

**CERTIFIED
TRANSCRIPT**

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 29, 2024

---o0o---

Reported by:

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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

FOR THE USDA ORDER FORMULATION AND ENFORCEMENT DIVISION,
USDA-AMS DAIRY PROGRAM:

Erin Taylor
Todd Wilson
Brian Hill
Michelle McMurtray

FOR THE MILK INNOVATION GROUP:

Ashley Vulin

FOR THE NATIONAL MILK PRODUCERS FEDERATION:

Nicole Hancock
Brad Prowant

FOR SELECT MILK PRODUCERS, INC.:

Ryan Miltner

FOR INTERNATIONAL DAIRY FOODS ASSOCIATION:

Steve Rosenbaum

FOR THE AMERICAN FARM BUREAU FEDERATION:

Danny Munch

---o0o---

(Please note: Appearances for all parties are subject to
change daily, and may not be reported or listed on
subsequent days' transcripts.)

---o0o---



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

M A S T E R I N D E X

SESSIONS

MONDAY, JANUARY 29, 2024

PAGE

MORNING SESSION

11,390

AFTERNOON SESSION

11,512

---o0o---



M A S T E R I N D E X

WITNESSES IN CHRONOLOGICAL ORDER

WITNESSES:	PAGE
------------	------

Dr. Mark Stephenson:

Direct Examination by Ms. Vulin	11,393
Cross-Examination by Ms. Hancock	11,407
Cross-Examination by Mr. Miltner	11,413
Cross-Examination by Ms. Taylor	11,417
Redirect Examination by Ms. Vulin	11,424
Recross-Examination by Ms. Taylor	11,426

Jeffrey Sims:

Direct Examination by Ms. Hancock	11,430
Cross-Examination by Mr. Rosenbaum	11,469
Cross-Examination by Ms. Vulin	11,476
Cross-Examination by Mr. Miltner	11,499
Cross-Examination by Ms. Vulin	11,504
Cross-Examination by Ms. Taylor	11,506

Carl Rasch:

Direct Examination by Ms. Hancock	11,515
Cross-Examination by Mr. Miltner	11,524
Cross-Examination by Ms. Taylor	11,527

Mike Giles:

Direct Examination by Mr. Rosenbaum	11,532
Cross-Examination by Mr. Miltner	11,541
Cross-Examination by Ms. Taylor	11,544
Redirect Examination by Mr. Rosenbaum	11,552

Steve Galbraith:

Direct Examination by Mr. Rosenbaum	11,554
Cross-Examination by Mr. Miltner	11,567
Cross-Examination by Ms. Hancock	11,572
Cross-Examination by Mr. Wilson	11,573
Cross-Examination by Ms. Taylor	11,576

Sally Keefe:

Direct Examination by Ms. Vulin	11,586
Cross-Examination by Mr. Miltner	11,599
Cross-Examination by Ms. Taylor	11,601
Redirect Examination by Ms. Vulin	11,603

---o0o---



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

M A S T E R I N D E X

INDEX OF EXHIBITS

IN CHRONOLOGICAL ORDER:

NO.	DESCRIPTION	I.D.	EVD.
490	MIG-16C	11,392	11,427
491	MIG-16D	11,393	11,427
492	MIG-16E	11,393	11,428
493	MIG-16F	11,393	11,428
494	NMPF-112	11,429	11,512
495	NMPF-112A	11,429	11,512
496	NMPF-112C	11,429	11,512
497	NMPF-112C	11,430	11,513
498	NMPF-112D	11,430	11,513
499	NMPF-113	11,514	11,530
500	IDFA-67	11,532	11,553
501	IDFA-65	11,554	11,583
502	IDFA-66	11,554	11,583
503	MIG-67	11,585	11,604

---o0o---



1 MONDAY, JANUARY 29, 2024 -- MORNING SESSION

2 THE COURT: All right. We're back on record. It
3 is 2024, January 29. It's a Monday. It's approximately
4 8:01 a.m. Eastern, and this is Day 48 of this milk
5 hearing.

6 I know we have a number of preliminary matters. I
7 think I'd like to get into the testimony before we go into
8 most of those.

9 What preliminary matters should we address before
10 resuming testimony?

11 MS. TAYLOR: Good morning, Your Honor. I know I
12 have a list of witnesses that need to finish up the week,
13 and I was just wondering if parties might put that on the
14 record so we all have the same list. I don't know if my
15 list is correct. So we know what to expect.

16 MS. VULIN: Good morning. Ashley Vulin with the
17 Milk Innovation Group.

18 We'll be starting with Dr. Stephenson addressing
19 the questions that arose at the end of the prior testimony
20 on Proposal 20. And then we will also have Ms. Sally
21 Keefe in opposition to Proposal 21. I expect she will be
22 last or near last at the end of the hearing once we
23 conclude the remainder of Proposal 20 witnesses.

24 THE COURT: Now, Ms. Vulin, come back to the mic
25 for just a minute.

26 Did you notice how enormously sensitive it is to
27 whether you are two inches from it?

28 MS. VULIN: I did, Your Honor. So I will be



1 better --

2 THE COURT: We have a little bit of a different
3 system than we did last time, so we'll all have to be a
4 little more mindful.

5 MS. VULIN: Thank you for the reminder.

6 MS. HANCOCK: Good morning. Nicole Hancock,
7 National Milk.

8 We'll have Jeff Sims in opposition to Proposal 20,
9 and Carl Rasch in opposition to Proposal 21. Mr. Sims
10 will go following Dr. Stephenson, and Mr. Rasch will plan
11 on today or tomorrow.

12 MR. ROSENBAUM: Steve Rosenbaum for the
13 International Dairy Foods Association.

14 We have three witnesses. We have Mr. Mike Giles,
15 who we anticipate will testify today on Proposal 19. We
16 have Steve Galbraith, who will testify on Proposals 19 and
17 21, potentially today. And we have Kyle Powell who will
18 testify on Proposal 21 tomorrow.

19 MR. MILTNER: Thank you, Your Honor. I'm Ryan
20 Miltner representing Select Milk Producers.

21 We will not have a witness this week. We
22 indicated that to counsel last week, but we wanted to put
23 that on record. We were discussing having a producer who
24 was going to be here today, but he will not be testifying.

25 THE COURT: And I notice Carl Rasch's name is
26 spelled C-A-R-L, R-A-S-C-H.

27 I'm not sure Steve, that I know Steve Galbraith's
28 spelling.



1 MR. ROSENBAUM: That's G-A-L-B-R-A-I-T-H.

2 THE COURT: That's what I wrote down. Amazing.
3 Okay. Great.

4 Is there anything else preliminary to the witness
5 testimony?

6 All right. I'd ask the witness again to state and
7 spell his name for the record.

8 THE WITNESS: My name is Mark W. Stephenson.
9 That's M-A-R-K, S-T-E-P-H-E-N-S-O-N.

10 THE COURT: Dr. Stephenson, you remain sworn.

11 MARK STEPHENSON,

12 Having been previously sworn, was examined
13 and testified as follows:

14 THE COURT: And we have some exhibits to mark, do
15 we not?

16 MS. VULIN: Yes, Your Honor. The first is
17 MIG-Exhibit 16C, as in cat, and we'd ask that that be
18 marked as Exhibit 490, please.

19 THE COURT: 490 yes.

20 (Thereafter, Exhibit Number 490, was marked
21 for identification.)

22 MS. VULIN: The second is MIG Exhibit-16D, as in
23 dog. We ask that be marked as Exhibit 491.

24 THE COURT: Now, does it have about 59 pages?

25 MS. VULIN: It does, Your Honor. It's an Excel
26 spreadsheet submitted to USDA in Excel format, but we have
27 printed it here.

28 THE COURT: Very good. And that is going to be



1 491? Yes.

2 (Thereafter, Exhibit Number 491 was marked
3 for identification.)

4 MS. VULIN: Correct, Your Honor.

5 Next is Exhibit 16E, and that will be Exhibit 492.

6 THE COURT: Yes.

7 (Thereafter, Exhibit Number 492 was marked
8 for identification.)

9 MS. VULIN: And finally, Exhibit --

10 MIG Exhibit 16F, and that will be 493.

11 (Thereafter, Exhibit Number 493 was marked
12 for identification.)

13 THE COURT: I'm caught up. Thank you.

14 You may proceed.

15 MS. VULIN: Thank you, Your Honor.

16 DIRECT EXAMINATION

17 BY MS. VULIN:

18 Q. Good morning, Dr. Stephenson.

19 A. Good morning.

20 Q. Thank you for joining us again.

21 A. Good to be here.

22 Q. So you had previously submitted some data to USDA
23 reflecting shadow prices for Class I and Class III,
24 correct?

25 A. Correct.

26 Q. And I understand that in response to some
27 questions --

28 THE COURT: Let's make sure our mics are good.



1 THE WITNESS: Are they on? Yes.

2 THE COURT: It's on, but your voice is softer than
3 Ms. Vulin's. I would like them to match. So either,
4 Ms. Vulin, you could step back a bit, or,
5 Dr. Stephenson --

6 THE WITNESS: I'll try to make sure I'm tight.

7 THE COURT: All right. Thank you.

8 BY MS. VULIN:

9 Q. And I understand that in response to some
10 questions you went back and looked at that data again,
11 correct?

12 A. I did. Yes.

13 Q. And so you have some documents here to correct and
14 supplement that prior data; is that right?

15 A. I do. And also to explain just a little bit about
16 the derivation of those data.

17 Q. Okay. Thank you.

18 So just to identify the documents that we have
19 marked, first we have Exhibit 490, and that's your written
20 explanation of an additional testimony, correct?

21 A. Correct.

22 Q. Exhibit 491 is the corrected dataset?

23 A. Correct.

24 Q. Exhibit 492 is the corrected map?

25 A. Correct.

26 Q. And Exhibit 493 is a box-and-whisker chart that
27 reflects the corrected data?

28 A. That's correct.



1 Q. Great. So we'll just start at the beginning.

2 Were you able to identify the issues with the
3 data?

4 A. Yes, I was. And I would thank Ms. Taylor for her
5 probative questions, and the AMS staff for having spotted
6 that.

7 The -- when we run models, we're typically looking
8 at asking ourselves what would happen if we had a change
9 in something. We would then typically go through our
10 baseline calculations, which are our best representation
11 of the way the dairy world actually looked and worked at a
12 particular point in time, as in March, or September, or
13 May, or whatever the month may have been, in this case,
14 year 2016, and that becomes our baseline. And then when
15 we run scenarios, we will do something like impose a new
16 plant in a new location, and then ask ourselves, "What
17 difference does that make?" And that's a comparison to
18 the baseline.

19 Apparently I had chosen one of the scenarios that
20 we had run as the data form and not the baseline data.

21 Q. And so you went back and pulled that original
22 baseline data, correct?

23 A. I pulled the original baseline data right from the
24 model dump that we get, the large amount of data that
25 comes out of there, and then did the calculations again to
26 do all of the county-level distributions.

27 Q. And Exhibit 491, which is also MIG Exhibit-16D,
28 reflects that corrected baseline data, correct?



1 A. That's correct. And in this case, it was asked
2 last time why we had additional precision on the data
3 table, because the data that had been presented earlier
4 for National Milk's model runs by Dr. Nicholson were
5 rounded to the nearest dime, and so I rounded these to the
6 nearest dime.

7 Q. And did you confer with Dr. Nicholson at all in
8 your -- the research to identify the baseline data?

9 A. I did. We did go through this. I also had some
10 questions about the model coding and the way that we were
11 calculating the dual values in there.

12 Q. And so are you and Dr. Nicholson confident now you
13 have the original baseline data?

14 A. Yes.

15 Q. Great.

16 And so with the corrected data, you said you
17 re-ran your calculation of the difference between the
18 Class I shadow price and the Class III shadow price,
19 correct?

20 A. That's correct.

21 Q. So if we could pull up the PowerPoint, please.
22 Now, this first slide is from MIG Exhibit-16B.
23 That was the data that contained the error,
24 correct?

25 A. That's correct.

26 Q. And this is from Exhibit 451, I will note for the
27 record, at page 10. So this is the prior map.

28 Now, if you could go to the next map, please.



1 A. There. Sorry.

2 Q. No problem.

3 So this is the corrected difference map found in
4 MIG Exhibit-16E?

5 A. This is the corrected map. And I would just
6 stress that the colors may look somewhat more intense on
7 here. That was just my choice of color selection. And
8 apparently I didn't precisely match what the previous map
9 was, but the connotation is the same.

10 Q. You say "the connotation is the same."

11 What -- what similarity or consistency is there
12 between what you had previously presented and this
13 corrected map?

14 A. Well, the similarity is that the red areas are
15 showing places where the marginal value, the shadow price,
16 if you will, of Class III is greater than the shadow price
17 of Class I. The green areas are where Class I shadow
18 prices are greater than Class III. And those gray areas
19 are zones where they're approximately equal.

20 Q. And the conclusions that you previously presented
21 based on the difference data that you calculated, did
22 those still stand with the corrected data?

23 A. Yes. They, in most cases, are within, you know, a
24 few cents of one another any place you are looking at. So
25 the differences, if they were close to \$3, were close to
26 \$3. If they were \$1, they were close to \$1. So they were
27 not much different.

28 Q. And your prior conclusion or the takeaway from



1 your data regarding the impact of manufacturing and
2 Class I and the supply of milk, do those conclusions still
3 hold with the corrected data?

4 A. They do.

5 Q. And if I compare these maps, the area where I
6 really identify any difference seems to be kind of Nevada
7 and a little bit in California; is that right?

8 A. Yes. The previous map, and I can perhaps pull
9 that up again over here, you will notice in this area that
10 the California/Nevada maps almost stand out on a state
11 line basis as being particularly green in -- in an area
12 bordered by red-colored counties.

13 Over here in the new data, it's not as much. It's
14 more green in the populous areas of California and a
15 little bit in Nevada. But it looks a bit smoother and not
16 just bordered by states.

17 Now, when I go back and was trying to ask myself,
18 what could possibly have been different between these
19 runs?

20 In the 2016 model iterations, it was the first
21 time that we were trying to impose plant-level constraints
22 of volume of processing. Now, clearly we don't have
23 information on all plants in the country, but we do have a
24 good idea about the volume going through a lot of the
25 plants in the country. And my belief is it wasn't
26 documented or noted on that particular one, but it was
27 when we had plants that were probably excessively
28 constrained in California and Nevada. Doing that would



1 have meant their shadow price values would have risen for
2 the fluid plants in that area.

3 Q. Thank you.

4 And I know we can parse out the county level data.
5 But do you have any -- is your takeaway intended to be a
6 localized county-level analysis, or is it more an industry
7 or nationwide conclusion that you are presenting?

8 A. Well, I think the story line that I would like to
9 try to leave and have people aware of is that our industry
10 has changed quite a lot over the decades, and it's now
11 come to the point where the manufacturing portion of the
12 industry is highly competitive, and in particular, in some
13 regions of the country, and I don't think really can be
14 ignored in a lot of the regulation that we do. We -- we
15 have to recognize that those plants are very competitive
16 and they are creating the products that consumers in this
17 country want. So it does make it difficult for some of
18 the plants, like fluid plants in those regions, I think to
19 compete with pooled values of -- of the Class I
20 differential.

21 Q. And you were also asked about whether or not there
22 would be a shadow price of zero in any county.

23 Can you just briefly explain to us how this zero
24 shadow price works within the USDSS?

25 A. Yes. There -- there will always be a zero shadow
26 price value.

27 Now, I should make sure that I clarify this by
28 letting you understand that when we are doing the model at



1 this point in time, we don't have milk price values, we
2 have component values. But we get back to milk price
3 values by creating a standardized milk value from the
4 component. So that's 3.5 pounds of butterfat and
5 3.1 pounds of protein, 5.9 pounds of other solids. That
6 gives us a hundredweight equivalent of shadow price value
7 at locations.

8 When we have those values, there will always be a
9 zero value somewhere. And recognize that we have shadow
10 prices at all areas with constraints. So for example,
11 farm milk production, as given, is constrained. There's
12 no more milk at a point than -- than we say there is, and
13 there will be a shadow price value for those products.
14 There are shadow price values at plants, and we can look
15 at just Class I or just Class III or all plants where you
16 have shadow price values for demand for dairy products.
17 And those kind of fall on the spectrum.

18 Fluid milk plants, if they are at exactly the same
19 location as the adequate or surplus raw milk supply, may
20 have a zero-point value. But if the plant is not exactly
21 at the milk supply, if milk has to travel some distance to
22 get there, then the fluid plants will have a very low
23 shadow price near that area, but it's not going to be
24 quite zero.

25 So in this particular case, the low point was
26 actually at Boise, Idaho, and the value was \$0.13 per
27 hundredweight at that plant. So close to zero, but not
28 zero. The actual zero value is going to occur at a raw



1 milk supply.

2 Q. At a point within the county?

3 A. Maybe.

4 Q. Potentially?

5 A. Maybe not within the county, but nearby, yes.

6 Q. And there's also rounding of the data, correct?

7 A. Yes. And when we're rounding, there are two
8 effects of rounding. One of them is this kriging
9 methodology that we use. That \$0.13 takes place at a
10 point in Boise County, and we have to calculate the
11 average values for Boise County. And that's influenced by
12 the other fluid milk plants that would be somewhere
13 nearby, and so the average of Boise County can come up.
14 If it comes up above \$0.15, for example, by that average,
15 then the rounding to \$0.10 increments is going to give you
16 a \$0.20 value, which is what it has in this particular
17 case.

18 Q. And are you confident that the data that you are
19 presenting here, the corrected data, is accurate?

20 A. To the best of our capabilities, it's accurate.
21 And I mean, I obviously am not going to do this quickly to
22 get back here. I wanted to make sure that the data are
23 accurate.

24 Q. And if you were to run this same comparison with
25 2021 data, knowing what you know about the industry, do
26 you expect it to be qualitatively similar or substantially
27 different?

28 A. I think it would be qualitatively very similar.



1 We have now got at least the example of two model runs
2 with 2016 data: The first one, the one that was a
3 scenario that we had run, and then this baseline data.
4 And I think that you can see that there are differences,
5 but qualitatively, the story line is the same.

6 Q. And I understand that you wanted to provide USDA
7 with another visualization of this data, correct?

8 A. I did. I thought it would be helpful.

9 Q. So if we could go to the next slide, please. And
10 this is MIG Exhibit-16F, which has been marked as
11 Exhibit 493.

12 So this is our friend, a box-and-whisker chart,
13 correct?

14 A. It is. And I would not have probably chosen to
15 toss that up here except that I understood that Ms. Keefe
16 has already explained what the box-and-whisker plots are
17 to the group.

18 Q. Thank you.

19 So can you walk us through what this
20 box-and-whisker chart shows us about the Class I shadow
21 price in comparison to the Class III shadow price.

22 A. Sure. I have two box-and-whisker plots for each
23 of the 11 Federal Orders, and one of them is showing the
24 Class I shadow prices, and the other one is showing the
25 Class III shadow prices.

26 I think the box-and-whiskers are nice because they
27 give you not only an idea about the range in values that
28 you can see in any given area, but also the distribution.



1 You know, in other words, are the data relatively tight
2 around the observation or do they have long tails?

3 So just as an example, in this Appalachian value,
4 the long and tall box-and-whiskers plot are the Class I
5 values. So there is a distribution of values that goes
6 from, oh, roughly a value of 3 to a value of maybe \$5.80,
7 something like that.

8 Q. And what does that tell us about the value of
9 Class I milk in that order?

10 A. Well, it tells you that there are some plants
11 obviously in different locations, and some of them have
12 easier access to milk supplies and ability to process in
13 that region. Those would be the lower shadow price value
14 plants. And those plants that are more constrained or
15 having a more difficult time getting milk to the plants
16 are going to be up here at the upper end of that range.

17 Q. Thank you.

18 And then next to it, what is the plot with the two
19 yellow carats I'm told they are called?

20 A. Yes. These smaller box-and-whiskers plots
21 represent the Class III distribution of observations in
22 the Appalachian order. So you can see that those are much
23 tighter, much closer together.

24 The reason that the distribution is not as large
25 is because these are plants that can take those same
26 components that are available in milk and condense them
27 into a much more nutrient-dense package that can be
28 shipped longer distances, if needed, so we don't see as



1 big a distribution for Class III. That doesn't mean that
2 they aren't different. Even within the Appalachian order
3 they are different, but as you move over to Arizona, Las
4 Vegas order, you can see that they have diminished there,
5 California and so forth. So they do differ. Scale can be
6 quite different, though, for these plants. It is much
7 tighter than it is for the fluid plants.

8 Q. And if I'm comparing, because they are next to
9 each other, the Appalachian order where there's overlap in
10 the box-and-whisker plants between the Class I and III
11 shadow prices, whereas when I move to the Arizona order,
12 the Class III shadow prices are far above what the
13 distribution is for the Class I prices, what does that
14 tell us about milk supply and demand in those two areas?

15 A. Well, for plants that are represented in the upper
16 half or maybe two-thirds of the Appalachian order where
17 their shadow price is well above, you know, all of the
18 Class III plants, these would be counties that would be
19 shown in green on the map. And these are plants that
20 would have the ability to attract the milk that's
21 necessary because of the value of the product. This is
22 where cost of balancing probably becomes more important
23 than acquisition of the milk. Plants that are down here
24 in this area would --

25 Q. When you say "this area," you mean the bottom
26 quarter of the Appalachian order distribution?

27 A. That's correct. Thank you. The bottom quarter of
28 that distribution in Appalachia is below all of the



1 Class III plants. So there are a handful of plants in
2 Appalachia that would have difficulty procuring milk in
3 their plant away from a cheese operation.

4 When you take a look at the order that's next to
5 there, Arizona, Las Vegas, the manufacturing plants,
6 Class III plants, are all well above the fluid plants,
7 which just tells me that the value of milk going into
8 manufacturing is much higher than it is into the fluid
9 plants there. Fluid plants would have a difficult time
10 without a substantial premium, in my estimation, to get
11 milk into the plant.

12 Q. And that's because the system is saying that it's
13 the manufacturing use of that milk that's going to be the
14 highest and best use?

15 A. Yeah, this is the -- the economic realities that
16 the plants face. There is a market for the product coming
17 out of those -- sorry -- a market for the value of the
18 products coming out of those manufacturing plants that
19 will pay them for that milk in such a way that the fluid
20 plants would have a difficult time matching.

21 Q. And does all of this data reflect maybe a shift in
22 the role of manufacturing or the role of manufactured
23 dairy products in the dairy industry compared to what it
24 may have been in the 1930s or even in the 1990s?

25 A. I think so. When -- in the earlier part of the
26 orders we may have had 60 or 70% Class I utilization in
27 the order. That additional milk that was there and pooled
28 had access to pool dollars that would have been adequate



1 to pull milk into those fluid plants. But that's not
2 necessarily the case any longer, at least in some of the
3 regions, that the pool value gets really fairly diminished
4 across a large volume of milk.

5 Q. Thank you.

6 Anything else on this data that you would like
7 USDA to takeaway?

8 A. No, I don't think so.

9 Q. And then lastly, just a small item, you were also
10 previously asked about providing Make Allowance data that
11 summarized the low cost, high cost, and average for
12 plants.

13 Do you recall that?

14 A. I do.

15 Q. And you identified that you had already provided
16 that data found in IDFA Exhibit 1, which is Hearing
17 Exhibit 178, starting at page 12, correct?

18 A. That's correct. There are four tables there for
19 each of the four products that do have the breakouts by
20 low cost and high cost plants, as well as the average. So
21 my verbal testimony at the time had a table that looked at
22 a comparison over years, but it was looking at the average
23 of all the plants and not the high and lows.

24 MS. VULIN: If I could have just one moment, Your
25 Honor.

26 THE COURT: Yes. Let's go off record. You can
27 move around a bit. Don't go away from your chair. We go
28 off record at 8:30.



1 (An off-the-record discussion took place.)

2 THE COURT: We're back on record at 8:33.

3 Ms. Vulin.

4 MS. VULIN: Thank you, Your Honor. Nothing
5 further.

6 Thank you, Dr. Stephenson, for returning.

7 And the witness is available for
8 cross-examination.

9 CROSS-EXAMINATION

10 BY MS. HANCOCK:

11 Q. Good morning. Nicole Hancock, National Milk.

12 I just have a couple of questions. Maybe I should
13 have asked them before to better understand this, but
14 since you are back and I have a fresher mind today, I can
15 try and figure it out again.

16 If -- if I'm just looking at Exhibit 492, which is
17 the map, if I maybe oversimplify it, is it fair to say
18 that where we see the green areas or the lighter colored
19 areas that get into kind of a gray area or white shade,
20 that's an area where we want to pull Class I milk into
21 those areas?

22 A. Well, we need Class I milk in all areas. But if
23 you take a look at the very green areas, those are areas
24 where Class I milk is needed in the fluid plants, but they
25 can, with the value of the end product, very well compete,
26 I think, with cheese plants in that region.

27 Their costs here -- relatively high shadow price
28 values in a state like Florida have more to do with



1 balancing costs than they do with procurement cost.

2 Q. Okay. So it means that if it's in the green
3 areas, there's more -- Class I is in a greater competitive
4 position against competing Class III manufacturing plants?

5 A. That -- that's correct.

6 Q. So do you have to -- you have a greater amount of
7 balancing cost in those areas?

8 A. The balancing cost would be the -- I mean, this is
9 indicating in many of these areas that we have deficit
10 milk production. And in the deficit regions of -- you
11 know, let's just use Florida as an example. Milk supplies
12 may have to come from some distance during some parts of
13 the year, and may be pushed away in other parts of the
14 year. That becomes the large cost for Class I in those
15 regions more than is the case in the heavily-surplus
16 areas.

17 Q. And this was based on a model run that was done in
18 the spring of 2016?

19 A. Yes. This is the flush season values that are
20 shown in this map.

21 Q. And did you ever run it again in comparison with,
22 say, October?

23 A. Well, we always run a flush season and short
24 season run. I didn't bring that or provide that here.
25 The colors would have looked somewhat different. I
26 believe that in the National Milk testimony by
27 Dr. Nicholson, that you had some idea about the
28 differences between the flush season and short season



1 values for the 2021 data.

2 Q. Okay. So you didn't map that to see how it
3 changes?

4 A. I didn't map that here, no.

5 Q. Okay. Did you just map it -- did you map it at
6 all to know what the differences were?

7 A. Well, I have in the past, but I didn't look for
8 that -- and I have never mapped them this way. This
9 difference between the Class I and III is something that
10 was new to this particular testimony.

11 Q. And so you said that there would be a greater
12 amount of balancing that would be required in the areas
13 that are lighter or more green?

14 A. My intuition, professional, from having done this
15 for a long period of time is that we would have seen this
16 green area creep a little bit further up toward the Upper
17 Midwest than it shows on this particular map during the
18 flush season.

19 Q. Maybe you did answer that, I'm not sure, but I
20 thought when you were talking about the -- in Exhibit 493,
21 the box-and-whiskers plotting chart, I thought that you
22 described the Appalachian region as that -- that overlap
23 between Class III and Class I there as having additional
24 balancing costs than in the red areas?

25 A. Yeah. The additional balancing costs are going to
26 be more in the green regions. The red areas are probably
27 showing you where fluid plants would have more procurement
28 issues than they would balancing issues.



1 Q. Okay. Then you would have, in those areas, more
2 need to incentivize movement on an on-demand basis?

3 A. Yes.

4 Q. Okay. Two of which are the elements that go into
5 the Class I differentials, balancing and incentivizing
6 movement of milk?

7 A. That's -- that's the narrative that we have been
8 working under.

9 Q. Okay. And so this doesn't do anything to suggest
10 that those balancing costs and incentive costs are no
11 longer needed, you are just saying it's needed differently
12 in different areas?

13 A. Yes.

14 Q. Okay. And --

15 A. I think that balancing costs are real. Don't --
16 don't let that be a takeaway message.

17 Q. And incentive to move milk costs are also real?

18 A. Certainly.

19 Q. And you specifically focus the comparison of these
20 shadow prices between Class I and Class III with the
21 model, so you don't -- you just treat all manufacturing as
22 modeled under Class III; is that right?

23 A. No. I -- we could have looked at this with
24 Class IV included. We could have looked at this with
25 Class II included. I didn't choose to do that. Class III
26 is a very large volume product and important product in
27 the country, and so I just looked at Class III as an
28 example.



1 Q. Do you know how your model results would have
2 differed if you would have averaged Class III and
3 Class IV?

4 A. The Class IV shadow price values, if you think
5 about the box-and-whiskers plots, how the Class III
6 box-and-whiskers are relatively condensed, Class IV would
7 look like that, and they would be at a lower overall
8 average value than Class III is. And I haven't looked at
9 Class II, but I would suspect that they would be
10 intermediary between Class III and I.

11 Q. And I think we have established this previously,
12 but this is a novel approach that -- for which the model's
13 never been used previously; is that right?

14 A. Well, the data are always there, but we haven't
15 chosen to look at them. I mean, typically speaking, the
16 requests have always been to look at either the primals,
17 the flows of, you know, milk and product through the
18 industry, or the dual values for Class I, or in some
19 cases, we're looking at the dual values for raw milk at
20 the farm level. So, for example, a question may be coming
21 to us, how would this impact farmers in the area if we had
22 any plant or something like that.

23 Q. You are not aware of anytime that the USDA has
24 ever used the model results for -- in the same way that
25 you have proffered them in your testimony, are you?

26 A. I'm not aware that they have used them in any way
27 other than the Class I shadow price values.

28 Q. Are you aware of -- of the model ever being used



1 in this way to support a peer-reviewed article or study?

2 A. In this way?

3 Q. Yeah.

4 A. No, this was the first time that this was done.

5 Q. Okay. And so -- and because the industry hasn't
6 used it and because it's never been published and peer
7 reviewed, we have never had an opportunity to really test
8 this methodology against real life, have we?

9 A. No. I offered this as an observation that I think
10 ought to ask additional questions of the way that we're
11 regulating. I'm not suggesting that this is the answer to
12 the way we should be regulating. I'm suggesting that this
13 should raise questions about what we're currently doing,
14 because I think it makes what we're currently doing
15 difficult.

16 Q. Okay. So fair enough.

17 It -- it's a way to raise some questions and look
18 at it through a new lens; is that fair?

19 A. I think so.

20 Q. Doesn't answer the question of what should be
21 done, though; is that right?

22 A. No, it doesn't answer the question of what should
23 be done.

24 MS. HANCOCK: That's all I have. Thanks so much
25 for your time.

26 THE COURT: It's 8:43. Let's go off record just a
27 moment.

28 (An off-the-record discussion took place.)



1 THE COURT: We're back on record at 8:43.

2 Who will next cross-examine Dr. Stephenson?

3 CROSS-EXAMINATION

4 BY MR. MILTNER:

5 Q. Good morning, Dr. Stephenson.

6 A. Good morning.

7 Q. Ryan Miltner. I represent Select Milk Producers.

8 I wanted to ask a few questions about the
9 box-and-whisker chart. I think some of this was discussed
10 the last time we had a chart like this during the hearing.
11 I want to make sure that my understanding of what this
12 represents is the same as what I previously understood it
13 to be.

14 So if I look at the Appalachian order, for
15 instance -- and really this, I think, would apply to all
16 the boxes -- but the upper and lower bounds of the
17 whiskers represent the entire range of data for that
18 particular order; is that correct?

19 A. For that particular order and that particular
20 class of plant.

21 Q. Okay. Now, in between the two whiskers within the
22 box is a line in the middle.

23 That represents the median of the dataset?

24 A. The median, yes.

25 Q. Okay. And the upper and lower bounds of the box
26 itself are the bounds of the second and the third
27 quartiles of the data within that set, correct?

28 A. That's correct.



1 Q. What about the shaded area in the box around the
2 median, what does that represent?

3 A. It's a shaded area around the median. And it's
4 around the median, I think, in all of these particular
5 cases, although the California one looks like maybe it's
6 close. But that shaded area represents a 95% confidence
7 interval that the true meaning of the data would lie
8 within that range.

9 Q. Now, if I'm looking at California for Class I, the
10 Northeast for Class I, and the Upper Midwest for
11 Class III, there's a circle outside of the whiskers. I
12 guess I also see some in the Mideast and Northeast.

13 Those are outlying data points for those
14 particular datasets; is that correct?

15 A. Those are statistically flagged outliers, that's
16 correct. They would just say that, statistically
17 speaking, they lay outside the distribution of the rest of
18 the observations.

19 Q. And then to the extent for any box-and-whisker,
20 the median is not in the middle of the box, or the
21 whiskers are of different lengths, that suggests that the
22 distribution of the data within that set is not normal,
23 right?

24 A. It can be suggestive of that, yes. I mean, so,
25 for example, if you had a -- well, look at the Southwest
26 as an example of this. You can see that the lower whisker
27 is quite a bit longer than the upper whisker. This
28 suggests that the distribution is skewed toward the upper



1 end.

2 Q. Okay. Would you agree that one of the underlying
3 assumptions for having Federal Order regulation in
4 pooling, particularly, is that absent pooling, producers
5 would engage in ruinous competition to supply Class I
6 plants?

7 A. It's my understanding that as a student of dairy
8 history that we have had classified pricing and pooling.
9 The pooling portion of it is to have equitable
10 distribution of classified pricing to producers. It's not
11 equal distribution, as we have zones within the orders,
12 but it is a more equitable distribution.

13 Q. As I think about your testimony and I look at the
14 graphical evidence you have presented, it suggests to me
15 that maybe you are implying that that underlying
16 assumption may no longer be true?

17 A. We have had quite a bit of milk depooling from
18 orders, and I don't mean just in extraordinary
19 circumstances, I mean, as in choosing not to pool on a
20 regular basis. And I think that, you know, that's
21 symptomatic of the fact that we have got more milk trying
22 to pool or to -- acted on orders than we have seen
23 historically from the way that orders were first
24 constructed and built.

25 I do understand what you are talking about in
26 terms of the competitive nature, but if the value of the
27 pool is smaller than it would have otherwise been, I think
28 we would find that many farms would choose not -- or many



1 suppliers of milk would choose not to pool their milk
2 because it wouldn't be of enough value to them for the
3 location of the milk or the headache of having to deal
4 with paperwork or supplying the pools.

5 Q. If I remember correctly, the last time we were
6 here with you on the stand, you were asked if there is
7 still a role for price regulation, and specifically,
8 classified pricing and pooling. My recollection is that
9 you said that there is.

10 Do you agree with my recollection?

11 A. Yeah. My recollection of the question was whether
12 I agreed there was still a role for Federal Orders. I'm
13 not sure it was as specific as that.

14 But, yes, I do think that there's still a role for
15 it. In my testimony that was offered, I suggested a
16 possibility where part of the value of what had been
17 pooled across the wide order could be targeted toward the
18 procurement of milk, and the rest of the value be pooled,
19 you know, across the order. Which in some orders would
20 not be very much value, I understand that.

21 But, again, I'm going back even a step further
22 than that to recognize what Federal Order's mission was,
23 why they were created in the first place, and what we were
24 trying to do with that, and that is to service, you know,
25 the Federal Milk Marketing -- or excuse me -- to service
26 the fluid markets and to assure an adequate supply of
27 milk.

28 Q. Do you have an opinion as to whether Federal



1 Orders would be more effective if the geography of the
2 orders were more focused on those individual Class I
3 markets that you referenced?

4 A. Can you rephrase that question or --

5 Q. Yeah. Would we -- would Federal Orders be more
6 effective in achieving their mission if we had more
7 smaller orders that focused or organized around Class I
8 geographic markets?

9 A. Historically, the boundary of Federal Orders
10 described an area where Class I handlers competed for the
11 sale of their product, and they're competing across wide
12 areas now. I don't know if that's still an adequate
13 description of what Federal Order boundaries should be,
14 but I think that's becoming very difficult to achieve.

15 MR. MILTNER: That was my last question. Thank
16 you very much.

17 THE COURT: Are there other cross-examination
18 questions for Dr. Stephenson before I call on the
19 Agricultural Marketing Service for questions?

20 I see no one. I invite the Agricultural Marketing
21 Service questions.

22 CROSS-EXAMINATION

23 BY MS. TAYLOR:

24 Q. Good morning.

25 A. Good morning, Ms. Taylor.

26 Q. Thank you for returning this week.

27 A. You're welcome.

28 Q. I wanted to start, I -- I had to race out and pull



1 out -- I wanted to pull out your exhibits from the last
2 week, so I might have missed part of your explanation on
3 kind of what you found to be -- what's different than the
4 old versus the new generally.

5 And I think what I caught was, in the run you put
6 in two weeks ago, you weren't comparing it against the
7 baseline, it was against a different run. And you went
8 back, and this exhibit you are putting in this time around
9 is something against what the baseline numbers were; is
10 that correct?

11 A. Yes. These represent the baseline numbers. The
12 previous testimony happened to be a scenario that we ran.
13 So in other words, we were looking at a change from
14 baseline, something that didn't exist --

15 Q. Got you.

16 A. -- but, you know, something that we were trying to
17 impose to answer a question.

18 Q. Okay. And then you mentioned that you thought one
19 of the reasons that kind of California and Nevada stood
20 out before was that the plants were -- the fluid plants in
21 those regions were constrained in the model?

22 A. Yeah. We do attempt to constrain all of the
23 plants within a boundary of what we think they process.

24 Now, I -- I don't have complete knowledge of this,
25 but we do have contacts with industry sources. We do try
26 to collect information that gives us an idea about plants,
27 and we don't constrain that to specifically the number
28 that we have. Rather, we look at a plus and minus 10%



1 from what we think. So there is a range that plants can
2 process in.

3 Q. Okay. And so in those two states before, it was
4 pushing up against the constraint is what you said?

5 A. I think that that was the case. Now, I can't tell
6 you specifically, because when I went back to look at the
7 model run that I had reported on last time, there were not
8 notes as to what that scenario actually was. But in that
9 2016 data, it was the first time that we had tried to
10 utilize our plant capacity information. So there was
11 quite a lot of work that was done to collect information
12 about plant processing volume and that type of thing.

