   addressed to the Deputy Administrator, there is no record

17   of it being received by the deputy administrator.

18   Obviously, we don't have any of the signatories here. We

19   also don't have any of the agents of the signatories here.

20   So on that basis I'm going to object.

21   THE COURT: So, Mr. Smith, do you have any

22   explanation for why this document addressed to Dana Coale,

23   Deputy Administrator, USDA Dairy Program, never arrived

24   where she has it in her records?

25   MR. SMITH: Your Honor, I have to admit that that

26   is a bit of a curve ball. It was, to my knowledge,

27   e-mailed to the Deputy Secretary at the e-mail that has

28   always been used. And I have no -- have plenty of

1   experience with that e-mail having gone through. If I

2   understand, that perhaps it should have been e-mailed to

3   the e-mail for this hearing.

4   But I'm not quite sure I follow what the objection

5   is since the document is in front of you as opposed to

6   having been admitted. It's being sought to be introduced

7   now as an exhibit in the hearing.

8   THE COURT: So there would be a couple of ways to

9   authenticate this document. One would be for all the

10 signatories to say, "Yep, that's my signature, that's

11 my" -- that's the slow way.

12   Another one might be if Dana Coale, Deputy

13 Administrator, the USDA Dairy Program, said, "I did

14 receive this document in the course of ordinary receipt of

15 business materials."

16   MR. SMITH: Okay.

17   THE COURT: That would be another way to

18 authenticate it.

19   Mr. Rosenbaum, do you have a suggestion?

20   MR. ROSENBAUM: Your Honor, I actually have a

21 different objection, not a suggestion.

22   I don't really view this as a -- as an appropriate

23 exhibit. It's --

24   THE COURT: Please speak into the mic.

25   MR. ROSENBAUM: Your Honor, this is a statement of

26 support for a particular position, and this is, to my

27 view, the kind of document -- it's sort of like a

28 post-hearing brief almost, saying, this is what we think

1 you should do. But it's not -- it's not evidence, and no

2 one is here sponsoring it. I don't doubt that the

3 signatures are valid, in the sense that they are signed by

4 people they claim to be -- this claims to be signed by.

5   But, you know, we -- if people -- I mean, evidence

6 is coming in through witnesses who are sworn and

7 cross-examined, and this is essentially, you know, if you

8 will, testimony without a witness.

9   And so, like I say, I -- certainly nothing wrong

10 with it being -- accompanying the record and being treated

11 as if it were, if you will, submitted, but not as

12 testimony.

13   THE COURT: Are there any other comments about

14 Exhibit 461 having been moved for admission and my

15 consideration of that?

16   There are none.

17   At this time, I reject Exhibit 461, also marked

18 MDIA-2, as an exhibit. Now, rejected exhibits are part of

19 the record, as are accepted exhibits. But the difference

20 is they are not considered evidence to be relied on in

21 making the decision.

22   And you can decide, Mr. Smith, what your next move

23 is. You don't have to decide this minute.

24   MR. SMITH: Well, I think if the basis of your

25 rejection is the authentication of the signatures, that's

26 easily cured.

27   THE COURT: All right. And if I am, instead,

28 agreeing with Mr. Rosenbaum's objection, that we don't

1   have any opportunity to cross-examine proponents.

2   MR. SMITH: Understood. If I might respond.

3   THE COURT: You may.

4   MR. SMITH: It's -- you have already rejected it,

5   so I'm not sure --

6   THE COURT: You may. You may make a record in any

7   way you would like now.

8   MR. SMITH: Okay. Briefly, the hearing has

9   admitted all sorts of evidence and leaving it, as I

10 understood, to the Secretary's discretion to -- to account

11 for the value of the evidence and certainly take into

12 account Mr. Rosenbaum's concern. That was, to be honest,

13 the kind of the fastball down the middle that I expected,

14 to be honest.

15   And in this case, the letter -- it was really

16 prompted by the Secretaries. The impetus is there. And I

17 think it's reasonable to reflect -- to -- to account for

18 their interest, acknowledging the concern that they did

19 not attend. The difficulty of attending this hearing is

20 quite significant for anybody trying to do so, both from a

21 cost and a scheduling, so for Secretaries, or even their

22 representatives. And I'm not trying to overstate the

23 case, but that is -- that is the thinking. You know,

24 number one, that the Secretaries put this in of their own

25 purpose to make a statement, and two, there is legitimate

26 reason for them not attending. And in that sense, it

27 speaks for itself.

28   THE COURT: I agree with you that in-person

1   attendance has -- is required for everyone who is

2   presenting evidence at this hearing. The only exception

3   we have made for that is we had a certain time period in

4   which certain farmers who had requested the opportunity to

5   appear on the YouTube or streaming, or whatever, were

6   allowed to appear and be cross-examined by audio-visual

7   means.

8   MR. SMITH: Sure.

9   THE COURT: But that was a carveout just to serve

10 farmers. I'm not aware of any other carveout in all these

11 days of hearing for anyone else who was excused from being

12 here to be cross-examined.

13   And I have been at milk hearings where people with

14 these important positions appeared and were here to

15 testify, and I always felt very honored that they took the

16 time.

17   But normally, they had something more concrete to

18 help make the decision than this document, which is a

19 generalization, and doesn't really have much gravitas in

20 my opinion, unless the person being cross-examined could

21 support the position with some facts and figures or

22 something.

23   So I leave it to you to decide what you want to do

24 next, but at this stage, I do reject Exhibit 461.

25   MR. SMITH: Thank you for the explanation, Your

26 Honor.

27   THE COURT: All right. Thank you, both. Thank

28 you for your testimony. It was good for you to come.

1   Mr. English.

2   MR. ENGLISH: Good afternoon, Your Honor. My name

3   is Chip English with the Milk Innovation Group. I know we

4   don't have a lot of time this afternoon, but I think we

5   really need to use as much time as we can productively.

6   THE COURT: I have one item before I let you call

7   your next witness, an administrative matter.

8   MR. ENGLISH: If that's the case, of course, Your

9   Honor.

10   MS. TAYLOR: We'll do it in the morning.

11   THE COURT: Okay. Well, see how they yield to

12   your persuasive --

13   MR. ENGLISH: I try to be as productive as

14   possible.

15   THE COURT: Very good.

16   MR. ENGLISH: We have a witness, Mr. Tim Kelly for

17   Shamrock Foods Company. And as he's coming to the stand,

18   Your Honor, we have previously handed out, we have been

19   trying to be very efficient, three documents, which are

20   marked as MIG-23, MIG-23A, and MIG-23B.

21   THE COURT: All right. Now, my next number would

22   be 462.

23   (Thereafter, Exhibit Number 462 was marked

24   for identification.)

25   MR. ENGLISH: That would be MIG-23, Your Honor.

26   THE COURT: Yes.

27   MR. ENGLISH: 463 would be MIG-23A.

28   THE COURT: Yes.

1   (Thereafter, Exhibit Number 463 was marked

2   for identification.)

3   MR. ENGLISH: And MIG-23B would be 464.

4   THE COURT: Correct.

5   (Thereafter, Exhibit Number 464 was marked

6   for identification.)

7   MR. ENGLISH: And for identification purposes, 462

8   was Part 1 of Shamrock Foods Company testimony submitted

9   way back in September; 463 was submitted last night, or

10 actually maybe even Friday night, I think Friday night

11 because we thought he would be on yesterday; and

12 Exhibit 464 is the PowerPoint presentation that hopefully

13 is hooked up that he is going to give as part of my Q&A.

14   THE COURT: Excellent.

15   Now, I would just add to your description of these

16 documents. MIG-23 is MIG/Shamrock-23; MIG-23A is

17 MIG/Shamrock-23A; and MIG-23B is MIG/Shamrock-23B, which I

18 think is very helpful.

19   And I would like the witness to identify himself

20 please and spell his name.

21   THE WITNESS: Tim Kelly, T-I-M, K-E-L-L-Y.

22   THE COURT: And have you previously testified in

23 this proceeding?

24   THE WITNESS: I have not.

25   TIM KELLY,

26   being first duly sworn, was examined and

27   testified as follows:

28   THE COURT: Now, position yourself so that you can

1   see the document that you are looking at, or your

2   computer, and still be speaking where that mic can pick

3   you up the best. You may need to experiment.

4   THE WITNESS: You got it.

5   THE COURT: You can count back from ten or

6   something.

7   MR. ENGLISH: And someone should bring your

8   presentation up.

9   Thank you.

10   DIRECT EXAMINATION

11 BY MR. ENGLISH:

12   Q.   So, Mr. Kelly, please provide your background.

13   A.   Sure. I am Tim Kelly. I've been with Shamrock

14 for 31 years. I started when I was five. And I'm

15 currently senior vice president, general manager

16 overseeing the dairy operations for Shamrock Foods

17 Company. And I graduated from Arizona State University.

18 I have a BS degree and a master's degree in agribusiness.

19   Q.   Can you tell me a little bit about Shamrock Foods

20 history.

21   A.   Sure. Shamrock started in 1922 in Tucson,

22 Arizona. It's a family-run company, still is today.

23 We're in the fourth generation ownership. It was started

24 by McClellan family. They were Irish immigrants, came

25 over to the United States. W.T. fought in World War I,

26 got his citizenship, and started Shamrock at that time.

27   Q.   So let's turn now to the next slide.

28   A.   Sure. A little bit more about Shamrock. Not only

1 are we a dairy company, we're also one of the largest

2 independent foodservice distributors in the United States.

3 So envision a Sysco or U.S. Foods Company. That's what we

4 are in the West, and we're in roughly 16 states in the

5 West.

6   Q.   Thank you.

7   THE COURT: How many states?

8   THE WITNESS: Roughly 16. Might be a little more

9 now, but that's close enough.

10 BY MR. ENGLISH:

11   Q.   But your job is with the dairy side?

12   A.   That's correct. So I oversee the dairy division

13 for the McClellan family.

14   Q.   And in addition to that, does the dairy also have

15 farms?

16   A.   It does. We have -- we have a family farm. It is

17 not part of Shamrock Foods Company, but we have a

18 2,000-head farm that is owned by the McClellans, of which

19 I purchase 100% of their raw product.

20   Q.   And is some of their --

21   THE COURT: Of their what?

22   THE WITNESS: Raw pro- -- of the milk. I purchase

23 100%.

24   THE COURT: Oh, of their raw product. I get it.

25 Thank you.

26 BY MR. ENGLISH:

27   Q.   And is part of their farm organic?

28   A.   We have roughly 850 head of the 2,000 would be

1   organic.

2   Q.   So turning to the processing side. Let's look at

3   the next -- let's start with this slide --

4   A.   Sure.

5   Q.   -- and then go through it, and the next couple

6   slides, and tell me a little about the products that

7   Shamrock produces.

8   A.   Sure. So in Arizona, Shamrock is a Class I and

9   Class II producer. We are your local hometown dairy

10 within the state of Arizona, providing traditional gallons

11 and half gallons in HTST format. Also doing school milk,

12 as you can see here. We do some value-added organic

13 lactose-free milk in a 96-ounce package, and we do what we

14 call specialty milk with an HTST formula which is half

15 gallons and quarts of buttermilk.

16   If you go to the next slide.

17   These are more of our innovative products that we

18 have, all in extended shelf life. It's in Class I. These

19 are all Class I items. So milk-based protein drinks. Our

20 Rockin' Protein drink, which we sell nationally, our

21 ready-to-drink milk items that we sell nationally as well,

22 as well as some multi-serve and seasonal items that we

23 produce in ESL bottle as well as half gallon.

24   Q.   And your next slide, please.

25   A.   And then these are the Class II items that we

26 produce, both in our Phoenix facility and our Virginia

27 facility. They are half and half, heavy cream items, as

28 is in the sizes that you can see here, as well as half and

1 half and heavy cream. The items in the middle are more

2 along the lines of our institutional foodservice items,

3 which would be made for putting into ingredients and like,

4 and then our culture items that we sell at retail within

5 the state of Arizona.

6   Q.   So I think you have discussed some of your

7 customers.

8   You have some schools, correct?

9   A.   Yes. So the channels of business that we service

10 would be what we call large format, which in layman's

11 terms would be retail. We do sell club. We sell --

12 within foodservice, we sell institutional, so that would

13 be back-of-the-house type items and ingredients, as well

14 as quick-serve restaurants, so Jack in the Box, Subway, we

15 sell milk, as well as some Class II items, shake mix

16 items, to that. And then we do club, and then impulse,

17 would be vending, anything in C store.

18   THE COURT: What kind of store is C store?

19   THE WITNESS: Convenience stores. I'm sorry.

20   THE COURT: Thank you.

21   THE WITNESS: Yeah, no problem.

22 BY MR. ENGLISH:

23   Q.   So let's turn to the next slide.

24   You have already briefly discussed the processing

25 plants. Let's talk about in the next few slides what you

26 are seeing here, first for Arizona dairy.

27   A.   Sure. This is our Arizona farm. So we started in

28 Tucson. We moved to this location in 1955. It's --

1 currently does both HTST and extended shelf life at this

2 facility. It's in Federal Market Order 131.

3   And then our Virginia facility, as you can see

4 here, is newer. We built this in 2014. It is an extended

5 shelf life bottle plants, as well as we do do

6 bag-in-the-box products there as well in the extended

7 shelf life format. We do do Class I and Class II out of

8 this facility.

9   THE COURT: Now, what I'm looking at on page 5 and

10 page 6 is in what location currently? Oh, no, not 6, just

11 page 5.

12   THE WITNESS: Page 5 is our Arizona dairy.

13   THE COURT: And what is the nearest town?

14   THE WITNESS: That's located in Phoenix, Arizona,

15 I'm sorry.

16   THE COURT: Thank you.

17   THE WITNESS: Yep. Arizona and Phoenix.

18   And then our Virginia facility is located in a

19 town called Verona, Virginia, which is roughly 30 miles

20 west of Charlottesville.

21   MR. ENGLISH: Thank you, Your Honor.

22 BY MR. ENGLISH:

23   Q.   So let's go to the next slide, and let's start now

24 talking about proposals.

25   So what is Shamrock's position on Proposals 1 and

26 2, the component proposals?

27   A.   Yeah. So currently in both of our orders we're a

28 butterfat skim order, so the component pieces of that does

1   not apply to me. Proposals 1 and 2 would increase our

2   cost between 60 and $0.75 per hundredweight. And from the

3   reviews that we have done internally as well as

4   externally, we don't receive the solids at the level that

5   have been proposed, so obviously we would be overpaying.

6   So the market wouldn't allow us to collect for

7   those, pay for those. And as a matter of fact, in my

8   31 years at Shamrock, we never had a customer ask me what

9   are your solids in milk.

10   Q.   And since you are in a butterfat skim order, not

11   only do you pay on butterfat skim for Class I, but your

12   dairy farmers are paid on butterfat skim, correct?

13   A.   That's correct.

14   Q.   So they are not even paid on the components that

15   you would be being requested to pay?

16   A.   That is correct.

17   Q.   And what would be the impact on the consumer of

18   these?

19   A.   It would be higher prices.

20   Q.   Can you recover these costs?

21   A.   No, I cannot.

22   THE COURT: Mr. English, there's a difference

23   between Mr. Kelly's volume, which is perfect, and yours,

24   which is softer.

25   THE WITNESS: I'm a much more dynamic speaker.

26   It's obvious. Chip's not.

27   MR. ENGLISH: I didn't get my one-hour late lunch

28   break today.

1   I will do my best, or the mic can go up, or I will

2   move closer to the mic, or maybe Mr. Smith broke it again.

3   THE COURT: He's tall.

4   BY MR. ENGLISH:

5   Q.   So let's now turn to the next slide.

6   A.   Sure.

7   Q.   And this is the issue of the base skim milk price.

8   And it's true that Shamrock opposes Proposals 13,

9   16, 17, and 18, correct?

10   A.   We do.

11   Q.   What is your position on price stability?

12   A.   Well, we are very much for price stability. Our

13 customers are for price stability, particularly when you

14 look at some of the channels we service. Within

15 foodservice, they are requesting annual pricing, if

16 possible. To change menu boards, particularly in the

17 past -- I would say less now with certain of our customers

18 with digital boards, but changing -- changing pricing

19 within menu boards could cost millions of dollars,

20 particularly for Subway sandwich shop that has 28,000

21 locations. So they were looking for stability within

22 that, for sure.

23   Q.   What is your position on hedging?

24   A.   We are for hedging. We currently do hedge some

25 items. As a matter of fact, we recently hired a person

26 that will take that on for Shamrock going forward. We

27 don't have a lot of experience in that but -- and we've

28 utilized other outside agencies to perform that for us,

1 but we are looking to internalize that.

2   Q.   And so do you intend to hedge in the future?

3   A.   Yes, sir, we do.

4   Q.   And what is your position about USDA with respect

5 to any proposal that would limit your ability to hedge?

6   A.   We are against anything that limits hedging.

7   Q.   And what is your position on advanced pricing?

8   A.   We are for advanced pricing. Obviously, anytime

9 you know what your cost is going to be before you are out

10 there selling it, it certainly helps. I can tell you that

11 we have lost millions of dollars by not knowing what our

12 costs are. Example would be just as early -- I'm sure a

13 lot of you in the room, last year when we were dealing

14 with some Class II issues throughout, and the culture

15 items, and I'll tell you, last February wasn't fun for the

16 industry, I can tell you that.

17   Q.   Let's turn to Proposal 19 first.

18   We'll talk about 21 next, but let's -- what's your

19 position on Proposal 19?

20   A.   Order-over premiums?

21   Q.   No. 19 is the Class I differential.

22   A.   Oh, thank you.

23   Q.   I think you may have --

24   A.   Naw, we're good. Yeah.

25   So differentials is a tough one for me.

26 Currently, at least in my last 15 years -- 14 years at

27 Shamrock, I have been instrumental in the procurement of

28 our raw milk needs. I have been involved in all

1 negotiations with the -- both co-ops that we purchase

2 from. In Arizona we purchase about half of our needs from

3 a co-op, and in Virginia 100% of our needs. The

4 differential in the conversations within all that, within

5 the over-order premium, was for different items within --

6 that are covered within the location differential. I

7 personally believe I'm paying for it twice.

8   So, sorry, I'm rambling here. I'll answer your

9 question.

10   Q. So -- so the co-ops have claimed at various times

11 that it's difficult for them to collect over-order

12 premiums.

13   What is your experience in those two markets,

14 Arizona and Virginia?

15   A.   It has not been hard for them to collect the

16 over-order premiums in our market. Arizona, we are --

17 they are the lone co-op, United Dairymen of Arizona. They

18 are the only co-op. And I will tell you, in our last

19 agreement, we have -- we have seen increases as high as

20 fourfold and -- on the over-order premium. That's a lot

21 of money.

22   Q.   And Virginia?

23   A.   Virginia, we -- we have -- we have competition

24 there. We still have seen increases, but not at the level

25 as I have seen within Arizona.

26   Q.   And there's been some conversation about whether

27 balancing is included in those over-order premiums?

28   A.   It absolutely is. It's the conversation of the

1 over-order premium. We need freight help. We need

2 balancing help. We need all of the above, which is my

3 argument in having to pay for it twice. They feel the

4 need is to have covering within the over-order premium.

5 As of which, within the balancing portion, there is a URC

6 credit that's put within it. So they flat out just put it

7 in there was well.

8   Q.   So before Judge Clifton asks, what does URC stand

9 for?

10   A.   Universal Receiving Credit. So it's the helping

11 of the co-op to streamline their needs -- which I

12 completely understand -- but their supply, to make sure

13 that they can handle it, and we -- we obviously do the

14 best we can to mitigate that and manage that.

15   Q.   And when you talk about mitigating and managing,

16 so, for instance, when you built the plant in Virginia for

17 an ESL facility, did you make an investment that includes

18 your carrying inventory and -- and also timelines to be

19 able to meet demand so that you are effectively paying for

20 balancing on the front end?

21   A.   Yeah, particularly in Virginia. So we'll -- we

22 put anywhere between 90 and 130 days on our product. So

23 significant capital investment is needed in order to carry

24 those inventory levels, particularly when we talk seasonal

25 items like eggnog, heavy creams, and those types of

26 things. So it's -- are very expensive.

27   Q.   So what kind of increases would you see if

28 Proposal 19 were adopted?

1   A.   Well, you can see here 28%. I have a table that

2   I'll share with you, but 28%. It's 62% in Virginia. So

3   what -- combined it's well north of $2.50 a hundredweight,

4    $0.22 a gallon.

5   Q.   So why don't we now turn to Table 1, which is on

6   slide 10.

7   A.   Sure.

8   Q.   And so tell me what we're seeing on this slide.

9   A.   So on this slide, you can see on the top

10   there's -- these are the Arizona -- this would be within

11   Maricopa County, which is Phoenix. There are four

12   processing plants. We have a small value-added producer

13   handler that runs glass product, Danzeisen; we have

14   fa!rlife that we're all aware of; we have Kroger and

15   Safeway that have captive plants; and then we have

16   Shamrock, which is a branded and private label plant.

17   Our current is 2.35 a hundredweight, and then you

18   can see the model minimums that we have broken out. But

19   this increase would go from 2.35, and National Milk's

20   proposal would be $3.

21   Q.   Given the model average would actually be

22   basically a $0.05 increase to 2.40, what is your view

23   about the model average versus National Milk's 19?

24   A.   Well, the -- obviously it doesn't go up as much as

25   that. But I will tell you that any -- any increase that

26   we're seeing, and my argument being, for any increase

27   within Class I would be, what problem are we trying to

28   solve? And the problem being that I'm hearing from the

1 milk side -- and I will preface it. We're -- currently I

2 sit on multiple boards. I'm currently the chairman of

3 MilkPEP. I'm on the board of fluid milk for IDFA, as well

4 as I sit on the board of DMI's Innovation Center. So I'm

5 with dairy farmers all the time. As a matter of fact, I

6 work for a dairy farmer.

7   So I understand the costs that are associated with

8 running dairy farms. I understand the increased costs

9 that are associated with it.

10   My argument is, the way that this current model is

11 being structured, I don't necessarily think is going to be

12 beneficial to the dairy farmer. And from what I'm seeing,

13 the -- I don't pay a dairy farmer, I pay a co-op. And the

14 monies that I'm seeing go up, and the prices that I'm

15 paying by going up, are substantial.

16   When you talk about 2 to $3 a hundredweight in

17 cost increases, that's what I'm paying. That's what the

18 consumer's paying. And when I see a $0.10 increase, when

19 I see a $0.20 increase, that's a 20 to 30 to $0.35

20 increase to the consumer, because that's how retail works.

21   So to answer your question, I'm not for any

22 increase. I'm for the parties involved to work together

23 to figure out a better costing mechanism that will take

24 care of the dairy farmers and not penalize Class I, which

25 will thus reduce Class I milk, which will then thus put

26 more milk into III and IV, which is going to drive down

27 the blend, which is going to pull money out of the dairy

28 farmer. Okay? I'm mean, I went to ASU, which is known as

1 Harvard of the West, I get it, but with my math, telling

2 me you are pulling money out of the dairy farmer.

3   So let's -- let's try to identify -- and my

4 frustration that I have with this entire process is

5 everyone knows my number. Call me. I'll sit in any

6 meeting with dairy farmers, National Milk, sit with anyone

7 that's there, and try to come up with a proactive way to

8 fix the system. But the system is broken, and it needs to

9 be repaired.

10   Q.   I'm going to digress for a moment.

11   A.   Sorry for my rant. Chip, I know you're upset at

12 me.

13   Q.   Well, I'm actually going to digress based upon

14 your commentary, which is that -- you were here yesterday

15 for the examination of Ms. Keefe, correct?

16   A.   I was.

17   Q.   As a member of MIG, and with all those boards you

18 sit on --

19   A.   Yes, sir.

20   Q.   -- did you make efforts to reach out to

21 cooperatives about the MIG proposals?

22   A.   I personally made phone calls. How this started

23 was with -- there was a vote being taken within IDFA about

24 this proposal. It wasn't looked favorably by the co-op

25 community. As a matter of fact, my good friend from AE,

26 Miriam Erickson Brown, was called many times in

27 frustration. And we supported taking a vote, and it did

28 not pass. And at that call I stated my frustration to my

1 co-op friends, that doing this blindly, doing it in a --

2 hidden behind all of our backs, which is it was, no one

3 reaching out, and then just asking for a flat line vote

4 was inappropriate.

5   Q.   You mean a flat line vote on the National Milk

6 proposals?

7   A.   That's correct. Without any of us even seeing

8 them.

9   Q.   And did you also then also attempt to say, "Look,

10 we have got an alternative we want to talk about"?

11   A.   At that time, Chip, the -- the MIG group was not

12 formed, if I recall. I do recall having conversations

13 with the CEO of Aurora, him calling me saying, "We need a

14 voice in this community. Will you help me?" And I helped

15 recruit people that are within the MIG group.

16   Q.   And did there come a time later that you tried to

17 talk about this?

18   A.   Yes, sir. I'm sorry. Yes. Then later was going

19 to them. But the co-ops were not going to -- obviously

20 it's going against their membership, so they were flatly

21 denied that they wanted to be -- to talk about it or

22 participate within it.

23   Q.   But the effort was made.

24   A.   I personally made the effort.

25   Q.   Okay. So let's turn to slide 10 for a moment.

26   You talked about Arizona. We haven't yet

27 addressed Virginia. And I just want to point out, when

28 you look at Virginia, and the fact that -- as for

1 Shamrock, National Milk proposes using the model average.

2 But for four other locations, they are -- I'm sorry -- for

3 three other locations they are going down, and then for

4 another member of MIG they are going up from the model,

5 correct?

6   A.   Yes, sir.

7   Q.   Let's turn to the slide -- I think you have

8 actually covered the next slide. I don't think we have

9 skipped anything, unless there's something here you want

10 to expand on.

11   A.   No, I think I have hit this.

12   Q.   Okay. So let's now turn to Proposal 21, which is

13 slide 12.

14   What is your position on Proposal 21, which would

15 increase the Class II differential?

16   A.   Yeah, my argument, similar to Hood and AE's, which

17 is we are pooled plants, and we are competing with our

18 competitors. Particularly in Arizona, we do have a

19 competitor that would be a non-pooled operation in

20 culture. So I'm not for it at all.

21   Q.   And so the issue about being a competitor with a

22 non-pool plant is they wouldn't be obligated to pay this

23 differential, correct?

24   A.   That is correct.

25   Q.   And as to any fluid creams, you wouldn't be able

26 to reformulate, correct?

27   A.   No. I follow the standards of identity within

28 those categories, so I'm not able to reformulate.

1   Q.   And what is your view about whether higher prices

2 will drive down demand?

3   A.   Well, I think the -- if we're looking at

4 elasticity and inelasticity, I have a lot of thoughts

5 within this. And I think if you look at it holistically

6 throughout the data, arguments can be made that milk would

7 be considered inelastic.

8   I can give you an example, one with even National

9 Milk's proposal of -- with that they deem being it's

10 inelastic, the milk still drops.

11   Q.   You mean, Dr. Kaiser's data?

12   A.   I'm sorry, yes. Dr. Kaiser's.

13   Q.   But the demand still drops, correct?

14   A.   Still drops. Still drops. It's not falling

15 within the standard error rate of saying that it's not,

16 but it's still dropping.

17   The other would be through, in my opinion with it,

18 when I started at Shamrock in 1991, roughly 70% of my milk

19 in what I would call the take-home package, so the gallon

20 and half gallon, was branded, and 30% was private label.

21 It's absolutely flip-flopped now. So now I'm at roughly

22 80% private label, 20% brand. That's all due to price.

23   So if you -- if you take a look at holistically

24 throughout and you say, well, it's not elastic. Go look

25 at the items of which I sell, they are driven by price.

26 When I promote my brand, it increases by 25%. That's

27 because of price.

28   So, you know, I think we -- any good statistician,

1   anybody can make their data read the way they want. I'm

2   just looking at it through my business. Price increases

3   reduces Class I demand, and certainly reduces

4   profitability, and takes away from my ability to invest

5   more in the ESL value-added items, which I think every

6   dairy farmer wants me to continue to invest in.

7   Q.   Let's turn to the next slide.

8   I have a preface before we talk about Proposal 20,

9   because we have already heard a number of questions of

10 earlier witnesses --

11   A.   Yep.

12   Q.   -- and the commentary that -- that the producer is

13 going to lose somehow that $1.60, which I think assumes a

14 lot of information, correct?