13 Q. So in this run, did you lift the constraints or
14 you just maybe made your range plus or minus a different
15 percentage? You mentioned before it was plus or minus 10.

16 A. If we had questions about it, then we would have
17 gone back and solicited additional information from other
18 people, if we could, to try to find what, you know,
19 volumes those plants may have been. So you can see that
20 if there's a real need for fluid milk in an area like
21 Nevada or California, and if plant capacity is not
22 adequate to supply that volume of fluid milk, then you can
23 have those shadow prices increase rather substantially.
24 It would be asking for more opportunity to process there.

25 Q. And that's when we would see more green?

26 A. Yes. Those shadow prices, the Class I values
27 would have been higher.

28 Q. Okay.



1 A. I should perhaps at least comment, too, that we
2 have the volume estimates on quite a large number of the
3 plants in this country, and the total volume accounted for
4 by those plants -- they tend to be the larger operations
5 as well -- is close to 90% of the volume of total milk
6 produced in the country. So the additional 10% of volume
7 is dispersed over quite a lot of smaller plants. Those
8 plants are available for operation. They are just not
9 constrained because we don't know what they process.

10 Q. Okay. Okay. So I just want to make sure we're
11 all clear. So this is -- you didn't rerun anything. You
12 had your baseline numbers, and that's what we have in
13 these exhibits?

14 A. Can -- can you say that again, please?

15 Q. Sure. This is -- the baseline -- you didn't --
16 the baseline numbers didn't change between this set and
17 the other set of numbers. It's just that this is actually
18 reporting now baseline numbers, and before it was
19 reporting out a change for the baseline?

20 A. Either the change from the baseline or runs that
21 we were making trying to get to the baseline. So our idea
22 of the baseline is the best that we can do to represent
23 the dairy industry as it existed at that point in time.
24 And I don't recall if that set that I had used before was
25 as we were trying to get to the baseline numbers or if it
26 was a scenario from the baseline numbers, but it was a
27 model run that was not what we considered to be the
28 baseline of 2016.



1 Q. Okay.

2 A. I might just also mention, though, that even
3 though there are differences between the data presented
4 before and this, I think that qualitatively, the results
5 are quite robust. I mean, they look fairly similar. I
6 mean, the story that I was trying to show, demonstrate,
7 you know, is the story that is in both of these maps, I
8 think, even though the low point wasn't in Idaho.

9 Q. I do appreciate you going back to look at this,
10 though. I know it takes quite an effort, and so I do want
11 to thank you for doing that and coming back here.

12 A. You're very welcome.

13 Q. I did have one question on the Make Allowance
14 questions.

15 So I think if I caught correctly, you mentioned
16 you had put highs and lows, and I think it was
17 Exhibit IDFA-1.

18 A. Yes, there are -- Hearing Exhibit 178?

19 Q. Yeah. Yes.

20 And I was -- I went back and looked at the online
21 copy. And so you -- you did have highs and lows in there
22 for your 2023 survey. I think what we were looking for
23 were highs and lows of the non-transformed numbers in the
24 2021 survey.

25 A. Oh, okay.

26 Q. Yeah.

27 THE COURT: When would you like to come back?

28 MS. TAYLOR: Well, if we're done, maybe he can --



1 I won't speak for him. But we'll be here today and
2 tomorrow.

3 THE WITNESS: I won't. I didn't bring those
4 values, and apparently I didn't understand what you were
5 requesting.

6 BY MS. TAYLOR:

7 Q. Okay.

8 A. I -- I can pull those together if you really want
9 them, but I'm not sure how to submit them to you.

10 Q. Yeah. I don't think we'll be able to submit them
11 after we close the hearing, unfortunately, so -- okay.
12 That would be --

13 THE COURT: Ms. Vulin?

14 MS. VULIN: Could I propose that either Mr. Brown
15 or Ms. Keefe could submit them tomorrow? Or at least
16 let's look into that. We'll see.

17 MS. TAYLOR: I would be great with that, but I
18 don't know if from my attorney's perspective he would be
19 good with that, so how about we circle back on that. One?

20 MS. VULIN: That's fair.

21 THE COURT: Would you articulate again what you
22 need?

23 MS. TAYLOR: Yes.

24 BY MS. TAYLOR:

25 Q. What we're looking for, we're just trying to get a
26 full comprehensive set of data over whatever years we can
27 get, and then we can make comparisons to kind of look at
28 changes.



1 So in IDFA-1, you put in 2021 study numbers based
2 on your non-transformation allocation of unallocated
3 costs, and you put those in as averages in the text of
4 your document. What we're looking for is the high and low
5 breakouts of that non-transformed numbers for the 2021
6 survey.

7 A. I'd have to look here, but I'm pretty sure that
8 these are the non-transformed numbers in 178. What --
9 what is not non-transformed are the earlier years.

10 Q. Right. That's what I'm looking for. You put 2023
11 in, and you used the -- I'll call it the old allocation
12 method.

13 A. Yes.

14 Q. And that's what 2023 numbers are. And I'm just
15 looking for the 2021 numbers, high and low, based on the
16 old allocation method.

17 A. I'd have to look to see if I had that.

18 Q. Okay.

19 A. I may have to actually rerun all of that. I did
20 rerun those for my testimony where that table shows the
21 total average, but I don't recall if I broke that out by
22 the high and low plants.

23 Q. Okay. I think we can talk and see what we may be
24 able to do tomorrow.

25 MS. VULIN: I may have spoken out of turn. I'm
26 not sure if Ms. Keefe or Mr. Brown worked on any of that
27 data. I had misunderstood that. I can see the issue now.

28 MS. TAYLOR: Yeah.



1 THE COURT: Where there's a will, there's a way.

2 MS. TAYLOR: One could hope.

3 THE COURT: So we'll see.

4 MS. TAYLOR: I think that's it from AMS. Thank
5 you again.

6 MS. VULIN: Your Honor, just a short redirect.

7 REDIRECT EXAMINATION

8 BY MS. VULIN:

9 Q. You have used the terminology procurement costs,
10 balancing costs, and incentive.

11 And is procurement costs and incentive costs, are
12 those the same thing conceptually?

13 A. I'm meaning that to be that way, that's correct.

14 Q. And Ms. Hancock had asked you about the need for
15 balancing costs and incentive costs in some areas of the
16 country but not in others, correct? Identical needs.

17 A. Yes. The needs are different in different parts
18 of the country. But, yes.

19 Q. Uh-huh.

20 And so in looking at this map, if -- if we set
21 balancing and incentive values in red areas based on what
22 those values would be in the dark green areas, what does
23 that do to the system? What kind of impact would that
24 have?

25 A. Well, access to milk and balancing function is
26 much easier -- or excuse me -- access to the balancing
27 function is much easier in the red areas simply because
28 you have got capacity in manufacturing plants to handle a



1 little extra milk, if it may be surplus in fluid plants,
2 or to give up a relatively small amount of the total
3 proportion for fluid needs. So balancing costs tend to be
4 much smaller in those regions.

5 Procurement, on the other hand, can be quite a bit
6 different, as you will see in some of the orders where
7 enticing that milk away from the cheese plant that has
8 sales for their final product is difficult and costly to
9 do.

10 Q. And so there's really no way to set a national
11 balancing and procurement cost that would apply uniformly
12 in all of these areas and still be accurate; is that fair?

13 A. I think it's really difficult to do. And if we
14 look at the records where we see \$0.30 for one of the
15 values and \$0.40 for another, or something like that, that
16 suggests awfully round values, which, to me, you know,
17 suggests that we didn't really actually know what those
18 were at the time either, that it seemed like a good number
19 to throw out there.

20 Q. And then, lastly, you were asked about the newness
21 of the methodology used to calculate these differences.

22 So developing the Class I shadow price has been
23 done before to set Federal Order policy, correct?

24 A. That's correct. I mean, all of these shadow price
25 values have been done before. So developing those values
26 is not new at all, it's just visualizing and using them in
27 this way is -- is new.

28 Q. And when you say "this way," running the



1 difference between the Class I shadow price and the
2 Class III shadow price, correct?

3 A. Correct.

4 Q. And that's just simple subtraction math?

5 A. Sure.

6 MS. VULIN: Nothing further, Your Honor.

7 MS. TAYLOR: This is Erin Taylor from AMS. I
8 still have one more question, actually.

9 MS. VULIN: Yes.

10 RE-CROSS-EXAMINATION

11 BY MS. TAYLOR:

12 Q. You talk about why there's a near zero point for
13 the Class I shadow price.

14 Is there -- should there be or why isn't there a
15 near zero Class I dollar value for the Class III shadow
16 price?

17 A. Why is there not?

18 Q. Yeah.

19 A. You can think about those shadow prices in the
20 model solution as being on a complete spectrum from zero
21 to the highest value shadow price that we have, which is,
22 I'm guessing without looking on here, but probably for
23 consumer demand for fluid milk in Key West, okay? So
24 those shadow prices for all products in all constraints,
25 in all regions of the country, are going to be on that
26 spectrum somewhere.

27 And your question was why don't we see a zero
28 price?



1 Q. A near zero price in the Class III shadow price?

2 A. The near zero price on Class III is because those
3 products are needed and are generally being shipped or
4 having to be shipped some distance to consumers from the
5 plant locations, so they are incurring transportation
6 costs to get from surplus regions to places where they are
7 needed.

8 Q. Okay. Thank you.

9 MS. VULIN: Thank you, Your Honor. We would move
10 to admit Exhibits 490, 491, 492, and 493.

11 THE COURT: Is there any objection to the
12 admission into evidence of MIG Exhibit 16D, which is
13 Exhibit 491?

14 There is none. Exhibit 491 is admitted into
15 evidence.

16 (Thereafter, Exhibit Number 491 was received
17 into evidence.)

18 THE COURT: Is there any ob- -- well, I started
19 with 491. Sorry, I'm out of order.

20 But is there any objection to admission into
21 evidence of MIG Exhibit 16C, like cat, which is
22 Exhibit 490?

23 There is none. Exhibit 490 is admitted into
24 evidence.

25 (Thereafter, Exhibit Number 490 was received
26 into evidence.)

27 THE COURT: Is there any objection to the
28 admission into evidence of MIG Exhibit 16E, also



1 Exhibit 492?

2 There is none. Exhibit 492 is admitted into
3 evidence.

4 (Thereafter, Exhibit Number 492 was received
5 into evidence.)

6 THE COURT: Is there any objection of the
7 admission into evidence of Exhibit MIG-16F, which is
8 Exhibit 493?

9 There is none. Exhibit 493 is admitted into
10 evidence.

11 (Thereafter, Exhibit Number 493 was received
12 into evidence.)

13 MS. VULIN: Thank you, Your Honor.

14 THE COURT: Thank you so much, Dr. Stephenson. I
15 appreciate your working with Ms. Vulin to determine
16 whether the issue that the Agricultural Marketing Service
17 would like a little more information on could in some way
18 be provided.

19 THE WITNESS: Thank you.

20 THE COURT: Thank you. And you truly are a
21 gentleman and a scholar. Thank you for coming back.

22 Let's take a ten-minute break. Please be back and
23 ready to go at 9:22.

24 (Whereupon, a break was taken.)

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

26 We're back on record at 9:26.

27 We have a new person in the witness chair.

28 Would you please state and spell your name for us.



1 THE WITNESS: Jeffrey Sims, J-E-F-F-R-E-Y,
2 S-I-M-S.

3 THE COURT: You remain sworn.

4 JEFFREY SIMS,
5 Having been previously sworn, was examined
6 and testified as follows:

7 THE COURT: Ms. Hancock, if you'd identify
8 yourself and then walk me through these exhibits.

9 MS. HANCOCK: Nicole Hancock, National Milk.
10 And, Your Honor, I believe we're on Exhibit 494.

11 THE COURT: Correct.

12 MS. HANCOCK: So we have Exhibit NMPF-112, which
13 is Mr. Sims' written opposition statement. We'll mark
14 that as Exhibit 494.

15 THE COURT: Yes.

16 (Thereafter, Exhibit Number 494, was marked
17 for identification.)

18 MS. HANCOCK: And then we have NMPF-112A through
19 D, like David, and we'll mark those in order.

20 So National Milk-112A will be Exhibit 495.

21 THE COURT: Yes.

22 (Thereafter, Exhibit Number 495 was marked
23 for identification.)

24 MS. HANCOCK: National Milk-112B, as in boy, will
25 be 496.

26 THE COURT: Yes.

27 (Thereafter, Exhibit Number 496 was marked
28 for identification.)



1 MS. HANCOCK: National Milk-112C, as in Charlie,
2 will be 497.

3 THE COURT: Yes.

4 (Thereafter, Exhibit Number 497 was marked
5 for identification.)

6 MS. HANCOCK: And last, National Milk
7 Exhibit-112D, as in David, will be 498.

8 THE COURT: Yes.

9 (Thereafter, Exhibit Number 498 was marked
10 for identification.)

11 MS. HANCOCK: Delta for the pilots in the room.
12 Did we get the --

13 THE WITNESS: Yes.

14 MS. HANCOCK: We're good to go.

15 THE WITNESS: If we can turn on the display.

16 MS. HANCOCK: Okay. Your Honor, is it okay to
17 proceed?

18 THE COURT: It is. So we're looking at what's
19 been marked as Exhibit 495.

20 DIRECT EXAMINATION

21 BY MS. HANCOCK:

22 Q. Good morning, Mr. Sims, and welcome back to the
23 stand. Let's just identify the documents that we have
24 here first.

25 They won't all show on the screen right now, but
26 we'll start with Exhibit 494, that's your written
27 testimony that you are going to provide in just a moment;
28 is that right?



1 A. Yes.

2 Q. Exhibit 495, which is 112A that's showing on the
3 screen, can you tell us what this exhibit is?

4 A. Yes. This calculates two or three things
5 simultaneously by Federal Milk Marketing Order by month
6 for calendar years 2021 and 2022. It simply takes -- and
7 these data are from the MA websites or the price
8 announcements or other data that's been presented at this
9 hearing in terms of the Class I producer milk pounds and
10 the producer milk pounds in each pool, the 11 pools,
11 for -- again, for the years 2021 and 2022. It calculates
12 the cost, the reduction in pool revenue by month, and then
13 summarized annually for each of the 11 orders, the
14 reduction in pool revenue from reducing across the board
15 Class I differentials by \$1.60 per hundredweight. And it
16 simply takes those dollars and divides them by the
17 producer milk pounds in the month, which would create,
18 then, a change per hundredweight in the PPD, in the
19 component pricing orders, or the uniform price in the four
20 skim fat orders.

21 I then just put in the announced PPD at the base
22 zone for each order in the next to last column, and then
23 simply took the change in the PPD compared to the PPD as
24 announced.

25 And then the last column would be a revised PPD
26 based on reducing the pool revenues by \$1.60 per
27 hundredweight.

28 I will note that Ms. Keefe's testimony earlier had



1 some data in there on 2022, and my data in terms of the
2 change in the order blend price or PPD or uniform price,
3 whichever way you want to look at, and hers are within --
4 I rounded mine out to three decimals, she rounded out to
5 two, and within that rounding they are identical.

6 So the process that she used to compute the change
7 in the weighted price or the blend prices for 2022 and
8 mine match, again, within the, you know, rounding out to
9 one-tenth of a cent. So the process is something that
10 matches exactly what Ms. Keefe did earlier.

11 Q. And if we turn to page 13 of Exhibit 495, you have
12 a summary page there?

13 A. I do.

14 Q. And do you want to explain that page?

15 A. Yes. This simply takes the individual results per
16 order and adds them up together to get, for the two years
17 number, the weighted average change across all orders in
18 terms of the change in blend prices for each of the two
19 years. Also sums the change in pool revenues for each of
20 the two years. Notably, for 2021, about 674 thous- --
21 excuse me -- \$674 million in pool revenue reduced as a
22 result of Proposal Number 20, and just under \$656 million
23 for the year 2022.

24 And then over to the side we simply take a quick
25 look at how the Proposal Number 20 would impact the
26 occurrence of negative PPDs and how it would increase the
27 incidence of negative PPDs, current, or as was announced
28 by each Federal Order, the PPD. And then the impact of



1 Proposal 20 on the occurrence or the number of times you
2 would -- we would see negative PPDs in the Federal Orders.

3 Q. Okay. And then Exhibit 496, can you tell us what
4 that exhibit is?

5 A. Yes. This exhibit takes the -- I guess you could
6 say the -- as -- as today, for 2021 and 2022, the top half
7 of each page -- and the pages are procedurally identical,
8 2021 being the first page, 2022 being the second page. It
9 simply takes the base zone uniform price or statistical
10 uniform price for the component pricing orders, subtracts
11 the location adjustment to -- from what I would call
12 representative reserve supply areas for the Southeast.

13 These reserve supply areas Deaf Smith County, Texas;
14 Hereford, the city; Manitowoc, Wisconsin, in Order 30;
15 Rensselaer, Indiana, in Order 33; St. Johns, Michigan, in
16 Order 33, also; and Lancaster, Pennsylvania, for Order 1.

17 It simply calculates the blend price gradient, if
18 you will, between these reserve supply areas and the order
19 blend price of -- that was announced in Orders 5, 6, and
20 7. And, again, these transactions represent what I would
21 call kind of typical reserve supply sources for each of
22 the three orders in the Southeast, largely the Southwest,
23 and the Upper Midwest, and the Middle Midwest for Order 7,
24 Michigan for Order 6, and the Order 1 area generally for
25 Order 5.

26 It simply calculates the blend price gain from
27 buying milk in a reserve supply area and the blend price
28 gain when you sell it in Orders 5, 6, and 7. If you



1 reduce the \$1.60 out of the Order 5, 6, and 7 pools,
2 because Orders 5, 6, and 7 have the highest Class I
3 utilization of all the orders in the country, that \$1.60
4 impacts those orders most negatively. In other words, the
5 blend price goes down in Orders 5, 6, and 7, more than it
6 goes down anywhere else if you take a flat \$1.60 off of
7 every pool. Now, every blend price and every pool goes
8 down, but Orders 5, 6, and 7 goes down more than typical
9 because of their very high Class I utilization.

10 And so then I used -- basically take the same
11 blend price changes that I computed in Exhibit 111 --
12 National Milk 112A, and applied them to these five typical
13 milk movement scenarios on an annual basis, and it --
14 maybe I can -- maybe I can get that one up while we're --
15 let's see. We need B, don't we? There we go.

16 So as we can see, the blend price, because, again,
17 every order, the blend price goes down as a result of
18 Proposal Number 20, the announced Federal Order blend
19 price or uniform price or statistical uniform price, they
20 all fall. But they fall most and biggest, a biggest fall,
21 the biggest decrease, in Orders 5, 6, and 7.

22 So when you compare the blend price incentive to
23 move milk, bulk milk, farm milk, from these reserve supply
24 areas to the Southeast, Proposal 20 actually harms or
25 reduces the incentive to move supplemental milk from these
26 reserve supply areas to the Southeast more than any other
27 place, to the tune of, depending on the place, depending
28 on the origin point of the supplemental milk, the



1 destination point, and the year, anywhere from 50-some-odd
2 cents per hundredweight decline in the incentive to move
3 milk to more than \$1 per hundredweight to -- that would
4 reduce the incentive.

5 So basically Order 1 -- excuse me -- Proposal 20
6 damages the ability or the -- what I would call the blend
7 price gradient between reserve supply areas and the
8 Southeast pretty substantially. And I think it bears a
9 bit of a reminder that packaged milk tends to move on
10 Class I prices; bulk milk moves on blend prices.

11 So this is the calculation that, for example, I,
12 in my position, would go through to determine where to get
13 supplemental milk, or what supplemental milk should cost,
14 et cetera, for these areas, particularly for Lone Star
15 Order 7, this is exactly the kind of comparison I do when
16 I start thinking we might need supplemental milk or what
17 is milk worth. This is the kind of calculations I do.
18 And it -- and this Proposal Number 20 would severely
19 damage the Southeast's ability to attract supplemental
20 supplies in these reserve areas.

21 Q. Thank you.

22 And let's move to Exhibit 497.

23 Can you explain for us what is represented in
24 Exhibit 497.

25 A. Yes. And I'm going to go -- I have been accused
26 of going fast, but I'll try to go slow.

27 The question has arisen in this hearing about the
28 impact of Class I differentials on Class I demand. And if



1 we -- if you think intuitively, you would think that if
2 you raise Class I differentials, that raises -- it should
3 raise retail prices, and consumers, if there is a response
4 or a relationship between what consumers do and how much
5 milk they buy, they are responding to retail prices.

6 So we investigated the question of, is there a
7 cause and effect relationship between Class I
8 differentials and retail prices? Because that's what --
9 again, that's what consumers respond to.

10 For the year, for the ten months ending
11 October 2023, when we initially did this, I don't think
12 the last two months have been announced yet, we used the
13 30-city AMS Dairy Program Retail Price Survey as our data
14 source. So these are USDA announced retail prices from
15 their monthly survey, 30 cities across the U.S.

16 This first page here is a standard graph of the
17 relationship for each of those 30 cities of the retail
18 price, the ten-month retail price, again, ending
19 October 2023, as an -- you know, provided in that USDA
20 data, compared to the Class I differential at that city,
21 the current Class I differential.

22 Perhaps the easiest one to look at is the one to
23 the very, very far right. You will see a dot there, oh, a
24 little bit closer to \$4 than it is \$4.50 on the retail
25 price per gallon, and hovers greatly above \$6. Most of us
26 who mess around with Class I differentials and prices know
27 that that's Miami. Miami is the current only place that I
28 think that has milk plants and has people and has a



1 Class I differential of \$6. So far out to the right, that
2 one is Miami, in the intersection of the retail price,
3 ten-month average retail price, and the Class I
4 differential.

5 If we look at the one at the top, the very -- the
6 kind of the second line, the -- or excuse me -- the second
7 column, the \$2 per hundredweight differential group, the
8 number there is a number just above \$6 per gallon. That
9 is Kansas City.

10 So we plotted in a scatter graph the relationship
11 as the retail price was reported by USDA against the
12 Class I differential at that city. For -- again, for
13 Kansas City, \$2; Miami, \$6, et cetera. And then just did
14 a quick statistical test, an ordinary least squares
15 regression, to get the trend line, the best fitting
16 regression line.

17 And out of that you can then ask, what is the
18 R-square which represents a statistical measure of how
19 much of the difference in all these data points is
20 represented by that best-fitting regression line?

21 Q. How well they correlate?

22 A. How well they correlate.

23 Q. Okay.

24 A. In this case, in an R-square, it's been a long
25 time since I did them, but I do remember that zero means,
26 in essence, completely random, absolutely no relationship
27 whatsoever. A factor of one means absolute relationship.
28 That the -- that the dependent variable moves in lockstep



1 with the independent variable.

2 In this case, when we were -- and intuitively,
3 again, you would think that Class I differentials would
4 have a direct impact on the retail price in an area. The
5 higher the differential, you would think you would, you
6 know, intuitively believe that that should result in the
7 highest retail price.

8 That is absolutely not the way the world is. The
9 R-square here is .0032, meaning more than 95.5% of the
10 impact on retail prices is from factors other than the
11 Class I differential. It is almost as close to random as
12 you can get. There is virtually no cause and effect
13 relationship between the Class I differential and the
14 price per gallon for retail milk sold in a particular
15 area. They are completely disassociated actions or
16 activities.

17 Q. And so I hate to say the word again because I feel
18 like there will be a collective eye roll, but we have
19 heard a lot of debate at this hearing about price
20 elasticities and whether the retail price of milk causes
21 any kind of effect on consumer behavior. And I want to be
22 clear on what we're talking about in this Exhibit 497.

23 You are not talking about price elasticities here,
24 are you?

25 A. We are not. We're simply saying that if you make
26 the intuitive conclusion that higher Class I differentials
27 will raise retail prices or, conversely, lower Class I
28 differentials will necessarily reduce the likelihood or



1 create a likely reduction in retail prices, that cause and
2 effect relationship simply does not exist.

3 Q. And because if you increase Class I differentials,
4 there's a lot of intervening events that can happen to
5 either absorb or reduce costs along the way before it gets
6 to a retail outlet; is that fair?

7 A. All we're saying with this data and what the data
8 says is that the relationship between the Class I
9 differential and a retail price has virtually nothing to
10 do with the Class I differential. It's gillions of other
11 things, retail pricing behavior, any number of things that
12 can drive that, but what is not driving it is the Class I
13 differential.

14 Q. Okay. Let's turn to page 2.

15 A. Yes.

16 Again, intuitively you would think that, again,
17 retail prices and Class I differentials should be at least
18 indicative of each other, right? So we prepared a couple
19 of maps here, one of which will not be any surprise to
20 anybody in the room. We'll start with the map on the
21 right, which simply just for the 30 cities announced in
22 that USDA AMS retail price service, the 30 series -- the
23 Class I differential at those 30 cities compared to the
24 median Class I differential for those 30 cities.

25 In this case, the median Class I differential is
26 \$2.45. That's not too far off what we normally think of
27 as the average Class I differential across the country
28 completely, but for this subset of cities, the median



1 Class I differential is \$2.45 per hundredweight. And they
2 range from, of course, well less than that to up to \$6 in
3 Miami.

4 The gradations in this map simply show the
5 relationship of the city Class I differential to the
6 median. The most red state, now, no political commentary,
7 is Florida. It has the highest Class I differential
8 compared to the median. And when you get to the Upper
9 Midwest and parts of California or the cities in
10 California that are surveyed, you have the largest
11 difference less than the median Class I differential.

12 So this map looks exactly like you would expect.
13 The highest Class I differentials compared to the median
14 in the Southwest and up the Eastern Seaboard, the lowest
15 in the Upper Midwest and on the West Coast.

16 The map on the left-hand side makes the same
17 comparison, but with retail prices. And you don't see
18 what you would expect there. If you -- if prices --
19 retail prices followed Class I differentials in relative
20 consistency.

21 There is a good bit of difference. The places
22 where the retail prices are higher, substantially higher
23 than the -- than the Class I differential, or higher than
24 the mean -- excuse me. Strike that.

25 The places where they are higher than the median,
26 you know, deep red, largely across some of the central
27 states and Pennsylvania. Higher than the median in
28 California and the Upper Midwest. Tend to be lower than



1 the median in the South, Georgia and Florida, and the
2 Southwest.

3 So this shows that the -- again, the lack of
4 connection between retail prices and -- and the Class I
5 differentials, or chose, at least on this one, the picture
6 of where the retail prices deviate from -- from the
7 median.

8 We also asked the question, well, yeah, the -- the
9 implication of the statistics is that there's no relation,
10 but could this be a regional thing? Could there be some
11 sort of regional implication that says, "Okay, here's why
12 it doesn't look why there's no relationship," and that's
13 some sort of regional pricing behavior on retail prices.
14 So I'm going to go, again, through this one fairly slowly.

15 And I struggled with the right nomenclature, but,
16 again, if you -- if you think intuitively or you consider
17 intuitively the Class I differential and the retail price,
18 normally we would think they ought to move together or be
19 consistent. But there's just as many places where they
20 are completely inconsistent.

21 A blue state in this case means that -- one of two
22 things: Either the median differential is higher than
23 the -- or the actual retail price is higher than the
24 median and the Class I differential is higher than the
25 median, or conversely, the retail price is lower than the
26 median and the Class I differential is lower than the
27 median. In other words, they kind of move like you would
28 expect. Right?



1 But then all the red states show a place where
2 they move entirely differently, or the relationship is
3 exactly opposite. You have a high Class I differential
4 but a relatively low retail price, or vice versa, a low
5 Class I differential but a relatively high retail price.

6 There's obviously no geographic relationship in
7 terms of this disconnect. And in fact, if you look to the
8 three states that -- in kind of the Northeast, the Ohio
9 and the Northeast, Pennsylvania -- Ohio, Pennsylvania, and
10 New York, each of those states has two cities in the USDA
11 retail price surface -- or survey. In each of those
12 states, the two cities themselves aren't even consistent
13 in terms of how they relate to their retail price versus
14 the median.

15 So this is not a regional question. It's not
16 there's a regional impact, or it's -- this is just simply
17 their -- these data show that if you are looking for a
18 cause or effect relationship between Class I differentials
19 and retail prices, it simply doesn't exist.

20 Q. Okay. And then briefly Exhibit 498, tell us what
21 that exhibit is.

22 A. Yes. The type is kind of small, we tried to get
23 as many as we could on a page, but -- there's been some
24 discussion, implication at this hearing that the
25 Proposal 19 Class I differentials are somehow skewed such
26 that they tend to create a competitive advantage for
27 cooperative-owned Class I plants, that the implication is
28 that we went -- in developing Proposal 19 we somehow



1 inherently or systematically or systemically inserted a
2 bias to competitive advantage for cooperative plants.

3 So this is a plant list that I think came off of,
4 I believe the footnote says Exhibits 299 and 301. 289, I
5 believe -- 289 distributing plants and supply plants. And
6 the Class I working group went in and simply, to the best
7 of our knowledge and belief, marked whether those plants
8 are owned by a cooperative or whether they are owned by a
9 proprietary company, including in what we have included in
10 proprietary companies vertically-integrated grocery store
11 chains.

12 Q. And what's the executive summary or the takeaway
13 from Exhibit 498?

14 A. If we can get to the bottom.

15 We made calculations, and that the -- across --
16 compared to the current differentials -- there's a small
17 table at the bottom that simply summarizes the -- the --
18 the statistics.

19 Cooperative-owned plants, the current differential
20 is approximately \$2.55, simple average across those
21 co-op-owned plants. The order -- excuse me -- the
22 Proposal 19 proposed differential across that universe of
23 plants is \$4 and roughly \$0.02, a difference of \$1.46,
24 \$1.47, the delta per hundredweight.

25 The proprietary plants, again, including the
26 vertically-integrated grocery stores, the current average
27 differential is 4 -- roughly \$4.03 a hundredweight. The
28 proposal -- excuse me -- the Proposal Number 19 is \$4.03,



1 compared to a current differential average across those of
2 \$2.58 per hundredweight, a difference of \$1.44 roughly per
3 hundredweight.

4 This shows that across the country compared to the
5 current Class I differentials -- which seem to be
6 important to a number of the witnesses in terms of
7 maintaining price alignment, the current price alignment
8 seemed to be an important consideration for them.

9 Compared to the current differentials, the
10 cooperative-owned plants, their increase is ever so
11 slightly more than the proprietary plants, but I would say
12 that these represent virtually identical numbers.

13 But if there is any difference or any notable
14 difference, it's that the co-op plants tend to go up more
15 than the proprietary plants, again, including the
16 vertically-integrated grocery store chains.

17 Q. Okay. Let's turn to your opposition testimony to
18 Proposal Number 20 in Exhibit 494. You have approximately
19 32 minutes left.

20 A. Oh, am I limited? I didn't think I was.

21 Q. Well --

22 MS. TAYLOR: All witnesses get an hour.

23 MS. HANCOCK: I thought it was direct testimony.

24 MS. TAYLOR: Is this not direct testimony?

25 MS. HANCOCK: It's rebuttal testimony to 20.

26 (Discussion held, not reported.)

27 MS. HANCOCK: Okay. Well, I saw the clock
28 running, so I think we're going to be close.



1 THE WITNESS: Okay.

2 BY MS. HANCOCK:

3 Q. Exhibit 494, if you could provide that testimony.

4 A. Yes. And I -- my name is Jeffrey Sims, as we said
5 earlier. I work for Lone Star Milk Producers, and I'm a
6 member of the National Milk Producers Class I working
7 group.

8 We present this testimony on behalf of National
9 Milk in opposition to Proposal Number 20. Proposal
10 Number 20, if adopted, would result in calamitous,
11 disorderly marketing conditions in the U.S.

12 I'll do my best to stay under my 30 minutes.

13 We enumerate a number of challenges and concerns
14 regarding Proposal Number 20. Number one, as we indicated
15 in that -- one of the previous exhibits, there's an
16 enormous amount of Class I revenue which leaves the
17 Federal Order pools, which would result on -- from
18 order -- excuse me -- Proposal Number 20, somewhere in the
19 \$650 million to \$670 million range per year.

20 Importantly, there is no guarantee, no guarantee,
21 that any of the \$660 million would materialize in the form
22 of over-FMMO prices. A substantial portion of the country
23 would have a zero Class I differential per hundredweight
24 under Proposal Number 20. That would significantly
25 increase the incidences of Class I price inversions, and
26 would also significantly increase the incidences of
27 negative PPDs.

28 Negative PPDs are a major concern for dairy



1 farmers, and they -- provisions which would tend to
2 increase the incidences of and magnitude of negative PPDs
3 are not embraced, and will not be embraced in the dairy
4 farming community.

5 I think I'll pause here and go off script, since
6 we're not going to follow the script. Mr. Schuelke last
7 week, two weeks ago, made a very interesting observation
8 about -- from Crystal Creamery, Mr. Schuelke -- about
9 negative PPDs. He said, "Negative PPDs tell dairy farmers
10 to deliver to Class III, not to Class I." I think that's
11 a very interesting observation.

12 Number three, Proposal Number 20 would reduce or
13 even eliminate the regulated price economic incentives to
14 supply Class I plants, and this would occur across the
15 country, not just in predominantly Class I markets.

16 Proposal Number 20 ignores or assumes away -- this
17 is a substantial cost of balancing Class I plants -- and
18 ignores or assumes away 25 years of increases in milk
19 hauling costs.

20 Proposal Number 20 ignores the difference between
21 the on-farm milk production costs of Grade A milk versus
22 Grade B.

23 Effective -- Proposal Number -- or item number
24 six, Proposal Number 20 would effectively return much of
25 the country to individual handler pools which can cause
26 market disorder rather than the market-wide pools which
27 have been determined by the Secretary to enhance orderly
28 marketing.



1 Proposal Number 20 would create conflicts with
2 other Federal Milk Marketing Order provisions.

3 Proposal Number 20 makes no improvement in the
4 Class I price surface to encourage milk to move from
5 reserve supply areas to areas of milk need and, in fact,
6 would disincentivize the delivery of milk from reserve
7 supply areas to milk deficit areas.

8 Number nine, Proposal Number 20 improperly
9 concludes, as we have just described in our -- one of the
10 previous exhibits, the Class I will -- demand will be
11 reduced or eliminated -- excuse me -- if you reduce or
12 eliminate Class I differentials.

13 Proposal Number 20 relies on substantial immediate
14 and permanent increases in over-order prices to transmit
15 the dairy product values through raw milk. If -- if
16 the -- if such increases in over-order prices were to
17 occur, which is a highly speculative occurrence we
18 believe, there is no guarantee that such increases would
19 be immediate and permanent, and certainly no assurance
20 that the over-FMMO prices would sufficient -- would rise
21 sufficiently to offset the \$660 million in pool revenues.

22 These problems build on each other and multiply
23 each other --

24 THE COURT: Do you want to just re-read just after
25 "offset"?

26 THE WITNESS: Oh. Over-FMMO prices, there's no
27 assurance that over-FMMO prices would rise sufficiently to
28 offset the \$660 million lost in FMMO pool revenues.



1 THE COURT: Thank you.

2 THE WITNESS: These problems build on each other
3 and exacerbate each other.

4 Number one, Proposal Number 20 reduces pool
5 revenues in all Federal Milk Marketing Orders. As we
6 mentioned, computed in that previous exhibit, that number
7 is rounded \$650 million to \$670 million.

8 Proposal Number 20 increases the incidences of
9 Class I price inversions and increases the incidences of
10 magnitude of negative PPDs. It's pretty straightforward.
11 We reduce \$1.60 off of every order Class I differential,
12 that then lowers the blend, that lowers the -- reduces the
13 Class I price, it increases the incidences of Class I
14 price diversions, and increases the occurrence of negative
15 PPDs.

16 This is particularly problematic with Class II,
17 with -- if the mover goes back to the higher-of, every
18 time the mover is set on Class IV, you can have a -- in
19 those areas where there's a zero Class I differential, you
20 will have a Class I to Class II price inversion.

21 Proposal Number 20 reduces or eliminates the
22 incentive to supply for Class I one. I'll try to
23 summarize here. The way to get Class I milk delivered to
24 Class I is to make Class I price the highest price class.
25 Okay?

26 In much of the country, under Proposal Number 20,
27 there would be no notable difference between the
28 manufacturing class prices, Class III and IV particularly,



1 and the Class I price. You -- in essence, we may still
2 have classes of use, but in a place where there is a zero
3 Class I differential, you do not have classified pricing
4 because all the class prices are going to be pretty much
5 the same. So you -- when you take that money away, the
6 Class I price looks exactly like, or very nearly like, the
7 manufacturing class prices.

8 Why would anybody -- why would a dairy farmer
9 choose to serve Class I plants when the revenue at that
10 Class I plant that flows into the pool is virtually
11 identical to the revenue that flows in from Class III and
12 Class IV? We have a real problem there if we need a place
13 that has a zero or very nearly zero Class I differential.

14 If the -- if the Class I and Class III/IV prices
15 are equal or virtually equal, there is absolutely no
16 economic incentive within the orders to supply milk to
17 Class I. And the fact that we -- you know, so the orders
18 would not reflect the cost of balancing, the order prices
19 would not reflect the cost of acquiring milk for Class I,
20 there is no practical reason why a dairy farmer would
21 elect to take on the cost of balancing a Class I plant
22 when there is no more money in the pool which comes from
23 Class I than comes from Class III or Class IV.

24 Class I differentials need to have a slope which
25 encourages milk to move from reserve supply areas to
26 deficit regions, particularly. Dr. Stephenson, I believe,
27 admitted that in one of his pieces of testimony.

28 Order -- Proposal Number 20 does not address the



1 need to increase the price gradient to track supplies from
2 reserve supply areas to deficit areas.

3 Proposal Number 20 dismisses the undeniable and
4 harmful effects of 25 years of escalating hauling costs as
5 inconsequential. As we demonstrated in the exhibit,
6 Proposal Number 20 actually reduces the incentive, the
7 blend price incentive, to move milk from reserve supply
8 areas to deficit areas in absolute conflict with the aims
9 and purposes of the orders and as directed in the
10 market -- in the Agricultural Marketing Agreement Act.

11 Proposal Number 20 would negate the impact of
12 pooling provisions or milk delivery performance standards.

13 THE COURT: I'm going to interrupt you just a
14 moment, Mr. Sims. You are at the bottom of page 6.

15 THE WITNESS: I am at the -- about two-thirds of
16 way down page 6. I -- again, I'm bouncing as quickly as
17 possible.

18 Proposal Number 20 would negate the impact of
19 pooling provisions or milk delivery performance standards.
20 There's been some talk at this hearing that if we want to
21 get milk to move to Class I, then, hey, just tighten
22 pooling provisions, and then milk will move to Class I.
23 Well, that's not true. The math doesn't prove that.

24 If the Class I price in those areas where the
25 differentials are zero or very nearly zero, if the Class I
26 price is virtually unrecognizable compared to the
27 manufacturing class prices, it doesn't matter what the
28 Class I utilization in the pool is.



1 Mathematically, we can explain that. If you have
2 a pool that's 90% Class I, and the Class I price and the
3 Class III price, in this case, are the manufacturing
4 prices are \$17, the Class I price and the manufacturing
5 class prices are identical or virtually identical. If you
6 are 90% Class I times \$17, plus 10% in the manufacturing
7 class times \$17 per hundredweight, you are going to get a
8 \$17 blend. If all the class prices are the same, you
9 don't have any impact from higher Class I differentials.
10 If it were 10% Class I and 90% Class I, you get the same
11 answer.

12 If the Class I price is not higher than the
13 manufacturing prices, you can boot all the milk out of the
14 pool, the manufacturing milk you want to boot out, and it
15 doesn't impact the blend. That doesn't -- those
16 incentives to supply Class I become -- or that use of
17 pooling provisions reduces the incentive or the
18 effectiveness of pool provisions.

19 Proposal Number 20, again -- now I'm at the bottom
20 of page 7. Proposal Number 20 does not recognize a
21 substantial cost of balancing Class I markets and does not
22 recognize more than 25 years of increased hauling costs.

23 The discussion at this hearing has indicated that
24 balancing costs of Class I plants, while they exist, may
25 not be as important as they used to be. That is not true.
26 There is substantial daily, weekly, monthly, and annual
27 variation in the receiving at Class I plants. It's
28 expensive to balance Class I plants purely because of



1 their variation day to day, week to week, et cetera. That
2 milk has to go somewhere, whether it's sitting in reserve
3 or for Class I.

4 We have provided clear and convincing evidence at
5 this hearing on the increases in milk hauling costs and
6 how those increases in milk delivery costs are today, not
7 tomorrow, threatening a continuous supply of milk to
8 Class I.

9 Proposal Number 20 dismisses away those increases
10 in hauling costs and how it has impacted the ability and
11 desirability of delivering milk to Class I plants.

12 Milk has regional value. Proposal Number 20 does
13 nothing to improve or recognize the hauling costs and its
14 impact on the relative value of milk as it moves across
15 the country.

16 I would note that, again, something we have said
17 before, Make Allowances are a reflection of product use
18 utility, the conversion of raw milk and the conversion,
19 the cost to change the form and product utility of
20 those -- of class -- of fluid milk to hard products.
21 Class I differentials are time and place utility. It
22 costs money to move milk from where it is to where it
23 needs to be and when dairy farmers need to be compensated
24 for that conversion in time and place utility.

25 Proposal Number 20 -- again, now top of page 9.
26 Proposal Number 20 does not recognize the substantial cost
27 of producing Grade A milk versus Grade B. We won't go too
28 very deep into this one. We have had this debate. Other



1 than to point out an odd piece of information.

2 One of -- there was a proposal submitted by the
3 proponents of Proposal 20 to institute in the orders a
4 delivery credit, which would have come out of the pool, by
5 the way, \$0.55 per hundredweight. So the proponents of
6 20 -- of Proposal 20 are, in fact, recognizing that there
7 are costs associated with balancing and supplying milk to
8 Class I, and they pegged that at \$0.55 in that
9 unregula- -- unnoticed proposal.

10 But they are also saying that the Grade A/Grade B
11 piece of the current minimum differential is zero, or
12 should be zero. The cost of delivering -- or the
13 incentive to pool milk out of manufacturing or incentivize
14 deliveries to Class I is or should be zero. And the third
15 element, the balancing cost -- or the Grade A/Grade B is
16 \$0.40 or that should be zero.

17 If you admit that there is a balancing cost of
18 \$0.55 or a need to attract milk to Class I plants and that
19 cost is \$0.55, then one of the other elements must be --
20 or the other two elements must be a negative 55. In this
21 case, they say there's plenty of milk in the country, no
22 need to incent milk to move to Class I, so if you do the
23 math, the simple algebra, they are saying that actually
24 Grade A milk is cheaper to produce by \$0.55 per
25 hundredweight than Grade B. We go through that math in
26 the testimony, generally on page 10.

27 Moving to page 11. Proposal Number 20 would
28 create conflicts with other provisions in the Federal



1 Orders. There are a number of items that are classified
2 based on the lowest price class when they occur. Things
3 like shrinkage, overage, milk inventory, other uses. This
4 would be a real problem if the Class I price and the
5 manufacturing places are the same. It -- well, the --
6 there would be a real conflict there. When you have
7 Class I price inversions, Class I becomes the lowest price
8 class, so you would start some of the allocations -- or
9 classify some of these products at Class I in one order
10 and perhaps another class in another neighboring order
11 where there is a positive differential.

12 Also, there is any number of orders -- or the
13 sections of -- in 44, section 44 of the orders, that start
14 with the allocation of Class IV and other source milk,
15 step-wise moving way up, and that would not work well if
16 Class I is the lowest price class. It would be, in fact,
17 disorderly.

18 Proposal Number 20 would effectively return much
19 of the country to individual handler pools.

20 And I think I just want to read this section
21 rather than hit the high points.

22 THE COURT: And you are at the top of page 12?

23 THE WITNESS: Yes, ma'am. Top of page 12.

24 Several of the witnesses supporting Proposal
25 Number 20 did not even try to cloak their disdain for the
26 Federal Milk Marketing Order program and market-wide
27 pooling, instead, in effect, espousing the self-serving
28 but disorderly return to individual handler pools.



1 An important element, if the Secretary to adopt
2 Proposal 20, would be a reversal of the Secretary's
3 rejection long ago of individual handler pools as an
4 orderly method of handler and producer milk pricing. The
5 reliance on over-FMMO prices to encourage milk to be
6 delivered to Class I plants will actually defeat multiple
7 purposes of FMMOs: First, uniform classified pricing; and
8 second, the objective of the orders to eliminate ruinous
9 competition for milk sales.

10 Over-FMMO prices, except in some rare cases, are
11 not pooled, that is, the billing supplier of the milk
12 generally keeps the over-order premium for themselves.
13 Also, in many regions, over-order prices are class
14 specific, a fact basically acknowledged by the proponents
15 of Proposal Number 20 when they encouraged the Secretary
16 to allow them to set their own Class I price.

17 Having Class I differentials at or near \$0 per
18 hundredweight that are supposed to be replaced with
19 over-order prices means any additional milk price value
20 associated with the delivery of milk for Class I would be
21 handler specific, a circumstance which would have the same
22 result as creating individual handler pools.

23 The Secretary's rejection of individual handler
24 pools as tools to encourage orderly marketing is reasoned
25 and proper. When dairy farmers are paid for the milk
26 based on the Class I utilization of the specific plant to
27 which they deliver rather than at the market-wide Class I
28 utilization, dairy farmers will seek to deliver to plants



1 with the highest Class I utilization because those plants
2 will likely return the most money per hundredweight for
3 the milk.

4 This is exactly the marketing scheme envisioned by
5 the proposals of Proposal Number 20 when they say
6 virtually in unison and with a coordinated voice that the
7 Secretary should let them direct their individual plant
8 Class I values to the farmers delivering milk to their
9 plants.

10 The natural consequence of an individual handler
11 pool marketing structure is that dairy farmers will begin
12 fighting for the ability to supply the higher-paying
13 Class I plants. The only bargaining chip the farmers have
14 is price, and when the basic additional value of Class I
15 milk is not regulated, they will begin bidding down the
16 over-FMMO premiums, a milk marketing eventuality described
17 by Dr. Stephenson in page 3 of his Exhibit MIG-16.

18 This pernicious competition and the disorderly
19 markets that follow it is exactly what FMMO pooling is
20 designed to eliminate. The logical progression of price
21 deregulation to declining dairy farmer income and
22 declining of milk costs to processing plants is doubtless
23 not lost on the proponents of these thinly disguised
24 individual handler pools, in fact, they are counting on
25 it.

26 At the bottom of page 12. Proposal Number 20
27 improperly concludes that Class I demand will increase
28 when reduced, while eliminating Class I differentials.



1 We have described the data we analyzed regarding
2 the relationship of Class I differentials and retail
3 prices and that there is no such relationship.

4 I will point out an interesting piece of
5 information. This is taken from a Hordes Dairyman article
6 just earlier this month. They took a look -- it looks
7 like exactly the same data as in the USDA AMS monthly
8 retail price survey, and they found that in 2023, the
9 average retail price for national Class I milk was \$4.34
10 per gallon, which was \$0.08 per gallon higher than the
11 average in 2022.

12 Hit the high points of the numbers. For 2022, the
13 average Class I mover in the United States was \$23.66,
14 with a -- so that would be approximately -- with an
15 approximate national average Class I differential, the
16 annual national average Class I price in 2022 was \$26.26
17 per hundredweight. We use the same method, you get an
18 average Class I price in 2023 of \$21.80, a decline of
19 20.5% in the Federal Order average national Class I price
20 than 2023 versus 2022.

21 To be clear, the retail fluid milk prices rose
22 1.9% from 2022 to 2023, in a year when the national
23 average Class I price fell 20.5%. We're supposed to
24 believe, based on the Proposal Number 20 pricing, that
25 reduced Class I prices will spur fluid milk product demand
26 because retail prices will invariably follow Federal Order
27 prices, and that is not borne out by the evidence.

28 By the way, Dr. Balagtas basically uses the same



1 data in his Exhibit Number 436, the PowerPoint at page 17,
2 where he shows that the retail price in 2023 was higher
3 than the retail price in 2022 by \$0.08 per gallon.

4 THE COURT: And now you are on page 14.

5 THE WITNESS: Middle of page 14. Eight minutes.

6 Proposal Number 20 places the ultimate incentive
7 of supplying Class I markets on over-FMMO prices. The
8 reliance on premiums would require the Secretary to
9 abrogate his responsibility under the AMAA. We have --
10 previous testimony has documented the challenge in
11 securing over-order prices and the challenge in retaining
12 them. Southeast is a perfect example of premiums are at
13 substantially less than they were few years ago.

14 Over-order prices are hard to get. The record of
15 this hearing is replete with the history of over-order
16 pricing and its limitations and its impertinence -- or
17 excuse me -- its impermanence. The Secretary should pay
18 particular note that the parties that benefit the most
19 from over-FMMO prices and benefit when they increase, that
20 is dairy farmers, are also warning of over-order prices
21 limitations, and they simply can't be relied -- or that
22 they simply can't be relied on over any appreciable said
23 length of time.

24 On the other hand, the supporters of lowering
25 regulated milk prices and then theoretically substituting
26 market-set prices for those regulated prices are those
27 parties who benefit from the reduction in regulated prices
28 and benefit again when Federal Milk Marketing Order



1 over-order prices crumble, which they most certainly will
2 do eventually.

3 I'll jump now down to the middle of page 15,
4 implications for Proposal Number 20.

5 Proposal Number 20 fails to represent several
6 basic facts associated with milk marketing and the need to
7 address these facts and regulated pricing.

8 There's a difference in the cost of producing
9 Grade A and B milk.

10 There remains a need to incentivize delivery of
11 milk to Class I used in preference to other classes by
12 establishing a Class I price superior to the manufacturing
13 class prices.

14 Balancing Class I prices -- plants is expensive.
15 We need to continue to incentivize the milk movement from
16 reserve supply areas to milk deficit regions.

17 Milk is bulky and expensive to transport, and the
18 cost of moving milk and supplying Class I plants have seen
19 significant increases in costs over the last 25 years.

20 Milk is a perishable product and there continues
21 to exist an imbalance of market power of processors over
22 dairy farmers.

23 Proposal Number 20 assumes away or ignores these
24 important factors. The problems with Proposal 20 are
25 multiple and multiplicative in their failures. The
26 predictable result of these market failures would be
27 undeniably lead to producers questioning the need for
28 Federal Milk Orders.



1 Let me back up and preface that.

2 If the class prices are all virtually equal, the
3 Class I price is virtually equal to the manufacturing
4 class prices, you may have classified pricing -- you may
5 have classification, excuse me, but you don't have
6 classified pricing. If the prices are all the same, you
7 don't have classified pricing. If you don't have
8 classified pricing, you don't need a market-wide pool. If
9 you don't need a market-wide pool, you don't need a
10 Federal Milk Marketing Order. That logical progression is
11 inherent in everything in this Proposal 20. The move
12 toward deregulation, the partial -- the initial request to
13 partially regulate will lead undoubtedly to the
14 destruction of a Federal Milk Marketing Order program.

15 Summary. And now I'm on page 17. Federal Milk
16 Marketing Orders cannot meet the mission of the
17 Agricultural Marketing Agreement Act without Class I
18 differentials. The AMAA requires incentives for milk to
19 be delivered to Class I plants. With no Class I
20 differentials, the USDA is dependent on unregulated
21 over-order premiums to create the economic incentive to
22 meet its mission under the AMAA. So a Federal Milk Order
23 with no economic incentives to move milk to Class I
24 violates the Act and, therefore, should be considered
25 illegal.

26 USDA must uphold the law, and thus, by regulation,
27 it cannot have a situation with a Federal Milk Marketing
28 Order and no Class I differentials.



1 Whenever industry discusses with USDA potential
2 amendments to the orders, invariably a USDA staff member
3 will remind us that we must look at the enabling
4 legislation for FMMOs, the Agricultural Marketing
5 Agreement Act. They are right in these reminders. We
6 must follow the law.

7 So let's remind ourselves of what the Act says and
8 how Proposal Number 20 fails to follow the law, or at
9 least suborns the Secretary to fail to follow the law.

10 The plain language of the Act says, "he" --
11 meaning the Secretary -- "shall fix such prices as he
12 finds reflects such factors, insure a sufficient quantity
13 of pure and wholesome milk, and be in the public
14 interest." The factors to be considered include "the
15 available supplies of feeds, and other economic conditions
16 which affect market supply and demand for milk."

17 Let's repeat: "Fix" -- "shall fix such prices."
18 "Fix."

19 The AMAA does not direct the Secretary of
20 agriculture to rely on the bargaining power of dairy
21 farmer producers to set sufficient milk prices. The AMAA
22 does not direct the Secretary to rely on the benevolence
23 of the buyers of milk to set sufficient milk prices. The
24 AMAA does not direct the Secretary to rely on the
25 invisible hand of supply and demand to set sufficient milk
26 prices. And the AMAA does not direct the Secretary to
27 rely on divine providence or sheer dumb luck to set
28 sufficient milk prices.



1 It's the Secretary's job and duty to fix those
2 prices that ensure a sufficient quantity of milk, nobody
3 else. No other force, it's on the Secretary.

4 The plain and straightforward reason the AMAA
5 wisely and appropriately places this job square in the
6 Secretary's hands is that these other options or
7 alternative methods always fail. Always. We can rely on
8 the Secretary and the power bestowed by the AMAA to fix
9 the milk prices to bring forth a sufficient quantity of
10 milk. The dairy industry and the consuming public can't
11 depending on -- depend on anything else to get the job
12 done, it's just that simple.

13 Proposal Number 20 asks the Secretary to ignore
14 the Secretary's responsibility to "fix" prices. The
15 Secretary must follow the law and the USDA must deny
16 Proposal Number 20 in its entirety.

17 This concludes our prepared testimony. Thank you.

18 THE COURT: How many seconds does he have left?

19 MS. HANCOCK: I don't think we're really operating
20 under that, are we?

21 THE WITNESS: Apparently we are.

22 MS. HANCOCK: I mean, they -- they put on, like,
23 14 witnesses in opposition to our Proposal 19. I mean,
24 we're putting on one witness, and I thought only the
25 direct testimony was limited by an hour.

26 MR. HILL: Each witness.

27 MS. HANCOCK: Only for the direct testimony, not
28 for rebuttal testimony. We haven't done it for any of the



1 other rebuttal witnesses.

2 MS. VULIN: If I may, Ms. Keefe was limited to one
3 hour for her Proposal 19 opposition.

4 MS. HANCOCK: You had, like, 14 witnesses opposing
5 Proposal 19.

6 MS. VULIN: Each of whom was limited to one hour.

7 MS. HANCOCK: Never did they run the clock.

8 THE COURT: You may continue your direct
9 examination.

10 MS. HANCOCK: Thank you, Your Honor.

11 BY MS. HANCOCK:

12 Q. Mr. Sims, are you aware of Walmart opening a
13 plant?

14 A. Yes.

15 Q. A new plant?

16 A. Yes.

17 Q. And where is it located?

18 A. I understand that one is planned for construction.

19 Q. And where is it located?

20 A. South Georgia.

21 Q. What is the effect of Walmart opening a Class I
22 fluid milk plant in Georgia?

23 A. What would be the effect?

24 Q. Yeah.

25 A. In what vein?

26 Q. Well, what do you think it will do, for example,
27 to over-order premiums in that area?

28 A. It will make them a bigger challenge. The -- the



1 plant that was opened in Northern Indiana suppressed
2 over-order prices in that world almost immediately when
3 that plant opened, substantially. And those lessened
4 over-order premiums impacted a big swath of the country.
5 Marketing agency in common -- marketing agencies in common
6 pay attention to the over-order prices existing in
7 neighboring agencies, and so when one agency has a failure
8 in its over-order price, it can impact others.

9 I have no reason to believe that that would not be
10 a similar result as a result of the South Georgia new
11 plant. I suspect it will put substantial pressure on
12 over-order prices across the Southeast.

13 Q. Meaning that over -- it puts pressure on those
14 prices in a way that makes over-order premiums go down in
15 that region?

16 A. That's what I mean by pressure, yes.

17 Q. We have heard also repeatedly the MIG witnesses
18 have testified that they want to eliminate the price
19 differentials and for producers to just trust that they
20 will put that into the over-order premium pool.

21 Even if we assume that their intentions are as
22 genuine and authentic as what they have testified to, I'm
23 wondering if you can talk about what your experiences are
24 in that continuing long-term.

25 A. Over-order prices, in my career -- and it's a
26 fairly long one -- I have seen the gamut in over-order
27 prices. I have seen them pretty high, more than \$3,
28 approaching \$4, and I have seen them at zero. And no



1 matter how high they are or how -- they always come down.
2 If they get high, they come down. And the more you rely
3 on over-order prices, and the more you rely on over-order
4 prices to be high, the more likelihood they are to
5 crumble. And they all crumble eventually. It's -- it
6 just kind of happens. And, in fact, the higher you make
7 them, the more incentive there is for them to be caused to
8 crumble.

9 So we -- my -- my experience is that over-order
10 prices are -- you almost have to consider them here today,
11 gone tomorrow. They do not generally last a long time,
12 they go through cycles. And those cycles are difficult.
13 The cycles, they -- let me say this, the peak periods of
14 over-order prices when they kind of get up to a fairly
15 high level last considerably longer than those periods of
16 time when they are suppressed and near zero. The valleys
17 are substantially longer in duration than the peaks. And
18 over-order prices simply cannot be counted on to exist
19 long-term.

20 Q. And do you -- in your experience, do you believe
21 that producers have sufficient bargaining power in order
22 to command the prices that they need to cover the elements
23 that we have been talking about that are currently
24 factored into Class I differentials?

25 A. All I can say in response to that question is that
26 it's the -- it's a very unusual circumstance for
27 over-order prices to cover all the costs of balancing
28 plants. They generally are insufficient in their -- in



1 how much we are able to charge for -- for those services.

2 Q. And have you heard from plants how they use the
3 Federal Order announced minimum price in order to pass
4 that price along to their customers?

5 A. Yes, that's a common theme. We hear plants,
6 particularly traditional plants that have retail
7 customers, say that their -- the formulas that are used --
8 that are used to set the wholesale price, the price that
9 the plant gets from the -- from the wholesaler, the
10 retailer, are driven purely by month-to-month changes in
11 the Federal Order prices. I think it's been described
12 something like a tolling circumstance, where there's a
13 fixed per gallon, per half gallon margin that in essence
14 is -- creates the transfer price, which is over and above
15 the regulated Class I price.

16 A very common statement when we talked with our
17 customers about changes in pricing is that if it is on the
18 Federal Order price announcement, we can pass it on; if
19 it's in the form of a premium, not so much. In fact, it's
20 very difficult for them to pass -- if not impossible -- to
21 pass on to their wholesale and retail customers. If it's
22 on the Federal Order price announcement, they can pass it
23 on to their packaged milk customers. If it's in a
24 premium, much, much, much more difficult for them to pass
25 it on.

26 Q. And we're going to hear from Mr. Giles later on
27 today or possibly tomorrow, and he's a customer of yours;
28 is that right?



1 A. He's a customer of Lone Star Milk Producers, yes.
2 We supply them raw milk.

3 Q. And we have heard other MIG witnesses who have
4 talked about that with their cooperatives that they pay
5 balancing costs within some of the costs that are
6 enumerated in the -- by the co-ops.

7 Have you heard that testimony as well?

8 A. Yes.

9 Q. And they say that they are double paying for that
10 when they have to pay Class I differentials, and they also
11 pay balancing costs to the cooperatives. And in
12 anticipation of one of your Lone Star's customers coming
13 up to testify later and talk about the over-order premiums
14 that he pays to Lone Star, I'm wondering if you can talk
15 about whether you believe there is a double-dipping that
16 occurs.

17 A. I'm just -- I'm -- I will not reveal the nature of
18 our relationship between Lone Star and Plains, but I can
19 say this generally -- how's that -- that between what the
20 order may -- the Federal Order price may reflect in terms
21 of the value or cost of balancing, plus what generally can
22 be captured in an over-order premium, very, very rarely
23 the sum of those covers the real cost of balancing.

24 Q. Okay. So if it very rarely, if ever, covers the
25 real cost of balancing when you take the current Class I
26 differentials and your over-order premiums, is it fair to
27 say that you are not getting double paid for any of those
28 balancing costs?



1 A. We're generally getting paid between the sum of
2 the two less than the real cost.

3 Q. And just to put a fine point on all of this. Is
4 it -- in your experience, have the costs of moving fluid
5 milk to the handlers gone up, at least in proportion to
6 the 109% increase in inflation that has occurred over the
7 last 20 years?

8 A. The cost of moving milk or the cost of balancing
9 or all of the above?

10 Q. The totality of all three of those.

11 A. Yes. Certainly, dairy farmers and the cost to
12 move milk, balance milk, get milk supplies to where it's
13 needed, are not immune from the general cost increases in
14 the economy. Our costs have gone up, and they go up every
15 year. And they were insufficient when -- you know, years
16 ago; they are insufficient today.

17 Q. Okay. Thank you so much for your time today.

18 MS. HANCOCK: Your Honor, Mr. Sims is available
19 for cross-examination.

20 THE COURT: Thank you. We'll need a break before
21 we start that. Let's take 15 minutes. And please come
22 back ready to go at -- let's come back at 1:53 -- excuse
23 me -- 10:53.

24 (Whereupon, a break was taken.)

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

26 We're back on record at 10:53.

27 //

28 //



1 CROSS-EXAMINATION

2 BY MR. ROSENBAUM:

3 Q. Good morning. Steve Rosenbaum on behalf of the
4 International Dairy Foods Association.

5 Good morning, Mr. Sims.

6 A. Good morning.

7 Q. I understand your testimony to be both rebuttal in
8 support of Proposal 19, as well as opposition to
9 Proposal 20; is that fair?10 A. There is some support for 19, and then -- but
11 primarily opposition to Proposal Number 20.12 Q. I'm going to focus on the rebuttal with respect to
13 Proposal 19 aspect of things.

14 A. Not rebuttal, support for 19.

15 Q. Well, however you want -- okay. Lawyers might
16 call it your testimony in this context to be rebuttal, but
17 that's technical and not really important.18 So what I want to focus on is Hearing
19 Exhibit 497 --

20 A. Yes.

21 Q. -- which is the chart that's called "Class I
22 differential and U.S. average retail packaged fluid milk
23 price correlation."24 And just to orient ourselves, Proposal 19 would
25 increase Class I differentials, correct?

26 A. Yes.

27 Q. And Proposal 20 would decrease them, correct?

28 A. Yes.



1 Q. Okay. And so is it fair to say this chart is, in
2 that sense, relevant to both proposals?

3 A. Yes.

4 Q. So and -- and from a Proposal 19 perspective, is
5 it fair to say that you're relying upon Hearing
6 Exhibit 497 to suggest that there may not be much of a
7 relationship between an increase in Class I differentials
8 and the retail price of milk?

9 A. This exhibit, I think, provides substantial
10 evidence that there is no cause and effect relationship
11 between Class I differentials and how high they are or how
12 low they are and the resultant retail price in a
13 particular city.

14 Q. And, in fact, you -- you compute an R-squared,
15 which is a statistical way of measuring the relationship
16 between two things; is -- is that fair?

17 A. Yes.

18 Q. And you compute an R-squared of 0.0032, correct?

19 A. Yes.

20 Q. Which is a low R-squared, correct?

21 A. Meaning that the relationship between the
22 dependent and independent variables is almost random.
23 It -- this trend line or the dispersion of the
24 independent -- or the dependent variable here has
25 virtually no relationship whatsoever with the dependent
26 variable, which is, of course, the retail price.

27 Q. Okay. So what puzzles me, Mr. Sims, is the fact
28 that National Milk put on an expert witness, Dr. Henry



1 Kaiser, on this very issue, and he reached conclusions
2 that are the exact opposite of what you submitted here;
3 isn't that fair?

4 A. I don't recall Dr. Kaiser's -- I was not present
5 for Dr. Kaiser's testimony. All I can say is this data
6 showed that they are not, there's no relationship between
7 Federal Order Class I differentials and retail prices. If
8 he was discussing demand, that's a different story.

9 Q. And -- and we're going to hone in right on that.
10 And let me give you a copy of his written testimony, which
11 was National Milk Producer Federation Exhibit 48, marked
12 as Hearing Exhibit 115.

13 So if those people who have copies of Hearing
14 Exhibit 115 would pull it out, that would be -- if they
15 could read along to the major parts of it that I'm going
16 to focus on.

17 So you understand that Dr. -- maybe you don't
18 understand.

19 Are you aware that Dr. Kaiser did two things?
20 First of all, he calculated how much of an increase in the
21 Class I differential would be reflected in retail prices,
22 and then calculated how much such an increase in retail
23 prices would reduce demand.

24 Are you aware that that's what he did?

25 A. I -- again, I said I was not present for
26 Dr. Kaiser's testimony, and I don't -- I have not studied
27 his testimony.

28 Q. Well, if you could turn with me to page 3 of his



1 written testimony, which is Hearing Exhibit 115. There's
2 a paragraph that begins with the words, "How would
3 increasing."

4 Do you see that?

5 A. I do.

6 Q. And I'll just read the key sentences.

7 "How would increasing the Class I price
8 differential impact retail fluid milk demand? NMPF's
9 proposal recommends a nationwide increase of the Class I
10 price differential by an average of \$1.49 per
11 hundredweight. At current Class I prices, this is an 8.6%
12 increase. To translate the Class I price increase to the
13 retail level, we need an estimate of the price
14 transmission from the farm price to the retail price.
15 Based on monthly Class I and retail price data from 2013
16 through May 2023, I estimate that a 1% change in the
17 Class I price would cause a 0.55% change in the same
18 direction in the retail CPI for all milk products." He
19 says, "Calculations from this are available from the
20 author."

21 Do you see that?

22 A. I do.

23 Q. Do you interpret this language to mean that he had
24 concluded that if Class I differentials go up by 1%,
25 retail prices would go up by 0.55%?

26 A. That appears to be the implication. But what I
27 obviously do not know is whether he's comparing
28 differentials or the Class I price. You get a



1 substantially different answer when you make that
2 comparison.

3 Q. Well, he's -- I mean, it's pretty plain that he's
4 saying that if the Class I differentials go up by \$1.49,
5 then you would see a corresponding -- well, strike that.

6 He is discussing what impact a 1% change in the
7 Class I price would have, correct?

8 A. He makes that statement, yes.

9 Q. Okay. And you are proposing to increase the
10 Class I differentials, meaning increasing the Class I
11 price, right?

12 A. All things being equal, yes.

13 Q. Okay. So let's look at page 9, the last page of
14 his exhibit, where he provides the econometric output for
15 farm to retail price transmission.

16 Do you see that?

17 A. Page 9.

18 Q. It is the last page.

19 A. Yes, I see a table there.

20 Q. Okay. And you understand that in this context,
21 the farm price, that's the price that farmers are getting
22 for their milk, correct?

23 A. Well, if you could point out where that is on the
24 table.

25 Q. Well, okay. Let's just -- if you look at the --
26 if you weren't here, you didn't hear him testify.

27 Do you see the "sum of lags" at the bottom of that
28 chart?



1 A. Yes.

2 Q. And do you see that the -- he has four lags, and
3 then the sum of them are 0.54929.

4 Do you see that?

5 A. I do.

6 Q. And do you see -- do you -- do you understand --
7 do you see that that is, in fact, the same number that he
8 uses to -- as the impact on retail prices from the 1%
9 increase in Class I prices?

10 A. Well, sir, I am not capable of answering whether
11 that fifty- -- that .54929 is the 55% that he cites in
12 that paragraph you quoted in page 3, but I will agree that
13 those numbers are quite similar. I can't say that that is
14 the number or how it came about, but they are --

15 Q. Okay.

16 A. -- principally the same number.

17 Q. Have you had an opportunity to review his oral
18 testimony in this hearing on August 31, 2023?

19 A. I have not.

20 Q. And if I -- let me just read to you lines 10
21 through 16 of his testimony: "And so I basically looked
22 at this, and the bottom part of that graph is four months
23 of lag, and so the sum of the lags where it says .54929,
24 that basically means that over a four-month period a 1%
25 increase in the Class I price would result in a little
26 over a half a percent increase in the retail price, that's
27 the price transmission."

28 So with that explanation, do you agree that's what



1 this chart is showing?

2 A. I don't know how to interpret that.

3 Q. Okay. Well -- okay. Let's -- let's -- I mean, do
4 you have some difficulty with the language I just read to
5 you as to what it means?

6 THE COURT: Ms. Hancock?

7 MS. HANCOCK: Your Honor, I would object. This
8 witness has already said he doesn't -- he didn't hear the
9 testimony and he can't speak to this, and at this point
10 he's just badgering the witness about if he has some
11 difficulty in understanding.

12 I mean, if there's something that this witness has
13 for direct knowledge, I think it's fair game. But just
14 reading another statement into the record and trying to
15 get him to adopt it or disagree with it I don't think is
16 appropriate.

17 THE COURT: I sustain your objection, Ms. Hancock.

18 But, Mr. Rosenbaum, you are making the point
19 beautifully.

20 MR. ROSENBAUM: All right.

21 BY MR. ROSENBAUM:

22 Q. Well, let me call your attention to one other
23 number in this chart, which is the R-squared.

24 Do you see an R-squared of 0.746673?

25 A. Yes.

26 Q. And that is, like, 20 times higher than the
27 R-squared you calculated, correct?

28 A. It's almost infinitely higher.



1 Q. And just let me -- and by the way, these are --
2 these -- this is a question -- this question was by
3 Mr. Miltner that -- that resulted in these answers.

4 "Question --"

5 THE COURT: Mr. Rosenbaum?

6 MR. ROSENBAUM: I'm just -- I'm just going to ask
7 whether --

8 THE COURT: I want to you move on.

9 MR. ROSENBAUM: All right. That's all I have,
10 Your Honor.

11 THE COURT: And as I say, you made your point.
12 All right. Who next has cross-examination for
13 Mr. Sims?

14 And let us return these record copies of the
15 Exhibit 115 before we forget to do so.

16 CROSS-EXAMINATION

17 BY MS. VULIN:

18 Q. Good afternoon, Mr. Sims -- or morning, I guess,
19 wherever you would put 11:00 a.m.

20 A. I would call it morning.

21 THE COURT: Ms. Vulin, identify yourself for the
22 record, please.

23 MS. VULIN: Ashley Vulin with the Milk Innovation
24 Group.

25 BY MS. VULIN:

26 Q. So, Mr. Sims, I want to start kind of bigger
27 picture about the purpose of FMMOs.

28 FMMOs are not a price guarantee, correct?



1 A. They guarantee that at whatever price the
2 commodity prices generate and that the uniform prices
3 generate, that regulated plants must pay that value to
4 their suppliers of producer milk.

5 Q. Thank you. That was an inartfully-worded
6 question, so your clarification is fair.

7 They are not a guarantee of prices that will cover
8 all costs, correct?

9 A. The prices that the Agricultural Marketing
10 Agreement Act instructs the Secretary is to fix such
11 prices as will create a sufficient quantity of pure and
12 wholesome milk, including certain economic factors and
13 prices of feed. Long-term, the Act directs the Secretary
14 to set prices -- fix prices is the word it uses -- which a
15 sufficient quantity of milk will be produced.

16 There is no month-to-month, day-to-day guarantee
17 of a particular price. No dairy farmer is guaranteed a
18 profit. No dairy farmer is guaranteed a market. But over
19 the long-term, the Secretary is responsible for
20 determining and setting prices which will make sure that
21 this country has enough milk.

22 Q. And so just to make sure I'm tracking your point
23 to summarize that, it's your interpretation of the Act
24 that the Secretary is obligated to set long-term prices to
25 ensure that over time, dairy farmers costs are covered by
26 the minimum FMMO price?

27 A. I didn't say -- you said dairy farmer costs are
28 covered. There is 20-some-odd thousand dairy farmers in



1 this country, all of whom who have a different cost
2 structure. So any one of them cannot be guaranteed that
3 the Federal Order prices will generate revenues which
4 cover their costs.

5 Q. And I'm not trying to misstate your testimony, I
6 just want to make sure I'm tracking it.

7 So then if -- if the Secretary is not setting
8 long-term prices to cover all dairy farmers' costs, then
9 what is the benchmark for how much cost should be covered
10 in your interpretation of the Act?

11 A. The sufficient -- the prices are set such that it
12 would generate a sufficient supply.

13 Q. So prices should be set not to ensure that costs
14 are covered, but to ensure that enough costs are covered
15 that there is a steady stream of milk for fluid use; is
16 that fair?

17 A. That's reasonably fair, yes.

18 Q. Okay. So then if you could go, please, to page 12
19 of your testimony. I'm on the last paragraph.

20 And just to summarize your point before this
21 paragraph, you're arguing that a reduction of the Class I
22 differentials to zero essentially creates an individual
23 handler pool structure; is that right?

24 A. I'm saying that if you reduce, sufficiently,
25 reduce seriously, the regulated Class I price with the
26 intent or the promise by buyers that they will replace
27 those revenues with over-order prices, those over-order
28 prices and the farmer-to-plant relationship becomes, in



1 essence, an individual handler pool.

2 Q. And do you believe Proposal 20 does such a thing?

3 A. I do.

4 Q. Okay. So this --

5 A. I will say this, excuse me. It does it if there
6 are any over-order prices. Those become a -- an
7 individual handler pool. But as we have said, there
8 certainly is no guarantee. In fact, it brings into great
9 question whether there would be sufficient over-order
10 prices.

11 Q. And so under Proposal 20, if those over-order
12 prices are going to the -- to the suppliers for those
13 handlers, it's your conclusion that -- and this is a
14 quote, starting that paragraph, that last paragraph: "The
15 natural consequence of an individual handler pool
16 marketing structure is that dairy farmers will begin
17 fighting for the ability to supply the higher paying
18 Class I plants."

19 Is that right?

20 A. Yes.

21 Q. And another way to say this would be that the
22 natural consequence of Proposal 20 is that dairy farmers
23 will begin fighting for the ability to supply higher
24 Class I plants?

25 A. If those Class I plants are paying a premium.

26 Q. Thank you.

27 A. Not a given.

28 Q. Appreciate the clarification.



1 So then if you could go to page 7, please. I'm in
2 the middle of the page here, the paragraph that starts "in
3 areas where."

4 A. Yes.

5 Q. And so after first reading page 12 and thinking,
6 okay, a problem of Proposal 20 is that all of the
7 suppliers will want to serve the Class I processors if
8 they are paying an over-order premium. Then I read here,
9 "In areas where the Class I prices and the manufacturing
10 class prices become virtually equal at a location, the
11 decision on whether to serve Class I will be largely one
12 of logistical costs uninfluenced by the milk price. The
13 foreseeable result is that some Class I plants may not get
14 served."

15 Did I read that correctly?

16 A. You did.

17 Q. And so as I read this, you are arguing in the
18 first instance that Proposal 20 will cause disruption
19 because everyone will want to serve Class I, but then in
20 the same breath, cause disruption because no one will want
21 to serve Class I?

22 A. No one will want to serve Class I if there are no
23 premiums. Everybody will want to serve Class I if there
24 are premiums or if they are substantial. The quote you
25 just read, basically, is the natural evolution of pricing
26 in an unregulated market, it will fall. The over-order
27 premiums will fall, and -- and then, thus, there is no
28 incentive to supply Class I.



1 Q. So without Federal Order -- well, strike that.

2 We have over-order premiums today, correct?

3 A. Yes. In some places, yes.

4 Q. And so somehow Class I processors have figured out
5 how to ensure their plants are served using over-order
6 premiums in the current structure, correct?

7 A. Yes. But we have to remember that they are
8 operating in a structure where those over-order premiums
9 are a substantially small portion of the total value of
10 the milk. The Federal Milk Orders provide the regulated
11 value or the substantial portion of the regulated value,
12 and the over-order premiums are a small piece over and
13 above that. We're trying -- the Proposal 20 changes that
14 substantially, puts the emphasis on the premium and takes
15 away the influence of the orders.