15   But --

16   A.   Correct.

17   Q.   -- given what's happening with Class I, what is

18 your view about whether the producer ought to be concerned

19 about the loss of Class I sales --

20   A.   Well --

21   Q.   -- compared to that $1.60?

22   A.   Yeah. For instance, let's just -- I mean, we can

23 sit here and do the math, which I'm not going to do on the

24 stage, but with that, increasing that or losing that, you

25 just do the math within what's that going to do when

26 you -- Class I drops? Where does that milk go? It goes

27 into lower classes of milk. It's going to reduce the

28 blend check.

1   So I -- like I said, I work for a dairy farmer. I

2   see through their eyes. I see through their lenses. And

3   I'm just saying, if we're trying to do everything we can

4   to help them get more money, is the current structure and

5   the way the proposal that's reading today, is that really

6   going to get it done? I say no. But I only got 31 years

7   experience.

8   Q.   So let's now turn to slide 13, and we're going to

9   cover some of these very quickly so that we can finish

10 before 5 o'clock, if we can.

11   So what is your -- what is Shamrock's experience

12 with Grade A and Grade B in your marketplace?

13   A.   Yeah. So Grade A, it's nonexistent within my

14 market. I'm not as aware of --

15   (Court Reporter clarification.)

16   THE WITNESS: So within Grade A, within Arizona,

17 there is no Grade B dairy farmers. I even made a call to

18 verify that. Within Federal Order 5, I'm not aware of

19 any. There could be some, I'm not aware of any. As a

20 matter of fact, in my time in this business I have never

21 even heard of a demand or anything. But keep in mind, I'm

22 a Class I dairy plant, so that's probably not as common,

23 but I haven't heard any Grade B milk.

24 BY MR. ENGLISH:

25   Q.   So let's turn to the next element, your next slide

26 which is balancing.

27   A.   Yes. So within the balancing things, you can see

28 here the charges that we're getting. There is without a

1 doubt, Shamrock, and when I get my -- when I get my bill,

2 I'm paying for that balancing. I'm paying for it within

3 the URC credit, which they clearly put out there. So to

4 sit there and say there isn't a balancing charge

5 throughout for what I get, it's -- it's in contracts.

6 Everyone knows. We talked about it earlier. So

7 there are -- there are balancing charge, or

8 balancing fees, or balancing penalties if you aren't able

9 to do it. So I am paying for it within the over-order

10 premium.

11   And then obviously, I provide rolling forecasts to

12 our co-ops. I provide 90-day rolling forecasts. If I am

13 above or below that, I'm penalized. I'm penalized for

14 holding fees for them at the dock. I'm penalized -- all

15 that within -- in my bill, they are passing all these

16 costs through to me. Is the dairy farmer getting those?

17 I don't know, but I'm paying it.

18   Q.   Should USDA remove that charge from the Class I

19 differential?

20   A.   Absolutely.

21   Q.   Because you are already paying for it?

22   A.   Already paying for it.

23   Q.   Let's move to the next slide which is the

24 incentive piece.

25   A.   Yeah. So for Shamrock, sourcing milk has never

26 been an issue. We will -- there are -- are times where it

27 could get tight, I will admit that. The spring flush

28 is -- we are all aware of what that is, and there is an

1 abundance of milk.

2   And then, particularly in Arizona, when we have

3 the monsoon season, the cows don't like humidity in

4 Arizona. They are fine with the 120. We have mister

5 systems for them. But when the humidity increases,

6 they certainly drop. And there could be tight things, and

7 we do work with our co-op and our farm to -- to

8 manage that. But it's typically a two-week period of

9 time. The cows become used to it and are able to

10 adjust to it. It's not something that lasts forever.

11   Q.   I want to go back to the elasticity for one

12 moment.

13   A.   Sure.

14   Q.   What about milk's competitive position with other

15 beverages?

16   A.   Well, that's my -- that's my biggest argument here

17 is, particularly with you going to the retail space, we

18 can all remember the days when you had eight doors and

19 seven of them were for milk. And now when you go into any

20 dairy case, you are roughly seeing two doors of dairy,

21 maybe three, depending on the size of retailer, but an

22 abundance of plant-based products, which we manufacture as

23 well. So Shamrock is a manufacturer of plant-based

24 beverages, nut juices, as I like to call them. But we

25 manage -- we manufacture those as well.

26   And I understand the price stability that they

27 have, which I don't, which it is -- their first ingredient

28 is water, not -- not milk but -- so that's the -- that's

1 the competitive nature that we see, is that I'm competing

2 against all those other brands, and we, as an industry, as

3 the dairy industry everyone, are completing against that.

4 So what we want to do is make sure that we can keep our

5 prices competitive enough within that scope so that we can

6 continue to compete against the plant-based and nut-based

7 juices.

8   Q.   There's also been some questions today about,

9 well, you know, if you take that $1.60 out, you won't

10 know, then, what your competitor is paying.

11   Is that an issue? Is it so much an issue

12 about paying similar prices or about similar regulatory

13 burdens?

14   A.   Yeah. I think I'm less of -- I'm more of a

15 regulatory side of the exposure of that, understanding

16 what it is. If it's an even playing field, I'm willing to

17 compete. I'm willing to do my best. I'm willing to make

18 substantial investments in our business, substantial

19 investments to drive down costs, increase efficiencies.

20 But when it's an unfair playing field, which I already

21 experience within depooling plants, it makes it very

22 difficult to go out and compete against like items.

23   Q.   Let's very briefly go to the last slide. What's

24 the point you are trying to make here from somebody who

25 sits on IDFA, who sits on MilkPEP, who reaches out and

26 talks to --

27   A.   Yeah. I hit on it earlier, but as I said, I

28 really want us all to come together. And what I mean by

1   that, I want the farmer community, the co-op community,

2   the independents, the big brands, to try to find a

3   solution to this and work together. The in-fighting, the

4   going back and forth, the he-said/she-said is not

5   productive. The only people making money seem to be the

6   attorneys in the room, Chip.

7   And I would certainly like to see that be utilized

8   and our efforts be utilized a more -- in a way that we can

9   all work together to make it a better industry, so that we

10 can compete against our true competition, which is the

11 plant-based beverages.

12   MR. ENGLISH: Your Honor, I have no further

13 questions of this witness. I will preemptively for

14 tomorrow move into evidence Exhibits 462, 463, 464, make

15 the witness available for cross-examination in the morning

16 after administrative matters.

17   THE COURT: You are amazing. You really are. My

18 hat's off to you.

19   THE WITNESS: He's not cheap, but he is amazing.

20   THE COURT: All right. I know it's time to go.

21 I'd just like to have an idea about tomorrow. So we begin

22 with an administrative item, then we go to Tim Kelly.

23   Then, Mr. English, do we go to Chuck Turner of

24 Turner Dairy?

25   MR. ENGLISH: Yes, we do, Your Honor.

26   THE COURT: Then do we go to Aurora Organic?

27   MR. ENGLISH: No, I think we're going to have to

28 switch some things around given some witness's schedules.

1   And so our intention, hopefully we can get through all of

2   these: David Hardy who is an Organic Valley CROPP

3   producer; followed by Organic Valley CROPP, a panel, and I

4   will say ahead of time it's three people, so we'll need

5   three chairs and deal with the mics; and then Jay Luikart

6   from Danone; and if we get done with that, we then would

7   go to Aurora Organic Dairy, who also has a dairy farmer,

8   plus an Aurora Organic Dairy witness as well. And that's,

9   I think, ambitious, but that's the goal.

10   THE COURT: Excellent.

11   Ms. Hancock would like identification of the three

12 people. Are you going to send out an e-mail?

13   MR. ENGLISH: Yeah, we will get out an e-mail. I

14 think we already did. I think we sent an e-mail out. I

15 need to see what's going on. All right. I thought the

16 list had everybody. So we will check the e-mail. If we

17 need to modify, we will. But we sent out an e-mail I

18 thought of all the names.

19   THE COURT: But, you know, a timely -- a current

20 e-mail might help. I'm sure you have all got a lot of

21 e-mails.

22   MR. ENGLISH: We will endeavor to resend an

23 e-mail.

24   THE COURT: Thank you. All right. I thank you

25 all. It's been a marvelous day. And we now go off record

26 at 5:05. I'll see you in the morning at 8:00.

27   (Whereupon, the proceeding concluded.)

28   ---o0o---

1   STATE OF CALIFORNIA   )
)   ss
2   COUNTY OF FRESNO   )

3

4   I, MYRA A. PISH, Certified Shorthand Reporter, do

5   hereby certify that the foregoing pages comprise a full,

6   true and correct transcript of my shorthand notes, and a

7   full, true and correct statement of the proceedings held

8   at the time and place heretofore stated.
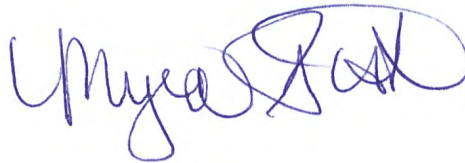
9

10   DATED: February 12, 2024

11   FRESNO, CALIFORNIA

12

13

14

15

16   MYRA A. PISH, RPR CSR
               Certificate No. 11613
17

18

19

20

21

22

23

24

25

26

27

28

$

$0.02 10766:20 10767:7,12

$0.05 10705:24 10765:27 10795:26 10896:22

$0.059 10722:4,8,18,21,22

$0.10 10705:11,14,24 10713:3,5 10737:10 10753:1 10897:18

$0.14 10796:14

$0.15 10736:22 10752:3,4 10766:8 10794:18,19 10796:20

$0.20 10720:16 10737:9 10752:16,22,24,27 10766:3 10795:27 10796:9 10897:19

$0.22 10896:4

$0.329 10719:4,14

$0.33 10719:20

$0.35 10794:27 10795:4 10797:8 10897:19

$0.40 10692:19,23 10693:1 10739:23 10740:8 10781:17

$0.45 10741:3

$0.48 10720:2

$0.484 10719:23,27,28 10720:4,15

$0.50 10712:21,22,24 10713:28 10794:28

$0.55 10706:12 10737:6 10796:14

$0.59 10721:24 10722:1,9

$0.60 10758:25 10759:4 10769:8,9 10782:9 10787:9 10796:10

$0.65 10741:3

$0.69 10796:12

$0.75 10891:2

$0.86 10738:8,23

$1.01 10721:26

$1.03 10704:20

$1.04 10697:22,27 10698:3

$1.20 10678:27 10697:25,28 10698:3

$1.40 10739:23

$1.60 10652:2 10655:6 10656:25 10657:11

10658:11,12 10664:15 10665:26 10666:9,17,27 10668:22 10671:4,15,17,20, 26 10672:12,19 10673:6 10676:24 10678:14,20,27 10686:3,4,7 10687:17,20,26 10688:4,8,9,11 10698:6,10 10705:3,5,9 10706:11 10712:2,20 10714:7 10720:7,20,22 10721:7,9,13, 20,23 10722:1,24,25 10739:23 10767:24 10768:7 10769:2 10770:13 10781:17 10791:11,13 10792:2 10812:4,25 10833:22,23 10834:3,10,12,16 10836:10, 13,15,19,22 10874:21 10902:13,21 10906:9

$1.70 10705:13

$1.78 10657:19

$1.80 10720:13,16

$120 10784:15

$2.10 10712:20

$2.50 10896:3

$3 10736:20 10737:7 10794:10,25 10896:20 10897:16

-

---o0o--- 10775:18 10908:28

0

0001 10767:11

04444 10840:14,20

1

1 10732:24,25,28 10733:6 10736:12,13 10749:26 10826:8 10854:11 10858:2, 13 10859:28 10860:18,24 10861:25 10878:9 10885:8 10890:25 10891:1 10896:5

1.60 10833:15

1.70 10796:8

1.75 10736:19

1.80 10736:18

1.90 10796:9

10 10702:15,21 10749:25 10750:23 10760:23 10845:2 10878:5,8,25 10896:6 10899:25

10% 10659:6 10714:19 10852:2

10,341,000,000 10871:15

100 10707:27 10712:28 10845:18 10849:4

100% 10731:14 10755:25 10887:19,23 10894:3

10:22 10715:5

10:23 10715:8,13

10:45 10727:6

10:46 10727:8

11 10723:2

12 10705:7 10900:13

120 10823:26 10824:2,3 10844:6 10905:4

128 10840:13

13 10733:20 10734:1,5,23 10735:10 10892:8 10903:8

13% 10805:1

130 10844:20 10895:22

131 10890:2

14 10779:12 10893:26

140 10788:25

145 10844:19 10845:3 10868:20

15 10701:8 10754:17 10757:11 10788:26 10838:5 10845:2 10850:16 10893:26

15,660,000,000 10871:16

150 10713:19 10780:16 10788:24 10795:22

158 10715:17

16 10709:28 10733:20 10734:26 10735:10,12 10887:4,8 10892:9

17 10651:1,3 10727:10,13,15 10733:20 10734:1,5,23,26 10735:10 10768:25 10776:1 10892:9

17,280 10861:25

178 10715:18

17A 10726:22,24,25,28 10727:2,11,15 10774:3

17B 10726:22,25,28 10727:12,16 10774:10

18 10733:20 10734:1,5,23,26 10735:11 10755:20,27 10863:26 10892:9

180,000 10748:24,27

1800s 10849:27 10855:4

1860s 10844:2

19 10735:15,16,17,18,20 10736:20 10737:7,19 10743:1 10749:28 10753:28 10754:9 10760:11,17,20 10766:2 10773:3 10781:9 10787:25 10792:21,22 10793:8 10794:11 10798:28 10828:5 10832:27 10893:17, 19,21 10895:28 10896:23

1900 10850:7

1920s 10857:17

1922 10886:21

1930 10729:13

1930s 10652:21 10724:16 10859:20

1935 10797:10 10857:23

1937 10661:11,13,15,22 10800:6

1938 10661:11

1950 10855:10

1950s 10851:19

1955 10889:28

1970 10871:11,16 10872:24

1979 10677:25

1980s 10855:5,8

1982 10677:25

1990 10729:3

1990s 10855:17

1991 10729:3 10901:18

1993 10725:7,11

1997 10667:12

1998 10667:14

1:05 10775:8

1:10 10775:15

1:12 10776:3

1B 10798:1

2

2 10683:11 10732:24,25 10733:6 10801:11,22 10815:28 10826:8 10842:25 10890:26 10891:1 10897:16

2,000 10887:28

2,000-head 10887:18

2,588 10861:28

2.15 10706:11

2.20 10795:25

2.25 10844:21

2.30 10815:28

2.35 10896:17,19

2.40 10896:22

2.50 10795:25 10796:10

2.6 10854:11

2.75 10844:24

2.80 10736:21 10737:4

20 10694:11 10739:19,20,21
10743:1 10767:18,20
10768:3,5,6 10777:5
10781:5,6,7,13 10787:25
10790:11 10791:10
10792:21 10796:7 10831:6,
11,17,20 10833:6 10845:28
10865:26 10874:20
10897:19 10902:8

20% 10746:21 10800:15
10834:23 10901:22

20-plus 10692:27 10693:10
10694:1,20

200 10712:28 10730:20,21
10788:22

2000 10678:20 10846:2
10861:24,25

2000s 10859:25

2007 10778:6,22

2008 10873:22

2014 10890:4

2016 10668:23 10669:3,6,10,
11,14 10670:5,11,12
10674:6 10676:27 10683:28
10687:15,20 10688:16,19,
25,26 10689:5 10698:19
10700:18,20,23,24 10701:6
10702:9 10706:2,12,17

2018 10790:8 10808:17
10815:10,12

2020 10790:9 10815:13

2021 10704:2 10705:3,10,28
10706:2,16 10715:19,24
10716:3

2022 10664:25 10677:28
10724:21,27 10788:19
10834:22 10835:3 10861:24,
26

2023 10664:19,25 10700:25
10706:16 10715:19,22
10717:1 10718:4 10724:20
10725:3 10815:10 10817:24,
25 10824:8 10834:23
10865:28 10871:12,16,18

2024 10651:1,3 10776:1

20s 10856:24

20th 10852:1,4

21 10738:5,6,7,25 10743:1
10776:20 10798:13,15,16
10799:5,18 10823:15
10830:4 10893:18 10900:12,
14

21,308 10872:25

21A 10776:26 10828:28
10837:9

21B 10777:9,16 10837:16

22 10788:23

23 10835:4

230 10850:6

2300 10842:12 10844:13

24 10782:22 10783:13

25 10659:14 10660:23
10661:1 10842:6 10843:11

25% 10901:26

27 10728:23 10854:14

28% 10896:1,2

28,000 10892:20

280 10823:21

2:00 10774:21,22,25,26

3

3 10677:16,24 10771:15
10801:21 10815:28

3.25 10794:16

3.31 10706:13

3.35 10737:5,8

3.50 10815:27

3.75 10844:28

30 10713:18 10747:5,8
10890:19 10897:19

30% 10781:12 10787:6
10797:28 10800:14
10901:20

30s 10729:14,22 10856:25
10857:21

31 10886:14 10891:8
10903:6

32 10733:7 10742:11
10749:10,11

365 10747:10

366 10747:11

37 10662:14

3:05 10838:7

3:06 10838:10,17

3:08 10838:20

4

4 10677:17 10678:8
10757:26 10771:25 10772:3,
22 10809:8 10812:2,24
10828:28 10830:4

4.50 10794:25

4.85 10794:10,11,27

40 10653:3 10679:8 10681:7,
14 10682:16 10700:2
10755:7 10790:8

40-some 10674:20 10675:9

400 10730:1,19

40s 10724:16

45 10651:8 10768:22

451 10677:14,15 10689:27
10702:15

452 10687:14,15,27
10688:15,20 10689:5
10698:19 10700:22 10701:2,
4 10702:16 10704:12
10719:2 10722:4,16
10723:26

453 10664:3 10680:12
10683:11

454 10727:15,17 10744:5
10758:5 10773:21,24,25,27

455 10727:15,17 10744:5
10770:24 10773:21 10774:2,
4,6

456 10727:16,18 10744:5
10749:6,8 10773:21
10774:9,11,13

457 10776:22,24 10787:18
10800:22 10801:8 10830:4
10831:25,27 10837:1,4,6

458 10776:27 10777:1
10800:22 10831:25 10837:8,
11,13

459 10777:11,13,16
10800:23 10812:2 10817:22
10821:23 10827:24
10831:25 10837:15,19,21

460 10839:6,10 10865:26
10870:11 10878:25,28
10879:2,4,6

461 10839:7,10 10865:26
10870:12 10878:28 10879:9
10881:14,17 10883:24

462 10884:22,23 10885:7
10907:14

463 10884:27 10885:1,9
10907:14

464 10885:3,5,12 10907:14

48 10670:3

4:07 10870:16,19

5

5 10680:13 10768:28
10787:18 10814:4 10817:22
10824:5 10890:9,11,12
10903:10,18

5.10 10794:18

5.25 10794:17

50 10653:3

50% 10714:19 10871:17

500 10844:3

554 10871:12

5:05 10908:26

6

6 10749:8 10768:28
10817:22 10824:5 10835:3
10854:12 10865:28
10890:10

60 10705:14 10891:2

60% 10762:20

60s 10851:19

619 10871:11

62% 10896:2

64-ounce 10789:8,18

64C 10706:8

650 10844:3

7

7 10683:10 10689:26

10816:18 10817:22

70 10824:3

70% 10901:18

734 10740:3,5

741 10739:27

8

8 10667:12 10792:19 10854:13

8,319 10861:26

8.6 10766:17

80 10794:9

80% 10746:15 10844:20 10901:22

850 10887:28

851 10861:28

86 10675:3

87 10675:3

87% 10804:28

89 10724:25

8:00 10908:26

8:09 10651:4

9

9 10683:24 10684:18 10750:15 10821:23 10827:24 10852:28 10878:5, 24

9,984 10872:25

90 10724:25 10823:25 10824:2 10860:9 10895:22

90-day 10904:12

96-ounce 10888:13

99 10781:20

99% 10781:20

9:35 10701:10

9:50 10701:9

9:52 10701:13

A

ability 10722:24 10733:4,24, 28 10734:2,6,23 10738:22, 23,24 10740:27 10758:17 10759:23 10762:4,16,28 10785:20 10820:23

10829:21 10845:11 10873:16 10893:5 10902:4

absolute 10869:2

absolutely 10661:7 10669:19 10681:8 10694:14 10732:14,17 10741:10,14 10748:13 10767:5 10785:18 10894:28 10901:21 10904:20

absorb 10806:14

absorbed 10854:9

abundance 10673:26 10905:1,22

academia 10675:12 10679:18,19 10680:7

academic 10679:15

accelerate 10861:15 10862:23

accelerated 10842:5 10843:10

accelerating 10861:12

acceptable 10832:25

accepted 10671:24 10742:23 10881:19

access 10655:4

accommodate 10733:27

accompanied 10854:23

accompany 10862:28

accompanying 10881:10

accomplish 10660:9 10696:6 10762:11,12 10782:23

accomplishing 10696:5

account 10699:19,21 10799:25 10800:16 10832:20,23 10846:6,9,11, 15,17 10847:1,4 10882:10, 12,17

accounted 10695:22

accounting 10728:28 10729:1

accurate 10682:12 10701:4, 5,6 10711:27 10756:9,10 10760:15

accurately 10699:6 10700:9

achieve 10691:23 10740:17 10806:10,27 10807:7,8

achieved 10740:27

acknowledge 10655:23,26

acknowledges 10672:25 10673:6

acknowledging 10882:18

acquired 10778:6,23

acres 10844:3

act 10661:11,13,15,17,22 10662:14,18 10680:2 10712:12,14 10724:8 10800:6 10868:10 10870:14

acted 10857:21

action 10845:26

actions 10723:4

active 10846:2

activities 10783:21 10875:16

actual 10674:13 10697:13 10705:19 10710:12,18 10732:28 10743:17 10860:23 10874:13

adapt 10743:4

adapted 10858:4

add 10688:9 10699:11 10700:12 10733:5 10744:1 10764:1 10814:18 10827:23 10870:5 10877:28 10885:15

add-on 10740:16

added 10688:13 10797:19 10818:6

adding 10769:3 10784:17

addition 10687:23 10741:23 10808:16 10887:14

additional 10673:2 10692:5 10704:8 10711:12,16 10716:25 10717:6,20,22 10720:2 10738:23 10739:3 10798:3 10799:10 10816:2,3 10829:4 10850:11 10851:4 10856:21 10861:15 10862:23 10863:1 10867:20

Additionally 10802:1 10846:2

address 10662:24 10663:6 10666:4 10668:1 10723:25 10734:19,26 10742:19 10760:4 10840:11

addressed 10723:25 10879:16,22 10899:27

addresses 10793:2

addressing 10662:2 10737:17

acknowledge 10655:23,26

adds 10763:27 10772:14

adequate 10654:25 10800:7 10811:8 10862:5

adequately 10770:20

adjust 10733:9 10786:26 10905:10

adjusted 10797:17

adjustment 10867:23,24

adjustments 10795:11

administers 10845:17

administration 10728:27 10730:15 10845:20

administrative 10783:12 10878:22 10884:7 10907:16, 22

administrator 10878:8 10879:16,17,23 10880:13

admission 10726:2 10744:6, 9 10773:23 10774:2,9 10831:27 10870:11 10878:27 10879:2,9 10881:14

admit 10723:28 10773:21 10800:22 10831:25 10836:27 10879:25 10904:27

admitted 10726:3 10773:25 10774:4,11 10837:3,4,10,11, 17,19 10879:4 10880:6 10882:9

admonished 10840:23

adopt 10689:3 10799:21 10876:19

adopted 10720:6,18 10724:9 10753:28 10754:4,9 10857:26 10858:24 10859:19 10868:7 10895:28

adoption 10721:26 10863:23

advance 10735:6 10772:18

advanced 10734:27,28 10735:1,2,9 10762:17 10771:27 10772:7,9,11,16, 20 10893:7,8

advantage 10753:26 10791:4 10793:19 10828:22 10829:22,24

advantageous 10703:12,27

advocate 10845:14 10847:10

advocated 10847:18

advocating 10848:6 10868:5

AE 10728:21,22 10729:6,13 10730:14,18 10731:8,12,13 10732:15,21 10733:13,21 10734:4 10737:4,9,28 10738:17 10741:13,23 10750:4 10757:12 10758:10 10898:25

AE's 10729:12 10735:16 10738:9 10739:18 10900:16

affect 10697:16 10700:1 10721:4 10732:24

affects 10760:22

affirmatively 10807:25 10816:11

affirmed 10771:20

affordable 10789:18

afternoon 10776:1 10801:5 10823:7,8 10832:8 10840:9 10841:10 10874:18 10875:13 10877:6,7 10884:2,4

Agawam 10794:5,7,20 10803:3 10828:24

age 10742:25

agencies 10764:21 10846:7 10857:9 10892:28

agency 10741:19 10759:7,8 10764:15,16,17,24,25 10765:1,3,6,7 10856:14

agenda 10848:4

agents 10879:19

agree 10696:24 10756:11 10813:10 10882:28

agreeing 10881:28

agreement 10803:22 10894:19

agreements 10783:28 10785:25 10786:5

Agri-mark 10846:7 10854:3

agribusiness 10886:18

agricultural 10701:21,23 10726:7 10765:19 10768:12, 14 10800:6 10822:28 10823:2 10843:27 10863:3, 7,12 10876:28 10877:2

agriculture 10739:26 10843:23 10865:17,21 10866:7 10871:2

ahead 10666:24 10766:26 10855:6 10908:4

aids 10784:13 10785:19

akin 10657:1

alarming 10790:7 10828:25 10829:26 10843:26

alike 10852:9

all-iowa 10732:10

allocation 10715:25

Allowance 10665:17 10675:17 10676:17 10725:16 10847:20

Allowances 10714:28 10867:24,25,27 10873:24 10874:11

allowed 10786:25 10855:18 10883:6

allowing 10800:5

alter 10673:15 10868:19

altered 10859:3

alternate 10807:26

alternative 10847:25 10869:6 10899:10

amazing 10907:17,19

amber 10679:5

ambiguous 10755:15

ambitious 10908:9

America 10842:8 10844:9 10876:13

American 10651:26 10761:15 10818:19

amidst 10842:4 10843:9 10862:22

amount 10695:22 10707:21 10733:12 10749:1 10755:2 10767:7 10799:12 10806:4 10807:14,15 10810:22,23,28 10844:27 10848:14 10859:6, 8 10860:13 10875:26

amounts 10825:28

amply 10785:26

AMS 10667:20 10677:2 10678:18 10693:12,23 10718:9 10724:1 10773:14 10774:20 10829:28

AMS' 10847:20

analysis 10656:5,7 10657:2 10668:21,23 10669:13,16,24 10670:9,13 10675:21,28 10676:23,26 10677:22 10678:7,13,17,18 10684:15

10688:18 10689:4,17 10696:7,13 10697:15 10698:2 10714:2 10718:26 10721:9

analytical 10656:24 10666:18

analyze 10670:5 10675:22, 26 10689:13 10716:23 10873:16

analyzing 10670:12 10674:6 10697:12

anchor 10705:26,27 10863:3 10865:15

anchoring 10801:12

and/or 10733:6

Anderson 10726:21 10728:18,20 10729:19,20 10730:25 10739:1 10742:18 10744:19 10745:27 10759:17 10760:13 10763:9, 28 10764:1,2 10772:12 10773:8 10816:27

Angeles 10712:19

angle 10875:24

animal 10690:13

animals 10690:23 10844:3 10850:1

announced 10784:15

announcement 10711:13 10726:9

announcing 10711:11

annual 10844:23 10871:10 10892:15

answers 10678:9 10758:19 10836:10

anticipating 10855:23

anymore 10833:14

anytime 10667:28 10893:8

apologize 10651:4 10718:20 10812:21 10827:21 10878:16

Appalachian 10796:16

Apparently 10716:6 10723:27 10725:26

appeared 10725:12,15,16 10846:1 10883:14

appears 10671:12 10766:18 10790:15 10879:15

Appendix 10798:1

applied 10700:9

apply 10689:3 10739:24 10740:18 10891:1

approach 10660:17,18 10670:17 10782:28 10792:9 10847:7,14

approaching 10788:22

approximately 10651:4 10747:5 10755:20 10762:19 10776:3

April 10835:5

arbitrarily 10735:19 10772:26

arbitrary 10772:25,28 10773:2,4

arbitrate 10797:10

area 10654:26 10655:28 10658:1,17,22 10681:1 10682:5 10703:22 10714:8 10719:18 10729:18 10730:1 10736:7 10742:11 10744:26 10761:8 10794:1 10822:10 10828:3 10851:14 10858:7 10860:15 10863:10

areas 10673:9 10704:20 10735:19 10741:11 10797:11 10804:8 10828:7 10857:25

argued 10847:24

arguing 10873:11

argument 10824:15 10895:3 10896:26 10897:10 10900:16 10905:16

arguments 10901:6

arise 10770:17

Arizona 10706:3 10886:17, 22 10888:8,10 10889:5,26, 27 10890:12,14,17 10894:2, 14,16,17,25 10896:10 10899:26 10900:18 10903:16 10905:2,4

arrived 10774:17,23 10879:23

Ashley 10776:4 10800:20

asks 10895:8

aspects 10703:21,22

aspiration 10873:10

assemble 10685:12

assembly 10684:19 10687:11 10709:4 10742:20 10851:20

assert 10867:3

assisted 10741:6

association 10765:25 10839:3 10841:12 10844:15 10857:12,13 10870:24

Association's 10841:13 10866:4

assorted 10779:25

assume 10683:6 10706:4 10717:22 10718:2,4,7 10764:4 10765:13 10767:2 10830:19

assumed 10720:11,18 10814:1

assumes 10902:13

assumption 10704:18 10790:18 10834:14

assurance 10865:7

assure 10676:8 10703:3 10753:28 10754:8 10811:26 10825:27

assured 10810:17

ASU 10897:28

Atlanta 10658:21,23

attain 10693:3,5

attempt 10782:21 10788:28 10899:9

attend 10665:2 10882:19

attendance 10883:1

attending 10882:19,26

attest 10743:26

attorneys 10907:6

attract 10722:23 10769:9 10787:8 10791:27 10792:3 10800:10

attracting 10720:9 10742:5 10769:17 10787:5

attraction 10742:10

attractive 10723:12

attribute 10743:26

audibly 10746:23

audience 10776:19

audio-visual 10883:6

audit 10858:20

augment 10758:16

August 10785:2 10808:24

Aurora 10899:13 10907:26 10908:7,8

authenticate 10880:9,18

authentication 10881:25

authority 10661:22

authorship 10735:20

average 10656:12 10705:9 10716:1,6 10718:6 10732:27 10751:19 10752:2,17,25 10761:1 10794:10,12,16,25, 27 10795:26,28 10796:9,11, 18,19,20 10797:8 10815:26 10826:18,20,22 10844:21 10872:24 10896:21,23 10900:1

averaged 10705:6

avoid 10738:13,15,24 10739:4

aware 10678:16 10682:22 10692:26 10693:8 10719:24 10756:22 10813:21 10820:10,18 10821:13 10871:26 10874:26 10883:10 10896:14 10903:14,18,19 10904:28

awareness 10731:10 10868:14

awkward 10812:22

B

B-O-O-T-H 10780:28

B-U-M-P 10788:6

bachelor 10728:27

back 10651:2,3,9 10660:15 10667:11,15 10668:16,24 10669:1,27 10670:1,26 10678:20 10701:8,9,12,13 10702:5 10705:10 10710:11, 14 10715:5,7,8,10,12,13,24 10716:11,16 10718:20 10724:16 10725:23 10727:8 10732:6 10771:3 10775:7,15 10776:2,3 10782:26 10791:23 10795:6 10797:3, 7,23 10807:5 10815:12 10820:25,28 10823:9 10826:16 10837:27 10838:6, 9,10,19,20 10841:1 10842:14,18,24 10853:22,23 10870:16,18,19 10885:9 10886:5 10905:11 10907:4

back-of-the-house 10889:13

background 10670:23 10714:2 10728:26 10778:2,

21 10801:10,12 10847:12 10886:12

backs 10899:2

bad 10714:16,20 10841:1,2

bag-in-the-box 10890:6

Bakersfield 10713:22

balance 10679:23 10680:2 10740:27 10747:19 10748:3, 5,16,19,23 10757:20 10758:11,16,18 10761:17, 18,24 10784:18 10785:20 10804:19,21 10805:28 10809:1,25 10832:22

balanced 10679:26

balances 10679:24 10757:12 10782:13

balancing 10656:21 10658:24,26,27 10659:2,5 10671:27 10674:14,22 10679:19,21 10680:1 10687:1 10689:8 10693:26 10694:1,4 10696:19 10710:27 10711:23 10712:4, 5,8 10740:23,24,25 10741:1, 4,6,9,12 10747:14,24,26 10748:8 10763:5,7,8 10782:8,17,28 10783:5,10, 18,21 10784:6,13 10785:17 10805:23,25 10806:15 10809:9,10,12,16,18 10819:2,7,20 10824:26 10825:7 10830:11,12,22,23, 28 10831:3 10894:27 10895:2,5,20 10903:26,27 10904:2,4,7,8

ball 10879:26

bandits 10856:28

Bangor 10855:19

bankruptcies 10829:4

bar 10835:8

bargain 10859:8

bargaining 10694:24 10695:10 10834:17 10846:7 10856:14 10857:9,11 10875:4

barnyard 10850:1

barrier 10820:4

base 10666:27 10676:24 10678:23 10687:20 10688:13 10689:28 10690:6 10704:15 10705:19 10710:25 10711:13 10712:10 10714:4 10720:10 10736:26 10760:14

10781:10 10782:10 10787:2 10791:18 10792:14 10794:13 10812:4,5,26 10813:5 10824:15 10831:1 10833:7,13,22 10836:13 10840:16 10874:21,24 10875:6 10892:7

based 10662:25 10682:16 10683:3 10692:16 10694:22 10696:2,9,15 10700:2 10729:25 10732:2 10749:17, 21,22 10750:22,28 10752:20 10758:19,27 10760:17 10799:2 10814:6 10878:1 10898:13

basic 10653:1 10856:13 10858:25 10861:11 10862:17 10868:19 10869:7

basically 10707:1 10739:28 10806:3 10871:17 10896:22

basis 10656:10 10660:11 10677:5 10696:16 10699:10 10723:14 10728:22 10729:6, 7 10747:4,5 10748:3,5,6,11, 19 10757:23 10758:13 10759:3 10761:6 10771:17 10816:2 10825:7 10859:15 10864:7 10879:20 10881:24

Batavia 10779:4 10784:12, 14 10795:21 10802:11,13, 14,17 10803:20 10808:16

Batavia's 10795:25

batching 10804:24

bays 10784:17

bear 10690:16 10787:9 10828:26

beautiful 10856:7

began 10664:5,16 10666:22 10667:9,19 10850:3 10851:7

begin 10651:15 10666:20 10667:5,23,25 10726:8 10744:10 10907:21

beginning 10655:3 10667:22 10842:28 10849:17 10850:8 10855:27 10858:9,10 10865:16 10869:8

beginnings 10729:15

begins 10659:7 10842:24

begun 10666:18

behalf 10665:11 10668:7 10669:13,17 10670:18,28 10672:15,23 10676:16 10682:2 10692:17 10696:20 10845:15

belief 10843:24 10865:22

believed 10683:28

believes 10781:28

beneficial 10897:12

benefit 10652:28 10772:17 10785:21 10799:20 10816:3

benefits 10692:5,10 10742:27 10816:1

beta 10761:6

beverage 10852:13

beverages 10780:3 10802:2, 8,9,10,14 10905:15,24 10907:11

bids 10767:9,10

big 10661:25 10705:8 10730:18 10731:6 10732:16 10737:9,11 10740:25 10810:25 10832:19 10851:9 10868:28 10907:2

bigger 10711:14 10712:7 10865:5 10872:20

biggest 10779:23 10780:2 10821:27 10905:16

bill 10904:1,15

billion 10854:11,12,13,14

bills 10845:28

Bingo 10727:23

bins 10828:4

bit 10652:18 10655:22 10657:27 10667:11 10668:1, 14 10670:28 10674:3 10703:19 10704:12 10707:3 10709:15 10730:26 10731:7 10759:14 10772:3,6 10779:19 10780:9 10781:11 10783:1 10784:11 10788:13 10793:23 10808:18 10828:11 10835:26 10842:18 10849:11,25 10853:16 10856:20 10861:18,21 10875:18 10879:26 10886:19,28

bite 10674:28

Black 10661:18

blanket 10784:5,6

blend 10755:22 10831:9,12 10858:17,22,28 10860:3 10897:27 10902:28

blended 10721:6,19 10857:17

blessed 10736:27

blind 10807:12

blindly 10899:1

blue 10735:25,26 10791:22

board 10653:7 10665:27 10687:26 10778:13 10797:18 10806:20 10842:11 10844:12,13 10848:17,20 10857:23 10897:3,4

board's 10848:21

boards 10892:16,18,19 10897:2 10898:17

bodes 10791:8

bodies 10797:15 10798:8

body 10873:14,18

bonded 10743:10

books 10661:19

Booth 10779:24 10780:27, 28 10802:24

border 10702:25

bordering 10663:10

born 10850:7

boss 10731:18

Boston 10794:9,15,24 10795:2 10822:10 10844:8 10848:26,28 10850:6 10851:8,11,14,24,28 10852:16,25,27 10853:2,24, 26 10854:8,16 10855:10,12 10856:12,27 10857:13 10858:2,12 10859:20

bottle 10652:11 10823:23 10870:8 10888:23 10890:5

bottling 10657:13 10719:25, 26 10722:5 10821:6,9 10844:4,6,7

bottom 10677:16,17 10772:22 10852:28 10862:5 10878:24

bought 10855:21

boundaries 10662:14,16,17

bounds 10662:24

box 10679:5 10889:14

boy 10774:10 10837:16

brains 10771:23

branch 10878:21,22

brand 10779:23 10780:2

10790:5 10816:14,16 10901:22,26

branded 10788:16 10789:9 10790:2,4,16,26,27 10816:13,19,22,27 10817:1, 7 10896:16 10901:20

brands 10906:2 10907:2

break 10714:25 10715:3,6 10726:13 10775:14,17 10802:25 10838:2,8 10870:15,17 10891:28

breakdown 10657:15

breakout 10715:28 10716:2 10717:21

briefly 10882:8 10889:24 10906:23

bring 10777:20 10800:7 10886:7

bringing 10791:22 10841:1

brings 10848:23 10856:18 10861:9

broader 10788:14

broadest 10788:11,14

broadly 10869:8

broke 10892:2

broken 10699:3 10739:3 10896:18 10898:8

broker 10780:14 10805:5

brokers 10805:4

brother 10850:12

brothers 10729:17 10779:24 10802:24

brought 10653:9 10654:17 10732:19 10843:24 10867:2 10877:22

Brown 10898:26

BS 10886:18

buck 10705:13,18,24

buckets 10812:3,25 10831:22

build 10694:15 10742:4,9 10808:21

building 10737:13

built 10660:4 10737:23,28 10740:7 10758:25 10797:25 10850:18 10890:4 10895:16

bulkiness 10851:9

bulky 10695:6

bullet 10684:17 10738:26 10741:4 10749:9 10757:11

bullets 10793:7,9

bump 10787:26 10788:1,3,4

bumps 10731:17

bunch 10710:5 10871:3

burden 10787:9 10792:26 10825:8 10831:3

burdening 10800:13

burdens 10806:14 10809:25 10906:13

Bureau 10651:26 10761:15 10818:19

Bureau's 10799:13

business 10686:23 10728:23,27 10729:16,20 10730:14,15,17 10737:16,26 10738:3 10756:17 10759:25, 28 10760:8,22 10761:4 10762:21 10778:6 10779:27 10805:6 10808:10,15 10810:1 10813:15 10814:2 10840:11 10844:22 10880:15 10889:9 10902:2 10903:20 10906:18

businesses 10845:4 10852:20

butter 10717:11 10740:8 10778:7

butterfat 10733:9 10749:20 10890:28 10891:10,11,12

buttermilk 10799:8 10888:15

buy 10679:10 10686:25 10740:20 10755:14 10764:13 10765:3 10785:28 10817:15,16

buyers 10719:15,16 10857:5 10859:10

buying 10679:14 10758:13, 27 10759:2 10761:18

buys 10740:24

C

C-R-O-W-L-E-Y 10780:26

calculated 10711:10 10721:8

calculation 10657:19 10666:28 10847:23 10868:6

calculations 10860:25

20,22,24 10746:14,16,17
10749:13,14,19 10758:11,26
10760:12 10762:4,6,7,13,18,
23 10764:3 10766:3
10767:23 10768:6 10769:2,
4,9 10771:4 10772:10,11
10779:25 10781:8,11
10782:4 10787:1,3,6,9
10790:21 10791:9 10792:26
10797:19 10798:4,6,18,22,
24 10799:1,5,6,8,9,10,27
10800:13,15 10804:26,28
10805:1 10810:5 10811:11,
18,25 10812:17,28 10818:22
10819:1,2,5,23 10820:5,11,
12,15,16,19,21,22,25,27
10821:1,9 10828:6 10829:2,
3,5,6,12,16 10831:1,2
10833:28 10834:11,23
10835:11,15,17,21,27,28
10836:13 10847:21
10854:11 10858:25 10868:2
10874:21 10888:8,9,18,19,
25 10889:15 10890:7
10891:11 10893:14,21
10896:27 10897:24,25
10900:15 10902:3,17,19,26
10903:22 10904:18

classes 10800:10 10811:14
10902:27

classified 10653:10,20,23
10857:16,27 10858:4

clean 10662:2 10663:2
10691:4

cleaning 10690:28 10691:1,
8 10693:21

clear 10673:13,14,18,27
10679:16 10722:7 10731:4,9
10739:11 10745:18
10828:17 10834:9 10877:14

clearing 10683:12,14

client 10696:20

clients 10697:10

Clifton 10895:8

Clinton 10719:3,6

close 10665:21 10708:15
10720:27 10750:3 10798:4
10839:21 10851:11 10852:2
10856:11 10863:5 10887:9

close-up 10735:24

closed 10700:19 10855:21

closely 10663:17 10690:17
10704:23 10810:1

closer 10794:15 10892:2

closest 10705:7 10720:28
10736:18

closure 10855:24

closures 10791:6

club 10788:13 10814:13
10889:11,16

CME 10762:7,13

co-op 10757:12 10782:15
10786:16 10806:13,14
10810:2 10829:18 10856:14
10894:3,17,18 10895:11
10897:13 10898:24 10899:1
10905:7 10907:1

co-op-owned 10829:6

co-ops 10736:1 10741:1,16
10764:24,26 10780:13
10782:26 10791:2 10805:6,
21,27 10829:20 10894:1,10
10899:19 10904:12

co-packer 10846:24

co-packers 10846:10,19,22
10847:3

Coale 10865:28 10866:1
10879:22 10880:12

coast 10851:11

code 10823:25 10840:15

coincided 10856:25

Coinciding 10851:13

cold 10651:5

collaborate 10674:6

collateral 10799:17

colleague 10826:9

collect 10676:22 10873:15
10891:6 10894:11,15

collected 10723:15
10850:15

collecting 10676:11

collection 10675:25

collective 10843:14,23
10845:9 10846:9,18
10847:2,10 10848:6
10857:10,15 10865:22
10868:10

column 10687:24 10737:2
10760:25 10761:1

columns 10687:23

combine 10852:12

combined 10896:3

comfortable 10746:2,4,27
10754:22

commentary 10898:14
10902:12

comments 10740:12
10881:13

commercial 10845:6
10859:2

Commission 10797:9,18
10798:5 10845:16

Commissioner 10865:28
10866:1

commissioners 10843:22
10865:20 10866:6 10867:16,
17

committed 10709:26

committee 10842:10
10844:11

commoditized 10691:24

common 10694:4 10903:22

communities 10863:22
10865:18

community 10898:25
10899:14 10907:1

community's 10864:5

Compact 10846:3

companies 10864:22

company 10729:21
10743:16 10778:3,6,7,23
10801:12 10803:28
10852:25 10853:3,11,25
10884:17 10885:8 10886:17,
22 10887:1,3,17

compare 10796:21,25
10815:24

compared 10754:4,13
10767:21 10784:21 10857:5
10902:21

comparing 10749:28
10784:20 10796:13

comparison 10796:27
10821:25 10822:19
10828:23,24 10835:18
10871:14

comparisons 10814:6

compelling 10742:2
10792:17

compensate 10696:19
10713:5 10786:20 10810:14
10875:5

compensated 10707:15
10708:16 10719:20
10786:24 10813:23

compensating 10783:21
10786:17

compensation 10769:4

compete 10736:3 10739:7
10750:5 10751:3,6,9,10
10767:1 10770:20 10794:21
10906:6,17,22 10907:10

competes 10663:23

competing 10737:12
10900:17 10906:1

competition 10736:6
10738:16,18 10770:18
10817:7 10852:7 10859:15
10894:23 10907:10

competitive 10660:28
10699:25,27 10700:2,4
10752:20 10753:25 10754:3,
11 10766:9 10793:19
10794:28 10795:10 10816:6
10828:13,20 10832:11,16,21
10847:22 10905:14 10906:1,
5

competitor 10735:27,28
10736:18 10752:28
10765:28 10766:4 10767:4,
22 10797:1 10822:6,7
10828:21 10900:19,21
10906:10

competitors 10750:1,19
10751:17 10753:16,19,21
10760:27 10761:4,6 10764:7
10768:4 10773:7 10794:2
10821:25 10833:4,10
10900:18

complete 10681:9 10697:6
10704:16 10812:19

completed 10702:20

completely 10731:14
10746:25 10799:13 10848:9
10859:3 10895:12

completing 10906:3

complex 10762:6

complexity 10772:15

complicated 10762:9

complimentary 10866:2

component 10771:14
10860:1,26 10866:11
10890:26,28

components 10699:11
10711:12 10712:1 10723:14
10733:8,10 10749:10,11,14,
16,18,19 10781:10 10792:5,
15 10826:8,10,13,24
10833:14 10891:14

composed 10711:8

comprehensive 10675:16

computation 10771:22

computer 10870:27 10886:2

computers 10667:10

concentrated 10863:9

concentrating 10872:8

concentration 10690:13

concept 10655:25 10671:14
10707:23 10742:24

conception 10653:2

conceptually 10722:26

concern 10753:8 10770:19
10795:10 10831:2 10841:28
10843:5 10848:12 10849:18
10861:5,9,11 10862:18,26
10864:9 10866:25 10882:12,
18

concerned 10770:15
10843:17 10902:18

concerns 10736:16 10762:4
10820:21 10846:6,11,13
10847:4,5 10866:2

concise 10801:1

conclude 10847:27
10867:20

concluded 10680:27
10681:15 10908:27

concludes 10774:15
10841:19 10869:27

conclusion 10743:2
10789:23 10841:19
10869:19

conclusions 10682:12,13,26
10869:23

Concord 10795:16

concrete 10883:17

condition 10700:4 10870:26

conditions 10683:7
10690:9,10 10696:9,12
10697:16 10699:5,17,25,28
10700:8 10714:14 10781:13
10799:16

conduct 10668:20 10670:9
10675:15,28 10676:15
10680:25 10689:16 10696:7
10697:15

conducted 10848:19

conducting 10676:23

10677:21

confess 10726:25

confidence 10868:17

confidential 10717:9

confronting 10862:10

confronts 10863:24

confusion 10836:9

conglomeration 10764:26

congratulate 10837:25

Congress 10682:2 10857:21

Congressional 10845:28
10858:7

Connecticut 10867:18

consequences 10799:18
10842:1 10843:6 10861:10

consideration 10847:21
10867:12 10869:28
10881:15

considerations 10759:25,26

considered 10673:16
10678:6 10690:10 10699:16
10760:21 10816:28
10818:26 10841:14
10881:20 10901:7

consistency 10797:2

consistent 10782:18
10792:9 10832:26

consisting 10842:12
10844:13

consolidation 10791:6
10852:21 10854:1,24
10859:25 10862:10 10865:3

constant 10769:27 10855:28
10859:18 10860:11
10862:10

constrain 10685:10

constraining 10685:21

constraints 10684:21
10686:19

consulted 10848:17,20

Consulting 10763:18

consume 10790:25

consumer 10679:10
10891:17 10897:20

consumer's 10790:14
10897:18

consumers 10687:5
10789:17,24 10790:24

10815:22 10846:13 10847:6,
9

consumption 10699:14
10710:17 10789:20,22
10800:1 10845:13

contemporaneous
10665:21

contemporary 10666:5
10682:24,26 10683:5
10684:16

contents 10849:18

context 10652:5 10664:1
10668:4 10672:4

contiguous 10670:3

continual 10769:25 10849:7

continue 10759:23 10852:15
10856:16 10862:14
10873:14 10902:6 10906:6

continued 10845:11
10859:12

continues 10729:22
10869:16

continuing 10690:18
10691:13

continuous 10763:1
10770:7 10845:18 10849:3

continuously 10850:27
10851:21

contract 10762:13 10779:6
10786:3,10 10810:16,19
10813:26 10825:17 10833:9
10834:4,12,14 10859:8

contract's 10825:18

contraction 10862:27
10863:20 10864:9 10865:13

contractions 10843:19

contracts 10782:24 10786:1
10814:15,19,24 10815:5
10825:23,24 10850:25
10854:5 10859:4,5 10904:5

contractual 10843:15

contradictory 10793:15

contrary 10793:14

contributed 10862:1

contribution 10671:4

contributions 10845:7

control 10690:24 10791:24
10857:23

controlling 10856:19

controls 10754:27

Convenience 10889:19

convenient 10711:28

conventional 10731:8
10733:16 10791:25
10844:17 10852:19 10854:2,
23 10855:1,4

conversation 10678:25
10800:5 10812:22 10894:26,
28

conversations 10652:14
10724:22 10809:23 10894:4
10899:12

conversion 10693:13,24
10710:26,27

converted 10859:23

converting 10813:6

convey 10722:21

conveys 10722:22

cooler 10730:7,11

cooperative 10686:25
10721:13,14 10738:3
10755:14 10756:13
10764:11 10780:10
10805:25 10809:21,26
10830:13 10842:9 10844:10,
16 10852:8,26 10853:25
10876:9

cooperative's 10842:9
10844:10

cooperatives 10653:3,5
10655:16 10747:24
10753:22 10755:22 10757:9
10758:28 10759:3 10783:17
10793:20 10805:3 10809:23
10846:7,8 10854:3,18
10857:9,15 10898:21

cooperatives' 10809:16,17

coordination 10655:3

copies 10726:6 10838:13
10839:8 10878:13

corn 10844:4

Cornell 10667:13 10681:20
10725:14

corners 10674:25

correct 10657:25,26
10669:11,15 10683:5
10686:5,17 10687:10
10688:14 10689:6 10693:14
10695:4,18 10697:11
10700:11 10706:5,24
10707:8 10709:5 10711:5,6

10721:26,28 10723:26,27 10724:11,12,28 10725:1,5,7, 9,11,20,21 10734:17 10735:11 10741:13 10754:6 10757:14,16 10758:3 10761:22 10765:28 10766:4, 10 10767:4 10772:1 10777:6,7,17,18 10778:24 10779:14 10782:10,11 10783:18,22 10785:5,6,15, 17 10786:9,27 10787:13,15 10789:26 10792:11,12 10793:4,5 10795:12,15 10797:3 10804:17 10812:7, 10 10813:2 10817:27 10822:3 10824:20,21 10830:24 10831:9,10,12,13, 15,18,19,22,23 10833:18 10836:15,19,20 10839:8 10855:13 10872:27 10873:6, 11 10885:4 10887:12 10889:8 10891:12,13,16 10892:9 10898:15 10899:7 10900:5,23,24,26 10901:13 10902:14,16

corrected 10726:11,24 10727:9 10777:9 10837:16

correctly 10817:26

correlation 10835:20

cost 10652:7,8 10656:21 10659:8 10665:16,18 10674:21 10675:16 10676:15 10678:14,18 10689:13 10690:8,11,12 10693:9 10707:19 10708:5, 11,14,18 10709:4 10710:27 10711:13,26 10712:3 10713:1 10715:19 10717:4 10718:3 10720:5,11 10733:25 10735:7 10738:23 10740:7 10772:20 10782:16 10783:18 10784:6 10786:23 10791:4,18 10796:1 10799:4,7 10809:9 10813:15,18 10814:2 10816:2,4 10820:5 10825:2 10829:21 10830:12,28 10862:4 10874:13 10882:21 10891:2 10892:19 10893:9 10897:17

Costco 10788:13 10814:13

costing 10897:23

costs 10652:9,12 10658:24, 26,27 10659:2 10660:27 10670:10 10671:27 10672:26 10674:10,14 10676:10 10678:17 10685:28 10687:2,13 10689:8,17 10690:3,8,18,27 10691:2,14,17,23,28 10692:12,13,15,26

10693:16,19,26,28 10694:17,20 10709:25 10710:24 10711:2,8,16,22, 23 10712:5,6,7,8 10713:6,9 10739:3 10741:9,13 10742:7 10743:6,28 10747:26 10748:15,16 10759:18 10760:6 10762:19,20,21 10763:5 10770:17 10782:9 10783:3,12,14 10786:13 10791:4 10792:27 10793:2 10797:15 10799:11 10800:9, 11 10806:15 10809:11,16, 17,21 10812:4,11,26 10813:12,17 10819:2,7 10820:23 10824:18,26 10825:7 10829:21 10830:22 10863:21,24 10874:24 10891:20 10893:12 10897:7, 8 10904:16 10906:19

cot- 10855:5

cottage 10730:3 10738:10 10803:4 10855:8

Council 10778:13

counsel 10774:21 10838:21 10848:20

count 10680:22 10691:22 10692:4 10728:24 10770:1,2 10844:19 10886:5

counties 10687:26 10699:7, 13,14 10719:1 10750:11

countless 10850:20

country 10657:4,8,10 10658:8 10659:13 10671:8 10672:19 10707:10 10711:23,24 10712:5,7 10756:12 10825:10 10853:27

counts 10754:25,26

county 10657:17 10698:21, 23,24,25,27 10699:1,3,9 10705:4,5,6,9 10719:3,4,6, 22,25,26 10722:3,6,18,21 10750:18 10896:11

County's 10720:13

county-by-county 10657:15 10699:10

couple 10675:16 10702:7 10718:28 10736:14 10755:25,26 10756:1 10758:15 10763:19 10780:20,22 10784:16 10810:28 10818:21 10830:8 10832:2 10842:16 10855:23 10875:22 10880:8 10888:5