16 Q. And is it your conclusion that Class I processors
17 will be -- somehow be inept at using over-order premiums
18 to attract milk if we don't have a base Class I price of
19 \$1.60?

20 A. I would never call a Class I processor inept. But
21 I can say that what influences Class I differentials
22 are -- excuse me -- what influences over-order prices are
23 a myriad of things not necessarily associated with any
24 particular plant. The degradation of premiums 100, 200,
25 300 miles away can domino into an area. And at the end of
26 the day, Class I processors are seriously -- and mostly as
27 we have heard in testimony -- concerned about the price
28 that their neighboring competitor plant is paying. So



1 when premiums start to degrade, erode, that's going to
2 naturally erode them everywhere.

3 Q. And if a Class I processor is not able to attract
4 sufficient milk, do you have any reason to believe that
5 they would be unable to offer over-order premiums to do
6 so?

7 A. They certainly can offer it. The question is
8 their permanence.

9 Q. The question for the supplier is their permanence
10 you mean?

11 A. The question for the buyer is they may very well
12 be willing in the very short-term to -- to increase -- pay
13 a premium to get milk, but the question is how long will
14 they pay them and how high will they be, and will they --
15 being combined with the much less valuable blend from the
16 orders, will that be enough to attract a supply long-term.

17 Q. And, again, going back to your point of the
18 problem with over-order premiums serving that role.

19 Why are Class I plants unable to manage that type
20 of typical supply chain using over-order premiums without
21 the \$1.60 Class I differential?

22 A. I'm sorry, I don't think I understood your
23 question.

24 Q. So your argument is that without the \$1.60 in the
25 Class I differential, more of the payment has to come in
26 the form of an over-order premium, correct?

27 A. To attract the supply, yes.

28 Q. And that because it's in the over-order premium,



1 and it's not necessarily permanent, that will result in
2 suppliers being less willing to serve that Class I plant?

3 A. Yes.

4 Q. So why can't we, then, rely upon Class I
5 processors and suppliers to negotiate like they do every
6 day, some kind of mutually-agreeable outcome of an
7 over-order premium that works for everyone?

8 A. The basic problem with those over-order premiums
9 are that they are not uniform, or don't have to be, or
10 typically may not be. They are -- they will be -- since
11 an over-order premium is based on an individual plant, and
12 often the Class I utilization at that plant, that may be
13 striated by class, you will create a competition. And
14 it's disorderly pernicious competition to serve those
15 Class I plants when an outsized portion of the value of
16 the milk is subject to individual relationship between a
17 plant and a supplier. Those are -- those will, in
18 essence, be an individual handler pool, and those -- and
19 those circumstances force prices down.

20 Q. Despite the fact that we still use over-order
21 premiums today?

22 A. But they are a very small portion of the total
23 value of milk, that's the difference.

24 Q. What portion?

25 A. Depends on the area.

26 Q. Have you done any study or analysis to give us
27 numbers to support that contention?

28 A. I could -- I could offer anecdotal evidence. The,



1 you know, premiums are, say, \$1 or so, maybe \$1.15
2 depending on the price of fuel in the Southeast. They are
3 a little bit less than that in the Mideast. They may be a
4 little -- they may not be existent at all, or certainly
5 not coordinated, in the Northeast. They are -- but they
6 are all similar, but represented fairly small.

7 The portion of the value is inversely related to
8 the Federal Order price. So \$1 premium in the Southeast,
9 percentage-wise, is a smaller representation of the total
10 value of milk than \$1 in the Mideast where the blend price
11 is lower.

12 Q. And given that the issue here is service of
13 Class I plants, wouldn't you agree that USDA should give
14 fairly high credence to testimony from Class I processors
15 that they are confident they will be able to obtain
16 sufficient milk supplies without the base \$1.60 in the
17 Class I differential?

18 A. That testimony was delivered. The history of
19 over-order prices across the last 40 years suggests that
20 that -- although intentions may be high, that other
21 factors will force them down when one of their
22 competitors -- when -- I as a processor, I might say, I'm
23 willing to pay an over-order price, but as long as the
24 plant down the road pays one, too, and the plant down the
25 other way pays one, too. And everybody -- and without a
26 Federal Order, there is no guarantee that those numbers
27 are equal. So they will, by natural competition, fall to
28 the least common denominator.



1 So you may have high intentions of paying an
2 over-order premium, but you won't pay one if you think the
3 plant up the road is getting a better deal.

4 Q. Isn't that natural economic market competition?

5 A. It's disorderly markets, because then you have
6 fights for Class I, and you have -- and you have
7 degradations in prices, you have high variation in prices,
8 you do not have uniform prices to producers, and you do
9 not have uniform prices to plants. It is disorderly. It
10 may be natural, but everything we have learned about milk
11 over the last 80-some-odd years is that milk does, in
12 fact, function in a purely competitive market. That's why
13 we have price regulation, to prevent those disorderly
14 marketing conditions.

15 Q. Are there any market circumstances, in your
16 opinion, that would warrant a decrease in the Class I
17 differential price?

18 A. All the cost factors say the differentials need to
19 increase. The sheer fact that we are here to discuss both
20 the cost of transforming milk into manufactured products
21 leads us to the natural inquiry about the cost of moving
22 milk. I -- I -- based on the 25 years of increase in cost
23 of moving milk, I can't envision any circumstance that
24 would suggest differentials in the main should decrease.

25 Q. You can't imagine a circumstance that would
26 support decreasing the Class I differentials?

27 A. I can't -- I can understand that there could be.
28 I just don't see them today.



1 Q. What could they be? What would be a circumstance
2 that would support reducing Class I differentials?

3 A. A serious -- serious oversupply of milk, perhaps.

4 Q. And a serious oversupply of milk, given natural
5 supply and demand forces, would support a reduction in the
6 Class I price?

7 A. Not necessarily. It might, if you could -- you
8 could retain the same Class I price, and when the blend
9 prices go down, that sends the signal to the producers, so
10 you don't have to lower the Class I price to send that
11 signal. Those signals actually will be transmitted
12 through the blend.

13 Q. Assuming sufficient Class I utilization.

14 A. If the manufacturing class prices decline, the
15 blend prices decline given the equal before and after
16 Class I differential. That's where the price signals
17 come.

18 Q. But my question was about Class I, right? So if
19 there's a surplus of milk on the marketplace, even in that
20 circumstance, you wouldn't believe that Class I should be
21 able to pay less for their milk?

22 A. Say that again, please.

23 Q. So my question was, is there -- is there a
24 situation in which you would ever agree that market
25 circumstances would support a decrease in the Class I
26 differential?

27 A. Yes.

28 Q. And you had said a surplus of milk.



1 A. Maybe I'll amend my statement. Maybe not a
2 surplus. If the price of diesel fuel drops back to \$0.75
3 a gallon, and the cost of a truck drops back to \$25,000,
4 and the cost of labor to drive that truck drops back to
5 the minimum wage, maybe we can get milk moved for
6 substantially less than we get it moved now. But the
7 costs of moving milk today justify an increase.

8 Q. So you strike your prior answer; you don't agree
9 that a surplus of milk on the marketplace would warrant a
10 decrease in the Class I differential?

11 A. I'm saying it wouldn't necessarily warrant it, no.

12 Q. Sorry, say again?

13 A. Would not necessarily. Directly, that particular
14 circumstance is not an automatic trigger, or should not be
15 considered an automatic trigger, that Class I
16 differentials are somehow improperly aligned. We have to
17 also consider intra- -- you know, within market and --
18 intra-market price alignment.

19 Q. And you agree with me that the Class I marketplace
20 is in decline both by volume and per capita, correct?

21 A. Certainly per capita.

22 Q. By overall volume you disagree?

23 A. The trend has been that Class I -- Class I
24 producer milk has declined in the orders, yes.

25 Q. Do you believe that USDA should consider that when
26 setting Class I differentials?

27 A. The Agricultural Marketing Agreement Act instructs
28 the Secretary to make sure there's a sufficient supply of



1 milk for fluid use. That's the -- to the Secretary and
2 standard the Secretary should follow.

3 Q. And so to the extent there's less fluid use,
4 there's less need to attract milk to it, correct?

5 A. Not necessarily. We have a very different world
6 today. I think Dr. Stephenson made some comment about the
7 predominance of manufacturing and its importance. It's
8 harder to shake milk out of manufacturing today. It
9 may -- the milk may actually be converted into a Class III
10 or Class IV product, but that doesn't mean that that milk
11 is available for Class I use.

12 Today, milk plants are built to serve a demand
13 customer. You don't build a plant purely for balancing
14 anymore, it's too expensive. So all these plants have
15 customers that they are serving that are demand customers,
16 they want to run to serve their demand. So there is not
17 this large pool of reserve supply. Those -- the Class III
18 and IV demand, those plants are going to want to run, it's
19 harder to shake milk out of them for Class I. Just
20 because there's milk going to Class III and IV doesn't
21 mean it's available for Class I.

22 Q. For the milk to be available to Class I, a Class I
23 processor would have to attract that milk, correct?

24 A. You don't take milk to a plant just to take it,
25 they have a need for it. The same as Class I is as
26 Class III and IV.

27 Q. And would you agree with me the most direct way to
28 attract milk to a plant is through an over-order premium?



1 A. I think over-order premiums have their limits.
2 They have -- I don't think, I know that over-order
3 premiums have their limits. They are a nice tool to
4 partially compensate the organizations that serve Class I
5 plants, but they should not be. They should not be the
6 predominant tool to attract milk to a Class I plant.

7 Q. And have you calculated the portion of the price
8 between the over-order premium under Proposal 20 and what
9 makes up the bulk of the Class I price, namely the base
10 Class I skim price? Have you run that comparison?

11 A. I'm sorry, I -- you are going to have to simplify
12 that question.

13 Q. There was -- your statement that you just made,
14 you have no numbers to support that for us today, correct?

15 A. I'm -- please repeat the question. You asked me
16 about numbers, and I need you to repeat the question.

17 Q. You said -- and I'm summarizing your testimony, so
18 let me know if I get it accurately. You had testified
19 that if the over-order premium plays too large or plays
20 the substantial role of moving milk, that that is going to
21 not serve to sufficiently attract milk?

22 A. I'm saying that over-order prices are not sure.
23 They are temporary at any one point in time. They can
24 disappear overnight for things that have absolutely
25 nothing to do with the cost of supplying a particular
26 place or a particular plant. And if they are, if they --
27 I can tell you the percentage of the value of milk for
28 when a premium is at zero, it's 0% of the value of milk.



1 Q. There's nothing to stop Class I processors and
2 suppliers for agreeing to any unlimited number of years,
3 for a set price for over-order premium, is there?

4 A. They -- the contracts might read that way, but at
5 the end of the day, the important part to any one
6 particular plant is how they fare against their
7 competitor. So if they can't have assurance, like a
8 Federal Milk Order provides of uniform and competitive
9 pricing with their neighbor plant, that will, in itself,
10 degrade premiums over time.

11 Q. And proprietary Class I processors compete with
12 cooperative-owned Class I plants, correct?

13 A. Yes.

14 Q. But cooperative Class I plants can reblend; isn't
15 that right?

16 A. They can reblend when it comes to payment to the
17 producers, but they are obligated -- a cooperative-owned
18 plant is obligated to the Federal Order pool at the class
19 prices, just like a proprietary plant. There is
20 absolutely no difference.

21 Q. So I want to break out a little bit your testimony
22 between the base Class I skim price and the county-level
23 differentials. Right? Because those are two separate
24 aspects of the Class I differential, correct?

25 A. Yes.

26 Q. We have the base Class I skim price \$1.60, and
27 then there's the differentials that go on top of that that
28 are county-level specific, right?



1 A. Yes. It also applies to butterfat.

2 Q. And let's start with the base Class I skim, the
3 Grade A piece. You testified that if there is no
4 financial incentive to produce Grade A milk, reversion to
5 Grade B could be a viable option at the farm level.

6 And my -- my question is, are you aware of any
7 farm that is really intending to become a Grade B farm if
8 the outcome of this hearing is to reduce the \$1.60 by
9 \$0.40?

10 A. If the outcome is to reduce the base minimum
11 differential by \$0.40? I have no idea if there are anyone
12 who has -- any dairy farmer, any individual dairy farmer
13 who is contemplating that, but certainly within the realm
14 of possibility.

15 Q. It's physically possible, but is it likely in your
16 professional opinion?

17 A. Likely? If you -- if you make the value of
18 Class I milk equal to the value of manufacturing milk,
19 dairy farmers will respond economically. They will either
20 stop supplying Class I, or if there's money to be saved by
21 reverting to Grade B, they will do it. They will respond.

22 Q. So that kind of addresses the entire \$1.60, and I
23 really want to keep us focused on the \$0.40 for Grade A,
24 because that's the specific limits of my question.

25 So you agree that the Grade A factor, right, is
26 about what USDA determined was necessary to ensure a
27 sufficient supply of Grade A milk for fluid use, correct?

28 A. Yes.



1 Q. And that was \$0.40.

2 A. That -- that number has been quoted, yes.

3 Q. Do you have any reason to believe it is a
4 different amount than \$0.40?

5 A. No. My reading of the final rule in 1999 suggests
6 that -- that the portion of the \$1.60 minimum differential
7 associated with Grade A to Grade B is \$0.40 per
8 hundredweight.

9 Q. And Grade A standard, that's essentially a food
10 safety standard, correct?

11 A. The Grade A standard, yes.

12 Q. And so my question is, if the Class I
13 differential, \$0.40, dedicated to that Grade A
14 maintenance, if that is cut out and the \$1.60 is reduced
15 to \$1.20, is it your testimony that it is likely that
16 enough farms would convert from Grade A to Grade B that we
17 would not have enough Grade A milk to serve Class I
18 processors?

19 A. I would agree it's unlikely. But I think it is
20 important that the prices still reflect that there is a
21 possibility of the reversion from Grade A to Grade B, and
22 it could be that -- it could be a problem that is
23 localized. There may be an area where that becomes a real
24 potential. May not be a broad potential, but it certainly
25 could be a potential in some number of places, which
26 threatens the supply of Class I.

27 Q. Then I would like to move to the balancing factor
28 then that accounts for \$0.60 of the \$1.60.



1 A. Yes.

2 Q. And you testified a bit about the costs of
3 balancing, I believe, are on page 8 of your testimony.

4 A. Yes.

5 Q. So my first question is, have you done any
6 calculations, any survey, any studies, to determine what
7 the average cost of balancing is to suppliers today?

8 A. No.

9 Q. So you are not sure if it's significantly less
10 than \$0.60?

11 A. I can say from my experience that it is not
12 less -- significantly less than \$0.60.

13 Q. Is the cost of balancing uniform between every
14 single supplier?

15 A. No.

16 Q. Would you agree with me that processors can bear
17 certain balancing costs?

18 A. Yes.

19 Q. And would you agree with me that processors and
20 suppliers, given the unique contributions each would make
21 to balancing in their individual relationship, can
22 negotiate how to approach that balancing cost?

23 A. They can negotiate, yes.

24 Q. So then I would like to move back briefly to the
25 incentive piece. We have spoken a little bit about that
26 already.

27 But you have a number of places in your testimony
28 where you criticize situations where the Class I price and



1 the manufacturing price would be equal?

2 A. Yes.

3 Q. And those would be places where the current
4 Class I differential is \$1.60, correct?

5 A. I would -- I would also include places where the
6 current differential is, you know, within a few dimes of
7 \$1.60. You can -- you basically get to the same place
8 as -- at the places where the differential is \$1.60 per
9 hundredweight, \$1.70 per hundredweight, \$1.80 per
10 hundredweight. The Class I price would look remarkably
11 like the manufacturing prices -- the manufacturing class
12 prices.

13 Q. And I believe it's on page 5, I'm looking at the
14 top of your testimony there. You say that "given that
15 Proposal 20 would lead to a significant portion of the
16 country experiencing scenarios in which the monthly
17 Class I price aligns closely or even equals at least one
18 of the manufacturing class prices, why would producers
19 show any interest at all in meeting Class I demand?"

20 Do you see that?

21 A. I do.

22 Q. Is it your testimony that a significant portion of
23 the country has Class I differentials at or near \$1.60?

24 A. I would say the portion of the country that has
25 \$1.60, \$1.70, \$1.80 is very significant.

26 Q. And that testimony would not apply equally to
27 areas of the country with higher Class I differentials
28 based on their county-level differential, correct?



1 A. There would be a different result of that, but
2 we -- when -- then we still have to circle back to the
3 question of the impact on blend prices and the blend price
4 relationship, and the blend price surface, which
5 encourages bulk milk to move to supply, particularly
6 deficit areas.

7 Q. And if the Class I price is roughly equal to the
8 manufacturing class price, Class I processors can still
9 use over-order premiums if they need to attract milk,
10 correct?

11 A. They can. The obvious question is, will they?
12 And history shows they will not, that the over-order
13 premiums will come under pressure at some point, and the
14 prices generated between the Federal Order price and the
15 over-order price will be insufficient to encourage the
16 milk to supply Class I.

17 Q. And can you tell me an example of a situation
18 where Class I has not been able to ensure it was
19 sufficiently served using over-order premiums?

20 A. Say that -- ask that again, please.

21 Q. Have you heard any testimony at this hearing from
22 a Class I processor that they were unable to attract
23 sufficient supplies of milk using over-order premiums?

24 A. No.

25 But we also need to remember that we're operating
26 under a Federal Milk Marketing Order, and the class and
27 the over-order prices are a small portion of the total
28 value of milk. To say that I have never had a problem



1 getting a supply to my plant, those people all are
2 regulated by Federal Milk Orders. The Federal Milk Orders
3 are doing their job in making the supply of milk to them
4 attractive.

5 Q. They also could be too high, correct, if every
6 processor has testified that they have a sufficient supply
7 of fluid milk?

8 A. No. That I -- I don't think that those two are --
9 would -- those two statements are logically -- could --

10 Q. Would you agree with me that a supplier can always
11 decline to sell their milk to a Class I processor if the
12 price is not sufficient in their estimation?

13 A. Always? I would not agree with that, always.

14 Q. Are -- are you aware of any situation where a
15 supplier is legally compelled to sell their milk to a
16 Class I processor?

17 A. They may have a contract which requires it, yes.

18 Q. And they voluntarily entered into that contract,
19 correct?

20 A. Yes.

21 Q. Just one moment so I can spin through my notes to
22 see if I covered everything.

23 You have a few statements in your testimony that
24 the purpose of Proposal 20 is to eliminate Federal Milk
25 Marketing Orders; is that fair?

26 A. That is -- it is a logical conclusion from
27 Proposal 20 that that would be a logical result of the
28 proposal.



1 Q. But Class I processors can't eliminate any Federal
2 Order, correct?

3 A. If -- they can propose provisions which would make
4 Federal Orders so irrelevant that the industry would walk
5 away from them. I -- I see this as a very straightforward
6 logical progression. If you have Class I prices that are
7 equal to the manufacturing prices over a significant
8 portion -- and I repeat, it's a significant portion of the
9 country where the Class I price and the manufacturing
10 class prices are virtually equal. You may have classified
11 products, but you don't have classified pricing. If you
12 don't have classified pricing, you don't need a
13 market-wide pool. If you don't need a market-wide pool,
14 you don't need a Federal Milk Order. It seems to me those
15 two logical steps are very, very impossible to ignore.

16 Q. So it's your testimony, based on your experience,
17 that producers, that farmers will find no value in FMMOs
18 outside of the Class I contribution of \$1.60 to the pool?

19 A. There are other values to Federal Orders. But if
20 you reduce the Class I price enough in those areas where
21 there -- where those prices are identical or nearly
22 identical to class -- to the manufacturing prices,
23 there -- the other values will tell them, we are telling
24 you that you need to go seek these values outside the
25 pool, and they will -- and the logical conclusion will be,
26 why have a Federal Order?

27 Q. And I believe a number of MIG witnesses testified
28 to the benefits of Federal Orders beyond just pricing.



1 Do you recall that?

2 A. I recall them saying they like the information
3 that orders provide. I don't recall any of them saying
4 that they -- they appreciate the pricing under --
5 provisions under Federal Orders.

6 Q. But it's your testimony that you believe farmers
7 will only care about the pricing provisions for those
8 counties with a zero-level Class I differential because --
9 of course, right, we have many other counties that will
10 still have positive Class I differentials if Proposal 20
11 is adopted, correct?

12 A. The obvious concern is if a significant portion of
13 the country decides that they don't need Federal Milk
14 Marketing Orders, that the disorderly marketing conditions
15 that might exist in those areas can bleed over into the
16 next order, and the next order, and the next order.

17 Q. And you believe Class I processors and Class I
18 suppliers will be incapable of solving those issues the
19 way they do today, using the Federal Milk Marketing Orders
20 system with the combination of over-order premiums?

21 A. We are not -- you are not -- you are comparing
22 apples and washing machines. Today we have a Federal
23 Order price which establishes the vast majority of the
24 value. You are imposing the change where the Federal
25 Order price becomes, if not insignificant, nearly
26 insignificant, and the major portion of the value is
27 entrusted to over-order prices. You cannot say that
28 that's the same environment as we have today.



1 MS. VULIN: Nothing further.

2 Thank you, Your Honor.

3 CROSS-EXAMINATION

4 BY MR. MILTNER:

5 Q. Ryan Miltner representing Select Milk Producers.

6 It is still morning?

7 Good morning, Mr. Sims.

8 A. Good morning to you.

9 Q. On Exhibit 497, it's NMPF-112C --

10 A. Yes.

11 Q. -- this one, on the third page you have a note.

12 A. Yes.

13 Q. Can you explain what you mean by that note?

14 A. Yes. Yes. I may have had to truncate my
15 description earlier.

16 Each of those three states, and I think there are
17 two other states actually, two cities in those states
18 have -- are a part of the 30-city retail price survey. In
19 Ohio, I think it's Columbus and Cleveland. I can look it
20 up. I guess it's not material.

21 But this picture shows that one of the -- in each
22 of these three states, one of those cities has a
23 retail-to-differential relationship which I would call
24 intuitive, that the -- you know, the differential is lower
25 than the -- the median, and the retail price is lower than
26 the median. But the other city in that state has a
27 counterintuitive, or inconsistent, price relationship from
28 what you would expect regarding the relationship of



1 differential to retail. So even within a state you don't
2 have -- you don't have consistency about the relationship
3 between a retail price and the differential. In those
4 three states, they are -- even in a state, you have
5 inconsistencies.

6 Q. If we could go back to USDA's data, we'd find,
7 whatever it is, that New York might be -- Buffalo and New
8 York City --

9 A. I think it's New York City and Syracuse, if my
10 memory serves.

11 Q. Okay. Pennsylvania might be Philadelphia and
12 Pittsburgh --

13 A. I believe that one is correct.

14 Q. Even if there are two cities in those states, and
15 they are not consistent?

16 A. Yes.

17 Q. I now want to ask a couple of questions about
18 Exhibit 498, which is your list of plants and their
19 ownership.

20 A. Yes.

21 Q. To be clear, the column labeled "Proposed
22 Differential" --

23 A. Yes.

24 Q. -- those differentials are those that are from
25 Proposal 19 as offered by National Milk Producers?

26 A. Yes.

27 Q. Did you do this analysis using the results of the
28 economic model without further adjustment?



1 A. No. This -- this comparison simply compares the
2 change -- delta, some people have been using that term --
3 between the Proposal 19 proposed differential in each of
4 these plant locations and the current.

5 When looking at it, we -- we thought about the
6 testimony from a number of the Class I handlers whose --
7 who said over and over that their concern in terms of
8 pricing, or a major concern, was there was the consistency
9 in -- in the relationship in pricing. And so we -- our
10 question was, compared to the current differential, which
11 is a given, we compared the proposal.

12 Q. And for -- again, so my understanding is clear,
13 when you are looking at this comparison between the
14 average differential of pool distributing plants that are
15 owned by cooperatives and that are proprietary, this is
16 the national average across the entire -- for the 289
17 plants that you have identified on this list?

18 A. Actually, the number of distributing plants in the
19 list is 219. So this averages across the 219 pool
20 distributing plants, yes.

21 Q. Then that leads into my next question, which is
22 you have some plants on here that are identified as supply
23 plants.

24 Is it correct those plants were not included when
25 you calculated the summary data at the bottom of the
26 exhibit?

27 A. That is correct. The summary data pertains solely
28 to the pool, the pool distributing plants, however that's



1 defined in each order.

2 Q. But you did not look at and so we don't know what
3 the relationship between cooperative plants and
4 proprietary plants would be if you had just looked at the
5 results of the spatial model?

6 A. That is not included on this.

7 Q. Okay. I don't want to repeat questions, but these
8 are somewhat similar to some you have already been asked.
9 So I apologize, but I want to understand your opinion
10 about why something might not happen.

11 And I'm looking at the bottom of page 4 of your
12 testimony, Exhibit 494. And you are stating that if there
13 was a zero zone, there would be no incentive to supply
14 milk to a Class I plant, correct?

15 A. I probably would say that there is no regulated
16 price incentive to supply Class I.

17 Q. In that hypothetical scenario where there's a zero
18 county or a zero zone, it seems that both the
19 manufacturing plant and the Class I plant are simply going
20 to have to bid against one another to get milk to move to
21 their plant, correct?

22 A. Theoretically.

23 Q. Your conclusion seems to be that that -- that
24 there is no incentive for the producer. And I just want
25 to make sure that we understand your experience and -- and
26 opinion as to why that won't occur. Why would there be a
27 market failure there where the plants bidding for milk
28 won't get the milk to move to the plant?



1 A. My concern, given my very long observation of this
2 industry, is that the -- that the -- number one, that the
3 market power in the negotiation process is tilted toward
4 the buyer. We have a very perishable product that we are
5 marketing, and if you don't get it to a plant in a hurry,
6 it becomes an unmarketable product. So the buyer knows
7 that.

8 The other concern is that factors having
9 absolutely nothing to do with the local supply and demand
10 for milk can influence over-order prices.

11 And I want to clarify something I may have said
12 earlier. In the natural historical cycle of over-order
13 prices, the peaks last considerably less than the valleys.
14 If I said it backwards earlier, I want to make sure that
15 that's understood.

16 High over-order prices don't last very long, they
17 never have. Low over-order prices drag on. And that
18 is -- those are the concerns that we don't have a -- you
19 know, all these questions of negotiation presume that the
20 buyer and seller are in the same position, that, you know,
21 I have an alternate place I can take my milk every day
22 instantly.

23 That's not necessarily true, and you must -- it's
24 a perishable product, and it has to be gotten rid of or
25 disposed of to a place that can make it into a product
26 less perishable very quickly. That creates an uneven
27 competitive circumstance.

28 MR. MILTNER: I think all my other questions were



1 already asked, so I won't try to ask them again. Thank
2 you very much.

3 THE COURT: Ms. Vulin.

4 CROSS-EXAMINATION

5 BY MS. VULIN:

6 Q. Mr. Miltner's questions prompted a couple
7 additional ones from me.

8 So you said that suppliers have a perishable
9 product, and because of that, are at a disadvantage
10 vis-à-vis their buyers?

11 A. Generally, yes. Not generally, it's true, that
12 you -- that the perishability of their product makes
13 marketing decisions need to be instantaneous.

14 Q. And isn't the inverse also true, that if you are a
15 Class I processor, your need for supplies to make your
16 product is a need for a product that you need to be
17 delivered daily?

18 A. Generally, Class I processors can wait longer than
19 the dairy farmers can.

20 Q. A Class I processor --

21 A. Can -- can -- can suspend their purchases for a
22 longer time than a dairy farmer can hold their milk off
23 the market.

24 Q. A dairy processor cannot stockpile three months'
25 worth of raw milk to use as needed, correct?

26 A. They cannot.

27 Q. They also have to have a steady stream of milk
28 coming at a rate that allows them to process it as



1 required by the PMO and other food safety regulation,
2 correct?

3 A. They would desire a steady supply.

4 Q. They would need one in order to operate their
5 business, correct?

6 A. You can't make packaged fluid milk without raw
7 milk, yes.

8 Q. So this issue of perishability cuts both ways. It
9 creates a product that needs to be sold quickly, but also
10 a supplier that needs frequent -- excuse me -- a buyer
11 that needs frequent supplies of this perishable product?

12 A. Again, that knife does cut both ways, but it isn't
13 as sharp on both sides. The dairy farmer is in the
14 disadvantageous position.

15 Q. And that disadvantageous position, when you are
16 talking about the spot market, right? Where you need to
17 unload a load of milk day the next day very quickly is
18 very different than a long-term negotiated contract for
19 milk supply, correct?

20 A. The spot market and long-term negotiated contracts
21 are not the same.

22 Q. And Mr. Miltner had asked you about this issue of
23 manufacturing and Class I prices being equal, resulting in
24 those respective processors just merely competing for milk
25 on the marketplace, correct?

26 A. That was -- I think -- I believe that was the
27 nature of his question, yes.

28 Q. And were you here during Crystal Creamery's



1 testimony where Mr. Schuelke testified about the
2 challenges that FMMOs can pose for getting Class I milk
3 supplies when competing with manufacturers under the
4 current system?

5 A. I -- I was here. I don't recall that testimony
6 specifically. But, yes.

7 Q. So to the extent the current system was
8 disadvantageous for Class I processors in competing for
9 fluid milk, something that brought them back to baseline
10 with manufacturers could be an improvement over the
11 current system?

12 A. I don't think so.

13 MS. VULIN: Nothing further. Thank you.

14 THE COURT: Are there any other cross-examination
15 questions before I turn to the Agricultural Marketing
16 Service for their questions?

17 I see none. I invite the Agricultural Marketing
18 Service.

19 CROSS-EXAMINATION

20 BY MS. TAYLOR:

21 Q. Good morning.

22 A. Good morning.

23 Q. I only have a few questions. Let's see.

24 If we can turn to Exhibit 497.

25 A. Yes.

26 Q. I just want to make sure we know where the data is
27 coming from. I know you have the link down there, but is
28 this -- in one instance you said it was January to



1 October 2023 data, and then in another instance I -- what
2 I thought I heard it was October 2023 data.

3 A. It is January 2023 through October 2023.

4 Q. So you averaged all those numbers?

5 A. Yes.

6 Q. Okay. And on that retail price series, there's
7 quite a number of different data points in there, so I
8 wanted to know which one you looked at.

9 Was it conventional? Whole milk?

10 A. The conventional whole milk.

11 Q. And then on Exhibit 495, and I want to make sure
12 we're just straight on this, for Orders 5, 6, and 7 that
13 don't have PPDs, it is -- these are changes from -- in the
14 last three columns that would be the uniform price?

15 A. Hold on. I'm having a hard time finding that.

16 495. Found it. I'm sorry.

17 Q. Yep. I might have said columns -- I mean rows,
18 but I meant columns.

19 So the last three columns for information for
20 Federal Orders 5, 6, and 7, those are changes -- example
21 in the third column from the end, changes in the uniform
22 price, not changes in the PPD?

23 A. Yes. And for consistency, I put in a proxy
24 announced PPD which was simply the difference between the
25 uniform price, the -- you know, the 3.5% skim and
26 butterfat equivalent uniform price under Orders 5, 6, and
27 7, and 131, and the Class III price at 3.5. So it's
28 that -- that -- those changes are -- the changes in the --



1 oh, it does say PPD, doesn't it? That shouldn't. It is
2 uniform in that -- one, two, three, four, five -- should
3 be uniform price in that fifth column.

4 Q. Where it says "MIG Proposal 20 PPD change," it's a
5 uniform price?

6 A. Yes. For Orders 5, 6, 7, and 131, that is uniform
7 price, not PPD.

8 Q. And then in the last column as well?

9 A. Yes. Well, again, I -- for consistency's sake, to
10 calculate how often there would be a negative PPD, I
11 converted, in Orders 5, 6, and 7, and 131 using a proxy
12 PPD. And so the uniform price change, in essence, you
13 could maybe make the case of as the same thing as the
14 blend price going down, or the blend price change, so that
15 moves over and is compared in the final column, revised
16 PPD, or revised proxy, if you will.

17 Q. Okay. So you said in some questions bulk milk
18 moves on blend prices?

19 A. Generally, yes.

20 Q. And so if I take your statement big picture, what
21 you are saying, in your opinion, is a reduction in the
22 Class I differentials filters through to a reduction in
23 the blend price.

24 A. Yes.

25 Q. And that results in your opinion of milk less
26 willing to serve the Class I market?

27 A. My -- the Exhibit 496 -- well, National Milk-112B
28 shows that the -- because of the high -- higher than



1 average Class I utilization percentages in Orders 5, 6,
2 and 7, when you take \$1.60 away from that Class I price in
3 those orders, the blend price reduction will be greater --
4 the reduction will be greater -- if that's not an
5 oxymoron -- the reduction in blend price will be greater
6 in those orders than the reserve supply orders that
7 surround Orders 5, 6, and 7.

8 So when you -- if you lower the blend price \$0.40
9 in Order 33, and you lower it \$1 in Order 7, the incentive
10 to move milk from Order 33 to Order 7 declines by \$0.60
11 per hundredweight. They are all going down. All the
12 blends, all the uniform prices go down as a result of
13 Proposal Number 20. But they go down more in Orders 5, 6,
14 and 7 than anywhere else, so that changes the blend price
15 gradient, which is what bulk milk moves on.

16 Q. So in particular, in your opinion, those orders
17 would have trouble getting the supplemental supplies that
18 they need?

19 A. The problem getting supplemental supplies to those
20 orders will get worse. It's already a problem, but they
21 will get worse.

22 Q. And you had some discussion back and forth on
23 individual handler pools. And from what I hear from your
24 opinion is that more of the actual Class I price should be
25 reflected in the Federal Order prices and less left up to
26 over-order premium negotiation?

27 A. I believe that the -- that if we're going to
28 adjust the values in Federal Orders to reflect the value



1 of Class I, that adjustment should be made in the Federal
2 Order prices and not left to increases in over-order
3 premiums which haven't materialized. And it's certainly
4 true on the converse, we certainly should not reduce the
5 Class I revenues in the pools and put more reliance on
6 over-order prices.

7 Q. Is your concern mitigated at all given that
8 Class I processing in the U.S. does have a significant --
9 and I don't define significant -- but portion of it owned
10 by cooperatives?

11 A. No. They are treated in the -- under the order
12 identical to a proprietary that's -- I don't see any --
13 any structural difference.

14 Maybe I misunderstood your question.

15 Q. Well, you were concerned about revenue sharing,
16 and that if there's an individual handler pool, you know,
17 what I heard was, they don't have to share all that
18 revenue with all the market participants who are pooled?

19 A. Yes.

20 Q. Would that be accurate?

21 A. It's unlikely that the over-order revenue will be
22 shared broadly across a pool.

23 Q. And I'm just -- was kind of piggybacking on that
24 to say, is that concern mitigated at all because of
25 cooperatives that own a significant portion of Class I
26 processing?

27 A. I don't think so. I think the value of the
28 uniform pricing to producers is of such substantial value



1 that we should avoid the implications that come with
2 individual handler pools.

3 Q. Okay. And just to continue -- and that
4 implication to you is non-uniform prices to producers; is
5 that correct?

6 A. There's multiple implications, but simply the
7 question of market-wide pooling versus individual handler
8 pools, one of the implications is non-uniform producer
9 pricing, and the ruinous competition which would come for
10 the desire to supply those high Class I plants in an
11 individual handler pool environment.

12 MS. TAYLOR: That's it from AMS. Thank you.

13 THE COURT: Shall we break for lunch before
14 redirect?

15 I'm getting a yes. All right. Please come back
16 at 1:05. We go off record at 12:05.

17 (Whereupon, the luncheon recess was taken.)

18 ---o0o---

19

20

21

22

23

24

25

26

27

28



1 MONDAY, JANUARY 29, 2024 - - AFTERNOON SESSION

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

3 We're back on record at 1:07.

4 You may proceed, thank you.

5 MS. HANCOCK: Nicole Hancock for National Milk.

6 Your Honor, we have no further questions. We
7 would just move for the admission of Exhibits 494 through
8 498.

9 THE COURT: Is there any objection to the
10 admission into evidence of Exhibit NMPF-112, marked
11 Exhibit 494?

12 There is none. Exhibit 494 is admitted into
13 evidence.

14 (Thereafter, Exhibit Number 494 was received
15 into evidence.)

16 THE COURT: Is there any objection to the
17 admission into evidence of Exhibit NMPF-112A, also marked
18 Exhibit 495?

19 There is none. Exhibit 495 is admitted into
20 evidence.

21 (Thereafter, Exhibit Number 495 was received
22 into evidence.)

23 THE COURT: Is there any objection to the
24 admission into evidence of Exhibit NMPF-112B, like boy,
25 also marked Exhibit 496?

26 There is none. Exhibit 496 is admitted into
27 evident.

28 (Thereafter, Exhibit Number 496 was received



1 into evidence.)

2 THE COURT: Is there any objection of the
3 admission into evidence of Exhibit NMPF-112C, like cat,
4 also marked Exhibit 497?

5 There is none. Exhibit 497 is admitted into
6 evidence.

7 (Thereafter, Exhibit Number 497 was received
8 into evidence.)

9 THE COURT: Is there any objection to the
10 admission into evidence of Exhibit 112D, like David, also
11 marked 498?

12 There is none. Exhibit 498 is admitted into
13 evidence.

14 (Thereafter, Exhibit Number 498 was received
15 into evidence.)

16 MS. HANCOCK: That's all we have for this witness,
17 Your Honor.

18 THE COURT: All right. Thank you.

19 Did anyone else have any questions for Mr. Sims
20 before I invite him to step down?

21 No one.

22 Mr. Sims, thank you so much.

23 THE WITNESS: Thank you.

24 THE COURT: Let's go off record while we switch
25 out the laptop. Who will be the next witness, though?

26 MS. HANCOCK: Your Honor, we'll have Carl Rasch as
27 our next witness for National Milk.

28 THE COURT: Thank you.



1 Mr. Rasch, while we're on break, you may make
2 yourself comfortable in the witness chair.

3 Let's go off record at 1:10.

4 (An off-the-record discussion took place.)