Coupled 10851:15

court 10651:2,13 10655:12 10658:28 10663:12 10673:22,28 10677:14 10697:3 10701:7,12,18 10714:26 10715:4,7,12 10716:14 10718:12,15 10725:24 10726:1,5,27 10727:2,4,8,15,21,24,27 10728:5,8,12 10730:10,12 10734:3,7,11,14,18,21 10739:11 10744:8 10746:9 10747:7 10749:6 10758:5 10765:12,16,18 10767:15 10768:11 10773:17,22 10774:1,8,19 10775:3,5,10 10776:2,7,10,13,23,28 10777:3,12,22 10778:20 10780:6,20,25,27 10781:1 10796:23 10800:24,28 10802:9 10803:7,10,13,15 10817:21,28 10818:4,8,11 10821:18 10822:27 10827:19 10830:3,6 10831:26 10832:3 10835:6 10836:28 10837:8,15,25 10838:1,5,9,19,25 10839:8, 12,16,19,25 10840:1,5,15, 19,27 10842:13,16,23 10843:2 10844:25 10846:14, 20,28 10852:28 10853:4,7,9, 11,19 10855:6,13,16 10861:17 10863:25,28 10864:3 10865:25 10870:7, 13,18 10871:5 10876:27 10877:21 10878:12,17,20 10879:1,8,13,21 10880:8,17, 24 10881:13,27 10882:3,6, 28 10883:9,27 10884:6,11, 15,21,26,28 10885:4,14,22, 28 10886:5 10887:7,21,24 10889:18,20 10890:9,13,16 10891:22 10892:3 10903:15 10907:17,20,26 10908:10, 19,24

cover 10671:26 10713:9 10824:26 10874:24,25 10875:6 10903:9

Coverage 10860:4 10875:27

covered 10711:2 10800:10 10828:4 10894:6 10900:8

covering 10687:1 10800:11 10895:4

covers 10825:2

COVID 10681:3 10790:8 10815:13

COVID-19 10866:22

cow 10872:23,24 10873:1,4

cows 10692:6 10713:14 10844:20 10850:2 10862:13 10871:3,10 10873:1

10905:3,9

craft 10793:20

cream 10730:3 10738:11,12 10778:7 10779:10 10802:19, 26 10803:2,4,17 10820:11, 15 10888:27 10889:1

creamer 10802:7

creameries 10850:18

creamery 10850:14 10857:14

creams 10803:27 10895:25 10900:25

create 10696:8 10724:14

created 10797:10 10811:24 10857:23

creates 10820:2

creating 10766:23

creation 10849:8

creative 10673:5

credible 10682:18

credit 10806:28 10807:2,14, 16 10895:6,10 10904:3

credits 10742:20 10782:25 10783:23

creep 10672:24

criteria 10686:3 10698:5

critical 10844:15 10848:27 10849:14 10865:10 10867:3 10874:2

critique 10773:6 10796:28

CROPP 10846:8 10908:2,3

cross 10800:25

cross-examination 10651:14,20 10663:25 10701:18,20 10702:1 10718:17 10744:2,9,11 10757:1 10761:12 10763:16 10765:18,22 10767:16 10768:11,16 10800:27 10801:2,3 10818:13 10821:19 10823:5 10870:4, 8,14,21 10874:16 10875:11 10876:27 10877:4,22 10907:15

cross-examine 10822:27 10882:1

cross-examined 10881:7 10883:6,12,20

Crowley 10779:24 10780:23 10802:24 10816:17

denied 10899:21

Department 10652:3
10712:9 10739:26 10871:1

Departments 10866:7

depending 10823:26
10905:21

depends 10720:5

depict 10729:24

depool 10738:22,23
10798:24,25 10820:22

depooling 10662:11
10723:5,10 10847:25
10906:21

depression 10653:6
10856:26 10857:19

depth 10856:25

deputy 10865:28 10866:1
10879:16,17,23,27 10880:12

Des 10729:15,18,25,27
10735:24 10752:15

describe 10780:9 10810:20

describes 10690:8 10707:12

describing 10699:18
10849:24

description 10885:15

designated 10797:11

designed 10695:16 10764:1
10810:14 10874:24 10875:6

desirable 10834:12

desire 10731:18,19 10760:3

desires 10760:7

destinations 10709:21

detail 10703:15 10828:7

detailed 10827:1

determination 10707:18

determine 10685:2 10698:3
10699:5 10704:24 10707:20
10809:15 10850:14

determined 10848:5

determining 10678:23
10682:18 10685:18 10770:6

develop 10732:1

developed 10652:26
10654:1 10661:19 10671:3
10763:24 10848:16
10850:25 10859:9 10866:12

developing 10652:23

10661:15,16 10846:4

development 10656:26
10788:8 10848:28 10849:3,8
10850:8 10851:7 10855:27
10860:28 10861:6

deviation 10670:28 10752:6
10796:13

deviations 10821:28

devised 10653:3

DFA 10750:20 10794:5,14
10795:1,11 10822:4,13,18,
23 10844:4,5,7 10846:7
10852:24,26 10853:25
10854:3,7 10855:22 10876:8

dialogue 10845:19

dictate 10794:16 10796:1

dictates 10832:18

dictating 10733:11

differ 10711:22 10825:10

difference 10656:8 10691:9
10706:28 10719:3,13,14,23
10721:3 10722:4,18
10733:28 10736:21 10737:5,
6,8,9,11 10752:22,24,27
10753:3 10767:12,20,25,28
10796:14 10822:8 10846:23
10881:19 10891:22

differences 10660:6,18
10670:3 10698:27 10707:11
10722:17 10733:6 10770:17
10797:11

differential 10652:3
10656:27 10657:25
10659:20 10660:3 10664:2
10666:27,28 10669:26
10689:28 10690:6 10698:1
10704:16 10710:25 10711:8,
13,14,20 10712:10,20,21
10714:4 10720:13,17
10736:19 10737:4 10738:8
10739:23 10740:9 10741:5
10752:22 10758:26 10766:3
10767:21,24 10768:6
10769:4 10781:11 10787:3
10790:22 10792:14
10793:20 10794:9,16,25
10795:25 10796:2,5,8
10798:10,27 10799:27
10800:8 10812:4,17,26
10813:5 10818:23 10820:21
10824:16 10831:1 10833:7,
13,22 10868:2 10874:21,24
10893:21 10894:4,6
10900:15,23 10904:19

differentials 10658:12
10659:18 10660:3 10664:7
10665:19 10666:11,16

10668:6,17,21,25 10669:18
10670:17 10672:6 10676:1,
24 10678:23 10687:21
10688:9,13 10697:21,22,24
10698:21 10711:7 10720:18
10750:4 10760:18,27
10766:16 10772:23,25
10781:8 10793:13,17
10798:4 10811:11,28
10812:6 10821:1 10828:6,9,
18 10833:8 10834:11
10875:6 10893:25

differently 10696:2
10743:23

differing 10814:18

difficult 10651:6 10653:5
10657:10 10658:20,21
10661:2 10662:13,19
10714:5 10741:15,22
10762:20 10894:11
10906:22

difficulties 10862:2

difficulty 10663:12 10772:4,
5 10820:27 10882:19

dig 10793:23

digital 10892:18

digress 10898:10,13

diluted 10792:8 10811:14
10834:6 10836:16,24

diluting 10671:7 10769:11

dilution 10769:14

diminishment 10864:16

Dip 10803:5,9

dips 10730:3 10738:11

direct 10671:21 10728:15
10731:14 10745:2 10751:17
10759:15 10760:27 10761:6
10780:17 10783:1,3,12,24
10792:7 10805:3,9,11,12
10840:7 10848:2 10860:5
10861:11 10863:12
10886:10

directed 10671:6,7

direction 10684:14 10713:4,
7 10762:2 10848:21

directly 10655:7 10720:22,
23 10721:10,17 10736:1,2
10742:8 10751:3,5,9,10
10765:4 10769:10 10782:15
10792:2 10811:13,15
10812:9 10816:8 10825:6
10833:17 10836:22
10839:16 10842:6 10843:11
10854:5 10861:7 10862:21

10863:24

director 10778:1

directors 10843:22
10865:21 10866:6

disadvantage 10752:20
10753:26 10754:11,13
10766:9 10794:20 10795:1,
18 10822:1,2

disadvantaged 10822:22

disbursements 10858:26

discover 10666:18 10710:14

discovered 10692:5

Discovering 10683:11

discovery 10866:21

discretion 10882:10

discuss 10758:24 10784:9
10787:20 10825:25

discussed 10652:2 10655:6
10824:16 10889:6,24

discussion 10701:11
10715:2,11 10727:7
10739:21 10761:21
10782:20 10784:27 10794:6
10796:5 10822:17 10825:19
10830:11 10838:18
10842:22 10870:9 10876:24

discussions 10652:21
10710:21 10745:4

disengaged 10672:2

disorder 10769:15

disorderly 10696:8,11
10739:14 10769:5,7
10799:16

disparate 10694:24
10695:10

dispersal 10863:8

displaced 10799:9 10851:19

dispose 10732:17

disposition 10677:27
10763:8

disprove 10680:25

distance 10713:25 10780:11
10785:10

distances 10658:25 10695:7
10866:27

distinguishes 10863:8

distinguishing 10663:13

distribute 10685:13

10708:28 10729:17 10730:9 10808:22

distributed 10726:15 10775:7 10838:14

distribution 10684:20 10687:12 10730:20 10744:19,23 10748:10

distributions 10685:17

distributors 10887:2

district 10657:17 10842:11

district's 10844:12

dive 10674:3 10793:16

diverse 10780:15 10864:8 10865:16

diversification 10850:5,13 10854:23

diversified 10746:18 10863:6

diversity 10865:14

division 10887:12

DMI's 10897:4

DMS 10855:18

dock 10904:14

document 10656:4 10698:28 10777:16 10837:2, 10,17 10839:20 10879:22 10880:5,9,14,27 10883:18 10886:1

documentation 10667:16 10678:18 10679:3 10691:21 10693:12

documents 10667:19 10693:28 10698:13 10727:10 10776:19 10884:19 10885:16

dollar 10704:15 10737:3 10807:15 10844:27

dollars 10673:6 10767:10 10892:19 10893:11

domestic 10710:17

door 10690:14

doors 10905:18,20

dot 10735:25,27 10827:25

dots 10736:9 10827:18

double 10710:1

doubt 10881:2 10904:1

dovetailing 10654:28

downsizing 10743:25

dramatic 10849:4 10852:18 10854:1 10859:25

drastically 10811:27

draw 10702:24 10820:23

drawing 10679:17 10680:6 10744:28 10761:7

drawn 10831:22

drink 10857:2 10888:20

drinks 10888:19

drive 10864:26,27 10897:26 10901:2 10906:19

driven 10760:6 10901:25

driving 10862:4

drop 10788:24 10790:10 10801:18 10834:23 10835:10,21,27 10905:6

dropped 10790:8

dropping 10901:16

drops 10901:10,13,14 10902:26

dual 10778:11 10797:14

Dubuque 10736:4 10751:10, 27

due 10781:8 10901:22

duly 10728:10 10840:3,23, 25 10885:26

dumps 10688:22

dynamic 10891:25

E

e-mail 10741:21 10774:26 10879:27 10880:1,3 10908:12,13,14,16,17,20,23

e-mailed 10879:27 10880:2

e-mails 10908:21

E-R-I-C-K-S-O-N 10728:4

earlier 10653:3 10667:9 10682:27 10688:10 10726:22 10766:11 10782:14 10796:17 10797:27 10821:5 10826:9 10849:26 10865:21 10876:9 10902:10 10904:6 10906:27

early 10653:19 10662:25 10664:8,10,24 10720:25 10724:16,27 10788:23 10850:25 10851:6 10855:4,8

10856:24 10857:10 10893:12

easier 10659:6

easily 10716:12 10819:24 10881:26

east 10729:27

easy 10764:22 10805:27 10806:6

eat 10674:27

echoes 10843:26

economic 10657:7 10697:16 10708:8 10807:19 10863:13, 21 10871:2

economist 10743:21 10876:8

economy 10863:4,5,7,12

edges 10662:3

educational 10728:25

effect 10659:14 10749:28 10752:20 10814:18 10835:22,26 10863:13 10873:24

effective 10737:27 10742:14,15 10845:20

effectively 10895:19

efficiencies 10906:19

efficiency 10658:6,9 10685:24 10707:5 10862:8

efficient 10684:19 10685:3, 16,19 10686:7,18 10687:7 10712:14 10714:12 10884:19

effort 10866:17 10899:23,24

efforts 10783:3 10857:18 10898:20 10907:8

eggnog 10785:1 10808:20 10895:25

eggnog's 10808:23

eggs 10850:2

Eighty 10675:2

elastic 10680:16,19,28 10681:3 10683:2 10901:24

elasticities 10682:19

elasticity 10680:15 10681:22 10682:3 10743:20, 27 10788:28 10789:11 10790:13 10901:4 10905:11

elegant 10789:1

element 10657:11 10782:8 10903:25

elements 10652:2,7,8 10656:25 10664:15 10668:22 10678:13,19,22 10686:2 10699:18 10784:16

elephant 10674:25

elevate 10653:11

eliminate 10874:21

elimination 10689:28

else's 10706:7

emerging 10851:8

employ 10868:20 10869:4, 12

employees 10730:2,17,18 10844:2

enable 10784:18 10857:10 10866:12

enabled 10851:27

enactment 10857:20

encapsulates 10736:6

encounter 10821:13

encountered 10725:9

encourage 10759:26

encouraged 10731:23,28 10732:1 10743:12

encourages 10713:6

encouraging 10799:7

end 10669:10 10695:17 10696:2,10,15,16 10780:16 10785:1 10790:11 10796:23 10811:22 10847:22 10852:1 10860:25 10865:16 10873:2 10895:20

endeavor 10908:22

ended 10817:24 10870:14

endured 10860:11

Energy 10691:2

enforcement 10653:5

engage 10845:6,19

engaged 10672:8 10809:22 10851:23 10852:5

England 10805:17 10850:8, 10,19,20 10851:17,22,26 10852:2 10854:1,3,10 10855:28 10856:8 10857:20 10861:26 10863:15,19 10864:23 10865:18

10866:24 10872:8 10878:7

England's 10856:22

English 10723:18,20,21 10725:22 10726:2,8,18,19, 28 10727:3,9,19,23,25,27 10728:13,14,16 10730:13 10734:4,9,12,15,19,25 10739:15,16 10744:4 10754:18 10765:9 10773:17, 18,22 10774:15,28 10775:4, 5,6 10884:1,2,3,8,13,16,25, 27 10885:3,7 10886:7,11 10887:10,26 10889:22 10890:21,22 10891:22,27 10892:4 10903:24 10907:12, 23,25,27 10908:13,22

English's 10759:16 10764:20

enhanced 10857:11

enjoy 10716:17 10732:20 10737:23 10742:26

ensure 10712:14 10781:28 10811:8 10858:20 10866:18 10867:7

ensures 10868:2

entered 10705:13

enterprise 10845:6

entice 10811:7

entire 10662:20 10708:5 10716:18 10864:21 10898:4

entity 10764:13

environment 10690:26 10862:22

envision 10887:3

epicenter 10849:2

equal 10761:8 10864:9 10867:12 10868:8

equalized 10858:26

equate 10833:14

equation 10790:3

equidistant 10712:27 10713:15

equipment 10864:18

equitably 10795:12

era 10735:2,4 10850:7

Erickson 10726:20,21 10728:3,4,9,17,18,20 10729:21 10730:25 10739:1 10742:18 10744:13,20 10745:28 10757:3 10759:17 10760:13 10761:9 10763:9,

19,28 10764:1,3 10767:18 10772:12 10773:9 10775:11 10816:28 10898:26

Erickson's 10774:15

Erin 10705:20 10706:18 10716:18

eroding 10864:10

error 10723:27 10726:24 10818:7 10901:15

escape 10716:12

ESL 10771:5 10779:2,13 10780:4 10784:9,13,14,20, 21,22 10785:4,7,13,17 10795:8,21 10797:2 10801:22,23,25 10802:1,20 10803:19 10804:15,19 10807:21 10808:7,11 10809:3,5 10823:17,19,24 10824:1 10888:23 10895:17 10902:5

ESL-WISE 10780:1

essential 10715:9 10841:25 10866:20

essentially 10654:11 10656:27,28 10661:13 10852:11 10866:20 10881:7

establish 10659:19 10756:3 10797:11,20 10841:23 10857:22

established 10847:23 10849:27 10850:23 10857:24 10858:3

establishes 10860:22

establishing 10860:12

establishment 10846:3 10856:7

estimate 10717:25

estimated 10692:18 10699:10 10721:22

estimates 10665:16,18 10677:25 10699:11,13

estimation 10789:23

evaluate 10675:22 10685:24 10689:13 10696:8,14 10698:20,24 10699:5,25 10700:7

evaluated 10686:2

evaluating 10676:24

evaluation 10686:15 10698:2 10699:24 10700:17

evaluations 10700:21

even-day 10741:11 10782:27 10783:23 10805:27 10806:2,23,27 10807:17

eventually 10725:14 10778:5 10858:24

evergreen 10825:24

Everybody's 10853:20

everyday 10741:2 10848:11

evidence 10705:12 10716:24 10765:14 10767:9 10773:24,26,28 10774:2,5,7, 9,12,14 10831:27 10837:3,5, 7,10,12,14,18,20,22 10879:2,5,7,9 10881:1,5,20 10882:9,11 10883:2 10907:14

evident 10754:10

evidentiary 10698:16

evolution 10849:10 10854:28 10855:3 10859:19

exact 10786:21

examination 10723:19 10728:15 10744:7 10830:9 10836:11 10840:7 10877:25 10886:10 10898:15

examine 10793:27

examined 10651:18 10728:10 10761:2 10776:16 10840:3 10885:26

examples 10698:26 10750:12 10756:12,22

exceed 10755:9

excellent 10727:24 10838:25 10885:14 10908:10

exception 10883:2

excess 10754:19 10762:19 10850:4

excessive 10825:28

excluded 10673:20 10814:13

exclusive 10808:5

exclusively 10675:23

excuse 10736:4 10779:13 10786:11 10800:22

excused 10883:11

exercise 10797:12

exhibit 10664:3 10677:12 10680:12 10683:11

10687:14,27 10688:15,20 10689:5,27 10698:19 10700:22 10701:2,4 10702:15,16 10704:12 10706:8,9,10 10715:17,18 10719:2 10722:4,16 10726:26 10727:10,13,14,17 10749:4,8 10751:23 10758:5 10768:25 10770:24 10773:24,25,27 10774:2,3,4, 6,9,10,11,13 10776:20,22, 24,27 10777:1,9,11,13,16 10787:18 10801:8 10812:2 10817:22 10821:23 10823:15 10827:24 10828:28 10830:4 10831:27 10837:1,4,6,8,9,11,13,15,16, 19,21 10839:10 10865:26 10878:25 10879:2,4,6,9 10880:7,23 10881:14,17,18 10883:24 10884:23 10885:1, 5,12

exhibits 10678:1 10715:17 10726:6,15,22 10744:5,9 10775:6 10800:22 10831:25 10836:27 10839:4 10870:11 10878:28 10881:18,19 10907:14

exist 10660:4 10710:25 10711:1 10791:1 10812:11, 27 10824:18 10832:11

existed 10678:28 10849:17

existence 10719:11,12

exists 10769:15 10852:11

exit 10842:5 10843:10,18 10861:12,16 10862:23,25 10865:6 10867:1

expand 10673:15 10709:15 10745:14,20 10769:6,20 10772:6 10829:8 10900:10

expanding 10805:24

expansion 10745:22 10784:15,17 10804:10 10865:3

expect 10735:5 10791:14 10829:12 10836:3

expectation 10735:6 10833:21

expected 10720:1 10850:27 10882:13

expenditures 10845:27

expense 10784:20 10785:12,19

expenses 10786:18

expensive 10693:21 10695:6 10784:21,22,23

10785:13,14 10816:4
10895:26

experience 10679:8,17
10680:6 10681:13 10682:16
10683:4 10740:18 10741:17,
18 10742:4 10743:17,19,22
10758:27 10772:6 10781:18
10810:6 10821:11,12
10843:14 10848:24 10849:3,
7 10854:28 10855:3
10856:22 10859:17
10868:23,26,27 10869:10
10874:28 10875:3,19
10880:1 10892:27 10894:13
10903:7,11 10906:21

experienced 10756:23
10831:3 10871:21

experiences 10681:6
10697:13 10744:28 10745:1,
2 10809:9 10810:6

experiment 10886:3

expert 10681:1 10682:4

expertise 10773:6

experts 10680:14

explain 10738:14 10787:23
10806:2 10846:23 10847:13
10848:15 10868:21

explanation 10706:18
10879:22 10883:25

export 10710:17,20 10780:4
10801:23 10802:1

exported 10710:3

exports 10709:16

exposed 10669:21

exposure 10906:15

express 10660:13

extended 10785:22
10823:25 10888:18 10890:1,
4,6

extensive 10700:10

extent 10673:19 10754:12
10805:22 10809:24 10813:4
10828:24 10829:6 10830:14,
21 10874:10

externally 10891:4

extra 10713:28 10740:28
10743:6 10832:2

extreme 10808:23

extremely 10800:28
10828:20

eyes 10903:2

F

---

fa!rlife 10816:25 10896:14

face 10661:26 10662:1

faces 10731:11

facilitated 10654:28

facilities 10764:27 10778:28
10779:3,7,12 10780:17
10784:10 10785:22
10798:18,22 10802:20,27
10803:6,25 10804:2,3
10810:18 10827:14

facility 10730:8,11
10784:12,14,16,21 10785:13
10795:21 10796:4 10803:26
10888:26,27 10890:2,3,8,18
10895:17

facing 10653:12

fact 10667:10 10668:28
10675:15 10703:1,6
10722:22 10724:21
10736:28 10743:27 10793:1
10824:11 10838:15
10865:23 10871:18 10891:7
10892:25 10897:5 10898:25
10899:28 10903:20

facto 10781:21 10782:7
10812:16

factored 10687:3 10817:1

factors 10652:10 10686:28
10693:8 10695:8 10699:19,
21 10700:13 10708:26
10732:2 10770:5 10851:10
10862:1 10867:6

facts 10883:21

factual 10750:3,22

fail 10754:28

failed 10861:20

failure 10861:22

failures 10654:9

fair 10668:13 10672:27,28
10675:22 10686:10
10744:27 10745:2 10749:1,2
10750:22 10752:12,15
10753:18,21 10804:12
10805:19 10809:14,22
10811:9 10814:27 10815:21
10816:12 10820:9,24
10821:3 10833:4,5,11,19
10873:3 10874:5

fairly 10676:6,21 10683:1
10703:3 10735:19 10756:8
10795:12 10839:21

fall 10671:24 10791:19,20
10806:12 10816:14

fallen 10781:11 10800:3

falling 10710:18 10901:14

falls 10838:26

familiar 10681:5,12,24,26
10682:1,4 10719:10,12
10819:8 10855:26

family 10728:23 10729:15,
26 10730:18 10778:3
10844:1,2 10850:1,3,5
10886:24 10887:13,16

family's 10849:26

family-owned 10866:24

family-run 10886:22

farm 10651:26 10712:27
10713:15,22 10720:26
10761:15 10783:6,11
10799:13 10818:19 10825:6
10840:13 10843:18,24,28
10844:21,22 10845:28
10849:23,26,28 10850:3,4,
11,13 10853:28 10856:12
10862:6 10864:6,27
10872:17 10887:16,18,27
10889:27 10905:7

farm's 10850:17,19 10855:3

farmer 10737:25 10758:21
10761:19 10847:11
10856:13 10872:18
10875:20 10897:6,12,13,28
10898:2 10902:6 10903:1
10904:16 10907:1 10908:7

farmers 10653:12 10711:9
10740:15 10741:23
10761:19 10763:24 10764:2
10842:5,8 10843:10
10844:9,18 10850:27
10852:12 10854:19
10856:11 10858:11 10860:7
10864:4 10872:19 10873:2
10876:13 10883:4,10
10891:12 10897:5,24
10898:6 10903:17

farmers' 10856:20

farming 10850:9 10863:1,8
10865:3

farms 10690:11,19 10691:6,
19,23,27 10692:4,13,15
10693:5 10695:9 10713:2,14
10739:27 10740:4,6
10742:9,12,13 10751:9,26
10757:17,22 10769:12
10780:15 10782:15
10805:12 10806:3,7
10843:16,24 10844:19

farms' 10856:22

farmsteads 10856:7

fastball 10882:13

faster 10790:26

father's 10731:18

fault 10651:5

favor 10829:5

favorable 10800:2

favorably 10898:24

favors 10790:28 10794:19

feature 10782:4,5,6
10856:20

features 10783:25

February 10725:3 10815:10
10893:15

federal 10652:21 10653:1,
20,26 10654:10,16,21
10655:23 10660:14
10661:16,20 10662:25
10678:3,10,21,28 10694:23
10695:21,22,25 10696:5
10698:7,9,12 10723:12,13
10725:7 10731:3 10739:7
10741:25 10745:25
10753:24 10756:20
10763:22,23 10811:21
10813:22 10820:18
10824:20 10827:7 10845:22,
25 10846:1,5 10847:24
10849:8 10857:22 10858:2,4
10859:24 10860:6 10866:4,
5,10 10878:9 10890:2
10903:18

federally 10827:9

Federation 10651:27
10761:16 10818:20

fee 10741:1 10806:16

feed 10739:3 10864:16,20

feel 10680:23 10707:15
10733:2 10743:5 10770:20
10795:11,13 10799:4
10822:22 10875:20,25
10895:3

feeling 10661:3 10695:26
10708:9 10716:10 10798:26

funds 10696:19

furthering 10731:10

future 10718:13 10893:2

futures 10762:6

G

gallon 10733:16 10743:24, 25 10766:17,20 10767:11,12 10788:16,19,23 10789:12, 17,22 10790:2,23 10815:17, 18,23,25,26,27 10816:9,19, 26 10888:23 10896:4 10901:19,20

gallons 10788:17 10789:21, 22 10790:10 10802:23 10816:6,26 10888:10,11,15

Garelick 10816:28 10844:7

gathering 10675:25

gave 10712:25 10750:17 10826:10,22 10840:27

general 10706:27 10733:13 10761:7 10773:11 10797:12 10817:8 10829:11 10886:15

generalization 10883:19

generally 10704:13 10710:22 10756:15 10781:5 10815:22

generate 10760:14 10850:4

generation 10886:23

generic 10817:16

generous 10756:13

geographic 10659:12,22,24, 28 10660:18 10670:2

geographical 10686:12

geography 10660:10 10742:12

give 10654:22 10655:16 10657:9 10668:15 10670:2 10696:11 10699:27 10706:4 10708:16,27 10717:20,22 10719:17,19 10726:14 10734:12 10745:18,24 10746:3,6,9,13 10748:26 10766:14 10767:9 10780:11 10784:11 10793:18 10826:17,22 10828:21 10875:25 10878:13 10885:13 10901:8

give-up 10656:16,17 10657:1,12,18,21,22 10707:1,7 10709:5 10712:2, 6,7 10821:5,9

giving 10707:16 10708:12 10769:10

glad 10724:1

Gladly 10761:25

glass 10896:13

global 10708:2

goal 10745:10 10774:24 10908:9

good 10651:22,23 10652:18 10653:14 10654:2,5 10659:14 10663:27,28 10666:8 10668:27 10669:19 10676:6,7,9 10684:12 10702:3,4 10706:18 10723:18 10744:8,13,15 10756:3 10757:3,5 10761:14 10763:19,21 10768:18 10776:10 10792:14 10801:5 10803:5,9,14 10808:12,17 10810:6 10818:17,18 10819:23 10823:7,8 10826:4,5 10828:7 10832:8 10838:5 10839:12,22 10840:9,21 10841:10 10861:19 10870:13,18 10874:18 10875:13 10877:6, 7 10883:28 10884:2,15 10893:24 10898:25 10901:28

government 10814:14,23 10815:4 10860:6

grabbed 10750:23

Grade 10689:14,28 10690:4, 8,20 10691:4,6,9,14,17,18 10692:1,9 10693:3,5,6,7,9, 13,14,19 10710:25 10739:24,27 10740:1,4,7,11 10754:19 10755:3,9 10781:16,18,21,24 10782:1, 4 10792:6 10812:15 10813:4,6,7,11,22,28 10814:1 10903:12,13,16,17, 23

gradual 10755:24

graduated 10886:17

grain 10864:22

Grand 10719:23 10721:1

grandfather 10729:14,21 10850:7,11

Grant's 10855:20,21

granular 10835:2

graph 10702:15,22

grateful 10778:20

grave 10866:25

gravitas 10883:19

grease 10711:17

great 10653:6 10676:11 10679:22 10692:21 10763:14 10764:10 10779:11 10795:19 10801:27 10819:28 10853:18 10856:26 10866:8, 25 10868:17

greater 10713:5 10816:9 10829:2,3,15 10843:19 10848:26 10851:5 10854:15, 20 10861:5

greatly 10760:22

greedy 10657:6

green 10679:5 10702:26 10703:17,22 10704:10 10843:28

greener 10704:5,10

greens 10702:23 10704:4

grew 10849:23 10850:3 10856:27

grocery 10767:2,8 10788:12 10814:10

gross 10844:23 10876:5

ground 10778:27

group 10665:11 10723:21 10730:28 10743:10 10745:10,15,17 10760:1 10770:28 10776:5 10793:10 10794:18 10832:19 10884:3 10899:11,15

groups 10664:24 10674:7 10793:12 10857:16

grow 10851:24,28

growing 10804:8 10808:14, 15

grown 10653:24

growth 10678:3 10743:6 10804:6 10808:12 10850:9 10851:13 10871:21

guard 10701:26

guess 10661:18 10666:3 10681:28 10682:23 10694:2 10698:8 10699:1 10703:12 10704:24 10705:22 10708:11 10709:16 10716:5 10718:4 10730:8 10748:7 10749:28 10770:19 10774:16 10775:8 10798:24 10835:7 10872:24