5 THE COURT: We're back on record at 1:11.

6 I have in front of me an exhibit, but before we
7 turn our attention to that, I'm going to ask the gentleman
8 in the witness chair to state and spell his name.

9 THE WITNESS: All right. My name is Carl Rasch.
10 First name C-A-R-L; last name, R-A-S-C-H.

11 THE COURT: Good.

12 And have you previously testified in this
13 proceeding?

14 THE WITNESS: No, I have not.

15 THE COURT: I'd like to swear you in.

16 CARL RASCH,

17 Being first duly sworn, was examined and
18 testified as follows:

19 THE COURT: Thank you.

20 And, Ms. Hancock, I'm looking at Exhibit NMPF-113.
21 I believe that will be marked 499.

22 (Thereafter, Exhibit Number 499 was marked
23 for identification.)

24 MS. HANCOCK: I wish we had one more exhibit so
25 that we could have the 500 mark.

26 THE COURT: Would you like me to tear off the last
27 page?

28 MS. HANCOCK: I think the honor will go to someone



1 else.

2 DIRECT EXAMINATION

3 BY MS. HANCOCK:

4 Q. Good afternoon, Mr. Rasch. Thank you for being
5 here.

6 And I will note that you spent a considerable
7 amount of time at this hearing because you were slotted to
8 previously testify, but in our effort to expedite some of
9 the proceeding and witnesses, and when we trimmed some
10 witnesses, you were one of the witnesses that graciously
11 gave us back your time. So thank you for being here then,
12 and thank you for returning again for this topic as well.

13 You have prepared Exhibit NMPF-113, which is now
14 marked as Exhibit 499, in support of your rebuttal to
15 Proposal Number 21; is that right?

16 A. That's correct.

17 Q. Would you provide us with that testimony, please.

18 A. Okay. So the testimony that I'm going to present
19 today is a little background about myself.

20 As I indicated, my name is Carl Rasch, and I am
21 engaged as a consultant for the Michigan Milk Producers
22 Association. And prior to working as a consultant, I was
23 employed by them for 40 years as their director of bulk
24 milk marketing.

25 And my business address is 41310 Bridge,
26 B-R-I-D-G-E, Street, Novi, N-O-V-I, Michigan, 48375.

27 So my name is Carl Rasch. I'm here today to
28 present testimony in opposition to Proposal 21 on behalf



1 of the National Milk Producers Federation, hereby referred
2 to as NMPF, with the support of the Michigan Milk
3 Producers Association, hereby referred to as MMPA.

4 MMPA is a member of NMPF. I am a private
5 consultant engaged by MMPA to represent their interests at
6 this proceeding. I was also designated to be MMPA's
7 representative on the National -- on the NMPF task force,
8 which developed the recommendations for Federal Order
9 modernization. Those recommendations were ultimately
10 approved by the NMPF Board of Directors and were included
11 in the notice of hearing issued by the USDA.

12 From 1977 to 2017 I was the director of bulk milk
13 marketing for MMPA. In that capacity, I was responsible
14 for negotiating and executing third-party raw milk sales
15 agreements. Additionally, I was responsible for producer
16 payrolls, Federal Order reporting and pooling, and
17 representing MMPA at various public hearings.

18 The NMPF Federal Order task force reviewed many of
19 the current Federal Order regulations during the process
20 of identifying critical issues to be addressed in this
21 modernization process. One of the issues considered by a
22 working group of the task force was the appropriate level
23 of the Class II differential. While there was
24 acknowledgement that the differential could be changed,
25 there was no consensus as to how much of a change should
26 be proposed.

27 Therefore, NMPF decided it would not submit a
28 proposal to change the current Class II differential of



1 \$0.70 per hundredweight, which is -- and I'm going to
2 strike the word "applicable" and replace it with
3 "uniform," so it should read -- which is uniform in all
4 Federal Milk Marketing Orders. It may be appropriate to
5 consider changing the Class II differential at a separate
6 Federal Order hearing.

7 THE COURT: Let me interrupt you there, and we'll
8 make this change on the record copy. So on page 1 of
9 Exhibit 499, the next to the last full paragraph, you're
10 changing the word "applicable" to the word "uniform."
11 It's done. Thank you.

12 THE WITNESS: Okay. So in regards to the issue of
13 substitution incentive. There were numerous -- numerous
14 concerns were expressed in arriving at this decision by
15 the task force work group. And I might add that many of
16 those same concerns have been expressed by various other
17 witnesses at this proceeding, witnesses for both the Milk
18 Innovation Group and the International Dairy Foods
19 Association.

20 Chief among our concerns was the possible creation
21 of an incentive to substitute Class IV powder for fresh
22 milk ingredients, which currently are classified as
23 Class II. This would reduce pool revenues which determine
24 the prices received by dairy farmers. Encouraging
25 substitution of lower cost ingredients for higher value
26 fresh milk ingredients is counterproductive to the basic
27 purpose of the Federal Order program.

28 NMPF is concerned that the Class II differential



1 proposed by the American Farm Bureau Federation, hereby
2 referred to as AFBF, would create an incentive to
3 substitute milk powder for fresh milk. AFBF's method to
4 determine the proposed differential of \$1.56 per
5 hundredweight is too simplistic. Because milk powder is
6 relatively nonperishable, it can be purchased today at an
7 attractive price, stored under proper conditions, and
8 utilized within 12 months, when it -- when it -- when
9 it -- it should say "when it is more financially
10 advantageous." In other words, the original cost of the
11 ingredient may be less than the current cost of that same
12 ingredient. Setting the Class II differential too high
13 may incentivize the practice of substituting cheaper
14 powdered milk for fresh milk.

15 The cost of transportation of ingredients is
16 another concern not addressed by the AFBF proposal. Milk
17 powder is a concentrated form of milk solids, far more so
18 than raw milk or concentrated skim milk. The buyer of
19 milk solids is typically located some distance from the
20 source of the product, and transportation costs are
21 incurred in delivering the product to its destination.
22 Because milk powder has nearly all the cow water removed,
23 it is much cheaper per pound of milk solids to transport
24 than fresh milk ingredients.

25 AFBF's rationale for establishing new and higher
26 differential value does not account for this added cost
27 for fresh milk ingredients. This difference in
28 transportation costs also contributes to the incentive to



1 substitute milk powder for fresh milk ingredients.

2 Disorderly marketing. Federal Order regulations
3 do not require the pooling revenue generated by Class II
4 usage unless the handler is a fully-regulated distributing
5 plant. Consequently, if a class price misalignment
6 exists, there is the -- an opportunity to depool
7 significant volumes of Class II milk. In fact, the
8 current differential of \$0.70 per hundredweight has
9 consistently provided an incentive to depool Class II
10 milk. Because I am most familiar with marketing
11 activities within the Mideast Milk Marketing Order, I will
12 use statistics for that market for illustration purposes.

13 Beginning in December of 2021, there have been
14 incentives to not pool Class II milk on the FMMO number 33
15 every month. Due to the strength the non-fat milk powder
16 and butter prices relative to cheese and whey prices,
17 there has been a significant price spread between Class IV
18 and Class III prices for the last 23 months.

19 So the 23-month period I'm talking about here is
20 December of 2021 through October of 2023. That was the
21 most recent information available at the time I prepared
22 this statement.

23 THE COURT: That would be October or November?

24 THE WITNESS: October of 2023.

25 THE COURT: Okay.

26 THE WITNESS: After adding the \$0.70 per
27 hundredweight differential to the Class IV advanced price
28 factor, Class II price -- Class II skim prices averaged



1 \$14.32 per hundredweight versus \$10.92 per hundredweight
2 Class III average for calendar year 2022. The Class II
3 skim value exceeded the Class III skim by \$3.40 per
4 hundredweight. Additionally, the Class II butterfat value
5 exceeded the Class III butterfat price by .007 cents per
6 pound. The average PPD for --

7 THE COURT: Let me stop you there just so we make
8 sure the record's right.

9 So you have got the dollar sign, and then a
10 decimal point, and then 007.

11 THE WITNESS: Cents.

12 THE COURT: Yes.

13 THE WITNESS: Per pound.

14 THE COURT: All right. Thank you.

15 THE WITNESS: The average PPD for Federal Order
16 Number 33 during 2022 was \$1.50 per hundredweight. The
17 Class II price exceeded the sum of the Class III price
18 plus the PPD every month, which would have resulted in a
19 payment obligation to the producer settlement fund if the
20 Class II milk were to be pooled.

21 The same milk price misalignment continues to
22 exist in 2023. Through the month of October, the average
23 Class II price was \$10.15 per hundredweight, and the
24 Class III price was \$7.17 per hundredweight, which is a
25 difference of \$2.98 per hundredweight. The average PPD
26 through October was \$1.58 per hundredweight. Class II
27 milk pooled on Federal Order 33 also would have had a
28 payment obligation to the producer settlement fund for



1 every month of 2023. Consequently, there's been a huge
2 decline in the volume of Class II milk participating in
3 the Federal Order Number 33 pool beginning in December of
4 2021.

5 And so I went to the statistical page for Federal
6 Order 33 and was able to determine the volume of milk
7 participating in the pool in each of the calendar years
8 2020 through October of 2023, and that's what I have
9 listed here as the sum of the total Class II utilization
10 pooled in Federal Order 33.

11 For the year 2020, the total Class II pounds were
12 4,065,109,000 pounds.

13 In 2021, the Class II pool pounds were
14 3,857,237,000 pounds.

15 THE COURT: Would you read that number again,
16 please.

17 THE WITNESS: 3,857,237,000 pounds.

18 By 2022, that number had declined to
19 1,517,464,000 pounds.

20 And through the month of October, the cumulative
21 volume of Class II pooled sales in 2023 was
22 1,200,786,000 pounds.

23 And if I look at the price relationship in volumes
24 for November and December of 2023, the same depooling
25 situation existed. Not only does this create inequity for
26 dairy farmers due to non-uniform prices paid in a common
27 market, it also results in unequal procurement costs for
28 suppliers. An entity that supplies milk to a fully



1 regulated plant for Class II usage has paid the market's
2 uniform price, while another entity that supplies milk to
3 an unregulated plant for Class II usage is typically paid
4 the prevailing Class II price.

5 As demonstrated earlier in my testimony, the
6 difference between the Class II price and the market
7 uniform price has been huge during 2022 and 2023. For
8 twenty- -- for the year 2022, the difference on average
9 was \$1.91 per hundredweight, and so far in the year 2023,
10 the difference on average has been \$1.40 per
11 hundredweight.

12 Many pool distributing plants generate excess
13 cream which is not utilized in the production of packaged
14 Class I products. Traditionally, this excess cream has
15 been utilized to produce butterfat intensified products
16 such as half and half, whipping cream, sour cream, cottage
17 cheese, and ice cream mixes. All these products are
18 categorized as Class II, and any distributing plant that
19 is fully regulated has this Class II utilization included
20 in the calculation of the plant's total classified value
21 and its obligation to the producer settlement pool.

22 However, if the same byproducts were to be
23 produced at a partially-regulated or completely
24 unregulated plant, those plants would have no obligation
25 to the pool if they chose not to -- to not pool the milk.
26 This creates a huge cost disadvantage for a pool
27 distributing plant. As an operator of a pool distributing
28 plant at Canton, Ohio, this price disparity causes MMPA



1 great concern. If the Class II differential was to be
2 increased to \$1.56 per hundredweight as proposed by AFBF,
3 we envision almost all Class II production being shifted
4 to non-pool facilities and the elimination of a valuable
5 source of revenue from the Federal Order Number 33 pool.

6 So in conclusion, NMPF opposes the adoption of
7 Proposal 21 for all the reasons presented in my testimony.
8 Also, NMPF believes that AFBF's proposal to increase the
9 Class II differential is a subject better addressed at a
10 future Federal Order hearing.

11 NMPF has offered five proposals which are intended
12 to modernize Federal Order regulations. All of these will
13 affect the calculation of class prices. Not knowing what
14 the outcome of this public hearing might be, it is
15 impossible to evaluate the consequences of any change to
16 the Class II differential at this time. Additionally,
17 there are issues separate from the correct value for the
18 differential that need to be considered that are not
19 addressed in Proposal 21. Therefore, USDA should reject
20 Proposal 21 and maintain the Class II differential at
21 \$0.70 per hundredweight.

22 Respectfully submitted by Carl Rasch on behalf of
23 NMPF.

24 MS. HANCOCK: Thank you, Mr. Rasch.

25 Your Honor, we would make him available for
26 cross-examination.

27 //

28 //



1 CROSS-EXAMINATION

2 BY MR. MILTNER:

3 Q. Ryan Miltner representing Select Milk Producers.

4 Mr. Rasch, do you have an opinion as to what the
5 Class II differential, the proper differential should be?6 A. Well, as I indicated, it's tough to evaluate what
7 it should be not knowing, you know, how the formulas are
8 going to work in the future. I guess all I would say at
9 this point, increase -- proposing an increase of \$0.70 to
10 \$1.56 at minimum, you know, if -- if, you know, the \$1.56
11 calculation is based on the current Make Allowance for
12 powder, and everyone has proposed that the Make Allowance
13 be increased, so given the proposal as presented by
14 American Farm Bureau, there's a potential for it to be
15 even more.16 Historically, Class II differentials have been
17 pretty modest. I can remember the day when it was
18 Class III plus \$0.10, and then we increased it from
19 Class III plus \$0.30, and then with Federal Order Reform,
20 the basis for determining Class II was changed to Class IV
21 plus \$0.70. And there was previous testimony earlier in
22 the proceeding indicating that, you know, substitution of
23 powder for fresh milk did occur with the increase to
24 \$0.70.25 So as we indicated, you know, this was the
26 consensus of the members of National Milk that were
27 represented on the task force, and we did not have an
28 opinion as to what the correct differential was. We

1 indicated it should stay at \$0.70 until more information
2 is available to make that determination.

3 Q. Based on the state of the regulations and price
4 formulas that we have today is \$0.70 appropriate?

5 A. There is some substitution. I'm aware of a fairly
6 significant manufacturer of private label ice cream in
7 Michigan that uses powder exclusively in their operations,
8 so we really don't -- there's -- there's two concerns. We
9 don't want to be eliminating -- as you can see in my
10 numbers for Federal Order 33, you know, the volume of milk
11 pooled has decreased dramatically, and it's not because
12 some of it might have been done due to substitution, but
13 the majority that was due to price misalignments.

14 So, you know, one concern is substitution. But
15 probably the more overriding thing is what is it going to
16 do to exacerbate the concern that everybody has with
17 depooling.

18 Q. In the fourth paragraph of your testimony you --
19 you stated that, "While there was acknowledgement that the
20 differential could be changed, there was no consensus as
21 to how much of a change should be proposed."

22 When I heard you say that, I took away the idea
23 that at least some members of the National Milk task force
24 felt there should be an adjustment to the Class II
25 differential.

26 Am I correct in that assumption?

27 A. Correct. Some were of the opinion that it could
28 be increased; some thought it should be decreased.



1 Q. So I guess that makes sense then that National
2 Milk wouldn't -- wouldn't include that in their package if
3 you couldn't get consensus?

4 A. That's true. Because we had -- on all of the
5 proposals we submitted, there was consensus of opinion.

6 Q. But then I also read your statement, I heard you
7 present your statement, and it seems to suggest that
8 because National Milk hasn't come to a consensus, USDA
9 shouldn't consider making any adjustments at all.

10 Is that what you are suggesting?

11 A. I think our bigger -- the takeaway the Department
12 should get from this proceeding is we're trying to make a
13 decision as to what the appropriate level of the
14 differential is operating with -- with sort of in a
15 vacuum.

16 We don't know how the formulas are going to work,
17 so how can you determine what you should do for the
18 differential?

19 And -- and at this point, other than American Farm
20 Bureau Federation suggesting that it be \$1.56, I have not
21 heard anybody else suggest what the appropriate level
22 should be, so I don't know how they would make a decision.

23 MR. MILTNER: Thanks. That's all I have.

24 THE COURT: Would anyone else like to
25 cross-examine Mr. Rasch?

26 I see no one. I invite the Agricultural Marketing
27 Service to ask questions they have;

28 //



1 CROSS-EXAMINATION

2 BY MS. TAYLOR:

3 Q. Good afternoon.

4 A. Good afternoon.

5 Q. Thanks for coming to testify. We just needed to
6 make sure you were here --

7 A. Waited a long time.

8 Q. Excuse me. Just a couple of questions.

9 Mr. Miltner asked you what you thought the
10 Class II differential should be set at -- or should be.11 I want to ask you a slightly different question,
12 as what do you think it should represent?13 A. Obviously, you know, representing producers, we
14 would like to keep as much of the Class II value in the
15 pay price for the producers. It should be a neutral
16 decision, you know. It may be more appropriate for a
17 processor to use powder, but cost should not be the
18 driving factor. If -- you know, if they use powder, now
19 we're substituting Class II value for the producer for
20 Class IV. And Class II is -- is tied directly to the
21 Class IV price, so you are always going to lose pool value
22 if there's substitution of fresh milk with powdered milk,
23 simply to -- simply for economic reasons.24 Q. So then you talked a bit about the shift that you
25 noted in Class II pooled volumes -- it's very echoey.26 THE COURT: We have quite a bit of echo on the AMS
27 mic.

28 MS. TAYLOR: Sorry.



1 BY MS. TAYLOR:

2 Q. You list -- there's Class II volumes on page 3 in
3 Federal Order 33, so you talk about you think that shift
4 was due to price alignment. And so tying back to what you
5 just said, as your goal is to -- from the producer's
6 perspective, is to keep as much of that -- that revenue in
7 the pool, is that any price misalignment that would cause,
8 that Class II milk to be depooled is what you are trying
9 to avoid. Or not used, I guess, is the right word.

10 A. The depooling is -- is entirely a result of the
11 misalignment in pricing.

12 Q. At standalone plants?

13 A. At a standalone plant, yes. And -- and even at a
14 partially-regulated plant as well. They have -- they are
15 required to pool their Class I volume, but they can choose
16 to depool anything that's not Class I.

17 Q. At the end in your conclusion when you talk about
18 basically if there's -- does need to be a change in the
19 Class II differential, it should be at a future hearing
20 because there are issues separate from the correct value
21 for the differential that need to be considered.

22 I was wondering if you could expand on what those
23 issues are you see.

24 A. Performance standards, you know, in order to be
25 eligible to participate in the pool. If you depool milk,
26 there are consequences, there's restrictions as to how
27 much milk you can pool in the subsequent month after your
28 depooling action. So performance standards, pooling



1 restrictions, you know, they vary. What do we have, 12
2 Federal Orders now, or 11?

3 Q. 11.

4 A. 11. All 11 have different standards based on
5 their own market conditions, you know. I indicated, you
6 know, that in the past the differential has been pretty
7 modest, if we were to go to something in the range of
8 \$1.50 to \$2. Should the differential be uniform across
9 all orders or should it be variable like the Class I
10 differential? So those are just a few things. And they
11 just haven't -- you know, I don't know that they have been
12 taken into consideration when Proposal 21 was prepared and
13 presented.

14 MS. TAYLOR: Thank you very much. That's it from
15 AMS.

16 MS. HANCOCK: Thank you, Mr. Rasch. Appreciate
17 your time.

18 Your Honor, we would move for admission of
19 Exhibit 499.

20 THE COURT: Is there any objection to the
21 admission into evidence of Exhibit NMPF-213, also
22 Exhibit 499?

23 MR. HILL: There's no objection, Your Honor, but I
24 do want to make a correction that Mr. Rasch made on
25 page 2, since he brought it up, which was in line 5 he
26 added the word "is" between "it" and "more." "It is more
27 financially advantageous."

28 And since I'm in here, let's go to page 3 as well.



1 Very minor change. It is next to the 2020 line, that
2 4.065, obviously, that's supposed to be a comma. I wanted
3 to mention that.

4 THE COURT: Very good. Let's make those changes
5 on the exhibit copy. The -- I mean, the original exhibit.

6 So the top of page 2, five lines down, we're
7 adding the word "is," I-S, just after the word "it."
8 That's done.

9 And then on page 3, with regard to the four
10 different numbers, the top number needs a comma after "4,"
11 it's 4 billion, comma.

12 That's done. You are very quick.

13 MS. HANCOCK: Thank you, Mr. Rasch.

14 MR. HILL: No objection.

15 THE COURT: All right. So as corrected, we're
16 ready now to admit Exhibit 499. Exhibit 499 is admitted
17 into evidence.

18 (Thereafter, Exhibit Number 499 was received
19 into evidence.)

20 THE COURT: All right. Good. You're free to go.
21 Thank you, Mr. Rasch. How many days were you here?

22 THE WITNESS: What's that?

23 THE COURT: How many days were you here in
24 attendance?

25 THE WITNESS: A dozen.

26 THE COURT: A dozen?

27 THE WITNESS: I'm fairly close. I have been able
28 to drive in and drive away.



1 THE COURT: Excellent. Well, we appreciate you
2 filling in today. Thank you.

3 MS. HANCOCK: Your Honor, we note Mr. Rasch, I
4 believe, is the final National Milk witness.

5 MR. ROSENBAUM: Steve Rosenbaum for the
6 International Dairy Foods Association.

7 Our next witness is Mr. Mike Giles, G-I-L-E-S, and
8 I'm distributing copies of his presentation.

9 THE COURT: Let's go off record while those are
10 distributed.

11 We're off record at 1:45.

12 (An off-the-record discussion took place.)

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

14 We're back on record at 1:52.

15 Mr. Rosenbaum, why don't you start by introducing
16 yourself, and then I'll have the witness identify himself,
17 and then we will number the exhibit.

18 MR. ROSENBAUM: Steve Rosenbaum, International
19 Dairy Foods Association.

20 THE COURT: All right. And I'd like the gentleman
21 in the witness chair to state and spell his name.

22 THE WITNESS: I'm Mike Giles, M-I-K-E, G-I-L-E-S.

23 THE COURT: Have you previously testified in this
24 proceeding?

25 THE WITNESS: No, Your Honor.

26 THE COURT: All right. I'd like to swear you in.

27 //

28 //



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

MIKE GILES,

Being first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. ROSENBAUM:

Q. Good afternoon, Mr. Giles. You have on your computer a PowerPoint presentation. We have distributed hard copies of that presentation which are marked as IDFA-Exhibit 67, and I would ask that be marked with the next Hearing Exhibit number, which I believe is 500.

THE COURT: Correct.

(Thereafter, Exhibit Number 500 was marked for identification.)

THE COURT: A milestone.

MR. ROSENBAUM: We arranged the order so you would be the one.

THE WITNESS: I guess I should say thank you at this point.

MR. ROSENBAUM: I had to fight for that.

BY MR. ROSENBAUM:

Q. Before we start your presentation, tell us what your current position is.

A. I am president and general manager of Plains Dairy in Amarillo, Texas.

Q. We'll talk about Plains in a little bit in a minute.

Is this -- how long have you held that position?

A. I have been there five years this January.



1 Q. And do you have experience in the dairy industry
2 that goes back earlier than that?

3 A. I do. Previously I worked for a short term at
4 H-E-B, another captive dairy. And then before that I was
5 vice president of manufacturing for Brookshire's Grocery
6 Company for a long time.

7 Q. And did they have dairy facilities of their own?

8 A. Yes. We had a dairy, ice cream plant; a water,
9 tea, bottling operation; a sweet goods bakery; and an ice
10 plant.

11 Q. All right.

12 THE COURT: Would you spell the name of that
13 establishment for me.

14 THE WITNESS: B-R-O-O-K-S-H-I-R-E-S. The
15 headquarters and plant was located in Tyler, Texas. It's
16 now a Hiland plant.

17 BY MR. ROSENBAUM:

18 Q. All right. Appreciate you providing that
19 background to us.

20 I think if we could go ahead and pull up the
21 PowerPoint presentation at this point, and go to page 3,
22 and tell us about Plains.

23 A. Okay. Plains has been in Amarillo since 1934.
24 Its present location --

25 THE COURT: Let me interrupt just a minute. So
26 my -- my Exhibit 500 starts with a number 2.

27 MR. ROSENBAUM: It was printed off with two pages
28 per page, Your Honor. If you look back on page 1, you



1 will see there's a 1 and a 2 both.

2 THE COURT: Exactly.

3 MR. ROSENBAUM: So that's -- that's the cause of
4 that confusion.

5 THE COURT: Thank you so much. So I have pages 1
6 and 2, and then I have 3 and 4 on the next page.

7 MR. ROSENBAUM: Exactly, Your Honor.

8 THE COURT: Now I understand. I'm sorry to have
9 interrupted.

10 You may proceed.

11 THE WITNESS: No problem, Your Honor.

12 So we are a fluid milk plant. We run the typical
13 fluid, creams, milk, chocolate milk, buttermilk -- we do
14 have cultured there, buttermilk, eggnog, half and half,
15 and heavy cream. Also run a lot of non-dairy as well.

16 Our parent company is Affiliated Foods of
17 Amarillo, and they are the largest of the nine remaining
18 independent grocery wholesalers in the United States.
19 They are about a \$1.7 billion distribution company. They
20 are a co-op. And about 88% of our milk ships through a
21 warehouse channel. Affiliated Foods acquired the dairy in
22 1996, and the members of the co-op are independent grocery
23 store owners, mainly in small towns or rural settings.

24 Q. If we could go to the next page to see a map.

25 A. So we -- we -- the parent company distributes
26 groceries in a total of nine states, and all the way up
27 from Amarillo in the middle of the Panhandle there of
28 Texas. All the way up to Torrington, Wyoming, you see one



1 little red dot up there in the corner of Wyoming. All the
2 way down to Zapata, Texas, which is actually further to
3 Zapata than it is to Torrington, Wyoming. And all the way
4 to Dallas -- Arizona on the border, a little bit into
5 Arkansas, all the way up to South Dakota.

6 Q. And when you say that 88% of your milk is shipped
7 through a warehouse channel, I take it that means the milk
8 goes to a warehouse owned by Affiliated Foods?

9 A. Affiliated Foods, yes.

10 Q. And then distributed?

11 A. Yeah. We send truckloads of milk to the
12 warehouse, and then they distribute it through their
13 channels.

14 Q. Okay. If we could go to the next slide, slide 5.

15 A. So we are, again, owned by Affiliated. We're an
16 independent dairy. We buy our milk from the Lone Star
17 co-op for at least the last 15, 20 years. We pay an
18 over-order premium to the co-op. We receive seven days a
19 week and have the opportunity to earn receiving credits.

20 Our milk supply is all Texas milk and comes within
21 30 minutes to an hour of the plant. All single-load
22 producers. We have a small DSD operation that operates
23 throughout the Panhandle, approximately about a hundred
24 miles around the plant and into the Lubbock market.

25 Q. And so these would be shipments that you yourself
26 are making as opposed to going through the warehouse?

27 A. Right. Right. And we have a few other customers
28 as well.



1 Q. All right.

2 A. So we believe that Plains has a unique position in
3 the industry that, from my perspective, the hearing may
4 not have heard from yet.

5 We're -- because we're owned by a grocery
6 distributor that sells groceries to its members, and those
7 are mainly small town grocery stores, sometimes these
8 stores are the only store in the town where they are
9 located. And our -- Affiliated Foods, our parent, also
10 owns other manufacturing, a water bottling facility, which
11 I run as well, a meat plant, a bread bakery, and all those
12 kind of go together to make the model or the mousetrap for
13 the distributor.

14 Q. What's your position on Proposal 19?

15 A. We do not support it, Mr. Rosenbaum.

16 Q. And if we go to the next page, tell us why.

17 A. Okay. We have several reasons. We feel like
18 Proposal 19 is inconsistent with the USDSS study and the
19 remarkable growth in milk supply in the Texas Panhandle in
20 the last 20 years, being very close to the milk supply or
21 the majority of it coming to us less than a hundred miles.

22 Q. I take it that tends to reduce the transportation
23 cost?

24 A. I would think so. So in the 2021 University of
25 Wisconsin modeling study, our differential came in at 2.20
26 a hundredweight and -- for the May study, and 2.30 for the
27 October '21 study. Our current differential --

28 THE COURT: Let me stop you, Mr. Giles. I want to



1 make sure that this is captured in the transcript as
2 dollars and cents. So would you read that bullet point
3 again and make it clear what you have written.

4 THE WITNESS: For the 2021 University of Wisconsin
5 modeling study, our differential came in at \$2.20 a
6 hundredweight for the May '21 study, and \$2.30 a
7 hundredweight for the October 2021 study.

8 Our current differential is \$2.40 a hundredweight.

9 And the Proposal 19, National Milk's proposal
10 is -- has our differential at \$3 a hundredweight.

11 BY MR. ROSENBAUM:

12 Q. And just to pause there. The University of
13 Wisconsin model, based upon what you just told us,
14 actually recommends a decrease in your current Class I
15 differential, correct?

16 A. That is correct.

17 Q. And does that reflect a tremendous growth in milk
18 production up in the Texas Panhandle?

19 A. That is correct. There's tremendous growth, both
20 on the producer side and the manufacturing side.

21 Q. Okay. Continue on, please.

22 A. So between the two, the May '21 model study of
23 estimate of \$2.20 a hundredweight and the National Milk's
24 proposal, it's about \$0.80 a hundredweight difference.
25 That's about \$0.07 a gallon to a fluid milk operator. And
26 \$0.07 does matter if you are doing a bid to a warehouse,
27 entity, or a large company. We are -- we are very
28 condensed, and increasing the differential could further



1 affect our volume and the business and the competitiveness
2 of our members' stores as well.

3 Q. Okay. And -- and so basically, the USDSS model
4 would give you a raw milk cost \$0.07 less than what is
5 being proposed in Proposal 19; is that correct?

6 A. Well, hang on a second. Could you repeat the
7 question?

8 Q. Yes. The fundamental issue is that the University
9 of Wisconsin model, if followed, would result in a Class I
10 differential for your company, \$0.08 less than
11 Proposal 19 --

12 A. Eight --

13 (Continuous crosstalk. Court Reporter
14 clarification.)

15 BY MR. ROSENBAUM:

16 Q. Let me start it again just --

17 A. Okay.

18 Q. -- so she can get my question down and then your
19 answer.

20 The University of Wisconsin model provides a
21 Class I differential to your plant in Amarillo at a cost
22 \$0.07 a gallon less than Proposal 19?

23 A. That's correct.

24 Q. If we go on to page 9, I think you got a chart
25 that shows all of this.

26 A. Right. Here's just a chart shown in green, our
27 current differential; in yellow, the first is the
28 May 21st [sic] study at 2.20; then the 2.30 for the



1 October study, and then the National Milk proposal of \$3.

2 Q. All right. Please continue.

3 A. So it's my opinion that when -- it seems, to a
4 Class I producer, sometimes when the changes to the FMMO
5 are needed by -- by the farmers, by the producers, the
6 first thought is to raise the price of Class I milk. And
7 Class I milk is declining per capita for many, many years,
8 to the point that fluid milk utilization, I think when the
9 market order first started in the '30s, it was over
10 85% utilization of the total milk supply, and right now
11 it's down to about 17 or 18%, which is approximately equal
12 to the U.S. dairy exports.

13 We know that cheese is driving the bus in dairy
14 utilization, and Plains Dairy is opposed to the concept of
15 raising Class I as the first best answer.

16 We believe the industry needs a financially-sound
17 solution that is best for the long-term sustainability of
18 all parts of the industry. And, again, we're not against
19 reform, we're just against maybe not data-driven reform.

20 I talked about milk consumption declining. And
21 the latest data shows milk volume down around 1.9%
22 nationally. Just attended the Milk -- MilkPEP there,
23 before the dairy forum, and that was the information
24 presented. I think it was two or three months old.

25 Mass merchandisers like Walmart Supercenters,
26 Costco, Sam's, are up 1%, while drug stores, C stores, and
27 traditional grocery are all down.

28 Our membership, that is the membership that is



1 part of the Affiliated co-op, is almost totally made up of
2 traditional grocery. And traditional grocery that's not
3 urban but mainly rural, with some C stores, mostly, again,
4 in that small town setting.

5 These stores, traditional stores, according to
6 MilkPEP, are down 4 to 5%, with C stores down over 10%.
7 So -- and the thought there is that consumers are starting
8 to run out of money and switching to more valued formats
9 and driving further from home to access them.

10 Dr. Capps' study at Texas A&M University testified
11 in December on his most recent elasticity study, he found
12 that the milk price elasticity is more elastic than
13 earlier studies, with every 1% increase in price resulting
14 in a more than 1% decrease in sales volume. This is a
15 dramatic change from pre-COVID.

16 And for an example sake here, I used \$0.20 per
17 gallon wholesale cost, the increase to these stores could
18 raise retail as much as \$0.35 in our stores.

19 Q. And does that reflect the fact that the stores are
20 taking a markup over and above the wholesale price?

21 A. Yeah. In a perfect world, they do that. And a
22 traditional grocery markup is around 35%.

23 In other formats, it is not. You know, the
24 Walmart model, it is a pretty well known common fact that
25 their markup is less, about 22 to 24%. Sam's, Costco
26 markups are 19%. But if one of our grocery retailers, our
27 members have a store and there's a -- say it's in a town
28 where there's a Walmart, and the Walmart has a lower



1 price, they are going to match that price and not be able
2 to go up and just take a loss.

3 MR. ROSENBAUM: That completes Mr. Giles'
4 testimony. He is available for cross-examination.

5 THE COURT: Who will begin cross-examination?

6 CROSS-EXAMINATION

7 BY MR. MILTNER:

8 Q. Good afternoon, Mr. Giles.

9 A. Good afternoon.

10 Q. I'm Ryan Miltner, and I represent Select Milk
11 Producers.

12 Earlier in the hearing we had some testimony from
13 folks on the cost to move raw milk in a tanker from farm
14 to plant.

15 And I wondered in your experience, do you happen
16 to have a rule of thumb for what it costs to move packaged
17 milk from your plant to the warehouse or from warehouse to
18 store?

19 A. All that is -- that's totally dependent probably
20 on the, you know, current diesel and -- price and that
21 sort of thing. I think somebody testified earlier that if
22 the cost of a semi and tractor-trailer rig was less, and
23 diesel was down, and, you know, it would be inexpensive,
24 but it's not.

25 Pre-COVID, the cost of a tractor-trailer rig was a
26 lot less than it is currently, almost double what it was
27 before COVID.

28 Q. I guess -- I think when they were -- when people



1 were testifying about raw milk, it was more just the
2 incremental cost of actually moving it, not so much taking
3 into account the equipment. I thought it was about \$1 per
4 hundredweight per hundred miles.

5 Now, if I just took that and I backed it into a
6 gallon, it would be about \$0.085, I think, if my math is
7 right, to move a gallon of milk a hundred miles.

8 And I don't -- I was just curious if that -- if
9 there was any type of equivalent like that, or if that's
10 something you guys just don't track the same way that
11 farmers do?

12 A. Well, you know, talking to co-op representatives
13 in the past, I have heard that the cost that they are
14 getting for the transportation of milk, say, from the
15 Panhandle to Dallas is not what -- you know, what they are
16 able to charge or get for that. So other than that, you
17 know, locally, a hundred miles would be \$1 hundredweight,
18 that wouldn't be a lot more than \$2.40 I guess, right?

19 Q. Sure. The distance from Amarillo to some of the
20 more distant stores within your cooperative, what -- some
21 of the cities you mentioned, but looks like, when I was
22 looking at the map, maybe Torrington, Wyoming, to the
23 north; Bentonville, Arkansas, to the east; Laredo to the
24 south; and Safford, Arizona, to the west, they are all in
25 that 500- to 600-mile distance.

26 A. I think -- I think right now a good rule of thumb
27 is about \$3 a running mile for grocery delivery, not bulk.
28 I don't know what bulk is, but that's what I have heard



1 from our transportation department. I'm no expert on
2 that.

3 Q. Okay. How many gallons of milk would be in a
4 truck?

5 A. It depends on the store. They are going to
6 order -- they may get two or three shipments a week with
7 their groceries. So they are getting all the groceries
8 for that store, along in that truck with the milk, and the
9 milk may only be a pallet scattered through the load, or
10 it may be half a truckload. It just depends on the store
11 and their order.

12 Q. And from your testimony and the questions with
13 Mr. Rosenbaum, I understand that you do all your
14 processing there at the plant in Amarillo, and then -- and
15 then you ship to one or more than one warehouse for
16 distribution?

17 A. Just one. It's about five miles across town.

18 Q. Okay.

19 A. And the grocery company has to add on additional
20 transportation costs to get it to the store.

21 Q. Thank you.

22 On slide 8 of your presentation, you stated that
23 Proposal 19 is inconsistent with the USDSS study.

24 And I'd like to ask, other than the specific
25 differentials applicable to your county, what you found
26 inconsistent between Proposal 19 and the study, if
27 anything?

28 A. Well, from our perspective, and being right there



1 at the milk supply, and our differential going up \$0.60 a
2 hundredweight instead of going down \$0.20 like the May '21
3 study, University of Wisconsin, to me that's inconsistent.

4 Q. So are you -- you believe the output from the
5 study itself is correct and should be considered as well?

6 A. I think it's some of the better data that we have.

7 Q. Thanks.

8 MR. MILTNER: I don't have any further questions.

9 THE WITNESS: Thank you.

10 THE COURT: Is there other cross-examination
11 before I invite the Agricultural Marketing Service
12 questions?

13 I see no one. I invite the Agricultural Marketing
14 Service to ask questions.

15 CROSS-EXAMINATION

16 BY MS. TAYLOR:

17 Q. Good afternoon.

18 A. Good afternoon.

19 Q. Thank you so much for coming to testify today.

20 A. My pleasure.

21 Q. I'm glad you feel that way still.

22 I wondered if you could just explain a little bit
23 the co-op grocery model for the record, since we talked a
24 lot about the co-op side and the dairy farmer side, but
25 could you just kind of explain just a little bit how that
26 works.

27 A. Well, so the -- the co-op is basically a grocery
28 distributor made up of independent grocery store owners.



1 And our board is grocery store owners as well. We do have
2 a couple of larger members, but the bulk of our membership
3 is -- one, two, five, six, seven -- eight store type
4 owners, a lot of ones and twos. And they may have a store
5 30 miles outside of Salina, Kansas, in a little town with
6 1500 people, that may have to drive 35 miles to go to a
7 bigger city to access, say, like a, you know, Walmart or
8 another chain store grocery store to get their groceries.
9 So they operate in and they perform a great service for
10 these independent members.

11 By having a dairy be vertically integrated with
12 some manufacturing, having a dairy, having a meat plant
13 that makes -- takes boxed beef and puts it into retail
14 cuts, because butchers are very hard to find in small
15 towns, usually they will go to a larger town if there's a
16 butcher available and make more money, so that's a service
17 they offer.

18 A bread plant, it's all part of their, you know,
19 what I call a mousetrap for their model. And it attracts,
20 you know, those grocery store owners rather than a
21 competitive independent wholesaler like AWG or somebody
22 like that.

23 To give you an example of how serious our board is
24 about it, during COVID, you know, people went -- went
25 and -- everything got shut down, people went to the
26 grocery store and bought everything, and you couldn't get
27 toilet paper, and paper towels, and bottled water. We
28 have store brands in our company -- and we control



1 about -- we were buying about a hundred loads of bottled
2 water at the time a week, truckloads. 65 of those were in
3 private label.

4 Well, our supplier, Niagara, the manufacturer,
5 couldn't keep up because the demand went up probably to a
6 hundred loads. But it went up everywhere, all our
7 customers went up. So it was kind of a force majeure
8 situation, and we only got like eight loads of water a
9 week when we needed a hundred. And some of our
10 competitors, maybe in a big box store, got pretty much
11 what they needed.

12 And our board got upset about that, so they built
13 a water plant. And, you know, we were able to do that
14 because it was the beginning of COVID, and the supply
15 chain was still pretty much intact at the very beginning.
16 We were -- jumped on it the next month and started.
17 14 months later, we had first saleable product in our
18 water plant because of that. Some of these little towns
19 had water where they wouldn't have had water when they had
20 to drive a long way. So, you know, that's part of the
21 value of our co-op membership.

22 The other thing is, our profits go back to the
23 members at the end of the year. You know, we hold money
24 out for cash flow and capital expenditures, but then
25 profits go back to the members in the form of a rebate, so
26 it kind of helps keep their costs down.

27 Q. Okay. Thank you so much for that.

28 A. Uh-huh.



1 Q. And then did I hear you correctly, maybe this is
2 just from the dairy side, so you have one -- you -- Plains
3 Dairy manufactures the milk and then ships it to a
4 warehouse, and then that's where the distribution happens?

5 A. That's correct.

6 Q. And is that in regards only to the dairy or that
7 is for all the different meat packing?

8 A. So picture a big grocery warehouse. That's what
9 Affiliated is like. And we ship our product five miles
10 across town to them, and then they distribute our milk
11 with all the groceries as the stores order them.

12 Q. Got you.

13 And you mentioned that you buy your milk from a
14 dairy former cooperative?

15 A. Correct.

16 Q. And that's the -- they are your sole supplier?

17 A. They are.

18 Q. So we have had other testimony at the hearing on
19 kind of how those relationships are, how those
20 negotiations go when it comes to over-order premiums,
21 et cetera.

22 So I was wondering if you could add a little
23 information to the record that you are comfortable with
24 adding kind of in how that works.

25 A. Well, when we first started out, we had a
26 relationship with Lone Star. I think they were in an
27 agency. I'm not sure they are anymore. They are?

28 We get a competitive price, even though, you know,



1 whether they are or they are not. But we have a contract,
2 you know, so it kind of outlines our relationship. They
3 have been good vendors to us.

4 Q. And when it comes to fulfilling the supply that
5 you need, do they provide balancing services to you, or
6 are you pretty steady seven days a week?

7 A. No. No. We don't bottle on the weekends. So,
8 you know, we'll -- we'll receive seven days a week, but we
9 don't bottle every day. So, yes, they provide balancing
10 services for us.

11 Q. Okay. And then your over-order premiums, there's
12 discussion about, on one side those can be negotiated;
13 from the other side says those are really difficult to get
14 anywhere and they could be short lived.

15 Can you talk a little bit about if you pay
16 over-order premiums, how often they might be negotiated
17 and maybe what you think --

18 A. There's not much negotiation on our side, I don't
19 think. So, you know, they are what they are. And I have
20 seen them -- as Mr. Sims said, I have seen them in my 35,
21 40 years of dairying zero, and I have seen them over \$3.
22 So -- but you usually just get a notice of what they are
23 going to be from my side.

24 Q. Okay. I want to turn to slide 8, and the bottom
25 bullet there you are talking about the increase in
26 differentials could affect -- further affect your volume
27 and business and the competitiveness of our member stores.

28 I wanted to see if you could expand on that,



1 particularly when you mention that a lot of your members
2 might be a single -- you know, might be the only grocery
3 store in town.

4 A. Right. If that's the case, they -- if we go up,
5 and there's no competition there, they are probably going
6 to go up. But, you know, there's a point there where if
7 they can drive 30 miles and save \$1 a gallon, they might
8 decide to do that, right?

9 The other side of it is if there isn't competing
10 store in a little town like that, and the competitor has,
11 say, milk at \$2.99, then they are going to match the \$2.99
12 no matter what their cost is, just to, you know, be
13 competitive.

14 Q. Uh-huh.

15 A. And it affects their profit.

16 Q. And you mentioned consumers might drive a longer
17 distance.

18 Is that what you mean on your last slide when you
19 talk about switching to value formats? Could you expand
20 on what that means.

21 A. Yeah. Value format, like a mass merchandiser.
22 You know, you go to a Costco or Sam's, it's -- their
23 prices are going to be a little less expensive than if you
24 are in small-town America from an independent.

25 Q. Okay. And slide 10 at the bottom you say you
26 "believe the industry needs a financially-sound solution
27 that's best for the long-term sustainability for all parts
28 of the industry."



1 What, in your mind, would be a sound solution or
2 what factors would go into that?

3 A. I don't know. And I don't envy y'all's position
4 either, listening to months of testimony and probably
5 going to have to relive it for the next few months to come
6 up with your proposals to submit.

7 We don't really get to be -- have a vote as a
8 processor, so I wish you luck with that, you know.

9 I just think it -- I am not against reform. I
10 just need -- I think it needs to be data driven, and the
11 data says our particular plant should go down in
12 differential, not up.

13 Q. Okay. And then my last question at the back, on
14 slide 11, you give an example, a \$0.20 per gallon
15 wholesale increase to the stores could raise retail as
16 much as \$0.35 per gallon.

17 I'm just trying to understand the math, how you
18 got to \$0.35, and I don't need an equation but generally.

19 A. Well, if a retailer pays \$3 for a gallon of milk
20 at wholesale, he's not going to sell it for \$3 if he
21 doesn't have to, unless he has a competitor across the
22 street that's selling it for \$3. He's going to sell it
23 for \$4.50 because that's -- that's his markup. That
24 \$1.50, you think, well, that's a 50% markup, right? \$3,
25 \$1.50.

26 That's not how they figure it. They figure \$1.50
27 divided by \$4.50, that's a 34% markup. And traditional
28 grocery stores are about a 35% markup, where, you know,



1 your value super center type is more along the 20% level,
2 like a Sam's or Costco.

3 Q. So if what I am -- I don't need to follow the
4 math, but I think -- I just want to make sure I understand
5 your general point, is that if the differentials go up,
6 some retailers will use that price increase, and also in
7 addition to whatever it is at the wholesale level, add an
8 additional markup to the consumer?

9 A. They will raise the price, and they will try to
10 get their traditional markup on top of it, if they can.
11 But it all depends on their -- you know, their format,
12 what type of store it is. And competition. A lot of
13 times they won't be able to get that because of
14 competition.

15 Q. Does that happen in the reverse, when prices go
16 down?

17 A. I think you will find in retailers world, that
18 prices -- prices go up very fast. And they come down
19 pretty slow, but they will come down, but usually it's
20 competition that drives it.

21 Q. Uh-huh.

22 MS. TAYLOR: I think that's it from AMS. Thank
23 you so much.

24 THE WITNESS: Thank you.

25 THE COURT: Mr. Rosenbaum.

26 //

27 //

28 //



1 REDIRECT EXAMINATION

2 BY MR. ROSENBAUM:

3 Q. Just a follow-up on the questions about over-order
4 premiums.5 I mean, do you -- how do you find out literally
6 what your over-order premium is going to be?7 THE COURT: I think that was heard, but it was
8 pretty faint.

9 (Court Reporter clarification.)

10 BY MR. ROSENBAUM:

11 Q. You answered a couple of questions about
12 over-order premiums.13 How do you find out what the amount of your
14 over-order premium is going to be?15 A. Well, first off, Mr. Rosenbaum, they don't change
16 very often. And when they do, I usually get a phone call
17 if it's been a long time and they are going to change a
18 lot, followed by a notice in the -- in an e-mail.19 Q. Okay. And that's when it comes from the
20 cooperative; is that correct?

21 A. That's correct.

22 Q. Okay. Is there any real negotiation that's going
23 on?

24 A. No, sir.

25 MR. ROSENBAUM: That's all I have.

26 Your Honor, I would move Hearing Exhibit 500 into
27 evidence.

28 THE COURT: Is there any objection to the



1 admission into evidence of IDFA Exhibit 67, also marked
2 Exhibit 500?

3 There is none. Exhibit 500 is admitted into
4 evidence.

5 (Thereafter, Exhibit Number 500 was received
6 into evidence.)

7 THE COURT: Mr. Giles, is there anything further
8 you would like to add before you step down?

9 THE WITNESS: No, Your Honor.

10 THE COURT: Thank you so much for being here.

11 I would like to take a break, but let me find out
12 who will be the next witness before we take the break.

13 MR. ROSENBAUM: Steve Rosenbaum.

14 Your Honor, Steve Galbraith will be the next
15 witness.

16 THE COURT: Very good.

17 MR. ROSENBAUM: And I'll just mention, he has two
18 separate statements, and I will distribute them during the
19 break.

20 THE COURT: Very good.

21 Let's take 15 minutes. It's now 2:30. Please be
22 back and ready to go at 2:45.

23 (Whereupon, a break was taken.)

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

25 We're back on record at 2:45.

26 I have a new witness in the witness chair.

27 Would you please state and spell your name.

28 THE WITNESS: Steve, S-T-E-V-E, Galbraith,



1 G-A-L-B-R-A-I-T-H.

2 THE COURT: Have you previously testified in this
3 proceeding?

4 THE WITNESS: Yes, Your Honor, I have, on
5 August 30th of last year.

6 THE COURT: Oh, my. You remain sworn. Well, I'm
7 glad you get to see both climates.

8 THE WITNESS: I have seen both experiences.

9 STEVE GALBRAITH,

10 Having been previously sworn, was examined
11 and testified as follows:

12 THE COURT: Mr. Rosenbaum, I have two documents.

13 MR. ROSENBAUM: Yes, Your Honor. We have two
14 testimonies, written testimonies, by this witness. The
15 first one is labeled IDFA-Exhibit 65, which we would ask
16 be marked as Hearing Exhibit 501.

17 THE COURT: Yes.

18 (Thereafter, Exhibit Number 501 was marked
19 for identification.)

20 MR. ROSENBAUM: And the other is marked as
21 IDFA-Exhibit 66, which we would ask be marked as Hearing
22 Exhibit 502.

23 THE COURT: Yes.

24 (Thereafter, Exhibit Number 502 was marked
25 for identification.)

26 DIRECT EXAMINATION

27 BY MR. ROSENBAUM:

28 Q. Mr. Galbraith, your written testimony starts with



1 some introductory background, most of which -- I guess all
2 of which probably we covered back in August. But since
3 it's been a few months, let me just start by asking you a
4 few questions.

5 Remind us the name of the company for which you
6 work and what your position is.

7 A. I'm employed at Saputo Dairy USA, in Dallas,
8 Texas, where I am --

9 (Court Reporter clarification.)

10 THE WITNESS: I'm employed by Saputo Dairy USA, in
11 Dallas, Texas, where I am vice president of procurement
12 and commodity risk management.

13 BY MR. ROSENBAUM:

14 Q. All right. And remind us how many plants Saputo
15 has and basically what you make.

16 A. So we have 29 plants across the United States. We
17 manufacture some Class I, Class II, Class III dairy
18 products across multiple plants.

19 Q. All right. And Hearing Exhibit 501 addresses
20 Proposal 19, correct?

21 A. Correct.

22 Q. So if you could go to the first page, and to the
23 second heading, opposition of Proposal 19, and go ahead --
24 and read your testimony for us.

25 A. Okay. First I would like to comment on
26 Proposal 19, the potential impact of increasing Class I
27 differentials in a category that's seen annual average
28 decline of 2%, or over 20% cumulatively, since 2010.



1 In a previous testimony by Mike Brown, it was
2 noted that the current supply of milk greatly exceeds by
3 any measure the amount necessary to satisfy fluid needs.
4 There is no justification to increase Class I
5 differentials and stimulating a larger milk supply given
6 the presence of an already far more than adequate milk
7 supply. I would agree with that proposal as well.

8 In the choosing to raise prices for any product
9 category that is experiencing steadily declining volume
10 has not proven to be a recipe for growth due to some of
11 the potential following outcomes.

12 Mandating higher Class I differentials would
13 reduce the price difference between Class I milk and
14 plant-based beverages. This narrow price difference may
15 incent some consumers to try and ultimately switch to
16 plant-based beverages, resulting in further Class I volume
17 decline. Although the volume does remain wide today, that
18 potential outcome certainly exists.

19 Continued lower milk volume will drive a change in
20 the fluid distribution model from primarily direct store
21 delivery to the delivery through distribution centers.
22 Delivery through distribution centers with longer supply
23 chains will require ESL, or extended shelf life, milk
24 processing, which comes at a higher cost. The move to
25 more ESL processing will result in less HTST processing.

26 And over the past decade, some of the HTST
27 manufacturing plants who shuttered their doors had
28 cultured production -- cottage cheese and sour cream as an



1 example -- associated with them, and they were forced to
2 consolidate that cultured production into centralized
3 facilities further away from customers. These categories
4 remain popular, and if more HTST plants close, any
5 associated cultured production capacity will need to be
6 replaced. As that transition is likely to continue,
7 additional costs to consumers will be required.

8 The loss of Class I consumption reduces milk
9 demand overall. If farmers continue to increase
10 production, that excess milk may ultimately find its way
11 into Class III and Class IV product. Continued supply due
12 to the declining Class I demand will depress prices of
13 Class III and Class IV categories, and reducing the value
14 of Class III and Class IV is not in the best interest of
15 producers or processors.

16 To summarize what I am saying, we have added cost
17 to Class I category over the past several decades with
18 consolidation and increased miles on our product. Adding
19 additional cost will not continue to grow the category. I
20 spent the last 40 years working to build brands and create
21 consumer value. I have never seen structural increases in
22 costs and/or prices be a path to achieving either
23 objective.

24 That's a general overview of, you know, kind of
25 where we're coming from. There are, however, some
26 specific issues that will impact Saputo specifically.

27 We do operate some Class I manufacturing plants
28 across the U.S. We do have a kind of gappy area in the



1 Rocky Mountains and in the Pacific Northwest. At times,
2 we struggle to get milk to certain Saputo facilities that
3 are not located in traditional milk sheds. The
4 marketplace has a mechanism that helps us get milk to
5 where we need it, when we need it, by paying larger
6 over-order premiums.

7 The over-order premium is not promulgated nor
8 implemented through regulatory means. Higher proposed
9 regulatory costs, such as higher Class I differentials,
10 will not change the relationship between the hard-to-get
11 milk locations and the milk-surplus areas. It has a
12 potential to increase inefficiencies between those
13 locations and make processing milk in those hard-to-get
14 locations even more expensive.

15 So, specifically, when you do the math,
16 Proposal 19 pushes the Class I differential in Saputo's
17 Federal Marketing Order Number 7 facility up from the
18 current \$2.70 per hundredweight to \$4.60 per
19 hundredweight, an increase of \$1.90 per hundredweight.

20 Saputo's Class I differentials in Federal Milk
21 Marketing Order 51 would move up from \$1.70 per
22 hundredweight to \$2.50 per hundredweight, an increase in
23 \$0.80 per hundredweight.

24 Saputo manufactures Class I value-added ESL milk
25 and distributes across several states. Proposal 19 puts
26 the facilities in Federal Order 7 at a greater cost
27 disadvantage compared to the West.

28 The same logic applies to facilities in Federal



1 Order 1 and Federal Order 30 when you compare those to the
2 other Federal Milk Marketing Orders. And I -- there's a
3 chart attached with proposed differential changes.

4 The free market and the use of over-order premiums
5 will help bring milk production closer to the demand.
6 Proposal 19 has a potential to move production to
7 alternative locations or, worse yet, drive the cost high
8 enough to reduce overall demand.

9 Creating value in the minds of the consumers is
10 the most effective way to increase revenue in the dairy
11 industry --

12 (Court Reporter clarification.)

13 THE WITNESS: Creating value in the minds of
14 consumers is the most effective way to increase revenue in
15 the dairy industry. A great example of this is a cream
16 market and the continued increase in cream multiples over
17 the past several years. Not only have butter prices
18 maintained a historic high price, but cream multiples have
19 also continued to increase over the years as manufacturers
20 strive to secure supply to make product for a growing
21 dairy category.

22 Due to this increased consumer demand, co-op
23 agencies can increase cream multiples in the marketplace.
24 The same story needs to be repeated in the minds of the
25 consumer relative to skim solids in the various formats in
26 which they can be delivered to the consumer. Increased
27 regulation and regulation mandating higher prices will not
28 resurrect the category that has been declining for over



1 50 years. The best solution is to build value in the mind
2 of the American and global consumer.

3 BY MR. ROSENBAUM:

4 Q. Thank you very much, Mr. Galbraith.

5 Let's move, then, to your other testimony, which
6 has been marked as IDFA Exhibit 66 and Hearing
7 Exhibit 502, which addresses Proposal 21.

8 And if you could start in the middle of the first
9 page after the heading, "Position - Proposal 21."

10 A. I testify today in opposition of Proposal 21 that
11 seeks to increase the Class II differential from \$0.70
12 hundredweight to \$1.56 over the Class IV price.

13 Saputo manufactures products in several different
14 states that utilize Class II milk, both skim solids and
15 butterfat components, and opposes Proposal 21 for the
16 following reasons.

17 When I testified on August 30th in opposition to
18 of Proposals 1 and 2, I presented data demonstrating the
19 Saputo plants in Federal Milk Marketing Orders 6 and 7
20 were not receiving milk to contain skim solids below the
21 9% level.

22 Q. I think you put in a "not." Can you re-read that
23 part?

24 A. That contains -- oh, were receiving milk that
25 contains skim solids below -- oh, you are right. Sorry.

26 Q. Why don't you read the whole sentence over again.

27 A. All right. When I testified on August 30th in
28 opposition to Proposals 1 and 2, I presented data



1 demonstrating Saputo plants in Federal Orders 6 and 7 were
2 receiving milk that contained skim solids below the 9%
3 level. Raising the calculation of costs above 9%, as
4 proposed in 1 and 2, would only cause Saputo to pay for
5 solids not being received today.

6 Increasing the premium from \$0.70 to \$1.56 is
7 simply asking to pay higher levels for solids that are not
8 being received today, placing manufacturing facilities in
9 Federal Orders 6 and 7 at a further competitive
10 differential -- further competitive disadvantage.

11 The differential increase of \$0.86 is intended to
12 increase revenue to dairy producers, but will likely not
13 have the intended effect. Class II skim solids demand is
14 likely to decrease, as alternative milk solids have
15 greater substitution values.

16 The last reason -- or the fourth reason would be
17 cream multiples will increase, further increase in cost to
18 consumers.

19 So I'll stop there for a second.

20 For the table below in the testimony, so -- is the
21 following values of skim solids based on published price
22 of various indexes over the past five years. I just
23 pulled these different data points. They are not landed
24 delivered costs to our plants, but they are data points,
25 and they are intended to show the deltas between the
26 different classes.

27 So the Western non-states -- non-fat dry milk, the
28 Western states non-fat dry milk powder has averaged just a



1 little bit over \$1.25 and a half over the last five years,
2 Class II skim solids have averaged \$1.1495, just under
3 \$1.15, and the proposal for Class II skim solids would
4 move that up to \$1.2445, just under \$1.24 and a half.

5 Q. And those are all in per pound numbers, correct?

6 A. Those are all per pound solids basis, that is
7 correct, skim solids, because we buy in solids and
8 obviously we formulate in solids.

9 Based on the last five years' market values
10 spread, the following conclusions can be derived.

11 Substitution of non-fat dry milk values for
12 Class II skim solids in raw milk does not seem to make
13 economic sense given that non-fat dry milk carries a
14 premium.

15 When you add premiums for condensing skim, the
16 Class II condensed skim gets closer to non-fat values;
17 however, the rehydration time and expense has prevented
18 substitution to date for financial reasons.

19 Consequently, if there is any substitution going
20 on today, or has gone on in the recent past, it is not due
21 to market values.

22 Should the American Farm Bureau proposal to
23 increase the Class II skim solids by over \$0.095 a pound,
24 it is possible we could see substitution of non-fat dry
25 milk in a formula replacing Class II skim solids in
26 certain months.

27 This is likely to be done at various levels in the
28 supply chain from the condensing skim manufacturing



1 process to the milk plant itself where the finished
2 product is made.

3 The net result would be the same amount of milk
4 solids used. However, there would be limited or no
5 additional revenue anywhere in the supply chain for
6 producers when this substitution occurs.

7 Q. Would those solids now be priced at Class IV
8 rather than Class II?

9 A. It would be priced at Class IV if you were buying
10 powder, correct.

11 Q. Please continue.

12 A. When making ice cream mix, processors can create
13 ice cream mix formulas that incorporate milk solids other
14 than Class II solids.

15 These substitutions include whey, sweet whey.
16 That substitution for skim solids is a one-for-one. Sweet
17 whey substitution for the past five years would have
18 benefitted an average of just over \$0.69 a pound. Sweet
19 whey substitution under Proposal 21 would benefit nearly
20 \$0.79 per pound, so an additional dime advantage.

21 Buttermilk. The substitution for skim solids
22 includes removing some of the butterfat as well as skim
23 solids. The table below shows the substitution or cost
24 benefits, so that's cost increase, over the past five
25 years, when compared to actual market and -- and a market
26 where Proposal 21 is enacted.

27 There are a couple of takeaways from this data.
28 Buttermilk substitution would have been beneficial two of



1 the last five years under the current market dynamics.
2 Buttermilk substitution under Proposal 21 would have been
3 beneficial four of the last five years.

4 The larger these substitution savings
5 opportunities become, the more likely owners of the
6 formulas, customers, will look closer to opportunities and
7 ultimately make the switch. The net result of
8 implementing Proposal 21 would likely result in a decrease
9 in Class II skim solids in current formulas.

10 Then I talked about Class III skim solids and why
11 I refer to Class III skim solids in the table below.
12 Because there are companies similar to Saputo that do
13 acquire non-fat dry milk for a variety of reasons. Some
14 of those may be intentional. They market play -- take
15 advantage of a market price or some distressed inventory.

16 Some of those reasons maybe unintentional when
17 milk must be diverted to a balancing plant for numerous
18 reasons.

19 When a -- when you assess the disposition of that
20 non-fat dry milk, there's really two options, outright
21 sale into the marketplace or substitution of powder into
22 Class III or Class II products.

23 The option is often done when the non-fat dry milk
24 inventory is valued at less than Class III or Class II
25 solids.

26 So we look at our inventory that we have for
27 powdered milk, we'll say, what is the value of that
28 inventory and does that inventory value work into Class II



1 or Class III formula. And the best option always is going
2 to be to replace the highest priced skim solids that you
3 have in your network, and that is more likely to be
4 Class II if the differential is increased.

5 Q. So we're not going to have you read the chart that
6 follows into the record, but as an example, you show here
7 that under the actual market there were a couple of years
8 where net per pound buttermilk was at a price advantage --

9 A. Right.

10 Q. -- over Class II.

11 That would turn into having an advantage four out
12 of five years if Proposal 21 had been in place; is that
13 correct?

14 A. That is correct.

15 Q. And what, just as a businessperson, if you see
16 that substituting buttermilk will make you money four
17 years out of five, what does that give you an impetus to
18 do?

19 A. Yeah. So what it does is we look at the markets
20 every week. We'll get -- look at the ingredients every
21 week, and we try to do a least cost formulation. And what
22 this tells us is that four out of five years, had
23 Proposal 21 been enacted, we would have been substituting
24 buttermilk in our formulas for ice cream mix versus the
25 current where we really only had financial advantage to
26 substitute two out of the five years.

27 So it just provides some of those -- some of that
28 we pass on to our customers; some of it, you know, we



1 keep. A lot of it we do pass on to our customers.

2 Q. Please continue.

3 A. Another impact of increasing Class II
4 differentials would be the impact of cream prices. Cream
5 premiums will increase by an average of half a multiple
6 point based on Class II solids increase. In a tanker load
7 of cream, there's probably 2,550 pounds of skim solids.
8 Cream sellers will realize the increased value of skim
9 solids by increasing the multiple charge for the fat. By
10 increasing the cost \$0.09 per pound, that would increase
11 multiple by .0045, or a half a point, when butter is
12 valued at \$2.50.

13 I can go through the math if you want to, but it
14 gets boring. So increasing butterfat pricing in an
15 already high value market may not always prompt additional
16 usage and could have a negative impact on consumption.

17 And the last point really has to do with the
18 calculation itself and when the math is applied to the
19 current increase in Class II versus Class IV solids.

20 Butterfat in the current increases .007 per pound.
21 The skim solids increase \$0.0778 per pound, by a factor of
22 11. Because the skim milk goes up \$0.70 a hundredweight,
23 there's only nine pounds of solids in that skim, you put
24 all \$0.70 on that nine pounds, but the fat only goes up
25 seven-tenths of a cent per pound.

26 So if you increase to \$1.56, you are still going
27 to have that same 11 factor increase in Class II skim
28 solids versus the butterfat. To me, that just -- why



1 would you want to increase the skim solids
2 disproportionately to the fat level? Particularly given
3 the fact that the marketplace does not value the skim
4 solids at the same level they do the fat. It just seems
5 illogical to me. And, you know, given the struggles that
6 we've seen with demand in the marketplace, it seems like a
7 weird calculation. But I'm kind of a numbers guy.

8 Q. Thank you very much.

9 MR. ROSENBAUM: Your Honor, the witness is
10 available for cross-examination.

11 CROSS-EXAMINATION

12 BY MR. MILTNER:

13 Q. Good afternoon, Mr. Galbraith.

14 A. Good afternoon.

15 Q. My name is Ryan Miltner. I represent Select Milk.
16 I'm the guy that wants to understand your cream
17 multiple math.

18 A. Okay. So if there's 2550 pounds of skim solids in
19 a tanker load of cream, a 48,000-pound tanker load of
20 cream, 2550 pounds of skim solids, they go up by a value
21 of \$0.095 per pound, because you went from \$0.70 to \$1.56.
22 There's 20,360 pounds of butterfat in a tanker load of
23 cream, and we buy thousands of them every month, so we
24 kind of have our average that we use, 20,360 pounds of
25 butterfat in a tanker load of cream. Do the simple math,
26 and then that's how much per pound of fat. And then you
27 got to pick a butter price. And you use 2.50 on average,
28 probably a decent number -- was a decent number for this



1 year, probably be decent number for next year. That's how
2 you get there.

3 Q. When you refer to a cream multiple, what are you
4 referring to?

5 A. When you buy cream, the value of the cream is
6 based on the butter price times a multiple. So most cream
7 is traded on the previous week's average spot butter price
8 times a multiple, and that multiple varies for a variety
9 of reasons. So that's the multiple.

10 Q. But the multiple itself is just set by the market,
11 is it not?

12 A. The multiple is set by the market, yes. But it's
13 also set as a baseline cost. So there's two things
14 involved there: There's the cost and then there's a
15 market.

16 Q. So what is your baseline cost?

17 A. The baseline cost would be Class II butterfat plus
18 the skim solids. That's the cost that the processor paid
19 for the milk.

20 Q. So when you are saying your cream multiple is
21 going to increase, you are not discussing whether the
22 multiple for any given month is 1.25 or 1.20 or 1.40,
23 because that is still market driven, correct?

24 A. That is market driven.

25 Q. Okay. So the change -- I'm having trouble linking
26 up a change to the Class II differential resulting in a
27 change in a market-driven --

28 A. Okay.



1 Q. -- multiplier.

2 A. So when you buy cream on an annual contract, that
3 becomes a negotiation of market value that starts as a
4 baseline of cost. That baseline cost automatically moves
5 higher by a half a point. That becomes a built-in
6 foundation of where the starting point is. So it -- as
7 another example would be, if the Class II butterfat
8 formula was not 1.211, but 1.10, that would change the
9 baseline cost structure of the contracts going forward
10 because your base started, not at 1.211, but at 1.10.
11 It's the same concept.

12 Q. But in that case where you are talking about
13 butter yield, you are changing the price of Grade AA
14 butter, which I understand is the multiplier times the
15 multiple?

16 A. I'm not changing the butter price, I'm changing
17 the multiple. 1.211 is the yield factor --

18 Q. Correct.

19 A. -- in the Class II formula. So I use -- just use
20 that as an example. If that formula changed, that
21 would -- that would change the base price as well.

22 Q. I misspoke. You are not changing the Grade AA
23 butter price, you are changing the price of butterfat?

24 A. Yes.

25 Q. Okay. But by changing the price of butterfat,
26 again, when you are negotiating to buy cream, you are
27 still going to go to your seller or buyer, depending on
28 which side of the transaction you are on, look at the



1 available cream in the market and the available churning
2 capacity, and a thousand other factors, and say, our
3 multiplier is 1.24 for the term of this contract,
4 hypothetically, correct?

5 A. And one of those thousands of other factors you
6 refer to is a cost of the skim solids. So what we see,
7 if -- if milk -- if non-fat dry milk is \$2 versus \$1,
8 that's one of the factors used in calculating a tank load
9 of cream.

10 Q. So is it correct for me then to say, when you say
11 the cream multiple will increase, what's really happening
12 is that the change in the price formula is the equivalent
13 of changing the multiple; the market will still set a
14 multiple based on an entire litany of factors?

15 A. That's correct, it will. The market will settle
16 on that, but that will be a factor.

17 Q. Okay. I realized I brought up just one of your
18 two statements. I need to grab the other one to see if I
19 have any other questions. Give me just a moment.

20 A. Sure. Okay.

21 Q. This ties back to the cream multiples a little
22 bit. This is Exhibit 501, which was your first statement.

23 A. Okay.

24 Q. And it's the end of page 2, continuing to page 3.
25 And you write, "Due to this increased consumer demand,
26 co-op agencies can increase cream multiples in the market
27 place."

28 Can you give me a little context around what you



1 mean there.

2 A. So we purchase cream from agencies. I don't think
3 I need to name them, but we do purchase cream from
4 agencies, which is more than one co-op. And because
5 demand is high, they are able -- and because they control
6 a large amount of the cream, they are able to elevate
7 prices.

8 Q. So it's really just a statement about market power
9 in that context for cream sales?

10 A. Yes.

11 Q. Okay. Saputo itself, the parent company, is a
12 Canadian entity, correct?

13 A. Yes.

14 Q. Now, fluid milk consumption in Canada has not
15 fallen to the extent it has in the U.S.

16 Would you agree with that?

17 A. I haven't seen the data, but I'll take your word
18 for it.

19 Q. I was wondering if within Saputo, if they have had
20 any observations about why -- why fluid milk sales have
21 not declined in Canada as much as --

22 A. I have not been privy to these conversations, so I
23 wouldn't be able to comment.

24 Q. Now, if a gallon of milk -- or four liters of milk
25 is selling for \$7, that might suggest that fluid milk
26 declines in the U.S. aren't entirely tied to price.

27 Would you agree with that?

28 A. I think there's a lot of factors involved in the



1 decline of Class I milk, a lot.

2 MR. MILTNER: I don't think I have anything else.
3 I appreciate you answering my questions.

4 THE WITNESS: Thank you.

5 CROSS-EXAMINATION

6 BY MS. HANCOCK:

7 Q. Good afternoon. I'm Nicole Hancock with National
8 Milk.

9 I'm on Exhibit 501 on page 2 of your testimony.

10 A. Okay.

11 Q. On the halfway point on the page you have three
12 bullet points there. I'm just below the third one. You
13 have a new paragraph there that says, "The free market and
14 the use of over-order premiums will help bring milk
15 production closer to the demand."

16 Do you see that?

17 A. Yes.

18 Q. I'm wondering if you could explain that to me.

19 A. So we process milk in Federal Orders 6 and 7, not
20 the most dynamic milk shed in the world, as you know.
21 There's not a lot of cows in that part of the country.
22 And in order for us to get milk, we have to pay a higher
23 over-order premium in there, and that market dynamic in
24 itself works.

25 So the point is, why would we need to structurally
26 increase it more when that dynamic works?

27 Q. So when you say that that market dynamic works,
28 you mean from the handler's perspective?



1 A. Yes, from our perspective.

2 MS. HANCOCK: That's all I have. Thank you so
3 much.

4 THE COURT: Is there other cross-examination
5 before I call on the Agricultural Marketing Service for
6 questions?

7 There is none. I invite the Agricultural
8 Marketing Service questions.

9 CROSS-EXAMINATION

10 BY MR. WILSON:

11 Q. Todd Wilson, AMS.

12 Good afternoon, Mr. Galbraith.

13 A. Good afternoon.

14 Q. I'm going to start on Exhibit 502, sorry, and on
15 page 3, I want to kind of go through this chart that you
16 have and just make sure that we understand clearly what
17 some of the annotations are.

18 The first column -- well, the second column, first
19 column of data, has a Class III skim solids.

20 A. Yes.

21 Q. Can you tell me how that was -- how are you
22 calculating that?

23 A. Class III skim milk divided it by nine.

24 Q. The announced Class III Federal Order skim
25 price --

26 A. Divided by nine.

27 Q. -- divided by nine? Perfect.

28 Same with Class II, it's not the announced



1 Class II non-fat solids price?

2 A. You say -- yeah, it was the announced, not the
3 advanced. Class II is -- the skim is advanced.

4 Q. Correct.

5 A. Should say announced.

6 Q. Okay. Then we move across to about the middle of
7 the chart, "SS pounds," what does that --

8 A. Skim solids.

9 Q. Skim solids.

10 "BMS," next column over? Butter --

11 A. Wait. I'm looking for the next column.
12 Buttermilk.

13 Q. Then the next column over is "SS pounds," and you
14 have there 1, the number 1 in that column.

15 What is that in reference to? Is that a price? I
16 mean a -- or 1 pound or --

17 A. Where are you at?

18 Q. So the first -- the top chart, do you see where it
19 says "Actual Market" as a header? It's on page 3.

20 A. Okay. Got it. Okay. Buttermilk.

21 Q. Yes.

22 A. Skim solids pounds, so that's the substitution.

23 Q. Just the 1 is --

24 A. So you would take out -- you would put in 1 pound
25 of skim solids, 1.0256 pounds of buttermilk solids, and
26 take out .0256 pounds of butterfat. That's the
27 substitution. Sorry I was looking at the wrong sheet.

28 Q. That's okay.



1 A. So when you -- you -- when you -- because
2 buttermilk is about 2.5% butterfat, you have to take
3 that -- you would take out some butterfat when you put in
4 buttermilk, but you've got to replace the skim solids one
5 for one. So you put in 1 pound of skim solids, 1.0256
6 butterfat, and then you just take out .0256 pounds of --
7 you take out .0256 pounds of butterfat, so 1.0256 pounds
8 of buttermilk solids --

9 (Court Reporter clarification.)

10 MS. TAYLOR: Just say the numbers.

11 THE WITNESS: You start with your formula, and you
12 take out 1 pound --

13 BY MR. WILSON:

14 Q. I'm going to interrupt you.

15 You start with what?

16 A. An ice cream mix formula.

17 Q. A formula?

18 A. Formula of ice cream mix.

19 Q. Not a price on this chart?

20 You are not taking 1 out of something on this --
21 in another part of the piece of the data?

22 A. I am taking out 1 pound of skim solids at Class II
23 price.

24 Q. The .9157?

25 A. Yep.

26 Q. Okay.

27 A. I'm taking buttermilk solids. I'm adding 1.0256
28 pounds of buttermilk.



1 Q. It is the replacement?

2 A. As a replacement.

3 Q. Got you.

4 A. But because I put 2.56 more pounds of buttermilk
5 than I took out skim solids, I have to take out butterfat.
6 And that --

7 Q. That equates out to the next column?

8 A. Yes.

9 Q. Net per pound buttermilk --

10 A. Yeah. It was an \$0.08 premium in 2019 on average.
11 It saved you \$0.03 a pound in 2020. It cost you \$0.05 in
12 2021. It cost you \$0.14 a pound in 2022. And in '23, you
13 saved \$0.12 under the current price -- the current
14 formula.

15 Q. I think we're understanding it now.

16 A. Okay. Sorry.

17 MR. WILSON: Thank you.

18 THE WITNESS: I'm a math guy.

19 CROSS-EXAMINATION

20 BY MS. TAYLOR:

21 Q. Okay. I'm going to turn to Exhibit 501.

22 A. Okay.

23 Q. Hopefully I'm not going to be too repetitive of
24 questions I may have asked you back in August, but to be
25 honest, I've forgotten what I asked you back then, so
26 that's why I have a transcript to read later.

27 So Saputo has ESL products.

28 Do you do any HTST?



1 A. No.

2 Q. And on your ESL products, do you -- do you do any
3 risk management with those?

4 A. Yes.

5 Q. Can you elaborate a little bit on that if you are
6 willing?

7 A. We have customers that request fixed price. Most
8 of those customers are menu board customers. So for
9 obvious reasons, you know, they have -- they would like to
10 have a fixed price, because they don't like to change
11 their menus that often. And so we provide them that
12 ability to do that.