H

H-E-A-T-H 10839:14

H-E-L-U-V-A 10803:12

half 10717:25,27 10718:3 10738:12 10743:25 10750:28 10789:12,21 10802:19,23,26 10815:17, 22,25,27 10816:9 10861:24 10871:27 10888:11,14,23, 27,28 10889:1 10894:2 10901:20

Hampshire 10779:8 10794:1 10867:18

Hancock 10663:26,27 10673:12,25 10674:1,2 10677:19 10697:5,7 10701:7,15 10704:15 10707:4 10710:22 10744:12, 13 10746:12 10747:9 10749:4,7 10756:26 10757:8 10767:15,17 10768:10 10801:4,6,7 10802:16 10803:8,18 10817:18 10821:18,20 10824:17 10832:1,4,7 10835:7,9 10836:7 10874:17,18 10875:8 10877:11 10908:11

hand 10742:6

handed 10776:19 10884:18

handle 10685:22 10806:6 10895:13

handled 10709:16 10783:24

handler 10655:24 10723:4 10813:1,26 10829:18,22 10896:13

handlers 10708:18 10812:9 10829:7 10847:9 10857:16 10858:19,25,28 10859:15 10874:22

handling 10782:16 10783:17 10806:16,25 10807:6 10824:24

hands 10799:1

hang 10657:5

Hansen 10701:14

happen 10654:25 10696:14 10704:25 10730:24 10760:3 10791:12,26 10873:11,26,27 10878:15

happened 10651:28 10657:28 10855:23 10873:21

happening 10675:26

10680:8 10703:1 10835:18 10902:17

happy 10733:13 10878:12

hard 10654:24 10660:8 10683:8 10709:13 10731:25 10772:13,14 10796:15 10835:1 10862:5,12 10894:15

hardwired 10661:1

Hardy 10908:2

Harvard 10898:1

hassle 10695:27

hat's 10907:18

haul 10864:22,25

haulers 10864:17,24,25

hay 10844:4

he-said/she-said 10907:4

head 10675:3 10766:22 10834:25 10887:28

headquarters 10729:26

healthier 10692:7

healthy 10743:8,11

hear 10682:13 10759:15 10849:25 10875:15

heard 10673:23 10711:21 10740:10 10741:8,15 10742:2 10764:10 10791:11 10826:7 10830:11 10902:9 10903:21,23

hearing 10651:8 10663:1,9 10665:13 10671:25 10672:2, 24 10673:15,16,21,23 10675:18 10680:14 10682:6, 9 10720:25 10731:3 10740:11 10800:4 10826:10 10841:15,18,26 10844:23 10847:16,20,23,27 10848:7, 19,23 10849:6 10858:14 10861:1,14 10862:18 10866:5,8,12 10867:13,21, 23 10876:9,18,22 10880:3,7 10882:8,19 10883:2,11 10896:28

hearing's 10848:4,13

hearings 10725:7,11 10731:1 10797:12 10846:1 10847:14 10873:22 10883:13

heart 10735:23

Heath 10839:3,14,24 10840:2,9 10841:4,11 10870:2

heavy 10888:27 10889:1 10895:25

hedge 10733:21,25,27,28 10734:6,24 10759:17,23,26, 28 10760:6,10 10762:4,7 10892:24 10893:2,5

hedged 10733:23 10759:21

hedges 10733:22 10759:19

hedging 10735:9 10759:14 10770:25 10771:7 10868:18 10869:4,12 10875:16 10892:23,24 10893:6

heightened 10849:18

held 10681:17 10846:1 10851:2

helped 10659:14,15 10793:20 10848:22 10899:14

helpful 10663:22 10664:1 10716:24 10718:21 10762:15 10769:13 10787:26 10795:20 10885:18

helping 10654:17 10730:21 10895:10

helps 10769:17 10893:10

Heluva 10803:5,9

hesitate 10674:24

hidden 10899:2

high 10657:10 10715:28 10716:2,7 10717:4 10718:3 10798:14 10817:13 10819:23 10826:13 10894:19

high-hygiene 10823:23

high-low 10717:21

higher 10655:5 10656:13 10657:16 10692:11,12 10705:19 10706:16 10711:23,26 10718:2 10733:14,15 10765:27 10766:3 10788:27 10789:2 10790:4,21 10815:17 10820:21 10821:1 10826:21 10851:4 10859:12 10891:19 10901:1

higher-of 10762:3

highest 10657:21

highlight 10749:27

highlighted 10793:25

highly 10797:21 10823:22

highly-utilized 10653:25

highway 10851:19 10856:10

Hiland 10751:10,13 10752:6, 9

HILL 10726:4 10879:11,15

hinder 10660:11

hire 10862:7

hired 10664:6 10665:9,10, 18,23 10666:8,10,26 10667:7 10672:3 10689:8,13 10892:25

historian 10668:14 10674:5 10692:16 10693:27

historic 10841:22 10861:4 10863:13,19 10864:7 10869:17

historical 10668:4,15 10672:4 10681:6 10692:16 10694:22 10697:21 10758:27

historically 10676:12 10756:18 10757:14 10759:21 10831:7

history 10652:19 10661:18 10667:3 10729:12 10848:24 10849:6,12,14,18,23 10855:25 10856:5,21 10886:20

hit 10796:19 10807:10,16 10900:11 10906:27

hits 10742:12

hold 10707:13,18 10875:3

holding 10800:4 10904:14

holistically 10901:5,23

hometown 10719:8,9 10888:9

honest 10683:9 10882:12,14

honestly 10671:28 10704:7 10733:10

honor 10673:12 10714:25 10718:16 10723:18 10726:19,25 10727:14,19 10734:10 10739:15 10744:4 10773:18 10775:9 10776:21 10777:10 10800:21 10823:4 10830:5 10831:24 10832:1, 15 10836:26 10837:23 10838:2 10839:4 10840:6 10841:2 10845:1 10870:10 10878:4,26 10879:11,25 10880:20,25 10883:26 10884:2,9,18,25 10890:21 10907:12,25

honored 10883:15

honoring 10832:11

Hood 10775:2 10776:6 10777:8,28 10778:2,6,9,15, 17,22,26 10779:2,12,20,22 10781:6,23,24,27 10782:13 10783:16,20 10785:7,17,23 10786:11,13 10787:11 10790:5 10791:14 10793:2 10794:5,7 10795:13,21 10797:1 10798:14 10802:24 10808:10 10809:12 10814:23 10816:15,20,21,27 10822:2,12 10825:27 10830:13,22 10834:15 10836:14,21 10837:16 10852:22,25 10853:3,25 10855:4,8 10857:12 10900:16

Hood's 10778:8,28 10780:10 10781:18 10785:19 10786:4 10787:4 10792:22 10797:2 10801:10 10809:9,24 10810:7 10816:14 10821:28 10824:1 10830:21 10836:17

hooked 10885:13

hope 10777:21

hopes 10873:18

hourly 10748:11

hours 10782:22 10783:13 10864:26

HP 10775:2 10776:6 10777:28 10778:2 10801:10

HTST 10771:5,6,7 10779:7, 15,21,22,23 10784:21 10785:13 10791:17 10802:21,23,28 10819:6 10888:11,14 10890:1

huge 10661:20 10662:8

humble 10729:14,27

humidity 10905:3,5

hundred 10732:11 10737:10,14 10741:3

hundreds 10767:10 10864:28

hundredweight 10657:20 10692:19 10697:23,25 10707:26,28 10708:3 10766:16 10782:9 10851:2 10891:2 10896:3,17 10897:16

hypothetical 10712:10

Kaiser's 10682:8,11,13
10901:11,12

Kansas 10730:1 10736:2,23,
24 10737:1,5,7 10744:24,26
10751:10 10752:6

Keefe 10664:23 10677:28
10721:21 10741:8 10791:12
10898:15

keeping 10828:19 10832:25
10845:1 10862:6,12

Kelly 10884:16 10885:21,25
10886:12,13 10907:22

Kelly's 10891:23

Kent 10719:22,25,26
10720:13

key 10847:12 10849:1,12
10858:14 10860:5

kind 10656:16 10662:3
10667:6,17 10668:13,20
10670:27 10672:22
10675:21 10678:13
10686:14 10696:13
10697:15 10698:2 10699:24
10700:17,21 10702:26,27
10705:16,27 10706:25
10707:4,6 10713:9 10714:10
10716:23 10717:10,14
10731:12 10742:6 10755:8
10764:8 10768:26 10769:21
10770:5 10771:12 10772:4
10780:14 10782:27 10783:9
10787:28 10788:11,14,18,26
10789:1,10,13,15 10792:4
10793:15,28 10794:2,4,8
10795:9,23 10797:3,14
10798:7 10801:12 10804:22
10815:14 10816:16
10823:18,22 10825:23
10828:7 10871:21 10880:27
10882:13 10889:18
10895:27

kinds 10653:8

kitchen 10850:25 10854:5
10859:4

knew 10803:11

knowing 10762:21 10772:18
10826:20 10893:11

knowledge 10668:15
10807:24 10879:26

Kroger 10896:14

L

L-Y-N-N 10855:15

L.A. 10712:23

label 10779:24 10788:17
10789:9 10790:3,20,27
10791:3 10802:5,12,24
10816:22 10817:1,6,13,14,
15 10896:16 10901:20,22

labeled 10760:25

labels 10779:25 10780:22

labor 10783:14 10862:2

lack 10797:1

Lactaid 10780:1 10801:23,
28 10802:4,14 10816:25

lactose-free 10888:13

Lafargeville 10803:3

lag 10835:26

laid 10656:5 10801:1

land 10862:13

Landry 10826:9

large 10702:14,18,20
10703:2,25 10736:26,27
10742:11 10784:18
10785:22 10805:7,20
10808:1 10811:25 10889:10

large-scale 10869:3,12

larger 10685:28 10705:8
10711:9 10804:2 10854:9

largest 10653:22 10863:6
10887:1

lasts 10905:10

late 10651:5 10718:20
10724:16 10729:14,22
10808:24 10891:27

laugh 10768:22

laughing 10768:21

law 10696:23 10697:9
10845:8 10858:7

lawyer 10724:19

layer 10772:15

layman's 10889:10

Le 10735:28 10736:16,17,
19,22 10750:20 10753:1,10
10765:28 10766:4 10767:4

lead 10791:6 10829:4

leaders 10843:27

leading 10725:2 10767:6
10866:15

leads 10766:28 10862:25

lean 10798:27

Leap 10747:12

leave 10712:21 10729:21
10883:23

leaves 10706:11

leaving 10865:25 10882:9

left 10803:21 10824:18
10842:25

legislature 10845:20,24
10863:23

legislatures 10857:19

legitimate 10882:25

lend 10848:7

lens 10724:11 10750:22

lenses 10903:2

lesser 10828:23 10829:6
10834:2

let alone 10864:18

letter 10724:26 10741:20,21
10764:16 10843:21,23
10865:19,22,27 10867:16
10872:5,12 10882:15

letters 10764:21

level 10682:21 10691:26
10698:21,23 10699:4,17
10701:3 10707:14 10760:14
10786:22 10798:14
10803:28 10805:18
10817:10 10835:2,18
10846:5 10891:4 10894:24

levels 10771:14 10895:24

liberate 10671:8

lieu 10798:26

life 10728:24 10785:22
10819:14 10823:25
10888:18 10890:1,5,7

lifetime 10669:20

light 10689:22

limit 10724:3 10734:23
10893:5

limited 10695:11 10698:11,
13 10799:15 10819:14
10860:21

limiting 10851:9

limits 10893:6

lines 10717:10 10723:2
10758:15 10804:24 10808:1,
5 10831:21 10889:2

link 10858:15

list 10759:5 10822:15
10908:16

listed 10709:8 10750:6,20
10801:13

listened 10737:18 10773:3

literally 10850:21

live 10660:26 10735:4
10764:9

lived 10735:2

lives 10686:7

Livestock 10876:5

living 10849:28

LLC 10763:18

load 10655:17

loaded 10864:27

loads 10748:20,24

loans 10856:5

local 10658:22 10698:21,24
10699:4,5,17,24 10700:7,21
10701:3 10817:14 10848:25,
27 10850:14,17,19,26
10852:5,10,19 10854:5,6,20
10855:19 10857:28 10888:9

located 10658:3 10660:1
10690:12 10720:27
10743:16 10750:1 10765:28
10779:1 10780:16 10794:8
10795:22 10822:2,12,18
10827:16,26,27 10828:8
10852:22,27 10853:26
10890:14,18

location 10659:18,19,25
10673:1 10707:26 10708:4
10744:21 10793:17,20
10801:13 10822:14
10889:28 10890:10 10894:6

location-by-location
10656:10

locations 10685:6,11
10700:14 10749:27
10804:14,28 10821:24
10892:21 10900:2,3

locked 10798:19,21

locked-in 10800:12

logic 10708:18 10793:13,14
10795:4

lone 10894:17

long 10658:25 10662:28
10663:9 10675:7 10681:17
10695:7 10703:22 10728:21
10731:16,21 10763:27

10766:22 10772:16 10815:4
10819:17 10826:27,28
10859:22 10862:11
10877:10

long-term 10742:6 10770:27
10864:11 10865:8

longer 10663:14 10694:28
10782:2 10784:24,25
10812:5 10813:8 10869:25

longer-term 10760:2
10869:22

longstanding 10742:5
10848:25

looked 10657:3 10668:4
10669:1,14 10672:9
10678:12 10679:6 10682:21
10697:24 10698:25 10699:2,
9 10705:10,26 10773:1
10796:11 10815:15
10824:10,13 10826:16
10827:12,23 10898:24

loose 10658:14 10700:5

Los 10712:19

lose 10902:13

losers 10714:10 10735:20

losing 10902:24

loss 10843:16,24 10863:1,
17 10864:5 10865:5,14
10866:24 10867:5 10902:19

lost 10708:26 10714:20
10726:26 10767:10
10893:11

lot 10652:14,21 10653:7
10654:4 10658:1 10668:10
10672:2 10679:5 10695:7,20
10703:6,7,11 10708:26
10710:3 10711:7 10713:14
10731:1,5,17,26 10736:27
10737:19 10738:16,18
10739:21 10740:10,18
10742:12 10770:3,16
10773:3 10782:21 10794:23
10795:2,17 10796:4
10819:23 10820:10,26
10825:23 10830:11
10833:26 10869:2 10873:1
10884:4 10892:27 10893:13
10894:20 10901:4 10902:14
10908:20

lots 10675:21 10692:10
10794:26

loud 10872:3

love 10878:12

low 10691:22 10692:4
10705:17 10715:28 10716:2,

8 10799:7 10836:18

lower 10685:28 10708:5
10755:3 10770:16 10789:19
10790:23 10791:15
10826:21 10833:28 10842:3
10843:8 10902:27

lowering 10799:11

lowest 10704:19,24
10705:11

Luikart 10908:5

lunch 10774:16,18 10775:2,
7,14 10891:27

luncheon 10775:17

luxury 10661:25,28

Lynn 10855:11,12,14
10857:14

M

M-I-L-L-E-R 10839:15

MA 10749:17

made 10654:6,26 10668:22
10683:18,22 10690:11
10694:9,11 10696:25
10698:3 10699:11 10723:27
10724:8 10726:10,11
10738:2 10741:7 10773:4
10809:18 10851:16
10862:12 10870:3 10883:3
10889:3 10898:22 10899:23,
24 10901:6 10903:17

magnifies 10769:4

magnitudes 10785:14

mail 10741:20

main 10727:28 10770:10,11
10845:14

Maine 10779:8 10794:1,5,
22,23,26,28 10795:3,5
10797:7,9,13,14,17,21,23,
24,26,28 10798:1,5 10822:1,
2,4,9,10,23 10827:3,4,8
10828:23 10839:2 10840:13
10841:12 10842:10 10844:1,
11,16 10845:11,16,19
10846:8,12 10847:5
10848:25 10849:24
10850:18,20 10851:10
10852:7,12,13,14,21
10853:28 10854:4,22,27
10855:19 10856:21,27
10857:11,23 10858:3,8,11
10859:20 10863:2,11,22,23,
27,28 10864:1 10866:3
10867:17 10868:28
10871:11,21 10872:23

Maine's 10845:3,12
10851:7,24,27 10852:1,5,11
10854:28 10859:17,22

maintain 10659:21,23,24,28
10660:6 10690:19 10691:2
10692:1 10693:7 10756:7,19
10813:7,11,23

maintaining 10689:14
10690:4 10691:14 10693:9,
19 10783:15 10845:10

maintenance 10692:12
10693:16 10710:25

major 10706:19 10805:6
10846:1 10859:6

majority 10685:9 10735:7
10805:7,20 10868:28
10869:5

make 10651:6 10652:26
10654:24,25 10656:1
10660:12 10661:10
10665:17 10666:7 10673:17,
26 10674:17 10675:17
10676:17 10679:16
10684:28 10685:13 10695:8
10696:21 10697:5 10700:5,
8,10,15,21 10701:3 10705:8,
23 10706:26 10707:21
10709:20 10712:16
10713:16 10714:28
10716:27 10725:16 10726:9
10727:5 10730:8,22 10733:5
10737:10 10738:9,10,11,19
10739:11 10744:6 10763:11
10808:19 10812:4,25
10814:21 10837:26
10841:17 10846:27
10847:20 10865:17
10867:24,25,27 10869:19
10873:19,24 10874:11
10878:18 10882:6,25
10883:18 10895:12,17
10898:20 10902:1 10906:4,
17,24 10907:9,14

makes 10661:4 10724:5
10737:9 10779:20 10799:18,
20 10805:27 10806:6
10812:16 10823:18,19
10906:21

making 10653:15 10654:2
10657:7 10658:10 10672:23
10673:13 10686:17
10709:27 10730:23 10762:9
10813:3 10866:13 10867:10
10875:21 10881:21 10907:5

man 10726:9 10864:19

manage 10748:9 10785:7,11
10810:24 10844:3 10895:14
10905:8,25

managed 10667:10
10731:23

management 10847:25
10864:6 10868:14 10869:4,
13 10875:16 10876:8,11,20,
23 10877:12

manager 10886:15

managing 10806:10
10895:15

manner 10721:4

manufacture 10905:22,25

manufactured 10703:25
10857:7

manufacturer 10740:13
10820:2 10905:23

manufactures 10781:23

manufacturing 10654:12,16
10655:16 10657:4 10658:1
10662:7,21 10663:14
10703:13 10704:27
10709:14 10715:19
10724:11 10740:6 10778:28
10779:2,3 10799:15
10811:14 10854:16,17,26
10866:15

manure 10690:13

map 10686:12 10703:21
10736:8,9 10750:13,15
10821:7

mapped 10698:27 10821:24

mapping 10670:1

maps 10705:4 10736:10

March 10725:3

margin 10797:19,23 10816:8
10860:4 10875:27 10876:5

marginal 10708:13 10709:6
10860:19,24

margins 10815:17

Maricopa 10896:11

mark 10651:11,17,22
10663:11 10773:6 10807:10

marked 10726:25 10727:13,
18 10773:24 10774:2,9
10776:21,24,27 10777:1,10,
13 10831:27 10837:1,8,15
10839:5,9,11 10878:25
10879:2,9 10881:17
10884:20,23 10885:1,5

market 10654:9 10655:1
10660:28 10675:13
10678:15 10682:19
10683:12,13 10686:28

10689:19 10691:7 10695:9 10696:9 10699:5,24 10700:9 10709:1 10714:8,12 10724:11 10736:3 10737:22 10743:4,7,11,13 10760:10 10761:17 10769:2 10770:3, 20 10781:21 10785:28 10787:1,12 10790:26 10791:9,25 10794:15 10795:2 10798:28 10800:17 10810:5 10814:28 10816:22 10825:28 10826:4 10830:20 10835:25 10841:23 10845:6 10848:2,26 10849:9,11 10850:6 10851:8,12,24,28 10852:7,16,25 10853:3,24 10854:6,9,15,17,20 10857:4, 7,21 10858:2,23 10859:14, 19 10860:12,15,18 10862:10 10866:20 10875:20 10878:7 10890:2 10891:6 10894:16 10903:14

market's 10854:24

market-based 10857:18

market-clearing 10683:16, 20,22

marketers 10846:9,18 10847:2

marketing 10654:21 10661:16 10678:10 10679:9 10695:22,25 10696:12 10701:21,23 10726:7 10731:3 10739:6,14 10765:7,19 10768:12,15 10769:5,7,18 10778:5 10799:16 10823:1,2 10848:2 10857:22,24,25,28 10858:6 10859:18 10866:10,14,18 10876:28 10877:2 10878:9

marketplace 10653:23 10654:8 10656:2 10660:9 10724:15 10782:1 10785:20 10799:3 10848:26 10852:6 10854:10,19 10903:12

markets 10654:12 10655:4 10658:2 10660:13 10667:13 10670:10 10674:11 10816:17 10833:23 10848:27 10856:27 10857:28 10866:19 10894:13

marketwide 10782:5,6 10858:5

Marking 10866:5

married 10663:17

Mars 10735:28 10736:16,17, 19,22 10750:20 10753:1,10 10765:28 10766:4 10767:4

marvelous 10908:25

mass 10788:12 10814:12

Massachusetts 10779:7 10793:28 10794:8 10795:17 10867:18

massive 10865:10

master's 10729:1 10886:18

matching 10688:23 10748:10

material 10667:18 10799:7

materials 10653:28 10677:4 10880:15

math 10721:28 10766:11,15, 22 10868:8 10898:1 10902:23,25

matter 10743:19 10856:15 10864:12 10884:7 10891:7 10892:25 10897:5 10898:25 10903:20

matters 10907:16

maximum 10786:2 10810:22

Mcclellan 10886:24 10887:13

Mcclellans 10887:18

Mcmurtray 10853:13,15,18 10861:17,18

MDI- 10877:15

MDIA 10839:3 10841:12 10844:14,15,19 10845:5 10847:13,17 10848:3,5,17, 23 10868:18 10869:9 10876:21 10877:15,27

MDIA's 10841:16,22,28 10843:5,13 10845:8,14 10847:9,11,21 10848:8 10849:12 10854:24 10867:21,22 10868:13,23,26

MDIA-1 10839:5 10878:25 10879:3

MDIA-2 10839:5 10879:10 10881:18

meaning 10660:20 10748:26

meaningful 10767:7

means 10706:25 10734:1,4 10769:7,8 10810:20,21 10839:17 10854:18 10860:21 10861:1,6 10863:10 10869:16 10883:7

meant 10668:12 10703:14 10769:21 10864:5

measurable 10848:10,12 10869:15

measure 10747:2,28 10788:11,14 10817:2

measured 10817:23

measurement 10749:17

Measures 10678:3

measuring 10749:16

meat 10850:2

mechanism 10897:23

mechanisms 10676:20

medications 10690:22

Meeker 10657:17

meet 10710:16,18,19 10764:27 10895:19

meeting 10665:2 10714:22 10741:18 10898:6

meetings 10664:26,28

member 10678:26 10721:12 10745:21 10842:8 10844:9, 19 10845:3 10854:18 10856:14 10898:17 10900:4

members 10665:3 10679:23 10731:5 10736:1 10745:7 10844:3,16 10845:10 10854:2,24 10868:18,20 10876:11,16

members' 10843:14

membership 10845:15 10847:11 10848:8 10869:9 10899:20

memorable 10675:6

memories 10841:1,2

mention 10665:28 10736:23 10822:8 10827:3

mentioned 10686:22 10691:20 10771:25,26 10780:22,23 10798:17 10826:9

menu 10892:16,19

Merced 10722:3,5,18,21

merchandise 10788:12

merchants 10814:12

merger 10788:10

met 10710:16

method 10808:28 10851:20

methodology 10689:4 10797:4

metrics 10656:21

Metro 10730:1

metropolitan 10744:26

Miami 10659:26 10660:7

mic 10880:24 10886:2 10892:1,2

mic's 10776:9

Michael 10776:5,12,15

Michigan 10719:1,3,6,22 10720:26 10722:10,12

microphone 10728:2 10838:24 10839:1,17,21 10840:17

mics 10908:5

mid 10849:27 10852:4

mid/max 10786:1

middle 10729:28 10735:25, 26 10768:28 10882:13 10889:1

Mideast 10721:23

Midwest 10658:17 10659:20

MIG 10664:11 10665:11,13, 23 10666:2,8,10,23,26 10668:8 10669:13,17 10670:18 10671:1,2,23 10672:3,15,23 10689:8,16 10692:17 10696:21,23 10697:9 10706:8 10725:3,17 10730:26,28 10731:5 10742:18 10743:9 10745:6, 11,12,21 10768:5,6 10874:20 10898:17,21 10899:11,15 10900:4

MIG's 10669:26 10739:18 10767:18,20 10770:13 10792:16 10824:15 10831:11,17,20

MIG-16A 10687:14

MIG-17 10727:10,13 10758:3

MIG-23 10884:20,25 10885:16

MIG-23A 10884:20,27 10885:16

MIG-23B 10884:20 10885:3, 17

MIG/AE 10774:2,9

MIG/AE-17 10773:24

MIG/HOOD 10776:20,26 10830:4 10837:9

MIG/HOOD-21 10831:28

10837:2

MIG/HP 10777:8 10837:16

MIG/SHAMROCK-23
10885:16

MIG/SHAMROCK-23A
10885:17

MIG/SHAMROCK-23B
10885:17

miles 10712:28 10713:18,19
10732:11 10737:14
10780:17 10786:21 10794:9
10795:22 10844:6 10850:6,
16 10864:28 10890:19

military 10814:15,23

milk 10652:6,11,12,15,23,27
10653:15,22,24 10654:3,15,
21,26 10655:7,13,17
10656:10,18 10657:5,13
10658:2,4,8,13,19,20,21,25,
27 10659:2,5,8 10660:9,26
10662:23 10663:17,20,23,27
10666:4 10671:8,18
10672:19,27 10673:1,2,8,17
10674:11,17 10677:27
10678:10,15 10679:9,10,12,
14,20,21,24,26 10680:1,3,
15,19,27 10681:3,15,22
10682:3,19 10683:19
10684:2,3,6,19 10685:8,12,
16 10686:12,15,25 10687:2,
5,9,10 10689:18,19 10690:9,
14,20 10691:10,23 10692:1,
4 10693:9,19 10694:4,7
10695:5,8,11,12,14,16,21,
22,25 10696:18,21,27
10697:10,17,19 10699:10
10703:6,8,11,27 10705:26
10707:13,19,26,27,28
10708:3,12,14,16,19,20
10711:9,19,25 10712:15,17,
23,24 10713:4,7,19,25
10714:15,17,20 10718:19
10719:15,16,17 10720:2,8,
10,12,23 10721:18 10722:23
10723:21 10724:9 10729:9,
18 10730:3,8,28 10731:3,7,
12,13,20,22,25,26 10732:1,
2,6,7,10,18,23,27 10733:1,4,
12,13,16 10736:24
10737:14,15,20,22 10738:1,
13,20,21 10739:7,24,28
10740:1,5,19,24,25,28
10742:5 10743:20,27
10744:14 10745:10,15,20
10746:14 10747:10,18,19
10748:16 10749:13,15,19
10750:24,25 10751:18,19
10752:1,12 10753:5,9
10754:8,10 10755:14,22
10756:16 10757:4,17,21,22
10758:10,13 10759:18