13 So, yes, we do on Class II.

14 THE COURT: Say that again? So, "yes, we"?

15 THE WITNESS: We -- we have customers that request
16 fixed pricing for periods of anywhere from three to nine
17 to 12 months out for butterfat and skim solids. And they
18 do that for obvious reasons.

19 BY MS. TAYLOR:

20 Q. So that's what you provide your customer.

21 Do you then go out to the market to hedge that
22 risk?

23 A. Yes.

24 Q. Okay. For the same three to six months out each
25 time period?

26 A. Yes.

27 Q. And then on your ESL products, what's the shelf
28 life on average of those products, do you know?



1 A. 90 days.

2 Q. Thank you.

3 On the -- towards the bottom of page 1 you have a
4 bullet in there talking about how continued lower milk
5 volume -- and I think what you are talking about is
6 Class I sales, Class I utilization -- will drive a change
7 in the fluid milk distribution model from primarily DSD
8 through -- to delivery through distribution centers, and
9 those distribution centers will require a longer supply
10 chains and require ESL, extended shelf life, products.

11 A. Uh-huh.

12 Q. And then ultimately resulting in less HTST
13 processor, if I move through the logic of your statement.

14 I guess I was wondering, first, if you could talk
15 a little bit on what you think the incentives are for a
16 Class I processor to move from HTST to ESL production,
17 like what drives you to make that decision?

18 A. It's distribution of the product. So today, a
19 HTST processor has direct store delivery. Does not take
20 extra time to go through a distribution network. And
21 the -- in the old days, that's almost -- exclusively it
22 was all direct store delivery.

23 As you go through distribution systems, and you
24 consolidate that with other shipments, because you don't
25 have enough volume in milk to justify taking directly to
26 the store and having somebody take it in there, the volume
27 is not there, you run that through your distribution
28 system.



1 When you run that through your distribution
2 system, that takes time. And so if you don't have the
3 date code on there, where the consumer sees it on the
4 shelf and it is -- it is not about to expire, you need to
5 extend that shelf life. So -- so we see that in
6 foodservice, and it only makes logical sense that it would
7 go to retail as you get less and less direct store
8 delivery.

9 Q. And is it that distribution system also that
10 allows shipments to move longer distances than -- not
11 really -- it takes longer to go through the chain from
12 point A to whatever the ultimate destination was, but does
13 it allow for longer distances to be travelled generally to
14 service other markets?

15 A. Yes. It does that as well.

16 Q. Okay. And are those decisions made at all in
17 regards to -- in the Class I processor side, the cost of
18 the raw milk supplied?

19 A. No, not necessarily. Not -- that really hasn't
20 had the impact.

21 Q. Okay.

22 A. It's not been a discussion point.

23 Q. And so when I read this statement --

24 A. Let me rephrase that. One of the key drivers to
25 making the decision whether you need that extended shelf
26 life is scrap. How much product are you day coding out?
27 If you are one or two or three or five, whatever the
28 percentage is, the higher the value of that product, the



1 lower percentage tolerance you have to scrap it out.

2 Q. When you say "scrap," just so the record's clear,
3 it expires and you can't sell it.

4 A. Expires. Codes out, yes.

5 Q. Yeah.

6 A. And you can't sell it anymore.

7 Q. Uh-huh.

8 A. The value of that -- the higher the value, the
9 less tolerance you have for -- for coded out product.
10 That's why we see a lot of high value heavy cream products
11 with more and more ESL because of that. Indirectly it has
12 an impact, the cost has an impact, the -- you know, but
13 obviously fluid milk doesn't have the same cost as a heavy
14 whipping cream on a per unit basis.

15 Q. Uh-huh. Okay.

16 And so when I read your statement about how
17 eventually we could result in more ESL processing, do you
18 think that's a good or a bad thing?

19 A. I think it's a more expensive thing, and that was
20 the point. And, you know, do we really want to add
21 additional costs? Whether it's good or bad, it's more
22 expensive, and any time you add expense to any category,
23 it's never good.

24 Q. Okay. So I'm just trying to tease out kind of the
25 Federal Order part role in all of that, right? Because
26 you talk about --

27 A. So the Federal Order part becomes just another
28 incremental cost. That's all. It's simply, we're going



1 to take this -- we're going to move Federal Order 7 up,
2 whatever I said it was in here, up \$1, whatever, a
3 hundredweight. It's another incremental cost, that's all.
4 That's where the Federal Order becomes -- adding
5 structural costs that are not market driven just adds
6 further cost to a category.

7 Q. And in a declining category as you say?

8 A. In a declining category.

9 Q. Okay. I do want to talk a second about the
10 example you put in the middle of page 2 about your plant
11 in Order 7, under Proposal 19 would see an increase of
12 \$1.90 in your plant, and in the California order, under
13 the proposed differentials, would see an increase of
14 \$0.80.

15 A. Yes.

16 Q. And you say that puts your Order 7 facility at a
17 greater cost disadvantage compared to the West Coast?

18 A. That's correct. So I preface that statement with
19 we operate in multiple locations. We process lactose-free
20 milk for a lot of customers. ESL travels a long distance.
21 We do it in certain regions of the country.

22 If you've got one in -- one in Kentucky and one in
23 California, and you are servicing the intermountain West,
24 where do you ship that from?

25 Q. Uh-huh.

26 A. So you look at it and say, okay, what's my landed
27 cost delivered to the customer in Denver, Colorado? Let's
28 pick that as a point. What goes into that? A lot of



1 things go into that. Cost of milk goes into that, number
2 one. Number two would be processing. Number three would
3 be transportation.

4 And given the fact that West Coast transportation
5 for reefer units coming out of California going back east,
6 particularly into the high plains and the high meat
7 regions, is cheaper than bringing finished product from
8 Kentucky out West, you know, you start to put Kentucky at
9 a disadvantage to California.

10 Q. In your experience, those two plants compete for
11 the same sales?

12 A. They will ultimately. We look at the supply chain
13 for the lowest landed cost. We look -- we get the same
14 sale. The question becomes is, what -- what plant gives
15 you the lowest landing cost.

16 Q. Sure.

17 A. And milk is a factor of that, probably the largest
18 piece of that.

19 Q. And you can say that now. Right? I mean, with
20 the -- based on the differentials, one is going to give
21 you an advantage over the other? One place will have the
22 advantage over the other place?

23 A. Well, of the total cost of goods, milk would be
24 largest percentage of the cost of goods.

25 Q. Uh-huh.

26 A. Then there's other factors involved that I talked
27 about.

28 Q. Okay. On that chart on page 2 where you list the



1 different plants, Saputo plants, could you mind just
2 reading what states they are in, if it is not -- are
3 obvious; some are not.

4 A. Okay. So Gustine is in California; Wilmington's
5 in Connecticut; Plant City is in Florida; Murray is in
6 Kentucky; White Bear Lake's in Minnesota; Friendship and
7 Delhi are both in New York; Sulphur Springs is in Texas.

8 Q. Thank you.

9 MS. TAYLOR: I think that's it from AMS. Thank
10 you very much for your time.

11 MR. ROSENBAUM: Steve Rosenbaum, International
12 Dairy Foods Association.

13 I would simply ask that Hearing Exhibits 501 and
14 502 be entered into evidence.

15 THE COURT: Is there any objection to the
16 admission into evidence of IDFA-Exhibit 65, also marked as
17 Exhibit 501?

18 There are none. Exhibit 501 is admitted into
19 evidence.

20 (Thereafter, Exhibit Number 501 was received
21 into evidence.)

22 THE COURT: Is there any objection to the
23 admission into evidence of IDFA-Exhibit 66, also marked
24 Exhibit 502?

25 There are none. Exhibit 502 is admitted into
26 evidence.

27 (Thereafter, Exhibit Number 502 was received
28 into evidence.)



1 MR. ROSENBAUM: Thank you, Your Honor.

2 THE COURT: Thank you, Mr. Rosenbaum.

3 Is there anything else that you would like to add,
4 Mr. Galbraith?

5 THE WITNESS: No, it's been a good experience. I
6 really enjoyed talking to people.

7 THE COURT: Well, we're glad to have a math guy.

8 THE WITNESS: I usually bring my calculator with
9 me, but I didn't bring it today, I'm sorry.

10 THE COURT: Most of our witnesses have stated, "I
11 don't do math on the witness stand. I don't add, I don't
12 subtract."

13 THE WITNESS: We do it every day.

14 THE COURT: Well, we're glad you came.

15 THE WITNESS: Thank you.

16 THE COURT: Thank you. You may step down.

17 So what would be the best witness to call next?
18 Would it be Ms. Keefe or is there --

19 MS. TAYLOR: Your Honor, if we could have maybe a
20 five-minute break so we can all confer. I think there's
21 one witness who will not be here until tomorrow, and I'm
22 not sure if the other two have their statements printed
23 yet. So maybe a five-, ten-minute break and we can get a
24 plan.

25 THE COURT: Let's do ten. Please be back -- and
26 it's now about 3:36. Please be back and ready to go at
27 3:46.

28 (Whereupon, a break was taken.)



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

2 We're back on record at 3:47.

3 MS. VULIN: Good afternoon, Your Honor. Ashley
4 Vulin with the Milk Innovation Group. We call Sally Keefe
5 to the stand.

6 THE COURT: Ms. Keefe, would you state and spell
7 your name, please.

8 THE WITNESS: My name is Sally Keefe, S-A-L-L-Y,
9 K-E-E-F-E.

10 MS. VULIN: And I'm sorry, Your Honor --

11 THE COURT: No, I -- I was going to say, I know
12 you have testified before. You may proceed with the
13 exhibit.

14 MS. VULIN: Thank you. I almost said she is still
15 sworn, but you've got us all very well conditioned on that
16 front.

17 THE COURT: You do remain sworn, as you know.

18 SALLY KEEFE,

19 Having been previously sworn, was examined
20 and testified as follows:

21 MS. VULIN: So, Ms. Keefe, you have in front of
22 you MIG-Exhibit 67, correct?

23 THE WITNESS: Yes, I do.

24 MS. VULIN: Your Honor, I ask that that be marked
25 as Exhibit 503.

26 THE COURT: Yes.

27 (Thereafter, Exhibit Number 503 was marked
28 for identification.)



1 DIRECT EXAMINATION

2 BY MS. VULIN:

3 Q. And, Ms. Keefe, this is your testimony in
4 opposition to Proposal 21, correct?

5 A. Yes, that's correct.

6 Q. And then there were a couple outstanding questions
7 that had arisen in the hearing that you also wanted to
8 address on advanced pricing and organic pricing, correct?

9 A. Yes, that's correct.

10 Q. And before we get started, I know there's one
11 correction we have to make.12 If you could please turn to page 5, footnote 1.
13 The third line down identifies Mr. Galbraith's testimony
14 as Exhibit 501.

15 But in fact, that should be 502, correct?

16 A. Yes. That's right. We just heard that.

17 Q. Our guess there was wrong.

18 MS. VULIN: So, Your Honor, we would ask that the
19 record copy be marked such.

20 THE COURT: It has been done.

21 BY MS. VULIN:

22 Q. Ms. Keefe, I know given the timing we don't have a
23 fancy PowerPoint. We'll ask that you please read your
24 testimony into the record. And if you want to skip your
25 background, you are welcome to do so given the amount of
26 times you have testified.27 A. Thank you. I'll get started on page 2, just
28 before section 2.

1 I'm an expert consultant for MIG in support of its
2 proposals at this hearing. I am testifying in opposition
3 to AFBF's Proposal 21 here today.

4 MIG's position is that USDA should not adopt
5 Proposal 21 as it is not an equitable nor justifiable
6 approach to determining the Class II differential.
7 Class II utilization is important to fluid processors,
8 namely because Class I products will inherently have
9 excess cream that must either be sold, typically to a
10 Class II or Class IV manufacturer, or made use of.

11 Class I processors use the excess cream that fluid
12 milk generates in a variety of ways. It's common for a
13 fluid plant to bottle both Class I fluid milks and
14 Class II fluid creams, as well as other beverages that are
15 also part of Class II. Additionally, many fluid plants
16 have Class II lines for production of cottage cheese, sour
17 cream, yogurt, ice cream mix, et cetera. Conversely, it
18 is also relatively common today for Class II plants not to
19 bottle fluid milk, i.e., standalone Class II manufacturers
20 are more prevalent than they were historically.

21 Class II includes milk used for a diverse array of
22 dairy products. As detailed at 7 CFR 1000.40(b), Class II
23 includes skim milk and butterfat used for: Fluid cream
24 products such as half and half and whipping cream; soft,
25 semi-solid, and frozen products such as cottage cheese,
26 ice cream, sour cream, and yogurt, including beverage
27 forms of these; products used for infant feeding or
28 dietary use including meal replacements; and products for



1 commercial food processing, such as large format fluid
2 milk and sweetened condensed milk.

3 Importantly, 7 CFR 1000.40(b)(2)(ix) states that
4 Class II includes skim milk and butterfat used for "(a)ny
5 product not otherwise specified in this section." Thus,
6 Class II milk includes any use which is not explicitly I,
7 III, or IV.

8 This link between Class I and Class II is largely
9 out of a fluid processor's control because of the
10 relatively low butterfat utilization of Class I fluid milk
11 as determined by consumer preferences for skim, 1% low
12 fat, 2% reduced fat, and whole milk. As shown in Table 1
13 below, Class I is the only class with butterfat
14 percentages consistently and significantly below that of
15 FMMO milk in total, i.e., producer milk.

16 Table 1 contains the butterfat percentage of FMMO
17 milk by class for 2013 to 2022. It's found on page 4 of
18 my written statement. I'm not going to read the table
19 into the record.

20 These facts all make clear that any Class II
21 specific proposal will significantly impact fluid
22 processors if adopted. If adopted, American Farm Bureau
23 Federation's Proposal 21 would create winners and losers:
24 In short, Class I would again be the loser. Under
25 Proposal 21, standalone Class II processors would be able
26 to depool when economically rational, while Class I
27 processors with Class II manufacturing would always be
28 subject to pooling. While the pool plant provisions vary



1 modestly across the orders, generally distributing plants
2 with 25% or more Class I utilization of milk receipts and
3 at least 25% of Class I sales within the applicable
4 marketing area are fully regulated pool plants.

5 Fully regulated distributing plants are mandatory
6 FMMO participants. As such, pooling includes all milk
7 used by the distributing plant, even the non-Class I
8 utilization. In contrast, participation for a standalone
9 Class II plant is voluntary. Like other non-fluid
10 participants, they pool when it is economically rational
11 to do so.

12 The unfairness here is that a fluid plant making
13 Class II products that meets the typical 25% threshold
14 would be subject to pooling at all times for all of its
15 milk. Adoption of Proposal 21 would not change the
16 mandatory participation of fully regulated distributing
17 plants and the voluntary participation of others,
18 including standalone Class II operations.

19 This disparity would leave competitors inequitably
20 and unfairly positioned in the marketplace. Standalone
21 Class II processors would have an economic advantage over
22 Class I processors making Class II products. FMMOs cannot
23 and should not regulate identical products differently.

24 Certainly, this disparity already exists today,
25 and it is worthwhile to consider long-term the place of
26 the Class II differential with FMMO pricing. But without
27 doubt there's no reason to impact the Class II
28 differential given the unfair impact doing so would have



1 on fluid processors.

2 Proposal 21 is going to make it more difficult for
3 distributing plants with Class II products to continue to
4 compete in the marketplace against standalone Class II
5 operations and all because of an unequally applied
6 regulatory burden. USDA must reject Proposal 21.

7 Not only would AFBF's proposed increase in the
8 Class II differential unfairly impact Class I, but the
9 increase would also create disorderly marketing within the
10 marketplace as a whole. AFBF seeks to increase the
11 Class II differential from \$0.70 per c-weight to \$1.56 per
12 c-weight, more than doubling the Class II differential.
13 This large increase would encourage substitution of
14 Class IV ingredients for Class II milk in Class II
15 products with particular ingredient formulations and
16 standards of identity. It would also change the
17 pool/depool decision for Class II.

18 Even AFBF recognizes that adoption of Proposal 21
19 "could increase the likelihood of depooling Class II milk
20 when the Class II price is above the uniform price."
21 However, they claim that since "much Class II use is at
22 distributing plants, Class II milk is less subject to
23 depooling based on price relationships than other
24 classes."

25 This statement proves the point above that
26 distributing plants are captive to the FMMO system for all
27 utilization, Class II included. However, monthly FMMO
28 Class II milk volumes show that AFBF's claim is wrong and



1 that Class II milk is indeed routinely depooled. As
2 illustrated by Chart 1 below, conservatively, Class II
3 milk was depooled in 22 to 28% of the months during the
4 60-month period January 2018 to December 2022, so 13 to 16
5 of the 60 months.

6 Q. So I want to talk a little bit about Chart 1.

7 Can you tell us the billions of pounds represented
8 by the Y axis, what is that reflecting.

9 A. Yes. So the Y axis here is Class -- is FMMO
10 Class II milk volume. So this is the -- across all 11 of
11 the FMMO s, all of the Class II milk.

12 Q. And this is all of the pooled Class II milk,
13 correct?

14 A. Yes. Because this is FMMO milk, this is not all
15 milk that would have been used to make Class II products.
16 This is only the FMMO volume.

17 And so to -- I shaded the area down between
18 0.9 billion pounds and 1.2 billion pounds to indicate
19 months where there were significantly lower volumes of
20 Class II milk within the FMMO system, and that is one of
21 the ways that you can see depooling happening in the data.

22 Q. And so if we look at 2022, that was a year where
23 there was significant depooling of Class II milk?

24 A. Yes. As was testified by a previous witness, he
25 walked through an example for Order 33 in 2022 and
26 explained sort of the price dynamics behind that. This is
27 looking at the volume nationally in 2022 and what you see
28 on Class II volume within the orders, all of them, during



1 that same time period.

2 Q. And it appears there's not clear consistency of
3 kind of seasonality, where milk is routinely pooled in the
4 spring or not in the fall vice versa, it kind of moves
5 sporadically?

6 A. Yeah. So because Class II is such a diverse
7 class, there's a lot of different products in there.
8 There are a number of different seasonal trends that
9 impact the volume of milk that you are going to see here,
10 so things like when ice cream mix is being made before ice
11 cream season starts, and then when -- you know, when some
12 of the products within Class II are very sensitive to
13 seasonal promotions like a whipping cream at the holidays,
14 things like that, so -- and not everything is perfectly
15 countercyclical leading to like very stable Class II.
16 Like, there's a lot happening here because Class II, when
17 you think about it, is a lot of very different products.

18 Q. And just to be clear, this chart reflects
19 depooling -- actual depooling under the actual current
20 prices, correct?

21 A. Yes.

22 Q. Thank you.

23 A. And it's not a projection forward. It's just
24 indicating, like if you look at the volumes, you can see
25 that there was substantially less milk pooled in those
26 months.

27 Q. Thank you. Please continue.

28 A. Yep.



1 Depooling decisions are made based on the
2 particular circumstances of the handler and the FMMO they
3 are regulated by. Depooling is determined not only by
4 price, but also FMMO utilization and its corresponding
5 effect on the uniform price as well as pool quality
6 qualification requirements, et cetera.

7 Monthly average FMMO milk volumes by class and
8 order are shown in Table 2 below. Class utilization and
9 total pool volume vary across the 11 FMMOs. On the
10 average, Class II utilization ranges from 5 to 24%. Like
11 pool volume and utilization, pooling rules and
12 qualification requirements, also vary across the orders.

13 If Proposal 21 were adopted, for those handlers
14 able to do so, depooling of Class II milk would most
15 likely decrease. As --

16 THE COURT: Would you read that again?

17 THE WITNESS: If Proposal 21 were adopted, for
18 those handlers able to do so, depooling of Class II milk
19 would most likely increase. As noted by AFBF increasing
20 the Class II differential to \$1.56 per c-weight would
21 increase the months when the Class II price would be
22 expected to exceed the uniform price for many orders.

23 BY MS. VULIN:

24 Q. So then just to transition slightly. I know there
25 were some prior questions about advanced pricing prior to
26 order reform, and that you have a little bit of history
27 there to share with us.

28 A. Indeed.



1 So two weeks ago there were some questions and
2 discussion regarding both advanced pricing and organic
3 pricing that I wanted to just offer a few quick remarks
4 on.

5 Today, both Class I skim milk and butterfat prices
6 are advanced, meaning the price for each month is
7 announced before the start of that month. Each month the
8 Class I prices are announced on or before the 23rd day of
9 the prior month and are computed using the most current
10 two weeks of commodity survey price data available. This
11 has not always been the case. In 1972, the FMMOs were
12 amended to establish advanced pricing of the skim milk
13 portion of Class I.

14 The decision stated: "The rapidly changing
15 structure of the milk distribution industry throughout the
16 United States makes it desirable that handlers be notified
17 at reasonable period in advance of changes in the price
18 they must pay for Class I milk."

19 While some advocated for also advancing the
20 Class I butterfat differential, that change was not made
21 then.

22 Specifically, the decision noted: "The Class I
23 butterfat differential changes infrequently. This is
24 because the Chicago butter price quotations, which are
25 strongly influenced by the prices paid for butter by the
26 Government under the price support program, do not vary
27 significantly from month to month. Consequently, there is
28 no compelling need to advance the Class I butterfat



1 differential announcement in connection with the adoption
2 of Advanced Class I pricing."

3 At the time of order reform, the butterfat
4 differential for the preceding month was still announced
5 on or before the 5th day of the current month. As
6 testified to by other witnesses, this lack of advanced
7 pricing for the butterfat differential was burdensome for
8 the industry. To address that issue, during Federal Order
9 Reform, USDA aligned the timing for Class I butterfat and
10 skim prices.

11 With respect to Class I, the order reform final
12 decision stated: "Announcement of Class I butterfat and
13 skim prices in advance eliminates current problems caused
14 by calculating the butterfat differential after the month
15 for which it is effective. Handlers will have true
16 advance Class I pricing."

17 Witnesses, including me, have noted throughout
18 this proceeding that advanced pricing remains important
19 for Class I handlers today. Advanced pricing underpins
20 the standard terms of trade for the traditional HTST
21 segment of Class I fluid milk.

22 And now on to organic milk pricing.

23 USDA raised some questions regarding the
24 methodology for organic prices. Given my long history in
25 that marketplace, I wanted to provide some background and
26 context for how pricing works for organic milk.

27 Fundamentally organic milk prices are not pegged
28 to conventional milk prices because the two markets are



1 distinct. It would be akin to agreeing to tie the
2 conventional milk price to the price of pork. There may
3 be similar inputs, like labor, energy, fuel, et cetera,
4 but at heart, they are just two different market places.

5 The organic and conventional dairy markets are
6 distinct due to organic milk's unique production
7 requirements. After emerging in the 1980s, the organic
8 market expanded rapidly following the passage of the
9 Organic Foods Production Act in 1990 and the issuance of
10 the final rule establishing the USDA National Organic
11 Program in 2000. From the beginning, organic dairy
12 farmers have sought stable prices to: One, cover the high
13 cost of organic milk production; two, provide funds to
14 maintain and grow their operations; and three, better
15 facilitate business planning. While the FMMOs predate
16 organic's emergence, organic farm milk prices are
17 unrelated to unconventional FMMO prices.

18 The organic milk prices not simply structured as a
19 premium over conventional because the cost of production
20 for organic dairy farmers is determined by the inputs and
21 practices required of certified organic dairy farmers,
22 namely, organic feed and the cost of replacing organic
23 animals.

24 Dr. Juan Velez's testimony described the organic
25 producer cost of production in detail, including feed,
26 labor, operations and replacement. Organic production
27 costs are not only higher than conventional, but they also
28 do not necessarily track with it.



1 I also have an example to share of a failed
2 attempt to tie the organic milk price to the FMMO minimum
3 price. In the mid to late 1990s there was an organic milk
4 supply in the Northeast primarily located in New York that
5 was priced using the New York-New Jersey Order 2
6 uniform -- also known as the blend -- price plus an
7 organic premium. This organic milk was affiliated with
8 Elmhurst's Worcester Creamery and was the primary supply
9 for their Juniper Valley brand.

10 In 1998, Horizon Organic Dairy acquired Juniper
11 Valley from Elmhurst. At that time, I was responsible for
12 milk procurement, fluid co-packing, and balancing for
13 Horizon.

14 This price structure with an organic premium over
15 conventional was not aligned with either the organic
16 handlers' or organic producers' needs. For organic
17 producers, the FMMO conventional blend plus organic
18 premium pricing was too volatile. Worse, while not
19 perfectly countercyclical, too often the structure
20 provided low organic milk prices when organic feed costs
21 were high.

22 Ultimately, Elmhurst found itself unable to
23 attract the organic milk supply necessary to meet Juniper
24 Valley's needs using the conventional plus organic premium
25 structure. Organic Valley/CROPP Cooperative, The Organic
26 Cow of Vermont, and Horizon offered stable fixed prices
27 for organic milk and were out-competing Elmhurst's program
28 in the countryside. Fundamentally, the problem was that



1 Elmhurst's organic milk pricing structure was reflecting
2 the conventional market and not responding to the organic
3 market.

4 And so in conclusion, Proposal 21 must be rejected
5 as it would promote, rather than relieve, disorderly
6 marketing. It would create perverse incentive to
7 substitute dried dairy ingredients for farm milk in
8 Class II manufacturing and increase Class II differential
9 disadvantages processors that make Class II products in
10 pool distributing plants.

11 Dairy has seen remarkable innovation with Class II
12 products as testified to by MIG member Tim Doelman. The
13 regulatory structure should support, not hinder, this
14 innovation, particularly for the struggling Class I
15 sector. Encouraging growth and diversity in offerings
16 will benefit the industry as a whole, and rejecting
17 Proposal 21 is consistent with the type of regulatory
18 approach USDA should take to further support the dairy
19 industry.

20 Q. Thank you, Ms. Keefe.

21 Anything else you would like to add to your
22 testimony?

23 A. I'm good. I'm happy to answer questions.

24 MS. VULIN: Ms. Keefe is available for
25 cross-examination. Thank you, Your Honor.

26 THE COURT: Who will begin?

27 Mr. Miltner, you always have excellent questions.
28 Please come forward.



1 CROSS-EXAMINATION

2 BY MR. MILTNER:

3 Q. I'm Ryan Miltner, I represent Select Milk
4 Producers.5 And this is going to -- this is not going to be
6 important, and then people are going to say, "We extended
7 this thing ten minutes for nothing."8 Ms. Keefe, I had a question for you about your
9 comparison in the organic market and the conventional milk
10 market, and you testified that they are distinct markets.
11 But then you likened it to tying conventional milk to the
12 price of pork.13 And you have been recognized as an expert in this
14 hearing, correct?

15 A. Yes.

16 Q. Yes. I mean, when you -- when you -- a consumer
17 of organic milk, if it's not available on the shelf, what
18 do they purchase?19 A. It varies. Today I would say that many of them
20 will purchase a plant-based beverage. They -- most often
21 people switch in to organic milk from conventional milk.
22 But they don't necessarily go back to conventional when
23 organic is not available.

24 Q. But many do, correct?

25 A. I'm sure some do. Like, my area of expertise with
26 respect to organic and what I have -- what I have been
27 testifying about at the hearing is not on the -- is not on
28 the consumer behavior of anyone.

1 Q. But if I'm going to go buy organic milk, and I'm
2 not going to use it to drink, I'm going to use it to make
3 pudding, and it's not available.

4 I could buy conventional milk and end up with a
5 very similar, if not almost identical, output of the
6 evidence, could I not?

7 A. You could buy conventional milk and make pudding
8 and -- with a conventional ingredient instead of the
9 organic.

10 Q. Now, if I need to go buy a pork tenderloin and
11 they are out, I can't -- I can't grill milk?

12 A. Sadly, no.

13 Q. Organic or otherwise, correct?

14 A. I would agree.

15 Q. Okay. So, I mean, while there may be differences
16 in the markets for those, they are in -- at least up to
17 the point of consumer preference, perfect substitutes for
18 each other?

19 A. They are not perfect substitutes for each other
20 because you can't -- for me, a perfect substitute would be
21 that you can go in either direction.

22 And so with respect to the processing of organic
23 milk, they are most assuredly not perfect substitutes.
24 You cannot substitute conventional milk for organic and
25 label it as organic.

26 Q. But for purposes of consumer use, aren't they
27 perfect substitutes?

28 A. For consumers, like, the way that they use them,



1 they would -- you could substitute. Consumer preferences,
2 that's a different situation.

3 Q. Okay.

4 MR. MILTNER: That's the ten minutes I wanted to
5 waste. Thank you.

6 THE COURT: Is there other cross-examination
7 before I turn to the Agricultural Marketing Service
8 questions?

9 There is none. I invite the Agricultural
10 Marketing Service to question Ms. Keefe.

11 MS. TAYLOR: Thank you, Your Honor.

12 CROSS-EXAMINATION

13 BY MS. TAYLOR:

14 Q. And thank you for preparing your statement quickly
15 so we could get it on today.

16 A. No problem. Happy to help.

17 Q. I just want to turn to page 7. There's the chart
18 Table 2.

19 First I want to note -- and I know this was done
20 quickly, so I just want to note what's probably a typo so
21 we can get it correct on the record.

22 In the Roman numeral row, I believe the third one
23 should be "III" and not "II." So it would go "I," then
24 "II," then "III," then "IV."

25 A. Yes, I completely agree.

26 Q. Okay.

27 MS. TAYLOR: If we could have that changed on the
28 record copy.



1 THE COURT: It is already done.

2 MS. TAYLOR: Thank you.

3 BY MS. TAYLOR:

4 Q. And then just my own question on this chart
5 because I just wanted to make sure that I'm walking away
6 with the point you are trying to make with this when I
7 read your narrative, is that you're highlighting the
8 different uses by class, and as you work through your
9 narrative, the Class II differential, if it was increased,
10 that would cause a lot of that Class II milk to not be
11 pooled.

12 And that's what this column 2 -- excuse me --
13 Class II, both in billions of pounds and percentages, is
14 trying to show, the amount of milk on each of these orders
15 that could be not pooled?

16 A. It's the amount of milk that could be not pooled.
17 Now, some of it will, frankly, be forced to be pooled
18 because some of it is going to be inside of Class I
19 distributing plants. But the point I was trying to make
20 is that you would start seeing more orders looking like,
21 you know, the Upper Midwest, which is relatively low,
22 versus the Northeast, which is the high one.

23 Q. Okay. Thank you.

24 MS. TAYLOR: That was it from AMS. Thank you.

25 THE WITNESS: You're welcome.

26 THE COURT: Ms. Keefe -- oh, Ms. Vulin will be
27 there in just a minute.

28 MS. VULIN: Thank you, Your Honor.



1 REDIRECT EXAMINATION

2 BY MS. VULIN:

3 Q. So Mr. Miltner's questions on substituting organic
4 milk for conventional.5 The statement you made about the problems with
6 pegging the organic price to conventional are about the
7 inputs for producing organic milk, correct?

8 A. Yes.

9 Q. And so you can never substitute conventional feed
10 for organic feed, can you?

11 A. No, you cannot.

12 Q. And you can never substitute a conventional cow
13 for an organic cow, correct?

14 A. You cannot.

15 Q. And so your statement about tying those prices is
16 not about what a consumer could do with those products,
17 it's about what are the farmers' options in substituting
18 inputs or comparing inputs for producing that organic
19 milk, correct?20 A. Yes. It's from the perspective of dairy producers
21 and dairy processors, not organic dairy consumers.

22 Q. Thank you.

23 MS. VULIN: With that, I move to admit
24 Exhibit 503.25 THE COURT: Is there any objection to the
26 admission into evidence of MIG Exhibit 67, also marked
27 Exhibit 503?

28 There is none. Exhibit 503 is admitted into



1 evidence.

2 (Thereafter, Exhibit Number 503 was received
3 into evidence.)

4 MS. VULIN: Thank you, Your Honor.

5 THE COURT: Thank you, Ms. Keefe, for providing
6 this excellent information.

7 THE WITNESS: You're welcome.

8 THE COURT: All right. Is it true that there are
9 no other witnesses available to testify today? It appears
10 to be true.

11 We did have some preliminary matters that I put
12 off that we could have started with today, but I'm glad we
13 started with the testimony instead.

14 How would the Agricultural Marketing Service like
15 to use some more of today's time?

16 MS. TAYLOR: I think it might be helpful, we could
17 probably go off record and come back on when we have made
18 a decision, but go off record and kind of discuss possible
19 briefing schedules, et cetera, and what the regulations
20 provide for, so everyone can think about that this evening
21 before we put it on the record tomorrow.

22 THE COURT: Great. Let's do that.

23 Does anybody want a break before we do this off
24 record or are you good to go?

25 Everybody's good to go. All right. Let's go off
26 record then at 4:22, and we will go back on before we
27 finish today.

28 (An off-the-record discussion took place.)



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

2 All right. We're back on record. It's 4:48.

3 While off record we were discussing parts of the
4 federal regulations. I started with Title 7 of the Code
5 of Federal Regulations Section 900.10, certification of
6 the transcript. And we have also dwelt on 7 CFR Section
7 900.27, deadline for filing post hearing briefs and
8 corrections to transcript.

9 I did indicate while we were off the record that I
10 will not shorten the 30 days that people have to file with
11 the hearing clerk by 4:30 p.m. Eastern on the deadline
12 their proposed transcript corrections.

13 And when does the 30 days begin? Well, it will
14 begin when the transcript has been posted on the AMS
15 website in its entirety. So AMS will use its website to
16 notify people that the 30 days has begun to run and when
17 it ends what the deadline is.

18 And then with regard to the briefs, what we have
19 asked all of you here to do is talk about whether you will
20 be happy with just a brief submitted by the 60-day
21 deadline. The 60-day deadline will begin when this
22 hearing has ended, which may be as early as tomorrow.

23 So those 60 days, if you want to have them all for
24 your initial brief, then there will just be one brief. If
25 you'd prefer to have an opportunity to file responses to
26 other people's briefs, then you will need to come to some
27 consensus as to what you might like to do about that. If
28 you can't agree, then each of you should speak, and I'll



1 choose something. But puts extra pressure on you if you
2 have to go early with your initial brief, but if it gives
3 you an opportunity to respond to other people's briefs.
4 It may be worth it to you, I don't know.

5 And then we talked about the lists -- I'll call
6 them the official notice lists that you all have been
7 compiling, and we talked about how it would be wonderful
8 if you would bring that in writing tomorrow so that it can
9 be dealt with as an exhibit and accepted or not, and no
10 one would have to read into the record the contents of
11 that document.

12 What else would anybody like to make a record of
13 our informal discussion?

14 MR. MUNCH: Just one quick comment for tomorrow.
15 We at the last minute are adding something for tomorrow
16 morning from Farm Bureau. We just had some policy
17 reaffirmed next week, and we want to write a letter that
18 will be submitted. But we will need about -- I will need
19 about ten minutes at 8 a.m. when FedEx opens to print it
20 out. So if we can wait until -- for me to go up until
21 then, I would really appreciate that. Thank you all.

22 THE COURT: Tell me your name again.

23 MR. MUNCH: Danny Munch. I'm an economist with
24 the American Farm Bureau Federation.

25 THE COURT: Good. Thank you.

26 Mr. Rosenbaum.

27 MR. ROSENBAUM: I'm now perhaps becoming
28 repetitive, but since we're now on the record, I just did



1 want to refer once again to the language in 900.27, that
2 what's due in 60 days is the parties to file, obviously,
3 but that we can file proposed findings and conclusions and
4 written arguments or briefs, all of that's included.

5 THE COURT: Yes. And most valuable are, in my
6 opinion, are the proposed findings and conclusions.

7 All right. Would anyone like to do anything else
8 before we call it a day? No one?

9 We go off record at 4:53. Thank you. See you
10 tomorrow morning at 8:00.

11 (Whereupon, the proceedings concluded.)