10760:6 10761:7 10762:4,8,
18 10763:1,8,23 10764:13,
25,26 10765:3,7 10766:10,
16,17 10767:3 10769:9,17,
25,27 10770:17 10772:24
10773:1 10776:4 10778:3
10780:4,10,12,14,17
10781:18,21,24 10782:1,13,
15 10783:4,13,24 10784:18,
19 10785:20,23,26,27,28
10787:5,8 10789:25
10791:26,27 10792:3,25
10794:23,26 10795:2,5,17,
24 10796:17 10797:9,13,17,
24,26,28 10798:5,6 10799:1,
8 10800:1,7,10,11,15
10801:7,23 10802:1
10805:2,28 10806:4,7
10807:22,27 10809:12,16,
18,20,25,28 10810:7,17,22,
23,24 10811:7,17,26
10813:1,6,7,16,26 10814:22
10815:17,18,23 10816:9
10820:5 10821:13 10822:9
10825:6 10826:8,11,23
10828:6 10830:20,24
10836:1 10843:16,20,25
10844:4,7,21 10845:6,12,16
10846:10,12,18 10847:2,3,4,
5 10848:11,14,18,25,26
10849:8,16,21 10850:10,12,
14,15,16,17,20,22,24,26
10851:1,2,7,8,10,17,20,22,
26 10852:1,2,7,11,12,13,14,
20,22 10854:6,11,13,20
10855:10,18 10856:1,4,11,
12,17,20,23,28 10857:4,5,6,
12,13,22,23 10858:12,16,18,
19,20 10859:16,18
10860:10,12,14,17 10861:7,
14 10862:2,8,21,27,28
10863:21 10864:17,18,24,25
10865:4,7,9,13,24 10866:5,
10,18,26 10867:3 10868:19
10869:7,15 10871:3,9,10,12,
18 10872:23,28 10873:4,5
10874:19,22 10875:14
10878:7,9 10883:13 10884:3
10887:22 10888:11,13,14,21
10889:15 10891:9 10892:7
10893:28 10897:1,3,25,26
10898:6 10899:5 10900:1
10901:6,10,18 10902:26,27
10903:23 10904:25 10905:1,
19,28

milk's 10724:19 10749:27
10754:4 10822:24 10847:28
10851:8 10896:19,23
10901:9 10905:14

milk-based 10888:19

milk-check-to-check
10868:16

milking 10862:13

Milkpep 10897:3 10906:25

Miller 10774:17 10838:3
10839:4,14,16,24 10840:2
10841:11 10853:13
10870:23 10874:18
10875:13 10876:28 10877:3

million 10747:5,8 10784:15
10788:22,24,25 10790:8,11
10844:21,24,28 10871:11,12

million-dollar 10767:10

millions 10892:19 10893:11

mills 10864:21,22

Miltner 10718:15,16,18,19
10723:16 10757:2,4
10758:7,8 10761:9
10875:12,14 10876:25
10877:12

mimic 10657:28

min-max 10810:16,19

mind 10838:6 10903:21

mine 10729:4 10845:3

minimal 10659:4 10857:16

minimize 10825:7

minimum 10652:3 10656:26
10657:24 10658:12
10660:16 10711:3 10741:26
10792:24,26 10797:11,20
10810:21 10841:20,24,27
10842:1,4 10843:6,9,18
10845:23 10848:13
10849:15,20 10856:19
10857:27 10858:4,17,22,28
10859:3,6,7,9,27 10860:1,
13,22 10861:3,5 10862:20
10867:26 10868:11
10869:16,21,25 10873:9,25

minimums 10896:18

minisc- 10767:11

Minneapolis 10698:1
10736:7

Minnesota 10657:17
10660:6 10744:23 10750:9,
10

minus 10722:1

minute 10793:1 10795:6
10839:22 10881:23

minutes 10670:26 10701:8
10718:20 10838:5

Miriam 10898:26

mislabeled 10818:3

missed 10677:8

missing 10843:2

mission 10745:16

Missouri 10744:24

misspeak 10757:25

mistake 10726:10 10846:26

mister 10905:4

mitigate 10895:14

mitigating 10895:15

mix 10802:26 10803:21
10814:19 10889:15

model 10657:27 10666:19
10669:2,4,14,28 10670:6,12
10674:6 10676:7,27 10680:8
10683:25,28 10684:1
10685:2,7,10,14,15,18
10686:1,3,6,8,11,17,20,24,
27 10687:3,4,8,15,20
10688:3,7,11,12,16,19,22
10689:5,23 10698:19
10699:3,6,20,22,23,26
10700:7,9,10,12,14,18,26
10702:9 10703:4,24,28
10704:13 10705:2,28
10706:10 10707:2,4,9,24
10708:2,4 10709:6,16,23,28
10710:1,12,16 10725:14,15
10737:2,4,27 10738:3
10750:25,26 10751:19
10752:2,7,10,17,24
10760:13 10761:1 10768:1,
2,4 10772:27 10773:5,6
10793:18 10794:10,12,16,
25,27 10795:25,28 10796:1,
6,8,13,18,19,20 10797:8
10828:8,15 10832:12,18
10896:18,21,23 10897:10
10900:1,4

model's 10684:18 10685:12

modeling 10659:23 10660:4
10686:16

models 10668:25 10737:16

modern 10666:4 10803:25
10804:3

modernization 10868:10

modification 10673:18

modifications 10688:18

modify 10908:17

Moines 10729:15,18,25,27
10735:24 10752:15

mom-and-pop 10864:20

moment 10727:4 10734:12,
20 10838:15,16 10898:10
10899:25 10905:12

10 10707:6 10718:2 10727:14 10734:8 10736:20 10737:7 10742:10 10749:5, 28 10755:6 10770:1,6 10773:27 10774:6,13 10776:24 10777:1,13 10778:4 10799:17 10830:16 10837:6,13,21 10857:5 10861:23,26 10866:25 10872:18 10879:6 10882:24 10884:21,23 10885:1,5 10898:5 10902:9

numbers 10657:16,23 10702:8,16 10704:12,14,16 10706:5,8,16,17 10715:23 10716:3 10719:2 10721:3 10726:26 10727:17 10732:27,28 10734:10 10746:5 10839:10 10868:6 10872:18

nut 10905:24

nut-based 10906:6

nutrition 10654:5,7

───────── **O** ─────────

Oakhurst 10822:5,9 10844:5 10852:23 10854:7

object 10673:18 10765:9 10793:12 10879:20

objection 10673:22 10773:23 10774:1,8 10831:26 10832:2 10837:2, 9,17 10879:1,8 10880:4,21 10881:28

objectives 10712:13

obligated 10900:22

obligation 10791:11,16 10792:10

observations 10672:23

observe 10682:8

observing 10804:1

obtain 10675:1 10810:10

obvious 10891:26

occasional 10758:13

occupied 10849:9

occur 10667:6 10684:10 10754:13

occurred 10665:1 10709:27 10849:4 10870:9

occurring 10656:2 10723:11

occurs 10710:12

ocean 10851:12

October 10785:3 10808:25 10865:28

odds 10799:13

off-the-record 10701:11 10715:11 10727:7 10838:18 10842:22 10870:9

offer 10875:15 10876:10

offered 10666:1 10672:10 10674:4 10693:12 10876:12

offering 10672:17

offers 10865:7

office 10667:20 10729:8

official 10778:1 10878:11, 13,20,23

offset 10809:25 10865:5

Olan 10681:22

older 10803:26

Omaha 10735:26 10751:13 10752:9

omitted 10734:20

on-farm 10797:15 10854:25

on-shelf 10797:20

one-hour 10891:27

one-third 10854:24

Oneida 10779:4 10795:22, 25,27 10802:15 10803:20

ongoing 10690:19 10691:14 10845:19

online 10700:23 10804:9,11

onset 10856:25

open 10671:13 10733:22,27 10759:19 10760:10 10785:28

opened 10808:17

operate 10661:3 10685:27 10694:5 10843:28 10846:8 10852:26 10854:3

operated 10655:20 10668:14 10771:26 10844:1 10852:24 10854:7 10859:20

operates 10852:23

operating 10772:7 10813:19 10853:26 10854:26

operation 10659:9 10712:28 10713:25 10720:3 10729:8, 26 10738:17 10765:2 10845:18 10863:12 10864:6

10900:19

operations 10658:5 10685:24 10717:28 10729:8 10778:5 10819:9 10845:26 10848:9 10850:22 10856:3 10863:1 10865:4 10867:2 10886:16

operator 10722:20 10846:24

operators 10846:10,18,22 10847:3

opine 10710:6

opinion 10660:21 10668:2 10672:25 10682:17 10710:26 10711:1 10760:13, 16 10764:4 10769:16,20 10883:20 10901:17

opportunities 10708:9,10 10804:6

opportunity 10659:7 10708:11 10712:3 10714:28 10726:14 10820:2 10850:11 10870:28 10875:2 10882:1 10883:4

oppose 10733:23 10734:1,4, 5 10735:17 10761:5 10762:3 10798:14

opposed 10652:15 10734:22 10735:10 10767:3 10798:16 10811:11 10815:18 10829:19 10880:5

opposes 10892:8

opposition 10735:21 10738:7,25 10760:17,18,20 10768:26 10777:5 10798:13, 27

optimal 10663:4 10707:5 10828:9,14

optimization 10799:7

opting 10695:21

options 10750:4 10762:6,10 10876:15

Oral 10681:1

order 10652:4,22 10654:10, 16,23 10656:26 10659:23,24 10661:16 10662:26 10668:5, 16 10669:25 10672:26 10675:17,21,25 10676:16,24 10678:21,23,28 10690:19 10691:2 10692:1,18 10693:18 10694:23 10695:21,26 10696:5,8 10697:22 10712:16 10721:23 10723:12,13 10725:7 10731:3,26 10733:7 10739:8 10741:25 10742:11

10745:25 10749:10,11 10753:24 10756:21 10757:23 10758:16 10763:22,23 10787:3 10811:21 10813:10,22 10820:13,19 10824:20 10827:7 10832:4 10841:23 10845:22,25 10846:1 10847:24 10854:11,13 10857:22 10858:2,3,4,14,19, 23 10859:19,20,22,28 10860:18,21 10861:25 10866:5,10,20 10868:1,8 10875:4,26 10878:7,8,9 10890:2,28 10891:10 10895:23 10903:18

order's 10852:2 10858:16, 21 10860:15,22 10862:20

Order-over 10893:20

orderly 10659:23,24 10739:6 10769:18 10866:18

orders 10653:1,20,26 10654:21 10655:23 10660:14 10661:21 10678:3, 10 10695:23,25 10714:18,22 10836:18 10841:20 10857:21,24,26 10858:11 10859:26 10869:18 10890:27

ordinary 10880:14

organic 10844:17 10854:25 10887:27 10888:1,12 10907:26 10908:2,3,7,8

organization 10679:4 10748:1 10845:5

organizations 10745:4 10778:14,16

organized 10857:10

original 10667:11,19 10745:7 10754:7

originally 10653:27

outcome 10684:15 10847:16 10862:18 10867:22 10868:2

outer 10695:24

outlets 10814:9

outliers 10703:5

outlined 10712:14

over-order 10741:15,20 10742:8,15,27 10753:12,20 10754:6,14 10755:11,13 10757:13 10759:6,8 10765:27 10770:1 10786:4,6 10787:7 10791:28 10792:11, 24 10799:2,11 10806:17,21, 24,26 10807:4 10810:11,13

10811:6,10 10824:24
10831:15,18 10833:2,17,24
10845:17,23 10859:10,11,
13,23 10860:19,24 10874:23
10875:1,5 10877:11
10894:5,11,16,20,27
10895:1,4 10904:9

overlap 10717:18,25

overlapping 10734:15

overpaying 10891:5

oversee 10729:7 10887:12

overseeing 10886:16

oversight 10798:5

oversimp- 10857:2

oversimpli- 10857:1

oversimplification 10857:3

oversimulization 10857:1

overstate 10882:22

overstated 10864:14

own-price 10680:15

owned 10684:2 10793:19
10852:24 10854:17
10864:21 10887:18

owners 10791:2 10854:18

ownership 10886:23

———————————

P

p.m. 10774:21,22,26
10838:10,20

Pacific 10778:10 10780:4,6,
7

package 10847:28 10888:13
10901:19

packaged 10823:23

pages 10817:22

pagination 10726:23

paid 10680:2 10691:22,25
10696:2,9,15,16 10711:18
10721:9,19 10722:26
10723:14 10733:8 10749:11,
17 10753:26 10754:5,14
10797:23 10811:10,15,22
10836:13 10858:21,25,27
10891:12,14

painfully 10662:28 10663:9

pains 10723:24

paints 10789:1 10800:3

pandemic 10815:16

10866:22

panel 10908:3

paragraph 10758:24
10769:1 10801:11 10842:24
10851:25

paragraphs 10842:17

paralleling 10853:27

Paramount 10866:17

Pardon 10684:25

parlor 10690:14

part 10653:20 10656:19
10660:20 10663:19
10664:10 10666:17 10667:3
10668:18 10675:17
10676:18 10678:1 10698:15
10701:1 10710:15 10711:20,
22,24 10716:14 10723:1
10725:13 10730:18 10732:3,
16 10740:9,25 10745:7,15
10755:13 10770:8 10773:10
10786:10 10792:10,11
10795:4 10805:6 10811:25
10812:17 10814:2 10825:16
10827:25 10831:1 10833:16
10835:1 10836:13 10850:25
10867:8 10871:15 10881:18
10885:8,13 10887:17,27

participant 10715:9 10725:6

participants 10676:21
10848:2

participate 10665:7
10814:11 10854:19
10875:26 10899:22

participated 10717:4,5,8,17
10852:17 10854:22 10858:8

parties 10694:25 10731:2
10824:19 10833:8 10897:22

partly 10661:6,7 10667:20
10845:7,8

partner 10729:20 10740:15
10769:26

partners 10730:23
10732:12,14 10738:2
10756:5 10810:2,24

partnership 10732:17
10737:24 10742:5 10806:1

partnerships 10737:24

parts 10655:1 10657:4
10671:7 10703:23

party 10763:25 10797:16
10825:24

pass 10754:28 10898:28

pass/fail 10755:2,6

passed 10726:22 10786:16

passing 10904:15

past 10655:25 10668:26
10676:20 10691:10
10733:23 10743:6 10770:26
10781:13 10842:5 10843:10
10845:28 10849:4 10860:9
10865:4 10873:22 10892:17

pasteurized 10823:20,21

pasteurizers 10808:4

patiently 10838:3

pattern 10789:11,16
10852:11 10859:21

patterns 10824:12

pay 10652:10,11 10691:28
10695:16 10707:27 10720:1,
4,15,21,22 10722:24
10737:26 10738:3 10741:23,
24,26 10742:22 10749:10,
19,20 10753:9,10,23,24
10754:3 10755:8 10769:19,
24 10782:15 10792:1,2
10806:16,17,21 10807:4
10810:11 10811:7,13,15,16
10813:14 10824:22,24
10825:1,10 10833:15
10842:7 10843:12 10845:15
10847:22 10860:23,24
10861:13 10862:4,5,9
10891:7,11,15 10895:3
10897:13 10900:22

paychecks 10856:2

paying 10691:27 10749:14
10753:12,16,19,20 10758:12
10761:5 10825:27 10833:4,
10,16 10894:7 10895:19
10897:15,17,18 10904:2,9,
17,21,22 10906:10,12

payment 10671:21
10767:26,27 10792:10,11
10845:22 10858:24
10860:13 10863:28 10864:1

payments 10845:22
10856:6,10 10858:15,20,25
10859:1,11 10860:4
10868:16

pays 10757:13 10758:10
10783:16

peek 10704:7

peer 10681:15

penalize 10897:24

penalized 10904:13,14

penalties 10904:8

Pennsylvania 10867:18

people 10654:5 10660:25
10679:25 10708:9 10709:22
10713:12,13 10729:16
10731:24 10732:20
10736:28 10737:23
10742:21,22,25 10743:23,25
10745:4 10753:20 10756:12
10769:26 10819:27
10853:19 10878:13
10879:13 10881:4,5
10883:13 10899:15 10907:5
10908:4,12

percentage 10746:14
10805:19 10807:9,16

perfect 10839:25 10891:23

perform 10747:15 10892:28

performed 10874:9

performing 10692:17

peril 10866:23

period 10664:11 10665:27
10667:16 10671:16 10681:3
10682:22 10733:26
10788:18,22 10789:13,14,15
10790:11,12 10815:9
10817:23 10835:11
10861:28 10862:11
10871:13 10883:3 10905:8

periods 10788:17 10851:6

perishability 10851:9
10857:6

perishable 10653:17
10695:5 10740:25 10762:23,
26 10819:4 10820:11,24
10850:28 10866:28

permanent 10799:4

person 10679:24 10716:21
10721:12 10778:12 10876:8
10883:20 10892:25

personal 10669:23 10678:25
10742:4

personally 10894:7
10898:22 10899:24

perspective 10707:19
10832:15 10834:10

persuasive 10884:12

pertained 10695:12

Ph.d. 10674:21 10675:1
10724:24

phenomenon 10683:1
10872:19

Philadelphia 10779:5
10803:21

Phoenix 10888:26 10890:14,
17 10896:11

phone 10898:22

physical 10659:28 10660:1
10710:19

PI 10754:25

pick 10713:28 10714:9
10886:2

picked 10664:28

pickup 10862:8

picture 10729:13,14,16
10730:7 10779:21 10789:2
10800:3 10814:20 10815:15
10856:21

piece 10662:8 10664:2
10716:25 10717:2 10741:27,
28 10742:1 10786:28
10904:24

pieces 10664:13 10667:4,23
10672:7 10890:28

pigs 10736:28

place 10652:22 10653:3
10656:20 10694:23 10695:2,
16 10701:11 10715:11
10727:7 10763:25,26
10782:25 10786:6 10787:8
10799:1,8 10800:8,12
10813:21 10819:25
10838:18 10842:22
10854:21

places 10658:10 10703:26

plain 10862:4

Plains 10764:10

planning 10785:9

plant 10656:18,28 10657:13,
14,18 10658:20,21,24
10659:8 10674:18 10685:4,
6,19,22 10686:26 10692:6
10694:15 10700:15
10707:13,18,21 10708:19,
20,27 10709:3 10712:17
10713:2,3,15,16,18,19,23,
24,26,27 10719:7,10,15,16,
18,26 10720:21,27,28
10721:18,19 10722:5,8,20,
22,23 10729:7 10730:7,10
10732:11 10736:5 10737:15
10738:13 10739:24 10741:7
10746:15,27,28 10747:20
10750:1 10752:16 10758:11
10769:9,11 10771:15
10778:7,8 10779:5,10
10783:5 10791:6 10794:3,7,

14,19,20,23,28 10795:1,3,
16,17,18,20 10796:8
10801:26 10802:28 10803:1,
16,22,23 10804:5,9,10
10805:16,18,24 10808:16,17
10821:9 10822:4,5,10,13,14
10844:4,6,8 10850:16
10854:6 10855:9,11,12,14,
19 10859:4 10864:26,28
10865:1 10895:16 10896:16
10900:22 10903:22

plant's 10685:24

plant-based 10780:3
10790:19 10802:1,8,9,10,13
10807:28 10905:22,23
10906:6 10907:11

plant-to-plant 10828:13

plants 10655:16 10657:5
10658:1,3,9,17 10660:1
10663:24 10671:18
10672:20 10685:9,10,12,27
10687:5 10694:5,6 10695:24
10700:14,18,22 10711:25
10712:23,27 10713:12,13,18
10717:3,5,7,12,16,19,26,27
10718:3 10719:24,25
10738:19,20,21 10740:6,26
10742:9 10750:3,6,9,11
10760:26 10778:26 10779:9
10780:18 10782:22 10787:4,
6 10791:28 10793:16,19,25,
26 10794:2,20 10795:8,10,
12 10796:12 10797:2
10798:24 10799:10,15
10801:10,14,15,22,25
10802:22,25 10803:4,19,25
10804:22 10805:9,12,16
10807:20,21 10808:1,6
10819:6,8 10820:22
10821:25 10822:1 10823:17
10825:9 10827:6,8 10828:8
10829:6,18,19 10846:11,12
10847:3,5 10850:17,21,23,
26,28 10852:12,22,23,26
10853:26 10854:17
10857:26 10858:1,12
10866:26 10889:25 10890:5
10896:12,15 10900:17
10906:21

plate 10754:26

play 10695:4 10730:17
10806:24

played 10846:2

players 10743:12 10782:26

playing 10906:16,20

pleasure 10706:4 10768:19
10837:28

plenty 10879:28

Plymouth 10750:17 10751:5

podium 10838:22

point 10661:24 10666:15
10672:17 10674:19
10682:20 10684:17
10690:17 10691:26
10692:22 10698:1 10704:27
10705:4,11 10709:7 10721:8
10731:20 10738:26 10749:9
10755:18 10757:11
10759:27 10800:14
10812:17 10843:25
10855:26 10857:13
10858:14 10865:12,23
10867:3 10870:10 10899:27
10906:24

pointed 10751:4

points 10670:2 10675:25
10685:13 10705:1,7
10849:12

policies 10846:4

policy 10663:6 10667:13
10831:20 10845:25 10846:5
10847:8

Polk 10750:18

pool 10671:7,20 10673:3
10680:4 10714:19,20
10720:24 10721:20
10722:10 10781:12 10787:6
10791:10,13,15 10792:8,10
10797:23 10798:19,21
10799:12 10800:14
10811:13,25 10834:6
10836:15,18,24 10858:18,
26,27 10860:14

pooled 10714:15,17
10721:11 10742:10,28
10858:10,13,19 10860:2,24
10861:23,25,26,27 10900:17

pooling 10653:10,21
10655:26 10712:18
10738:15 10858:25

pools 10655:24 10671:11
10714:3,6,8 10723:12

poolwide 10781:28

population 10658:4
10660:24 10699:13 10703:7,
10,11,25 10736:26,27

port 10709:20,24,26
10710:13

portfolio 10746:18

portion 10653:16,17,22
10654:22 10658:18
10663:21 10671:20,26
10714:7 10781:16 10813:5
10836:22,24 10852:15

10895:5

Portland 10794:5,23
10822:1,2,4,12,23 10828:3,
22 10844:6 10852:22

ports 10709:18,20,28

position 10672:11,14
10673:17 10728:17,19
10732:24 10733:20
10734:28 10735:1,15,16,17
10738:6 10739:18 10742:1,2
10777:27 10778:1 10791:3
10792:22,23 10809:28
10811:9,12 10813:12
10818:28 10834:17
10839:19 10841:13,16,22,28
10843:5,13 10847:15
10849:13 10867:15,21,22
10868:13 10876:21
10877:15 10880:26
10883:21 10885:28
10890:25 10892:11,23
10893:4,7,19 10900:14
10905:14

positions 10695:9 10778:4
10828:20 10846:5 10866:3
10883:14

positive 10722:4,8,9,19

positively 10808:9

possibilities 10661:20

possibility 10671:14,19

post-hearing 10880:28

potatoes 10863:10

potential 10655:5 10849:19
10862:25

potentially 10658:14
10663:22 10799:11

poundage 10749:22

pounds 10747:6 10748:24,
27 10766:17 10844:21
10854:11,12,13,14
10871:12,16 10872:25

powder 10819:25

powders 10799:8

power 10694:24 10695:10
10857:4,8,11 10875:4

powerful 10663:21

Powerpoint 10664:4
10680:12 10683:10,24
10726:12,16 10727:1,5
10749:5 10777:17,20,22
10787:19 10812:2,24
10814:4 10816:18 10818:5
10821:23 10827:24
10885:12

PPD 10860:2,27

practical 10743:19

practically 10852:13

practice 10859:2

practices 10692:11

Prairie 10751:9,26

pre-submitted 10726:23
10727:11

precise 10686:24 10700:5

precisely 10737:21
10805:15

predated 10653:4

predicate 10724:3

predict 10772:13

preemptively 10907:13

preface 10723:23 10897:1
10902:8

preference 10792:5
10811:19

preliminarily 10870:11

preliminary 10878:5

premised 10841:22
10843:13 10847:7

premium 10741:20 10742:8
10755:11,13 10758:24
10765:27 10769:21,22,24
10770:1 10792:11 10806:21,
24,26 10807:4 10810:11,13
10816:16,24 10817:3,12
10825:1 10831:18 10833:17
10859:23 10860:3 10894:5,
20 10895:1,4 10904:10

premiums 10691:22,25
10741:15,24,25 10742:15,23
10753:13,20 10754:6,14
10757:13 10769:19 10786:4,
6 10787:7 10792:1,24
10799:2,11 10806:18
10811:7,10 10824:22,24
10825:9,13,16,19,28
10831:15 10833:3,24
10859:11,13,14 10860:20,21
10874:23 10875:1,5,25
10877:11 10893:20
10894:12,16,27

preparation 10775:12

prepare 10848:22

prepared 10760:24 10841:4

prescribed 10662:14

presence 10863:19

present 10759:19 10800:26
10841:5 10843:21

presentation 10664:4
10680:12 10683:10,25
10726:13 10727:1,20
10827:24 10885:12 10886:8

presented 10665:3
10721:24 10772:5 10801:1
10872:6

presenting 10839:3
10847:15 10883:2

president 10728:19 10729:5
10743:15 10778:5 10886:15

pressing 10848:3

pressure 10829:15,17

pressures 10829:3
10868:15

presume 10727:21

pretty 10675:15 10736:4
10742:2 10746:18 10761:8
10764:21 10790:7 10792:16
10823:14 10826:5 10827:13,
15

previous 10712:25 10750:13
10854:10

previously 10651:18
10728:5 10760:26 10776:16
10839:26 10847:18
10884:18 10885:22

price 10659:10 10660:14,27
10666:11 10668:5,17,21
10669:18,26,28 10676:1
10680:27 10682:18
10683:12,16,18,22 10687:24
10688:2,28 10698:21
10704:17,20 10706:1,2,12,
13 10707:24 10708:1,7,25
10709:9 10711:3 10720:19,
21 10721:3,6,8,19,22
10735:6,18 10740:8,16
10741:25,26 10743:23
10754:3,10 10759:5
10760:2,7 10764:28
10766:10 10767:21
10769:28 10770:3,14,16,27
10772:14,18,20 10782:10
10788:2,23 10789:4,21
10790:14,16 10791:18,19
10814:27 10815:21,22,26,27
10816:5,7 10817:9 10822:23
10831:9,12 10833:27
10834:11 10835:24
10836:14 10842:4 10843:9,
18 10847:22 10858:17,22
10859:1 10860:3,22,23
10861:3,6,13 10862:9,17
10866:21 10867:11 10873:9
10892:7,11,12,13 10901:22,

25,27 10902:2 10905:26

priced 10817:3,12

prices 10660:16 10687:18
10710:8,17 10711:11
10718:6 10722:17 10723:26
10743:24 10753:27 10754:1,
16 10788:27 10789:2,16
10790:4,9,22 10792:23,24,
26 10797:11,19,20
10817:10,13 10829:12
10833:28 10834:23
10835:10,11,14,15,17,21,27
10841:21 10842:7 10843:7,
12 10845:15 10859:9
10860:24 10862:20
10867:26 10868:12
10873:20,25 10874:22
10891:19 10897:14 10901:1
10906:5,12

pricing 10652:26 10653:10,
21,23 10655:20 10659:25
10672:13 10712:17
10734:27,28 10735:1,2,3,4,9
10759:6,8 10762:17
10764:16,22 10771:27
10772:7,9,12,16 10814:9
10841:17,24,27 10845:17,23
10848:1 10849:16,20
10856:19,23 10857:16,17,27
10858:5,9,15 10859:3,10,26,
28 10860:11,17,19,24,26
10861:5 10862:4,22
10866:5,19 10867:4,6,8,14,
26 10868:4,6 10869:16,21,
25 10892:15,18 10893:7,8

primal 10710:11

primarily 10842:3 10843:8
10849:28

primary 10676:25 10784:16
10847:9 10866:17 10867:4

principle 10655:20 10811:21
10860:12

print 10870:28

printed 10818:1

prior 10697:21,25 10778:23
10792:15 10795:9 10847:14,
19

prioritization 10653:13

priority 10652:27

private 10779:25 10788:17
10789:9 10790:3,20,27
10791:3 10802:5,12,24
10813:25 10817:1,6,12,15
10896:16 10901:20,22

privately 10812:8,28

pro- 10887:22

proactive 10744:18 10898:7

problem 10662:12 10663:1
10687:4 10739:5 10741:5
10761:25,27 10773:10,11,12
10787:5 10862:9 10867:9
10889:21 10896:27,28

problematic 10735:8
10764:7 10772:11,21
10842:3 10843:8

problems 10653:7,11,18,19
10661:26,27 10662:1,10,12,
22,23 10663:6 10723:5,6,8
10821:14

Procedurally 10858:23

proceed 10840:5 10870:20

proceeding 10728:6
10839:27 10885:23
10908:27

proceedings 10745:18

process 10672:2 10682:6
10685:7,11,21 10694:8
10706:25 10708:21,28
10713:21 10731:16,21
10746:28 10755:24,26,28
10792:13 10807:21 10808:7
10858:25 10868:3 10898:4

processed 10708:22
10797:24

processing 10665:16
10684:20 10685:3,17,19
10703:8 10710:12 10778:3
10784:9,13,20,22 10785:4,
17 10846:11 10847:3
10854:26 10888:2 10889:24
10896:12

processor 10697:10
10764:3 10830:15 10844:14
10868:6

processors 10696:21,27
10790:5 10829:4,5,16
10830:17,18

procure 10708:14 10732:2

procurement 10720:23
10729:9 10766:10 10810:1
10859:11 10860:20
10893:27

procurements 10859:13

produce 10739:28 10762:26
10763:1 10771:4 10779:23
10785:1 10798:18,22
10801:15,23,28 10802:1,4,5,
6,7,12,13,14,19,22,25
10803:1,2,17 10804:15,24
10806:4 10816:4 10844:20
10888:23,26

produced 10658:8 10690:9 10695:5 10711:19 10757:17 10797:24,28 10803:5 10818:5 10819:12 10828:15 10871:12 10872:24

producer 10671:11 10712:26 10720:26 10721:2, 10,15,16,25 10755:19 10761:23 10797:19,23 10813:16,17,27 10829:7,18, 22 10834:2 10841:20,24,27 10842:1,7 10843:6,12 10844:14,15 10845:7,9,15, 21,23 10846:10,18 10847:2, 10 10849:16 10856:14,23 10857:11,15,27 10858:1,5, 15 10859:3,5,27 10860:3,10, 17,23 10861:3,7,14 10862:20,21 10866:19 10867:4,8,14,26 10868:3,6, 12 10869:16,21,25 10873:9, 20 10875:3 10888:9 10896:12 10902:12,18 10908:3

producer's 10721:4 10834:10 10860:1,26

producers 10655:7,12,15,28 10671:22 10674:9 10695:16 10696:1,9,14,16 10718:19 10733:8 10745:27 10749:11, 17 10753:13 10754:20 10755:9 10756:4,13 10757:4 10758:12 10761:23 10811:22 10831:8,11 10844:16,17 10847:9,11 10848:6,7,10,12 10849:21 10852:5,8 10854:2,4,25 10856:1 10857:17,26 10858:13,18,20,21 10859:1, 8 10860:14,25 10861:13,16, 23,25,26,27 10862:3,24,25 10865:15 10869:1,5,12,14 10874:23 10875:14

producers' 10697:13 10859:16 10868:27 10876:20

produces 10888:7

producing 10783:7 10784:25,27 10807:27 10808:3,24 10862:13

product 10652:10 10653:25 10657:7 10681:16 10683:14, 20,21 10684:19 10685:3,16, 19 10691:7 10695:5 10696:10,15 10700:15 10708:10 10709:1,23,26 10710:19 10732:16,19 10735:8 10771:5 10772:14 10783:8 10784:23,26 10785:2 10802:15 10811:23 10814:1 10817:6,16 10820:5

10823:26 10833:27 10847:22 10850:28 10852:16 10866:11,16,28 10887:19,24 10895:22 10896:13

production 10660:26 10677:27 10692:7 10695:8 10700:13 10703:11 10720:10 10778:26 10784:24 10785:9 10797:15 10800:15 10804:19 10805:28 10806:6 10807:27 10808:25 10809:6 10821:6 10845:13 10851:7,11 10852:8 10859:12 10860:2 10865:5 10871:4,10,18,27 10874:13

productive 10884:13 10907:5

productively 10884:5

products 10654:4 10658:7 10661:21 10681:17 10683:23 10685:7,11,13,17, 20 10687:5 10689:14 10696:3,17 10697:20 10703:25 10709:14,18,23 10730:2,21,22 10732:21 10738:9,10,19 10739:1,2 10746:19,22 10762:23,26 10763:4,6 10771:3,4,5,8 10772:7,10 10779:20,23,26, 28 10781:23,25 10784:25 10785:7 10789:9 10790:16, 17 10791:17,26 10798:19,22 10802:5,12,13,23,28 10804:15,16,19,25 10807:21,27,28 10808:3,7, 11 10809:3,6 10816:13,14, 19,24 10817:4,7,9 10819:4, 5,10,11,22,23,28 10820:11, 25,28 10823:17,20 10824:1 10835:24 10850:4 10854:16 10876:10 10888:6,17 10890:6 10905:22

professional 10690:7 10728:25

profitability 10658:10 10902:4

program 10654:7 10661:16 10667:13 10712:14 10763:22,24 10845:17,21,22 10847:19,25 10857:22 10858:4 10859:23,24 10860:4 10863:24,25,27,28 10864:1 10866:20 10867:7 10875:27 10876:2,6 10879:23 10880:13

Program's 10866:10

programs 10652:19,22 10653:28 10661:19 10677:2

10678:26 10679:5 10849:9 10858:9,15,23 10866:9 10867:7,11 10876:12

progressed 10848:18

projects 10684:20

promote 10845:20 10851:4 10901:26

Promotion 10842:10 10844:12

prompted 10850:9 10882:16

pronunciation 10853:8

proof 10730:8

properties 10738:28

proponent 10735:2

proponents 10882:1

proposal 10664:12,13 10666:2 10669:26 10671:3, 24 10673:14,24 10675:17 10705:28 10725:4 10732:28 10734:22 10735:15,16,17, 18,20 10737:19 10738:5,6,7, 25 10739:19,20,21 10742:18,21 10749:27 10753:28 10754:4,9 10760:11,17,20 10766:2 10767:18,20 10768:3,5,6 10770:13 10777:5 10781:5, 6,7,9,10 10787:25 10791:10 10792:16,21,22,27 10793:8, 9,21 10794:3,10,11,17 10796:7,10 10798:10,13,15, 16,28 10799:5,13,18 10819:26 10822:24 10826:8 10828:5 10831:6,11,17,20 10832:27 10833:6 10841:14 10847:21 10848:18 10874:20 10877:16 10893:5, 17,19 10895:28 10896:20 10898:24 10900:12,14 10901:9 10902:8 10903:5

proposals 10672:9 10732:24,25 10733:6,20 10734:1,5,16,26 10735:10 10743:1 10768:26,27 10793:10 10826:7 10832:19 10841:14 10847:28 10848:1 10876:18 10890:24,25,26 10891:1 10892:8 10898:21 10899:6

proposed 10658:12 10750:18,24,26 10751:18,19 10752:2 10754:5 10767:26 10768:5 10772:24 10793:17 10794:11,26 10795:27 10796:12,22,25 10797:8 10826:14,21,24 10828:6,9 10874:20 10891:5

proposes 10900:1

proposing 10671:10 10673:7,10

proprietary 10676:8 10684:2 10753:14 10784:2 10805:14 10846:12 10847:4 10852:25 10853:3,5,25

Protection 10876:1

protections 10694:28

protein 10733:13,14 10888:19,20

proud 10732:18,21

prove 10765:14

proved 10857:18

provide 10652:9 10656:20 10669:25 10670:22 10672:4 10693:18 10721:3 10830:26 10841:13 10845:12 10852:15 10857:27 10858:5, 28 10866:2 10869:6 10886:12 10904:11,12

provided 10698:15 10722:27 10725:18 10769:23 10845:7 10849:28 10852:7 10856:2,6 10860:6, 14 10872:22

providers 10655:13,14

providing 10670:10 10888:10

provisions 10655:26 10662:25 10712:18 10847:26 10868:1

proximity 10708:15

proxy 10707:7

prudent 10740:13

public 10652:24,28 10653:14 10654:2

public's 10845:10

publications 10677:1 10678:12 10878:6,23

publish 10759:5

published 10668:28 10698:8,12 10878:8

pull 10658:23 10700:26 10795:23 10873:18 10897:27

pulled 10672:13 10719:2 10798:2

pulling 10898:2

purchase 10757:9,16

10780:12,14 10781:24
10846:12 10847:5 10887:19,
22 10894:1,2

purchasers 10830:23

purchases 10785:24
10789:4

purchasing 10783:4
10787:12

pure 10688:21

purpose 10704:2 10742:16
10787:24 10844:23 10845:8
10882:25

purposes 10673:13
10676:23 10684:11 10687:1
10688:23 10876:23 10885:7

put 10652:22 10664:1
10677:28 10694:6,23
10695:2,15,27 10714:3
10715:16,22,23,28 10716:1,
26 10752:19 10754:11
10773:2 10786:25 10788:8
10789:4 10794:17 10814:5
10818:2 10821:28 10822:1
10824:13 10826:16 10829:1,
3,15 10882:24 10895:6,22
10897:25 10904:3

puts 10707:4 10794:19,28

putting 10698:16 10701:2
10849:22 10889:3

Q

Q&a 10885:13

qualify 10845:3

quality 10692:11,12 10693:9
10740:14,17 10741:24
10754:19,22 10770:8
10813:11 10819:23 10851:4
10859:12 10860:21

quantify 10809:11

quantities 10679:11
10736:24

quantity 10810:7

quarter 10758:9 10876:3,4

quarts 10802:23 10888:15

queried 10739:26

question 10661:8 10666:14
10688:10 10691:12
10693:22 10697:3 10698:22
10699:1 10705:25 10712:22
10714:6 10715:27 10717:1
10718:5 10722:28 10723:1
10748:4 10754:2,7 10755:15
10757:6 10759:16 10764:18

10766:15,27 10767:1,6
10782:3 10807:23 10810:3
10811:4 10815:6,20
10816:10 10818:26 10820:8
10821:22 10825:13
10827:13 10829:10 10834:9
10838:25 10872:11 10877:1,
14,28 10894:9 10897:21

questions 10651:28
10661:25 10664:17
10665:28 10668:1,9,10
10678:9 10699:16 10701:16,
21,24 10702:7 10714:27
10718:21,22,27 10723:22
10724:4,7,17,18 10725:24
10726:7 10756:26 10757:8
10758:19 10763:20
10764:20 10765:19,20
10768:12,15 10773:19
10791:11 10801:13
10807:12 10818:12
10822:28 10823:3,15
10827:2 10830:8 10832:2
10836:10 10877:3,12,22
10878:1 10902:9 10906:8
10907:13

quick 10714:25 10718:8
10732:27 10763:20
10834:27

quick-serve 10889:14

quickly 10676:14,19,21
10689:23 10903:9

R

radical 10847:19

rail 10851:16 10856:9

railroad 10851:14

railroads 10851:19

raised 10820:20 10850:6

rambling 10894:8

ramp 10790:9

Ramsey 10750:11

ran 10688:12

random 10736:28

range 10661:20 10705:23
10741:2 10746:3,6,10
10748:22 10810:25 10811:1
10823:25 10826:17,22

rant 10898:11

Rapids 10719:23 10721:1

rate 10707:15 10741:4
10804:27 10901:15

rational 10796:21,24
10866:19

rationalize 10862:5,12

raw 10679:12,14 10695:6
10708:19,20 10741:10
10760:6 10770:17 10784:18
10799:7 10811:17 10845:12
10846:12 10847:5 10850:26,
28 10851:7 10852:1,11,14,
15 10857:6 10866:27
10887:19,22,24 10893:28

re-admonished 10840:25

re-ask 10764:18 10765:12

reach 10682:26 10898:20

reaches 10906:25

reaching 10899:3

reaction 10790:14

reactive 10814:26

read 10653:28 10661:17
10680:23 10693:17
10738:26 10841:7 10842:17,
28 10846:14,21,28 10853:1,
22 10865:19 10875:20
10902:1

readily 10673:2 10684:10

reading 10653:18 10661:18
10680:7 10694:19 10710:22
10903:5

reads 10757:12 10866:1

ready 10651:14 10715:5
10774:16 10776:9

ready-to-drink 10888:21

real 10703:24 10732:20
10743:22 10763:20 10767:8
10786:26 10834:26

realities 10743:4,7

reality 10657:28 10800:17
10833:14

realize 10682:27

realized 10849:22

realtime 10793:3

reaps 10816:1,3

reason 10657:5 10676:18
10682:11 10683:27 10716:8
10745:17 10770:25 10781:7
10815:11 10872:7 10882:26

reasonable 10660:5
10872:26 10882:17

reasoning 10799:14

reasons 10658:22 10705:1
10737:21 10743:10
10785:16

reblend 10721:14 10791:3
10829:21

reboot 10667:10

recall 10665:20 10670:20,24
10671:28 10675:3 10678:25
10679:2 10692:21 10697:27
10698:8,18 10705:3
10832:12 10864:19
10899:12

receipt 10880:14

receipts 10806:9

receive 10694:7 10721:7,13,
17,20 10747:10,18 10805:9
10806:5,28 10807:15,16,20
10809:20 10831:9,12,14,18
10836:14,17 10851:1
10856:16 10858:18
10880:14 10891:4

received 10721:18 10724:24
10773:27 10774:6,13
10782:15 10836:24 10837:6,
13,21 10856:10,12,15,16
10860:14 10870:25 10879:6,
17

receiving 10707:25 10711:9
10721:2 10733:3 10782:19,
25 10783:3,12,23 10784:5,
17 10805:27 10806:2,23,28
10807:2,17 10825:6
10850:23 10864:28
10895:10

recent 10681:26 10682:23
10683:1,6,7 10684:1
10845:21 10860:28 10861:5
10864:9

recently 10682:6 10818:6
10892:25

recognize 10655:22
10663:19 10704:26
10845:24 10867:6 10869:9

recognized 10671:15
10850:5

recognizes 10848:3

recognizing 10662:21
10687:12 10725:23 10848:8

reconfigure 10708:4

record 10651:2,3 10673:27
10698:16 10701:2,9,12,13
10705:13 10715:4,7,8,10,12,
13 10726:5,6 10727:4,6,8
10746:23 10759:9,12
10766:24 10771:22
10775:16 10776:2,3

10810:20 10826:17 10838:9,
10,12,14,15,17,19,20
10840:10,12 10841:9
10866:12 10868:8 10870:16,
18,19 10871:18 10879:16
10881:10,19 10882:6
10908:25

record's 10673:13 10855:13
10877:14

records 10690:22 10692:18
10746:25 10879:24

recover 10891:20

RECROSS-EXAMINATION
10832:6

recruit 10899:15

red 10679:5 10702:26
10703:18,23 10704:10
10821:7

redder 10704:5,10

redirect 10723:19 10806:8
10830:9 10836:11,21
10877:25

reds 10702:23 10704:5

reduce 10845:26 10867:25
10873:20 10897:25
10902:27

reduced 10721:23

reduces 10902:3

reducing 10791:10
10873:24

reduction 10687:26
10841:20,26 10842:1
10843:6 10849:19 10861:2,
6,7,13 10862:19,21
10867:13 10869:24 10873:8

reexamination 10831:21

reexamine 10696:4

refer 10688:27 10758:20

reference 10656:3

referenced 10677:21
10789:10 10865:21
10873:23

referred 10726:9 10730:28
10878:6

referring 10669:3

refers 10878:9

refined 10851:21

reflect 10726:5 10759:12
10787:22 10811:28
10859:28 10874:11
10882:17

reflected 10659:22 10688:19

reflecting 10703:6

reflects 10683:7 10868:14

reform 10652:4 10656:26
10668:5,16 10676:24
10678:21,24,28 10692:19
10697:22,25

reformulate 10900:26,28

refresh 10779:19

refrigerated 10851:16

refrigeration 10691:3
10823:28

regard 10695:17 10811:22
10868:24,27

region 10657:9 10658:19
10673:2 10719:28 10764:23
10796:16 10799:14 10842:2
10843:7 10871:10

region's 10843:25,26
10849:20 10850:10
10863:20 10864:7 10865:24
10867:2

regional 10848:26,27
10852:6,10,19 10854:10,15,
20 10859:26 10866:23

regionally 10711:22

regions 10657:4,23 10659:3
10660:26 10671:18
10672:19,20 10712:5,6
10798:8 10869:3,11

Register 10698:7,9,12

regular 10809:5,6 10825:6

regularized 10851:28

regularly 10771:11
10845:16

regulate 10827:6

regulated 10711:2,3
10720:5 10738:13,21
10739:7 10764:2,3,6
10770:14,15 10792:23
10797:22 10827:9 10841:17,
24 10842:1,4 10843:6,9,17
10845:23 10848:13
10849:15,20 10856:22
10858:9,15,17,21 10859:5,7,
23,27 10860:1,10,13,17,22,
26 10861:2,4 10862:20
10866:19 10867:26
10868:11 10869:21,24

regulation 10652:23
10660:11 10686:9 10695:21
10841:23 10849:9 10857:25
10859:18,19

regulations 10678:10
10764:8

regulatory 10797:14,15,25
10800:16,17 10827:4
10841:26 10845:25
10849:11 10856:18 10859:2,
21 10860:8,12 10873:9
10906:12,15

reiterate 10798:28

reject 10793:8 10881:17
10883:24

rejected 10881:18 10882:4

rejection 10881:25

relate 10849:11 10866:3

related 10665:13 10666:11
10669:18,25 10670:9,25
10671:24 10673:19 10676:1
10682:3 10686:11 10697:16
10848:1

relating 10823:15

relations 10778:11

relationship 10659:22
10660:2 10686:16 10756:4,
15 10783:26 10786:19
10792:7 10806:7 10828:13

relationship-by-relationship
10784:4

relationships 10659:24,28
10686:23 10742:6 10756:3,
8,14,20 10761:1,3 10826:3
10832:11,16,21,25

relative 10659:5,12
10669:28 10703:10 10761:3

reliance 10848:11 10868:16,
19 10869:7,15

relied 10881:20

relieve 10868:15

rely 10868:18

relying 10813:25

remain 10651:13 10776:13,
14 10860:11

remaining 10740:3

remains 10860:15

remarkably 10789:14

remember 10664:9 10701:7
10729:4 10847:17 10905:18

remind 10674:20 10777:27

remove 10904:18

removed 10687:17 10833:22

10834:3 10846:26

removing 10790:3

renegotiate 10786:2

renegotiated 10825:18

reorient 10778:28

repair 10864:18

repaired 10898:9

repeat 10697:18 10700:24
10782:3 10796:23 10840:18

repeatedly 10681:14

replace 10847:21

report 10674:4 10680:4
10688:7,8 10689:4 10700:12
10725:2 10878:10

reported 10687:22 10688:3
10698:28 10699:12 10716:5

reporter 10658:28 10778:20
10827:19 10903:15

reporting 10689:1 10695:27

reports 10682:2 10878:11

represent 10667:5 10718:19
10757:4 10766:8 10769:21
10845:9 10870:23 10875:14

representation 10714:12

representative 10848:9
10868:27 10869:10

representatives 10882:22

represented 10845:4

representing 10697:2
10778:14,17 10839:2
10841:12

represents 10656:16
10696:23 10697:9 10871:27

reputable 10680:23,26

request 10653:8 10878:5

requested 10726:12
10733:14 10792:27 10883:4
10891:15

requesting 10892:15

require 10700:25 10840:16

required 10708:21
10720:11,21 10722:26
10753:23 10845:8 10859:3
10883:1

requirement 10813:22

requirements 10657:22
10691:3 10714:22 10740:11
10754:23 10866:14

seed 10864:17

segment 10808:14,15 10863:6

Select 10718:19 10757:4 10875:14

selected 10751:1

selecting 10749:26 10750:2, 10

selfishly 10761:5

sell 10730:22 10733:17 10736:24 10753:5 10780:3 10784:28 10822:9,10 10830:14,16 10888:20,21 10889:4,11,12,15 10901:25

sellers 10857:5

selling 10679:12 10754:8,16 10803:23 10850:4 10893:10

sells 10822:9

send 10707:20 10764:21,22 10908:12

sends 10764:16

senior 10886:15

sense 10652:23 10654:4 10657:12 10661:4 10706:26 10708:2 10724:5 10780:11 10812:16 10846:27 10881:3 10882:26

sensitive 10817:9

sentence 10681:9 10697:6 10723:7,9 10796:23 10812:20 10846:15 10853:23 10855:6 10868:25

sentiment 10710:23

separate 10654:20,21 10699:23 10755:12 10783:8, 9 10798:8 10804:23,24 10806:26 10808:3,4

separately 10796:3 10812:18

separation 10654:14

September 10808:24 10885:9

sequence 10839:6

series 10841:17 10857:24 10859:26

serve 10654:17 10713:17 10729:28 10731:25 10769:22 10778:12 10787:1 10791:1,3 10842:9,10 10844:10,11 10857:26 10860:15 10869:16 10883:9

served 10769:10 10778:4 10850:21

service 10701:21,23 10726:7 10738:4 10757:13 10765:20 10768:13,15 10769:2,22 10787:4 10798:6 10810:5 10823:1,2 10830:25 10856:4 10871:2 10877:1,3 10889:9 10892:14

services 10876:10

servicing 10670:10 10742:9

serving 10674:10

session 10651:1 10665:6 10776:1

set 10660:22 10668:5,16 10696:5 10697:22 10703:5 10712:9 10714:4 10724:15, 17 10755:2 10768:8 10770:1 10775:9 10797:4 10799:26 10804:23 10824:16 10857:24

sets 10741:19 10808:3

setting 10659:17

severe 10790:15

shackled 10661:12,13

shackles 10661:10,11,23

shadow 10656:9,13 10687:18,24 10688:2,28 10704:16,20 10706:1,2,12, 13 10707:24 10708:1,7,25 10709:9 10710:7,8,17 10720:19,21 10722:17 10723:26

shake 10658:13 10889:15

Shamrock 10884:17 10885:8 10886:13,16,19,21, 26,28 10887:17 10888:7,8 10891:8 10892:8,26 10893:27 10896:16 10900:1 10901:18 10904:1,25 10905:23

Shamrock's 10890:25 10903:11

share 10717:3,6 10757:20 10848:10,12 10869:14 10896:2

shared 10655:6 10666:19

sharing 10746:2,4,27 10754:22

shed 10689:22 10795:24 10843:16,20 10851:22 10862:27 10863:21 10865:8, 9,13

shed's 10862:28

sheds 10851:17,26

sheep 10850:2

shelf 10785:22 10819:14 10823:25 10888:18 10890:1, 5,7

shift 10660:26 10741:9

shifted 10694:3

ship 10731:14 10737:1 10783:4,13 10794:23 10795:16 10805:3,9,11,12 10808:24 10850:6 10851:12 10856:11

shipment 10783:2,24

shipments 10710:12

shipped 10709:19 10780:18 10851:2 10855:9,11,19 10856:9

shipper 10721:16

shippers 10732:12 10737:25 10780:13 10855:11 10857:12,13

shipping 10709:25 10731:24 10737:19 10742:13,22,26 10780:16 10785:2 10786:17 10795:2 10850:12 10855:18

shooting 10774:22

shop 10743:23 10892:20

short 10699:8 10715:16 10796:20 10823:14

short-term 10787:10 10814:27

shortage 10787:10

shortages 10785:23,27

shortcomings 10686:21

shorter 10869:25

shorter- 10869:22

shortly 10669:7

show 10667:6 10677:7 10750:11

showed 10738:9

showing 10705:4 10730:6

shows 10735:24 10788:26 10815:26 10821:7 10871:11

shut 10855:10

sic 10668:5 10701:14 10863:23

side 10708:25 10717:15 10729:27 10785:21 10810:1 10859:20,21 10887:11 10888:2 10897:1 10906:15

sides 10671:16 10825:10

sign 10737:3

signals 10799:2

signatories 10879:18,19 10880:10

signatory 10872:5

signature 10880:10

signatures 10879:14 10881:3,25

signed 10867:16 10881:3,4

significance 10863:14

significant 10724:13,14 10736:5,24 10752:23 10753:2 10767:12 10772:12 10790:15 10809:18 10810:28 10821:10 10847:18 10882:20 10895:23

significantly 10706:13,16 10793:17 10849:6 10858:16 10859:27 10863:18

silos 10741:10 10784:18

silver 10741:4

similar 10706:15 10718:26 10779:27 10795:16 10819:2, 7,18,20 10829:23 10858:5 10900:16 10906:12

similarly 10850:18 10852:24 10853:1,2,24

simplistically 10789:4

simply 10663:22 10671:8,19 10676:10 10695:25 10716:5 10861:3 10868:9

simultaneously 10656:23

single 10703:21 10783:25

sir 10734:21 10744:3 10764:12 10766:7 10893:3 10898:19 10899:18 10900:6

sisters 10729:17

sit 10662:19 10682:15 10683:3 10897:2,4 10898:5, 6,18 10902:23 10904:4

sits 10906:25

sitting 10673:23

situation 10695:11 10795:16,24 10828:10

10829:5,24

situations 10760:4

size 10789:8,17,18 10815:18 10816:27 10864:6,12 10865:11 10905:21

sizes 10717:20 10790:19,24 10888:28

skim 10749:20 10771:17 10799:6 10819:25 10890:28 10891:10,11,12 10892:7

skip 10842:21

skipped 10842:16 10900:9

slate 10662:2 10663:2

Sleper 10763:17,18 10765:11,15,17

slide 10729:10,11,23 10730:5 10732:22 10733:19 10734:7 10735:14,23 10738:5,9,27 10739:10,17 10740:22 10749:8 10779:18 10780:19 10781:3 10787:16 10789:7,8 10790:7 10792:19 10793:24,26 10795:7,9,19 10797:6,7 10798:12 10799:23 10886:27 10888:3, 16,24 10889:23 10890:23 10892:5 10896:6,8,9 10899:25 10900:7,8,13 10902:7 10903:8,25 10904:23 10906:23

slides 10757:11 10760:23 10888:6 10889:25

slightly 10685:28 10785:13

slope 10755:23

slow 10778:19 10861:18,21 10880:11

slower 10808:27

slowly 10840:23

small 10658:18 10679:10 10690:27 10702:14,17,19 10703:1 10704:27 10730:14 10731:6 10738:17 10805:19 10827:13,15 10844:22 10845:4 10850:17 10864:19 10869:1 10875:20 10896:12

small-scale 10848:8 10850:22 10865:17 10869:9

small-versus-large 10703:4

smaller 10688:28 10714:8 10789:24 10790:19,24 10803:26 10854:25 10860:6 10865:6 10869:5

smart 10760:9

Smith 10774:21,23 10838:23 10839:2 10840:5,6,8,21,22 10841:1,3 10848:21 10870:1,10 10877:21,26,27 10878:4,16,19,26 10879:21, 25 10880:16 10881:22,24 10882:2,4,8 10883:8,25 10892:2

snap 10732:9

so-called 10847:7

social 10863:21

softer 10891:24

sold 10779:6 10797:24 10814:22 10850:14

solely 10848:6

solids 10733:12,15 10799:6 10891:4,9

solution 10663:19 10686:8 10687:7 10743:7 10828:14 10867:8 10873:17 10907:3

solutions 10673:5

solve 10785:24 10787:11 10896:28

solved 10707:9 10709:6,7

solves 10687:4

somatic 10691:22 10692:4 10754:25

sort 10652:22,24,26 10653:13 10654:17 10656:17 10657:22 10659:22,23 10660:4 10741:8 10868:5 10872:19 10880:27

sorts 10882:9

sought 10880:6

sound 10726:9 10741:22 10838:27 10872:26

sounding 10665:27

sounds 10756:2 10872:27

sour 10730:3 10738:11 10803:2,4

source 10678:4 10680:23,26 10682:18 10692:22 10805:2 10860:5

sources 10677:1,3,5,17,20

sourcing 10904:25

south 10713:24,26,27 10736:2 10794:14,24 10872:10

Southeast 10711:25

Southern 10851:10 10858:11

Southwest 10869:11

space 10905:17

spans 10742:12

spatial 10686:11,16 10687:9 10793:18

speak 10657:26 10682:14 10717:14 10740:20 10765:4 10839:17 10840:23 10879:12 10880:24

speaker 10891:25

speaking 10886:2

speaks 10882:27

specialized 10738:16,18 10850:8

specialty 10731:7 10816:13 10888:14

specific 10672:7 10691:12 10698:26 10699:7 10709:22 10738:19 10746:4 10756:22 10784:25 10788:7 10825:12 10828:7 10830:22 10836:17 10869:20 10871:9

specifically 10673:20 10675:3 10704:14 10717:28 10754:24 10772:23 10786:20 10797:21 10810:2 10825:3

specifics 10783:28 10807:19

speculate 10819:9

speed 10853:16

spell 10776:11 10803:10 10839:13 10855:14 10885:20

spelled 10780:25

spelling 10728:2

spellings 10780:21

spend 10708:20

spent 10718:12

spike 10785:28 10788:23 10790:9 10815:13

spoiled 10716:18

spoke 10759:14 10827:20 10839:16

sponsoring 10881:2

spot 10785:24 10787:12

spouse 10662:6 10663:16

spread 10705:6 10830:26

spreadsheet 10705:17 10871:9

spring 10904:27

squash 10850:6

St 10719:6 10720:27 10721:18

stability 10857:28 10858:6 10865:8,24 10892:11,12,13, 21 10905:26

stage 10883:24 10902:24

stagnant 10798:26

stair-stepping 10737:20

stall 10799:5

stance 10768:27 10873:13, 26

stand 10651:9 10726:20 10727:9 10776:6 10838:11 10884:17 10895:8

standalone 10820:22

standard 10690:4 10691:11 10692:1 10733:4 10754:26 10755:3 10781:22 10782:7 10812:16,23 10813:6,11,23 10901:15

standardized 10813:13

standards 10690:15,20 10691:8 10692:9 10740:14, 17 10754:19,20 10755:9 10900:27

standing 10856:8

starkly 10866:22

start 10662:1 10709:17 10726:14 10727:22 10736:15 10741:3 10768:25 10775:8 10786:12 10788:22 10790:9 10815:13 10823:15 10838:3 10842:27 10846:16 10849:2,28 10851:10,25 10852:19 10853:21,22 10855:1,6 10860:25 10868:24 10888:3 10890:23

started 10663:1 10664:2,24 10729:13,15 10731:18 10753:2 10755:26,28 10855:17 10886:14,21,23,26 10889:27 10898:22 10901:18

starting 10651:5

starts 10702:26

state 10695:6 10699:12 10703:20,21,24 10735:25 10739:26 10740:1 10758:24 10759:3 10764:27 10776:11 10795:1 10797:21 10827:3, 17,25 10839:13,23 10840:11 10845:23,26 10846:5 10849:8 10857:19,21 10858:10 10859:20,22 10863:9,24 10864:21 10871:4,10,14,19,28 10886:17 10888:10 10889:5

state's 10845:21 10863:4,6

stated 10697:18 10723:4 10760:26 10782:14 10802:7 10840:9 10841:11 10869:23 10898:28

statement 10702:16 10723:1 10724:8 10757:25 10758:1 10769:3 10770:23 10826:6 10827:1 10841:4,7 10842:18 10843:26 10844:26 10848:15,22 10870:5 10878:6 10880:25 10882:25

states 10670:3 10703:16 10863:2 10864:23 10866:8 10886:25 10887:2,4,7

statewide 10863:13

static 10660:22

stating 10728:1

Statistical 10878:10

statistician 10901:28

Statistics 10878:7

status 10691:15 10693:3,6,7

stays 10798:1

steadily 10800:15

steady 10856:2 10866:24

steep 10861:12

stems 10841:28 10843:5

step 10726:1

Stephenson 10651:12,17 10663:12,28 10701:15,19,24 10718:13,24 10723:23 10725:23,25,27 10742:3 10821:5 10823:12

sterile 10823:24

Steve 10765:24 10870:23

stole 10877:13

stop 10842:13

stops 10702:26 10824:8

storage 10784:23 10785:5

store 10694:6 10762:26 10767:8 10783:9 10784:26 10808:22 10819:16,17 10889:17,18

stored 10823:22

stores 10767:2 10788:12 10814:10,13 10889:19

stories 10856:27

straight 10845:1

straightforward 10687:23

strategies 10868:18 10869:6,13

streaming 10883:5

streamline 10895:11

street 10737:11 10754:1

stretch 10870:15

strikes 10773:8 10856:28

strive 10807:24

strong 10737:24

stronger 10790:28 10834:17

strongly 10663:23

structure 10797:26 10800:8 10903:4

structured 10897:11

struggle 10743:27

struggling 10743:4

stuck 10703:16

students 10842:12 10844:13

studied 10675:12 10680:21

studies 10668:27 10669:24 10670:9,13 10675:21 10679:21 10680:7 10681:5, 12,22,26 10682:3,5,21 10705:12 10715:19,28 10716:26 10717:17 10743:22 10744:16 10874:10

study 10665:16 10668:20 10669:13,16 10680:22,25 10689:4,17 10692:22 10696:7,14 10697:15 10715:1,22,24 10716:1 10717:4 10718:4

stuff 10730:22 10803:14 10825:21

style 10864:7

subject 10684:20 10858:19

subjective 10686:14,20 10699:24

submitted 10725:4 10727:10,11 10847:18 10848:2 10881:11 10885:8,9

subsistence 10849:28

substance 10674:4

substantial 10658:26 10865:3 10897:15 10906:18

substitutes 10790:25 10819:27

subtract 10733:5

Subway 10889:14 10892:20

succeeded 10654:11

success 10732:15

successful 10695:2,3

sudden 10651:28

sufficient 10810:7 10856:6 10862:6 10875:4

sufficiently 10810:10

Suffield 10803:16

suggest 10673:24 10680:15 10684:13 10692:28 10693:9, 18,28 10694:19 10696:1 10720:15 10838:2

suggested 10673:15 10724:19

suggesting 10662:27 10672:18 10683:13,21 10868:7 10873:21

suggestion 10880:19,21

suggestions 10876:17

suggestive 10721:6

suggests 10834:16

sum 10865:12

summaries 10678:17

summarize 10795:9

summarized 10670:5 10824:17

summary 10677:28 10724:8 10841:16 10847:15

summer 10664:10,18,20 10724:20,21 10784:15,28

Sunday 10694:6

sunk 10690:11 10813:18

super 10740:11

supervision 10797:12

supplemental 10860:5

supplements 10845:22

supplied 10845:12 10852:16 10857:13 10858:11

supplier 10758:17,20 10782:24 10783:25,26,27,28 10786:5,8,20 10811:13,16, 17 10813:1,27 10825:2,8 10833:18

supplier-by-supplier 10784:4

supplier-to-processor 10786:19

suppliers 10731:14 10732:6 10740:28 10756:16 10769:20 10782:16 10783:17,21 10784:7 10786:7,14,16,17 10792:3,7 10793:3,4 10805:7,14 10806:21,22 10810:14 10811:21 10824:23 10826:3 10830:13,21 10831:14,17 10836:14,17,22,23

supplies 10693:22 10712:15 10757:21 10758:17 10830:23 10866:27

supply 10653:24 10654:26 10655:7 10659:5 10697:16, 19 10699:10,16 10710:28 10711:25 10731:12,20,22 10732:1,7,10,23,27 10737:14,22 10738:1 10740:26 10748:9,10,16 10755:19,21 10757:12 10758:16 10761:18,19,24 10763:1,6 10764:26 10769:5,11,25,26 10770:7, 21 10780:10,15 10782:13 10784:19 10785:8,20,25 10799:2 10800:7 10806:11 10808:21 10809:1 10810:7, 10,24 10811:8 10821:14 10843:25 10847:25 10849:21 10850:27 10851:24,27 10852:3,10,12 10865:24 10866:14,23 10867:3 10895:12

supplying 10678:14 10714:21 10721:10 10757:17 10852:1 10858:21

support 10666:2 10675:17 10676:16 10693:13 10739:20,22 10742:24 10763:22 10764:5 10767:18 10781:6,7 10792:20 10860:3 10864:11 10865:9,13 10880:26 10883:21

supported 10868:8
10869:23 10898:27

supporting 10793:13

suppose 10716:10 10871:23

supposed 10714:23
10739:24

surcharges 10786:15
10792:25

surely 10869:12

surface 10659:10 10660:27
10760:12

surfaces 10660:15

surplus 10658:27 10659:3
10703:27 10798:5

surprised 10701:25

survey 10675:16,28
10676:16 10705:11 10717:1

surveyed 10717:11

surveys 10665:18 10866:11

sustainability 10864:11

sustainable 10845:11,14

sways 10703:11

swear 10728:8 10838:22
10840:1

swept 10852:18

switch 10790:24 10819:24
10907:28

sworn 10651:13,18
10727:25 10728:10
10776:13,14,16 10840:3
10881:6 10885:26

symptom 10662:12 10723:5

sync 10749:16

Sysco 10887:3

system 10652:20,26
10653:4 10654:10,16
10655:20 10656:13,22
10657:7 10658:6,7 10661:2
10662:20 10687:12
10695:15 10696:5 10708:6
10711:4 10739:4 10743:3
10745:25 10756:21
10763:26,27 10770:20
10783:20 10786:18,26
10787:14 10800:12,13
10804:22 10811:21,24
10813:22 10824:20 10827:4
10829:24 10831:8 10838:27
10851:19 10855:18 10898:8

system's 10868:10

systematically 10664:16

systems 10695:1 10804:24
10905:5

T

T-I-M 10885:21

table 10715:16 10716:4
10736:12,13 10749:26
10754:15 10760:24
10850:25 10854:5 10859:4
10871:8,9 10896:1,5

tables 10871:3

tail 10796:23

tailor 10786:19

tailored 10783:8,26

take-home 10901:19

takes 10674:17 10697:19
10902:4

taking 10672:11 10707:6
10757:21 10767:23
10834:10 10898:27

talk 10665:27 10667:19
10674:9,13,16 10689:27
10704:11 10712:10
10737:19 10740:23
10769:19 10771:14 10772:3,
24 10781:16 10784:12
10786:28 10792:21
10795:15 10809:8 10810:4,
19 10828:8,11 10873:7
10889:25 10893:18
10895:15,24 10897:16
10899:10,17,21 10902:8

talked 10652:1,5,18
10655:15 10656:12
10670:26 10702:12,14
10705:26 10706:27 10707:3
10712:13 10713:11 10745:6
10754:18 10770:6 10789:11
10793:1 10800:2 10805:22
10807:1 10808:18,20
10823:16,17 10870:6
10872:17 10899:26 10904:6

talking 10658:18 10664:12
10670:27 10683:16,18,25
10687:8 10708:6 10711:7
10737:10 10745:24
10764:15,19,20 10769:1,14
10772:22 10791:21 10829:2
10834:20 10872:12
10890:24

talks 10680:13 10745:9
10906:26

tall 10838:26 10892:3

tankers 10748:25

target 10720:8 10807:17

task 10684:18 10685:12,15

Taylor 10701:25 10702:2
10714:24,27 10715:14,15
10716:16,20 10718:8,23
10768:17 10773:14
10774:19,20,26 10823:4,6
10827:20,22 10829:28
10830:3,5 10838:2 10877:5,
18,20 10884:10

team 10679:25 10680:2
10788:8

teams 10679:27

telling 10706:5 10722:9
10855:25 10898:1

tells 10686:3 10704:9
10740:3

temp 10754:28

temperature 10754:27,28
10755:5

temporary 10785:27

ten 10696:21 10697:9
10746:7,11 10750:28
10765:7 10868:20 10886:5

tend 10657:28 10658:3,11
10660:17 10688:28 10806:3
10816:5 10817:12

tens 10769:12

term 10700:4 10732:13
10766:10 10851:2

terms 10658:6 10661:15,16
10766:16 10781:12
10782:19 10785:5 10791:10
10815:4 10831:6 10851:3
10859:10 10869:2,26
10889:11

territory 10681:4 10744:19,
23 10745:1,3

test 10726:15 10839:22

testified 10651:19 10664:23
10681:2 10683:27 10720:26,
28 10728:5,11 10765:26
10776:7,8,17 10839:26
10840:4 10870:26 10876:9
10885:22,27

testify 10672:15 10725:10
10883:15

testifying 10818:21

testimony 10651:27
10652:18 10656:15 10661:9
10664:3 10666:1,22

10669:25 10670:20 10671:1
10676:17 10677:10,11
10678:1 10680:14 10682:6,
8,28 10686:22 10689:26,27
10691:20 10693:18
10694:27 10710:23,24
10712:26 10721:21
10726:28 10737:18 10742:3
10757:7 10759:15 10765:9
10773:3 10774:16 10777:4,
5,17 10787:18 10796:7
10797:27,28 10798:13
10801:9 10812:25 10820:27
10821:4 10822:8 10824:14
10826:10,23,26 10828:5
10838:13 10843:21,26
10847:12 10848:23
10849:22 10866:4 10869:27
10870:25 10872:13 10881:8,
12 10883:28 10885:8

theory 10871:24

thesis 10674:21

thing 10660:5 10667:6
10690:23,25 10692:8
10703:9 10714:10,16,20
10756:16 10803:8 10836:8
10878:22

things 10653:8 10656:22
10662:3 10667:27 10680:21
10687:2,6 10689:20
10690:10,15,21 10691:21
10694:2 10702:13 10703:16
10704:25 10711:16
10723:12 10724:4 10731:27
10753:24 10770:7,11
10814:14,15 10818:21
10870:27 10895:26
10903:27 10905:6 10907:28

thinking 10712:1 10723:8,10
10872:12 10882:23

thought 10656:8 10657:2
10664:1 10679:1 10709:3
10713:21 10714:3 10716:13
10761:2 10764:21 10766:26
10787:25 10789:9 10790:1
10792:16 10795:20
10823:12 10826:26
10885:11 10908:15,18

thoughtful 10800:5

thoughtfully 10662:9

thoughts 10867:21 10901:4

thousands 10769:12
10850:21

threads 10669:20

threats 10866:23

three-legged 10847:8

threshold 10755:2

throw 10671:13

thunder 10877:13

tie 10724:5

Tier 10863:23,27,28 10864:1

tiered 10845:21

tight 10904:27 10905:6

tighter 10860:18

Tim 10884:16 10885:21,25
10886:13 10907:22

time 10651:7 10652:4
10653:2,6,12 10654:9
10655:21 10660:24
10661:24 10664:11
10665:27 10666:12,13,15
10667:12,15,22 10671:16
10672:17 10674:19 10675:7
10676:10,15 10678:21
10679:4 10681:2 10682:20,
22 10683:8 10689:11
10690:17 10691:26
10692:22 10694:13 10695:3,
14 10698:7 10701:16
10702:20 10705:5 10709:7
10718:10,12 10721:8
10724:18 10725:9 10726:15
10733:22,26 10751:24
10755:18 10756:24,27
10759:19,27 10763:27
10772:16 10775:9 10786:26
10788:2 10790:11 10794:6
10808:17,22,27 10814:2
10815:9 10817:23 10820:10,
12 10823:10 10826:27,28
10829:10 10835:10 10836:2
10848:5,21 10849:27
10856:5 10858:3 10862:12
10871:13,23 10875:9,19
10877:11 10881:17 10883:3,
16 10884:4,5 10886:26
10897:5 10899:11,16
10903:20 10905:9 10907:20
10908:4

timeframe 10815:11
10871:17

timelines 10895:18

timely 10908:19

times 10652:5 10668:26
10675:16 10757:18 10844:7
10856:26 10864:28
10873:22 10875:22,24
10894:10 10898:26
10904:26

tinkering 10773:7,8,10,12

tipping 10843:25 10865:23
10867:3

tit-for-tat 10868:5

titch 10778:20

title 10729:10 10835:8

today 10654:22 10659:14
10660:4,22 10661:3,26,28
10662:8,21 10663:20
10668:8 10681:25 10682:15
10683:3 10690:11 10695:19
10698:16 10701:4,5 10702:5
10724:5,6,9 10725:2,25
10729:6 10730:27 10733:21
10745:28 10753:12 10754:5
10755:15,16 10765:2
10768:18 10775:15
10792:10 10821:5 10831:8,
14 10836:14 10841:5,11
10847:17 10852:10
10864:20 10872:25 10875:9
10877:8 10886:22 10891:28
10903:5 10906:8

today's 10753:27 10860:18

told 10717:7 10718:8
10732:5 10737:15

tolerance 10862:16

tomorrow 10907:14,21

tools 10653:1,10,20,26
10868:14,20

top 10675:2 10720:20
10721:7 10805:24 10834:24
10842:25 10896:9

total 10658:18 10659:5
10695:22 10708:5 10762:20
10844:3 10854:12,13
10871:27

totality 10804:27

touched 10699:1

tough 10893:25

town 10850:15 10890:13,19

towns 10842:12 10844:13

trace 10710:14

traceable 10842:6 10843:11

track 10726:26 10747:28
10748:2,15

tracking 10854:8

tracks 10849:23 10854:28
10855:3

tractor 10711:18 10864:17

Trade 10679:4

trade-off 10833:20

trading 10789:24

traditional 10888:10

trailed 10840:15

trailing 10662:6 10663:15

transcript 10685:1

transformed 10670:1
10851:18

transforming 10852:20
10855:28

translate 10766:20 10861:7
10862:21

transmission 10726:17

transparent 10833:19

transport 10695:7 10713:1
10851:20 10862:8 10866:27

transportation 10660:27
10676:9 10687:10,11
10713:6 10792:27 10793:2
10800:9,11 10851:18
10862:2

transported 10851:12

travel 10866:26

travelled 10786:21

treat 10663:14,22 10756:8

treated 10797:1 10881:10

treatment 10655:27

Tremaine 10665:10
10666:23 10696:22 10697:8
10724:27

tremendous 10863:21

trend 10799:28

trends 10854:8 10875:20

trigger 10670:23

trivial 10690:7

trouble 10720:9 10755:4
10770:21

trucked 10844:7 10850:15

truckloads 10811:1

true 10703:9 10717:16
10724:15,23 10754:21
10757:10 10766:1 10772:2
10833:12,26 10836:25
10874:14 10892:8 10907:10

trust 10769:26

Tucson 10886:21 10889:28

turmoil 10856:26 10857:3

turn 10683:24 10701:20
10702:21 10738:5 10739:17

10740:22 10741:27
10743:14 10744:1 10749:8,
25 10754:17 10765:19
10768:12,28 10770:23
10792:19 10814:3 10820:5
10886:27 10889:23 10892:5
10893:17 10896:5 10899:25
10900:7,12 10902:7
10903:8,25

Turner 10907:23,24

turning 10685:26 10826:6
10888:2

turns 10860:9

Twin 10736:7 10750:7

twists 10860:8

two-part 10852:5,6,10

two-thirds 10861:28

two-week 10905:8

two-year 10732:27

twofold 10773:12

type 10690:23,25 10770:27
10771:3 10864:6 10889:13

types 10695:12 10895:25

typical 10815:14 10850:1

typically 10713:11 10791:18
10804:21 10835:25 10905:8

U

U.S. 10788:10 10796:14
10871:1 10887:3

uh-huh 10684:23,26
10707:23 10711:15
10720:14 10766:5 10828:26

ultimately 10664:13

ultra 10808:4 10823:20

unanimous 10804:18

unclear 10722:11

underlying 10723:5,8

understand 10657:3,9
10659:27 10667:23
10668:11 10671:23
10674:24 10691:9,13,16
10694:22 10695:15,18
10698:22 10699:2 10702:7
10707:2 10716:15 10748:4,7
10756:18 10757:7 10761:20
10765:5,11 10782:9
10796:15,28 10801:15
10808:19 10811:20,24
10814:8 10834:1,8 10839:5
10844:22 10865:2 10866:8

10872:11 10880:2 10895:12 10897:7,8 10905:26

understandably 10692:10

understanding 10652:20,25 10654:2 10659:16 10666:8 10712:12 10718:26 10763:23 10774:17 10775:1 10785:12 10792:14 10806:25 10825:16 10826:4 10906:15

understood 10704:13 10832:28 10882:2,10

undertake 10669:25

unequal 10857:4

unethical 10684:4

unfair 10733:2 10906:20

unfairly 10798:17

unfeasible 10799:19

ungraded 10691:10

unified 10858:17,28 10860:13

uniform 10655:19,27 10721:3,7,22,24 10831:9,12 10841:20,24 10856:19 10857:17,27 10858:5,28 10859:5,27 10860:2

unimaginable 10863:17 10867:5

unique 10845:21

uniquely 10856:19

unit 10708:14,16 10789:13 10790:10 10816:2

unitary 10683:2

United 10886:25 10887:2 10894:17

universal 10782:25 10807:2 10895:10

University 10651:12 10681:21 10728:28 10729:1 10886:17

unloaded 10865:1

unpredictability 10864:13

unreliability 10864:13,15

unsuccessful 10857:18

unsure 10802:11

unusual 10863:11

unwarranted 10686:4

unwilling 10719:19

update 10665:15 10694:10, 12,13 10700:18 10784:12 10847:28 10848:3 10866:9, 10 10868:10

updated 10702:13 10867:27

updates 10760:12

updating 10867:28

upheaval 10843:15,19 10862:27 10863:20 10864:5, 12,15

Upper 10658:17 10659:20

upset 10898:11

Upstate 10864:21

urban 10851:13,14 10852:25 10853:2,24

URC 10895:5,8 10904:3

usable 10765:14

USD 10656:5

USDA 10665:6 10682:2 10714:10 10718:21,27 10723:25 10725:4 10740:1 10792:25 10798:7 10799:25 10800:4 10832:9 10866:9 10873:8 10876:18 10879:23 10880:13 10893:4 10904:18

USDSS 10656:6,7 10666:19 10669:3,14 10676:7 10697:19 10725:14

utility 10652:24

utilization 10654:23 10658:19 10659:6 10714:18, 19 10746:14 10781:12 10800:2,14 10804:27 10836:19

utilize 10727:2 10781:20 10785:7 10791:14,15 10805:3

utilized 10655:24 10699:6 10726:7 10771:7 10854:11 10892:28 10907:7,8

utilizes 10785:17

utilizing 10792:2

V

vacuum 10823:22

valid 10813:8 10881:3

Valle 10843:28

Valley 10908:2,3

valuable 10653:16

valuations 10866:11

value-added 10888:12 10896:12 10902:5

valued 10655:5

values 10669:28 10670:1,2 10671:7 10688:2,8,9 10689:1 10699:12 10704:24 10705:1,8 10710:11 10711:7,10 10713:9 10714:7 10720:19 10857:6

variability 10748:18,22,26

variable 10792:26

variance 10794:12,19 10832:19

variation 10832:24

variations 10806:11

varied 10793:17 10864:6

varies 10783:27

variety 10677:3 10690:14 10730:2 10731:5

vary 10825:17

vast 10869:4

vehicle 10762:11

vending 10889:17

verify 10879:14 10903:18

Vermont 10779:8 10863:15 10867:19

Vernon 10802:28

Verona 10890:19

version 10669:3 10687:19 10688:11

versus 10656:10 10703:2 10780:10 10807:27 10817:1 10821:6 10828:10 10896:23

vested 10730:24 10731:8 10732:15

viable 10737:22 10869:6

vibrancy 10852:7

vice 10886:15

view 10724:10 10772:28 10871:20,24 10880:22,27 10896:22 10901:1 10902:18

views 10725:19 10787:2

vigilant 10867:7

Virginia 10779:4 10802:4 10888:26 10890:3,18,19 10894:3,14,22,23 10895:16, 21 10896:2 10899:27,28

virtually 10849:17 10860:20, 25

vis-a-vis 10795:10 10797:1

visibility 10753:19,23 10833:3,10

vital 10864:10,11

voice 10731:4,9 10745:18, 24 10848:6 10871:5 10899:14

volatile 10772:13 10867:4

volition 10738:1

volume 10746:28 10748:21, 22 10749:21,23 10788:2 10789:19,24 10791:5,23 10801:18 10806:9 10807:22 10808:11 10814:28 10815:2 10829:1,2,3,26 10851:5 10859:12 10865:5 10891:23

volumes 10685:21

voluntarily 10845:8

vote 10898:23,27 10899:3,5

Vulin 10776:4,18,26 10777:4,8,15,25 10780:8 10781:2 10796:26 10800:21, 26 10830:7,8,10 10831:24 10836:8,12,26 10837:23

vulnerable 10695:9

W

W-A-R-R-E-N 10728:4

W-A-Y 10710:9

W-E-S-T 10855:15

W.T. 10886:25

wagon 10856:9

wait 10744:5 10774:24 10800:24 10865:1 10870:13

waited 10838:3

walk 10801:25

wall 10855:22

Walmart 10814:12

wanted 10658:5 10668:11 10673:25 10684:13 10700:25 10706:1 10715:21 10719:1 10726:8 10731:4 10770:26 10899:21

War 10886:25

warranted 10686:4

Warren 10726:20 10728:3,9

10789:10 10798:17

wars 10856:28

Washington 10750:11

watch 10682:6 10853:16

water 10857:2 10870:7 10905:28

ways 10660:13 10666:4 10694:27 10764:8 10782:12 10880:8

weather 10651:5

website 10871:2

WEDNESDAY 10651:1 10776:1

week 10723:24 10747:18 10782:22 10783:13 10785:8 10806:5 10807:22

weekend 10694:7

weekends 10694:8

weekly 10748:6 10757:23 10759:5

weeks 10784:26 10785:5

weigh 10707:20

weighs 10766:17

well-being 10730:24

west 10735:26 10855:11,12, 14 10857:13 10869:11 10887:4,5 10890:20 10898:1

western 10703:23 10821:7, 8,14

whey 10709:12 10710:3,15 10717:2,4,14,16,28 10799:8

whipping 10738:12

wholesale 10797:20

widespread 10842:4 10843:9 10865:6 10867:1

willingly 10723:28

Wilson 10746:24

Winchester 10779:4 10802:4,5 10803:20

winners 10714:9 10735:20

winter 10664:24 10784:28

Wisconsin 10651:12

witness's 10907:28

witnesses 10713:11 10881:6 10902:10

wondered 10709:15 10761:2

wondering 10702:28 10710:6 10714:1 10716:2 10717:2 10801:14 10826:18

wool 10850:2

word 10661:10 10663:13 10751:21,22 10842:25 10843:2 10846:25,26

words 10660:22 10677:1 10684:28 10700:14 10723:14 10817:23 10860:23

work 10659:11,15 10664:6 10665:10,13 10666:4,19 10667:8,9,11 10668:7,10 10669:17 10674:5 10676:1, 12 10679:18 10681:19,24 10682:1,23,24 10683:5,6 10689:7,12 10692:24 10693:17,27 10694:22 10697:8,12 10698:11,20 10700:10 10701:1 10704:8 10725:2 10726:16 10727:5 10730:20 10773:7 10775:13 10810:1 10867:6 10897:6,22 10903:1 10905:7 10907:3,9

worked 10653:21,26 10675:11,23 10681:20 10728:21,22,23 10729:17 10875:22

workers 10862:7

working 10664:2,5,24 10665:17 10669:21 10690:26 10727:20 10776:9 10793:10,12 10794:18 10832:18 10838:27

works 10682:26 10685:2,5 10704:13 10897:20

world 10679:4 10764:9 10767:8 10771:26 10886:25

world's 10866:15

worried 10754:7

worries 10853:7

worry 10740:26 10753:6 10763:7

worse 10707:16 10814:21

worst 10868:3

worth 10652:15 10668:3 10719:19

would've 10861:21

wrap 10743:1

Wright 10665:10 10666:23 10696:22 10697:8 10724:27

writing 10855:22 10866:2

written 10652:18 10656:15 10661:9 10677:4,10,11 10689:27 10691:21 10702:16 10706:9 10712:2 10723:1 10757:24 10758:1 10777:4 10787:18 10801:9 10822:8 10844:26 10865:27 10870:5

wrong 10662:27 10726:10 10766:11 10881:9

wrote 10723:8

www.ers- 10871:4

www.ers.usda.gov/data-products/dairy-data. 10871:7

Y

ya 10651:24

year 10669:8,10 10709:27 10747:3,10,11,12 10808:11, 26 10824:11 10844:21 10893:13

years 10653:3 10659:11,14 10660:23 10661:1 10667:26 10674:20 10675:9 10678:27 10679:8 10681:7,14 10682:16 10692:27 10693:10 10694:1,11,20 10695:23 10700:2 10704:6 10728:23 10755:25,26 10756:1 10765:7 10771:13 10781:13 10797:16 10842:6 10843:11 10845:18,28 10849:5 10852:6 10855:20, 23 10856:24 10859:21 10860:9 10865:4 10876:14 10886:14 10891:8 10893:26 10903:6

yesterday 10657:27 10664:23 10666:1 10670:20, 21 10678:2 10698:17 10726:10 10732:19 10741:8 10791:11 10885:11 10898:14

yield 10884:11

yogurt 10738:10 10802:28 10803:1

York 10703:20 10779:4 10802:11,15 10821:7,8,14 10851:17 10863:15,16,20 10871:14,18,20,26 10872:4

young 10864:19

Youtube 10883:5

Yuma 10706:3,10

Z

zip 10840:15

zone 10705:19 10713:2

zones 10695:25