12 ---o0o---

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28



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 19, 2024

11 FRESNO, CALIFORNIA

12

13



14

15

16 MYRA A. PISH, RPR CSR
 17 Certificate No. 11613

18

19

20

21

22

23

24

25

26

27

28



13 11432:11 11591:4		11576:11	11471:28 11474:12 11528:2 11529:28 11530:9 11533:21 11570:24 11573:15 11574:19
131 11507:27 11508:6,11	<u>2</u>	2021 11401:25 11409:1 11421:24 11423:1,5,15 11431:6,11 11432:20 11433:6,8 11519:13,20 11521:4,13 11536:24 11537:4,7 11576:12	3,857,237,000 11521:14,17
14 11458:4,5 11462:23 11463:4 11546:17	2 11439:14 11529:25 11530:6 11533:26 11534:1,6 11560:18,28 11561:4 11570:24 11572:9 11581:10 11582:28 11586:27,28 11593:8 11597:5 11601:18 11602:12	2022 11431:6,11 11432:1,7, 23 11433:6,8 11457:11,12, 16,20,22 11458:3 11520:2, 16 11521:18 11522:7,8 11576:12 11588:17 11591:4, 22,25,27	3.1 11400:5
15 11459:3 11468:21 11535:17 11553:21	2.5% 11555:28 11588:12	2023 11421:22 11423:10,14 11436:11,19 11457:8,18,20, 22 11458:2 11472:16 11474:18 11507:1,2,3 11519:20,24 11520:22 11521:1,8,21,24 11522:7,9	3.5 11400:4 11507:27
1500 11545:6	2,550 11566:7	2024 11390:1,3 11512:1	3.5% 11507:25
16 11474:21 11591:4	2.20 11536:25 11538:28	21 11390:21 11391:9,17,18 11515:15,28 11523:7,19,20 11529:12 11536:27 11537:6, 22 11544:2 11560:7,9,10,15 11563:19,26 11564:2,8 11565:12,23 11586:4 11587:3,5 11588:23,25 11589:15 11590:2,6,18 11593:13,17 11598:4,17	30 11433:14 11436:15,17 11439:21,22,23,24 11445:12 11535:21 11545:5 11549:7 11559:1 11605:10,13,16
16C 11392:17 11427:21	2.30 11536:26 11538:28	219 11501:19	30-city 11436:13 11499:18
16D 11427:12	2.5% 11575:2	21st 11538:28	300 11481:25
16E 11393:5 11427:28	2.50 11567:27	22 11540:25 11591:3	301 11443:4
16F 11393:10	2.56 11576:4	23 11519:18 11576:12	30s 11539:9
17 11458:1 11460:15 11539:11	20 11390:20,23 11391:8 11432:22,25 11433:1 11434:18,24 11435:5,18 11444:18,25 11445:9,10,14, 18,24 11446:12,16,20,24 11447:1,3,8,13 11448:4,8, 21,26 11449:28 11450:3,6, 11,18 11451:19,20 11452:9, 12,25,26 11453:3,6,27 11454:18,25 11455:2,15 11456:5,26 11457:24 11458:6 11459:4,5,23,24 11460:11 11461:8 11462:13, 16 11468:7 11469:9,11,27 11475:26 11479:2,11,22 11480:6,18 11481:13 11489:8 11494:15 11496:24, 27 11498:10 11508:4 11509:13 11535:17 11536:20	23-month 11519:19	30th 11554:5 11560:17,27
178 11406:17 11421:18 11423:8	20% 11551:1 11555:28	23rd 11594:8	31 11474:18
18% 11539:11	20,360 11567:22,24	24% 11540:25 11593:10	32 11444:19
19 11391:15,16 11442:25,28 11443:22,28 11462:23 11463:3,5 11469:8,10,13,14, 24 11470:4 11500:25 11501:3 11536:14,18 11537:9 11538:5,11,22 11543:23,26 11555:20,23,26 11558:16,25 11559:6 11581:11	20-some-odd 11477:28	25 11446:18 11450:4 11451:22 11459:19 11485:22	33 11433:15,16 11509:9,10 11519:14 11520:16,27 11521:3,6,10 11523:5 11525:10 11528:3 11591:25
19% 11540:26	20.5% 11457:19,23	25% 11589:2,3,13	34% 11550:27
1930s 11405:24	200 11481:24	2550 11567:18,20	35 11545:6 11548:20
1934 11533:23	2000 11596:11	28% 11591:3	35% 11540:22 11550:28
1972 11594:11	2010 11555:28	289 11443:4,5 11501:16	3:36 11584:26
1977 11516:12	2013 11472:15 11588:17	29 11390:1,3 11512:1 11555:16	3:46 11584:27
1980s 11596:7	2016 11395:14 11398:20 11402:2 11408:18 11419:9 11420:28	23rd 11594:8	3:47 11585:2
1990 11596:9	2017 11516:12	24% 11540:25 11593:10	<u>4</u>
1990s 11405:24 11597:3	2018 11591:4	25 11446:18 11450:4 11451:22 11459:19 11485:22	4 11443:27 11502:11 11530:10,11 11534:6 11540:6 11588:17
1996 11534:22	2019 11576:10	25% 11589:2,3,13	4,065,109,000 11521:12
1998 11597:10	2020 11521:8,11 11530:1	2550 11567:18,20	4.065 11530:2
1999 11492:5		28% 11591:3	40 11484:19 11515:23 11548:21 11557:20
1:05 11511:16		289 11443:4,5 11501:16	41310 11515:25
1:07 11512:3		29 11390:1,3 11512:1 11555:16	436 11458:1
1:10 11514:3		299 11443:4	44 11454:13
1:11 11514:5		2:30 11553:21	451 11396:26
1:45 11531:11		2:45 11553:22,25	48 11390:4 11471:11
1:52 11531:14		<u>3</u>	48,000-pound 11567:19
1:53 11468:22		3 11403:6 11456:17	48375 11515:26



490 11392:18,19,20 11394:19 11427:10,22,23,25	11583:13,17,18,20 11586:14	85% 11539:10	accounted 11420:3
491 11392:23 11393:1,2 11394:22 11395:27 11427:10,13,14,16,19	502 11554:22,24 11560:7 11573:14 11583:14,24,25,27 11586:15	88% 11534:20 11535:6	accounts 11492:28
492 11393:5,7 11394:24 11407:16 11427:10 11428:1, 2,4	503 11585:25,27 11603:24, 27,28 11604:2	8:00 11607:10	accurate 11401:19,20,23 11425:12 11510:20
493 11393:10,11 11394:26 11402:11 11409:20 11427:10 11428:8,9,11	51 11558:21	8:01 11390:4	accurately 11489:18
494 11429:10,14,16 11430:26 11444:18 11445:3 11502:12 11512:7,11,12,14	54929 11474:11,23	8:30 11406:28	accused 11435:25
495 11429:20,22 11430:19 11431:2 11432:11 11507:11, 16 11512:18,19,21	55 11453:20	8:33 11407:2	achieve 11417:14
496 11429:25,27 11433:3 11508:27 11512:25,26,28	55% 11474:11	8:43 11412:26 11413:1	achieving 11417:6 11557:22
497 11430:2,4 11435:22,24 11438:22 11469:19 11470:6 11499:9 11506:24 11513:4, 5,7	59 11392:24	9 11452:25 11473:13,17 11538:24	acknowledged 11455:14
498 11430:7,9 11442:20 11443:13 11500:18 11512:8 11513:11,12,14	5th 11595:5	9% 11560:21 11561:2,3	acknowledgement 11516:24 11525:19
499 11514:21,22 11515:14 11517:9 11529:19,22 11530:16,18	6	90 11578:1	acquire 11564:13
4:22 11604:26	6 11433:19,24,28 11434:1,2, 5,8,21 11450:14,16 11507:12,20,26 11508:6,11 11509:1,7,13 11560:19 11561:1,9 11572:19	90% 11420:5 11451:2,6,10	acquired 11534:21 11597:10
4:30 11605:11	60 11405:26 11591:5 11605:23 11607:2	900.10 11605:5	acquiring 11449:19
4:48 11605:2	60-day 11605:20,21	900.27 11605:7 11607:1	acquisition 11404:23
4:53 11607:9	60-month 11591:4	9157 11575:24	Act 11450:10 11460:17,24 11461:5,7,10 11477:10,13, 23 11478:10 11487:27 11596:9
5	600-mile 11542:25	95% 11414:6	acted 11415:22
5 11433:19,25,28 11434:1,2, 5,8,21 11494:13 11507:12, 20,26 11508:6,11 11509:1,7, 13 11529:25 11535:14 11586:12 11593:10	65 11546:2 11554:15 11583:16	95.5% 11438:9	action 11528:28
5% 11540:6	66 11554:21 11560:6 11583:23	9:22 11428:23	actions 11438:15
5.9 11400:5	67 11532:9 11553:1 11585:22 11603:26	9:26 11428:26	activities 11438:16 11519:11
50 11560:1	674 11432:20	A	actual 11400:28 11441:23 11509:24 11563:25 11565:7 11574:19 11592:19
50% 11550:24	7	A&m 11540:10	add 11517:15 11543:19 11547:22 11551:7 11553:8 11562:15 11580:20,22 11584:3,11 11598:21
50-some-odd 11435:1	7 11433:20,23,28 11434:1,2, 5,8,21 11435:15 11451:20 11480:1 11507:12,20,27 11508:6,11 11509:2,7,9,10, 14 11558:17,26 11560:19 11561:1,9 11572:19 11581:1,11,16 11587:22 11588:3 11601:17 11605:4,6	a.m. 11390:4 11476:19 11606:19	added 11518:26 11529:26 11557:16
500 11514:25 11532:10,12 11533:26 11552:26 11553:2, 3,5	70% 11405:26	A/grade 11453:10,15	adding 11519:26 11530:7 11547:24 11557:18 11575:27 11581:4 11606:15
500- 11542:25	8	AA 11569:13,22	addition 11551:7
501 11554:16,18 11555:19 11570:22 11572:9 11576:21	8 11493:3 11543:22 11548:24 11606:19	ability 11403:12 11404:20 11435:6,19 11452:10 11456:12 11479:17,23 11577:12	additional 11394:20 11396:2 11405:27 11409:23,25 11412:10 11419:17 11420:6 11455:19 11456:14 11504:7 11543:19 11551:8 11557:7, 19 11563:5,20 11566:15 11580:21
	8.6% 11472:11	abrogate 11458:9	Address 11516:15 11520:4 11523:16 11587:15
	80-some-odd 11485:11	absent 11415:4	address 11390:9 11449:28 11459:7 11515:25 11586:8 11595:8
		absolute 11437:27 11450:8	
		absolutely 11437:26 11438:8 11449:15 11489:24 11490:20 11503:9	
		absorb 11439:5	
		accepted 11606:9	
		access 11403:12 11405:28 11424:25,26 11540:9 11545:7	
		account 11518:26 11542:3	



addressed 11516:20 11518:16 11523:9,19	affiliated 11534:16,21 11535:8,9,15 11536:9 11540:1 11547:9 11597:7	11561:14	anymore 11488:14 11547:27 11580:6
addresses 11491:22 11555:19 11560:7	afternoon 11476:18 11512:1 11515:4 11527:3,4 11532:6 11541:8,9 11544:17,18 11567:13,14 11572:7 11573:12,13 11585:3	AMAA 11458:9 11460:18,22 11461:19,21,24,26 11462:4, 8	anytime 11411:23
addressing 11390:18		Amarillo 11532:24 11533:23 11534:17,27 11538:21 11542:19 11543:14	apologize 11502:9
adds 11432:16 11581:5	agencies 11464:5,7 11559:23 11570:26 11571:2, 4	Amazing 11392:2	Appalachia 11404:28 11405:2
adequate 11400:19 11405:28 11416:26 11417:12 11419:22 11556:6	agency 11464:5,7 11547:27	amend 11487:1	Appalachian 11403:3,22 11404:2,9,16,26 11409:22 11413:14
adjust 11509:28	agree 11415:2 11416:10 11474:12,28 11484:13 11486:24 11487:8,19 11488:27 11491:25 11492:19 11493:16,19 11496:10,13 11556:7 11571:16,27 11600:14 11601:25 11605:28	amended 11594:12	apparently 11395:19 11397:8 11422:4 11462:21
adjustment 11433:11 11500:28 11510:1 11525:24	agreed 11416:12	amendments 11461:2	appears 11472:26 11592:2 11604:9
adjustments 11526:9	agreeing 11490:2 11596:1	America 11549:24	apples 11498:22
admission 11427:12,20,28 11428:7 11512:7,10,17,24 11513:3,10 11529:18,21 11553:1 11583:16,23 11603:26	Agreement 11450:10 11460:17 11461:5 11477:10 11487:27	American 11518:1 11524:14 11526:19 11560:2 11562:22 11588:22 11606:24	applicable 11517:2,10 11543:25 11589:3
admit 11427:10 11453:17 11530:16 11603:23	agreements 11516:15	amount 11395:24 11408:6 11409:12 11425:2 11445:16 11492:4 11515:7 11552:13 11556:3 11563:3 11571:6 11586:25 11602:14,16	applied 11434:12 11566:18 11590:5
admitted 11427:14,23 11428:2,9 11449:27 11512:12,19,26 11513:5,12 11530:16 11553:3 11583:18, 25 11603:28	Agricultural 11417:19,20 11428:16 11450:10 11460:17 11461:4 11477:9 11487:27 11506:15,17 11526:26 11544:11,13 11573:5,7 11601:7,9 11604:14	AMS 11395:5 11424:4 11426:7 11436:13 11439:22 11457:7 11511:12 11527:26 11529:15 11551:22 11573:11 11583:9 11602:24 11605:14,15	applies 11491:1 11558:28
adopt 11455:1 11475:15 11587:4	ahead 11533:20 11555:23	analysis 11399:6 11483:26 11500:27	apply 11413:15 11425:11 11494:26
adopted 11445:10 11498:11 11588:22 11593:13,17	aims 11450:8	analyzed 11457:1	appreciable 11458:22
adoption 11523:6 11589:15 11590:18 11595:1	akin 11596:1	and/or 11557:22	approach 11411:12 11493:22 11587:6 11598:18
advance 11594:17,28 11595:13,16	algebra 11453:23	anecdotal 11483:28	approaching 11464:28
advanced 11519:27 11574:3 11586:8 11593:25 11594:2, 6,12 11595:2,6,18,19	aligned 11487:16 11595:9 11597:15	animals 11596:23	appropriately 11462:5
advancing 11594:19	alignment 11444:7 11487:18 11528:4	annotations 11573:17	approved 11516:10
advantage 11442:26 11443:2 11563:20 11564:15 11565:8,11,25 11582:21,22 11589:21	aligns 11494:17	announced 11431:21,24 11432:27 11433:19 11434:18 11436:12,14 11439:21 11466:3 11507:24 11573:24,28 11574:2,5 11594:7,8 11595:4	approve 11516:10
advantageous 11518:10 11529:27	allocation 11423:2,11,16 11454:14	announcement 11466:18,22 11595:1,12	approximate 11457:15
advocated 11594:19	allocations 11454:8	announcements 11431:8	approximately 11390:3 11397:19 11443:20 11444:18 11457:14 11535:23 11539:11
AFBF 11518:2,16 11523:2 11590:10,18 11593:19	Allowance 11406:10 11421:13 11524:11,12	annual 11434:13 11451:26 11457:16 11555:27 11569:2	area 11398:5,9,11 11399:2 11400:23 11402:28 11404:24,25 11407:19,20 11409:16 11411:21 11414:1, 3,6 11417:10 11419:20 11433:24,27 11438:4,15 11463:27 11481:25 11483:25 11492:23 11557:28 11589:4 11591:17 11599:25
AFBF's 11518:3,25 11523:8 11587:3 11590:7,28	Allowances 11452:17	annually 11431:13	areas 11397:14,17,18 11398:14 11400:10 11404:14 11407:18,19,21, 22,23 11408:3,7,9,16 11409:12,24,26 11410:1,12 11417:12 11424:15,21,22,27 11425:12 11433:12,13,18 11434:24,26 11435:7,14,20 11447:5,7 11448:19 11449:25 11450:2,8,24 11459:16 11480:3,9
affect 11461:16 11523:13 11538:1 11548:26	alternate 11503:21	answers 11474:10 11572:3	
affects 11549:15	alternative 11462:7 11559:7	answers 11476:3	
		anticipate 11391:15	
		anticipation 11467:12	



11494:27 11495:6 11497:20 11498:15 11558:11 arguing 11478:21 11480:17 argument 11482:24 arguments 11607:4 arisen 11435:27 11586:7 Arizona 11404:3,11 11405:5 11535:4 11542:24 Arkansas 11535:5 11542:23 arose 11390:19 arranged 11532:15 array 11587:21 arriving 11517:14 article 11412:1 11457:5 articulate 11422:21 Ashley 11390:16 11476:23 11585:3 asks 11462:13 aspect 11469:13 aspects 11490:24 assess 11564:19 Association 11391:13 11469:4 11515:22 11516:3 11517:19 11531:6,19 11583:12 assume 11464:21 assumes 11446:16,18 11459:23 Assuming 11486:13 assumption 11415:16 11525:26 assumptions 11415:3 assurance 11447:19,27 11490:7 assure 11416:26 assuredly 11600:23 attached 11559:3 attempt 11418:22 11597:2 attendance 11530:24 attended 11539:22 attention 11464:6 11475:22 11514:7 attorney's 11422:18 attract 11404:20 11435:19 11453:18 11481:18 11482:3,	16,27 11488:4,23,28 11489:6,21 11495:9,22 11597:23 attractive 11496:4 11518:7 attracts 11545:19 August 11474:18 11554:5 11555:2 11560:17,27 11576:24 authentic 11464:22 author 11472:20 automatic 11487:14,15 automatically 11569:4 average 11401:11,13,14 11406:11,20,22 11411:8 11423:21 11432:17 11437:3 11439:27 11443:20,26 11444:1 11457:9,11,13,15, 16,18,19,23 11469:22 11472:10 11493:7 11501:14, 16 11509:1 11520:2,6,15,22, 25 11522:8,10 11555:27 11563:18 11566:5 11567:24, 27 11568:7 11576:10 11577:28 11593:7,10 averaged 11411:2 11507:4 11519:28 11561:28 11562:2 averages 11423:3 11501:19 avoid 11511:1 11528:9 aware 11399:9 11411:23,26, 28 11463:12 11471:19,24 11491:6 11496:14 11525:5 AWG 11545:21 axis 11591:8,9 <hr/> B <hr/> B-R-I-D-G-E 11515:26 B-R-O-O-K-S-H-I-R-E-S 11533:14 back 11390:2,24 11394:4,10 11395:21 11398:17 11400:2 11401:22 11407:2,14 11413:1 11416:21 11418:8 11419:6,17 11421:9,11,20, 27 11422:19 11428:21,22, 25,26 11430:22 11448:17 11460:1 11468:22,25,26 11482:17 11487:2,3,4 11493:24 11495:2 11500:6 11506:9 11509:22 11511:15 11512:2,3 11514:5 11515:11 11528:4 11531:13,14 11533:2,28 11546:22,25 11550:13 11553:22,24,25 11555:2 11570:21 11576:24,	25 11582:5 11584:25,26 11585:1,2 11599:22 11604:17,26 11605:1,2 backed 11542:5 background 11515:19 11533:19 11555:1 11586:25 11595:25 backwards 11503:14 bad 11580:18,21 badgering 11475:10 bakery 11533:9 11536:11 Balagtas 11457:28 balance 11451:28 11468:12 balancing 11404:22 11408:1,7,8 11409:12,24,25, 28 11410:5,10,15 11424:10, 15,21,25,26 11425:3,11 11446:17 11449:18,21 11451:21,24 11453:7,15,17 11459:14 11465:27 11467:5, 11,21,23,25,28 11468:8 11488:13 11492:27 11493:3, 7,13,17,21,22 11548:5,9 11564:17 11597:12 bargaining 11456:13 11461:20 11465:21 base 11431:21 11433:9 11481:18 11484:16 11489:9 11490:22,26 11491:2,10 11569:10,21 based 11397:21 11408:17 11423:1,15 11424:21 11431:26 11454:2 11455:26 11457:24 11472:15 11483:11 11485:22 11494:28 11497:16 11524:11 11525:3 11529:4 11537:13 11561:21 11562:9 11566:6 11568:6 11570:14 11582:20 11590:23 11593:1 baseline 11395:10,14,18,20, 22,23,28 11396:8,13 11402:3 11418:7,9,11,14 11420:12,15,16,18,19,20,21, 22,25,26,28 11506:9 11568:13,16,17 11569:4,9 basic 11456:14 11459:6 11483:8 11517:26 basically 11434:10 11435:5 11455:14 11457:28 11474:21,24 11480:25 11494:7 11528:18 11538:3 11544:27 11555:15 basis 11398:11 11410:2 11415:20 11434:13 11524:20 11562:6 11580:14	bear 11493:16 11583:6 bears 11435:8 beautifully 11475:19 beef 11545:13 begin 11456:11,15 11479:16,23 11541:5 11598:26 11605:13,14,21 beginning 11395:1 11519:13 11521:3 11546:14, 15 11596:11 begins 11472:2 begun 11605:16 behalf 11445:8 11469:3 11515:28 11523:22 behavior 11438:21 11439:11 11441:13 11599:28 belief 11398:25 11443:7 believes 11523:8 benchmark 11478:9 beneficial 11563:28 11564:3 benefit 11458:18,19,27,28 11563:19 11598:16 benefits 11497:28 11563:24 benefitted 11563:18 benevolence 11461:22 Bentonville 11542:23 best-fitting 11437:20 bestowed 11462:8 beverage 11587:26 11599:20 beverages 11556:14,16 11587:14 bias 11443:2 bid 11502:20 11537:26 bidding 11456:15 11502:27 big 11404:1 11464:4 11508:20 11546:10 11547:8 bigger 11463:28 11476:26 11526:11 11545:7 biggest 11434:20,21 billing 11455:11 billion 11530:11 11534:19 11591:18 billions 11591:7 11602:13 bit 11391:2 11394:4,15 11398:7,15 11406:27
--	---	---	--



11409:16 11414:27 11415:17 11425:5 11435:9 11436:24 11440:21 11484:3 11490:21 11493:2,25 11527:24,26 11532:25 11535:4 11544:22,25 11548:15 11562:1 11570:22 11577:5 11578:15 11591:6 11593:26	box-and-whiskers 11402:26 11403:4,20 11409:21 11411:5,6	bullet 11537:2 11548:25 11572:12 11578:4	calculated 11397:21 11471:20,22 11475:27 11489:7 11501:25
bleed 11498:15	boxed 11545:13	burden 11590:6	calculates 11431:4,11 11433:17,26
blend 11432:2,7,18 11433:17,19,26,27 11434:5, 7,11,16,17,18,22 11435:6,10 11448:12 11450:7 11451:8, 15 11482:15 11484:10 11486:8,12,15 11495:3,4 11508:14,18,23 11509:3,5,8, 14 11597:6,17	boxes 11413:16	burdensome 11595:7	calculating 11396:11 11570:8 11573:22 11595:14
blends 11509:12	boy 11429:24 11512:24	Bureau 11518:1 11524:14 11526:20 11562:22 11588:22 11606:16,24	calculation 11396:17 11435:11 11522:20 11523:13 11524:11 11561:3 11566:18 11567:7
blue 11441:21	brand 11597:9	bus 11539:13	calculations 11395:10,25 11435:17 11443:15 11472:19 11493:6
BMS 11574:10	brands 11545:28 11557:20	business 11505:5 11515:25 11538:1 11548:27 11596:15	calculator 11584:8
board 11431:14 11516:10 11545:1,23 11546:12 11577:8	bread 11536:11 11545:18	businessperson 11565:15	calendar 11431:6 11520:2 11521:7
Boise 11400:26 11401:10, 11,13	break 11428:22,24 11468:20,24 11490:21 11511:13 11514:1 11553:11, 12,19,23 11584:20,23,28 11604:23	butcher 11545:16	California 11398:7,14,28 11404:5 11414:5,9 11418:19 11419:21 11440:9,10,28 11581:12,23 11582:5,9 11583:4
boot 11451:13,14	breakouts 11406:19 11423:5	butchers 11545:14	California/nevada 11398:10
border 11535:4	breath 11480:20	butter 11519:16 11559:17 11566:11 11567:27 11568:6, 7 11569:13,14,16,23 11574:10 11594:24,25	call 11417:18 11423:11 11433:11,21 11435:6 11469:16 11475:22 11476:20 11481:20 11499:23 11545:19 11552:16 11573:5 11584:17 11585:4 11606:5 11607:8
bordered 11398:12,16	Bridge 11515:25	butterfat 11400:4 11491:1 11507:26 11520:4,5 11522:15 11560:15 11563:22 11566:14,20,28 11567:22,25 11568:17 11569:7,23,25 11574:26 11575:2,3,6,7 11576:5 11577:17 11587:23 11588:4, 10,13,16 11594:5,20,23,28 11595:3,7,9,12,14	called 11403:19 11469:21
boring 11566:14	briefing 11604:19	buttermilk 11534:13,14 11563:21,28 11564:2 11565:8,16,24 11574:12,20, 25 11575:2,4,8,27,28 11576:4,9	Canada 11571:14,21
borne 11457:27	briefly 11399:23 11442:20 11493:24	buy 11436:5 11535:16 11547:13 11562:7 11567:23 11568:5 11569:2,26 11600:1,4,7,10	Canadian 11571:12
bottle 11548:7,9 11587:13, 19	briefs 11605:7,18,26 11606:3 11607:4	buyer 11482:11 11503:4,6, 20 11505:10 11518:18 11569:27	Canton 11522:28
bottled 11545:27 11546:1	bring 11408:24 11422:3 11462:9 11559:5 11572:14 11584:8,9 11606:8	buyers 11461:23 11478:26 11504:10	capabilities 11401:20
bottling 11533:9 11536:10	bringing 11582:7	buying 11433:27 11546:1 11563:9	capable 11474:10
bottom 11404:25,27 11443:14,17 11450:14 11451:19 11456:26 11473:27 11474:22 11501:25 11502:11 11548:24 11549:25 11578:3	brings 11479:8	byproducts 11522:22	capacity 11419:10,21 11424:28 11516:13 11557:5 11570:2
bought 11545:26	broad 11492:24	C	capita 11487:20,21 11539:7
bouncing 11450:16	broadly 11510:22	C-A-R-L 11391:26 11514:10	capital 11546:24
boundaries 11417:13	broke 11423:21	c-weight 11590:11,12 11593:20	Capps' 11540:10
boundary 11417:9 11418:23	Brookshire's 11533:5	calamitous 11445:10	captive 11533:4 11590:26
bounds 11413:16,25,26	brought 11506:9 11529:25 11570:17	calculate 11401:10 11425:21 11508:10	captured 11467:22 11537:1
box 11413:22,25 11414:1,20 11546:10	Brown 11422:14 11423:26 11556:1		carats 11403:19
box-and-whisker 11394:26 11402:12,16,20,22 11404:10 11413:9 11414:19	Buffalo 11500:7		care 11498:7
	build 11447:22 11448:2 11488:13 11557:20 11560:1		career 11464:25
	built 11415:24 11488:12 11546:12		Carl 11391:9,25 11513:26 11514:9,16 11515:20,27 11523:22
	built-in 11569:5		
	bulk 11434:23 11435:10 11489:9 11495:5 11508:17 11509:15 11515:23 11516:12 11542:27,28 11545:2		
	bulky 11459:17		



carries 11562:13	11452:19 11472:16,17 11473:6 11498:24 11501:2 11508:4,12,14 11516:25,28 11517:8 11523:15 11525:21 11528:18 11530:1 11540:15 11552:15,17 11556:19 11558:10 11568:25,26,27 11569:8,21 11570:12 11577:10 11578:6 11589:15 11590:16 11594:20	11485:23,25 11486:1,20 11487:14 11503:27	11479:18,24,25 11480:7,9, 10,11,13,19,21,22,23,28 11481:4,16,18,20,21,26 11482:3,19,21,25 11483:2,4, 12,13,15 11484:13,14,17 11485:6,16,26 11486:2,6,8, 10,13,14,16,18,20,25 11487:10,15,19,23,26 11488:9,10,11,17,19,20,21, 22,25,26 11489:4,6,9,10 11490:1,11,12,14,18,22,24, 26 11491:2,18,20 11492:12, 17,26 11493:28 11494:4,10, 11,17,18,19,23,27 11495:7, 8,16,18,22,26 11496:11,16 11497:1,6,9,10,18,20,22 11498:8,10,17 11501:6 11502:14,16,19 11504:15, 18,20 11505:23 11506:2,8 11507:27 11508:22,26 11509:1,2,24 11510:1,5,8,25 11511:10 11516:23,28 11517:5,21,23,28 11518:12 11519:3,5,7,9,14,17,18,27, 28 11520:2,3,4,5,17,20,23, 24,26 11521:2,9,11,13,21 11522:1,3,4,6,14,18,19 11523:1,3,9,13,16,20 11524:5,16,18,19,20 11525:24 11527:10,14,19, 20,21,25 11528:2,8,15,16,19 11529:9 11537:14 11538:9, 21 11539:4,6,7,15 11555:17, 26 11556:4,12,13,16 11557:8,11,12,13,14,17,27 11558:9,16,20,24 11560:11, 12,14 11561:13 11562:2,3, 12,16,23,25 11563:7,8,9,14 11564:9,10,11,22,24,28 11565:1,4,10 11566:3,6,19, 27 11568:17,26 11569:7,19 11572:1 11573:19,23,24,28 11574:1,3 11575:22 11577:13 11578:6,16 11579:17 11587:6,7,8,10,11, 13,14,15,16,18,19,21,22 11588:4,6,8,10,13,17,20,24, 25,26,27 11589:2,3,9,13,18, 21,22,26,27 11590:3,4,8,11, 12,14,17,19,20,21,22,27,28 11591:1,2,9,10,11,12,15,20, 23,28 11592:6,7,12,15,16 11593:7,8,10,14,18,20,21 11594:5,8,13,18,20,22,28 11595:2,9,11,12,16,19,21 11598:8,9,11,14 11602:8,9, 10,13,18
case 11395:13 11396:1 11400:25 11401:17 11406:2 11408:15 11419:5 11437:24 11438:2 11439:25 11441:21 11451:3 11453:21 11508:13 11549:4 11569:12 11594:11	changed 11399:10 11516:24 11524:20 11525:20 11569:20 11601:27	circumstances 11415:19 11483:19 11485:15 11486:25 11593:2	classes 11449:2 11459:11 11561:26 11590:24
cases 11397:23 11411:19 11414:5 11455:10	changing 11517:5,10 11569:13,16,22,23,25 11570:13 11594:14	cites 11474:11	classification 11460:5
cash 11546:24	channel 11534:21 11535:7	cities 11436:15,17 11439:21,23,24,28 11440:9 11442:10,12 11499:17,22 11500:14 11542:21	classified 11415:8,10 11416:8 11449:3 11454:1 11455:7 11460:4,6,7,8
cat 11392:17 11427:21 11513:3	channels 11535:13	city 11433:14 11436:20 11437:9,12,13 11440:5 11470:13 11499:26 11500:8, 9 11545:7 11583:5	
categories 11557:3,13	charge 11466:1 11542:16 11566:9	claim 11590:21,28	
categorized 11522:18	Charlie 11430:1	clarification 11477:6 11479:28 11538:14 11552:9 11555:9 11559:12 11575:9	
category 11555:27 11556:9 11557:17,19 11559:21,28 11580:22 11581:6,7,8	chart 11394:26 11402:12,20 11409:21 11413:9,10 11469:21 11470:1 11473:28 11475:1,23 11538:24,26 11559:3 11565:5 11573:15 11574:7,18 11575:19 11582:28 11591:2,6 11592:18 11601:17 11602:4	clarify 11399:27 11503:11	
caught 11393:13 11418:5 11421:15	cheaper 11453:24 11518:13, 23 11582:7	class 11393:23 11396:18 11397:16,17,18 11398:2 11399:19 11400:15 11402:20,21,24,25 11403:4, 9,21 11404:1,10,12,13,18 11405:1,6,26 11407:20,22, 24 11408:3,4,14 11409:9,23 11410:5,20,22,24,25,27 11411:2,3,4,5,6,8,9,10,18,27 11413:20 11414:9,10,11 11415:5 11417:2,7,10 11419:26 11425:22 11426:1, 2,13,15 11427:1,2 11431:9, 15 11434:2,9 11435:10,28 11436:2,7,20,21,26 11437:1, 3,12 11438:3,11,13,26,27 11439:3,8,10,12,17,23,24, 25,27 11440:1,5,7,11,13,19, 23 11441:4,17,24,26 11442:3,5,18,25,27 11443:6 11444:5 11445:6,16,23,25 11446:10,14,15,17 11447:4, 10,12 11448:9,11,13,16,18, 19,20,22,23,24,28 11449:1, 3,4,6,7,9,10,11,12,13,14,17, 19,21,23,24 11450:21,22,24, 25,27,28 11451:2,3,4,5,6,7, 8,9,10,12,16,21,24,27,28 11452:3,8,11,20,21 11453:8, 14,18,22 11454:2,4,7,8,9,10, 14,16 11455:6,13,16,17,20, 26,27 11456:1,8,13,14,27,28 11457:2,9,13,15,16,18,19, 23,25 11458:7 11459:11,12, 13,14,18 11460:2,3,4,17,19, 23,28 11463:21 11465:24 11466:15 11467:10,25 11469:21,25 11470:7,11 11471:7,21 11472:7,9,11,12, 15,17,24,28 11473:4,7,10 11474:9,25 11478:21,25	
caused 11465:7 11595:13	cheese 11405:3 11407:26 11425:7 11519:16 11522:17 11539:13 11556:28 11587:16,25		
cent 11432:9 11566:25	Chicago 11594:24		
center 11551:1	Chief 11517:20		
centers 11556:21,22 11578:8,9	chip 11456:13		
central 11440:26	chocolate 11534:13		
centralized 11557:2	choice 11397:7		
cents 11397:24 11435:2 11520:5,11 11537:2	choose 11410:25 11415:28 11416:1 11449:9 11528:15 11606:1		
certification 11605:5	choosing 11415:19 11556:8		
certified 11596:21	chose 11441:5 11522:25		
cetera 11435:14 11437:13 11452:1 11547:21 11587:17 11593:6 11596:3 11604:19	chosen 11395:19 11402:14 11411:15		
CFR 11587:22 11588:3 11605:6	churning 11570:1		
chain 11482:20 11545:8 11546:15 11562:28 11563:5 11579:11 11582:12	circle 11414:11 11422:19 11495:2		
chains 11443:11 11444:16 11556:23 11578:10	circumstance 11455:21 11465:26 11466:12		
chair 11406:27 11428:27 11514:2,8 11531:21 11553:26			
challenge 11458:10,11 11463:28			
challenges 11445:13 11506:2			
change 11395:8 11418:13 11420:16,19,20 11431:18,23 11432:2,6,17,18,19			



11497:10,11,12 11517:22 11522:20	combination 11498:20	competing 11408:4 11417:11 11505:24 11506:3, 8 11549:9	concluded 11472:24 11607:11
classify 11454:9	combined 11482:15	competition 11415:5 11455:9 11456:18 11483:13, 14 11484:27 11485:4 11511:9 11549:5 11551:12, 14,20	concludes 11447:9 11456:27 11462:17
clear 11420:11 11438:22 11452:4 11457:21 11500:21 11501:12 11537:3 11580:2 11588:20 11592:2,18	comfortable 11514:2 11547:23	competitive 11399:12,15 11408:3 11415:26 11442:26 11443:2 11485:12 11490:8 11503:27 11545:21 11547:28 11549:13 11561:9, 10	conclusion 11397:28 11399:7 11438:26 11479:13 11481:16 11496:26 11497:25 11502:23 11523:6 11528:17 11598:4
clerk 11605:11	comment 11420:1 11488:6 11555:25 11571:23 11606:14	competitiveness 11538:1 11548:27	conclusions 11397:20 11398:2 11471:1 11562:10 11607:3,6
Cleveland 11499:19	commentary 11440:6	competitor 11481:28 11490:7 11549:10 11550:21	condense 11403:26
climates 11554:7	commercial 11588:1	competitors 11484:22 11546:10 11589:19	condensed 11411:6 11537:28 11562:16 11588:2
cloak 11454:25	commodity 11477:2 11555:12 11594:10	compiling 11606:7	condensing 11562:15,28
clock 11444:27 11463:7	common 11464:5 11466:5, 16 11484:28 11521:26 11540:24 11587:12,18	complete 11418:24 11426:20	conditioned 11585:15
close 11397:25,26 11400:27 11414:6 11420:5 11422:11 11438:11 11444:28 11530:27 11536:20 11557:4	community 11446:4	completely 11437:26 11438:15 11439:28 11441:20 11522:23 11601:25	conditions 11445:11 11461:15 11485:14 11498:14 11518:7 11529:5
closely 11494:17	companies 11443:10 11564:12	completes 11541:3	confer 11396:7 11584:20
closer 11403:23 11436:24 11559:5 11562:16 11564:6 11572:15	company 11443:9 11533:6 11534:16,19,25 11537:27 11538:10 11543:19 11545:28 11555:5 11571:11	component 11400:2,4 11431:19 11433:10	confidence 11414:6
co-op 11444:14 11534:20,22 11535:17,18 11540:1 11542:12 11544:23,24,27 11546:21 11559:22 11570:26 11571:4	compare 11398:5 11434:22 11559:1	components 11403:26 11560:15	confident 11396:12 11401:18 11484:15
co-op-owned 11443:21	compared 11405:23 11431:23 11436:20 11439:23 11440:8,13 11443:16 11444:1,4,9 11450:26 11501:10,11 11508:15 11558:27 11563:25 11581:17	comprehensive 11422:26	conflict 11450:8 11454:6
co-ops 11467:6	compares 11501:1	compute 11432:6 11470:14, 18	conflicts 11447:1 11453:28
co-packing 11597:12	comparing 11404:8 11418:6 11472:27 11498:21 11603:18	computed 11434:11 11448:6 11594:9	confusion 11534:4
Coast 11440:15 11581:17 11582:4	comparison 11395:17 11401:24 11402:21 11406:22 11408:21 11410:19 11435:15 11440:17 11473:2 11489:10 11501:1,13 11599:9	computer 11532:7	Connecticut 11583:5
code 11579:3 11605:4	comparisons 11422:27	concentrated 11518:17,18	connection 11441:4 11595:1
coded 11580:9	compelled 11496:15	concept 11539:14 11569:11	connotation 11397:9,10
Codes 11580:4	compelling 11594:28	conceptually 11424:12	consensus 11516:25 11524:26 11525:20 11526:3, 5,8 11605:27
coding 11396:10 11579:26	compensate 11489:4	concern 11445:28 11498:12 11501:7,8 11503:1,8 11510:7,24 11518:16 11523:1 11525:14,16	consequence 11456:10 11479:15,22
collect 11418:26 11419:11	compensated 11452:23	concerned 11481:27 11510:15 11517:28	consequences 11523:15 11528:26
collective 11438:18	compete 11399:19 11407:25 11490:11 11582:10 11590:4	concerns 11445:13 11503:18 11517:14,16,20 11525:8	conservatively 11591:2
color 11397:7	competed 11417:10	conclude 11390:23	considerable 11515:6
Colorado 11581:27			considerably 11465:15 11503:13
colored 11407:18			consideration 11444:8 11529:12
colors 11397:6 11408:25			considered 11420:27 11460:24 11461:14 11487:15 11516:21 11523:18 11528:21 11544:5
Columbus 11499:19			consistency 11397:11
column 11431:22,25 11437:7 11500:21 11507:21 11508:3,8,15 11573:18,19 11574:10,11,13,14 11576:7 11602:12			
columns 11507:14,17,18,19			



11440:20 11500:2 11501:8 11507:23 11592:2	11578:4	correct 11390:15 11393:4, 24,25 11394:11,13,20,21,23, 25,28 11395:22,28 11396:1, 19,20,24,25 11401:6 11402:7,13 11404:27 11406:17,18 11408:5 11413:18,27,28 11414:14,16 11418:10 11424:13,16 11425:23,24 11426:2,3 11429:11 11469:25,27 11470:18,20 11473:7,22 11475:27 11476:28 11477:8 11481:2,6 11482:26 11487:20 11488:4,23 11489:14 11490:12,24 11491:27 11492:10 11494:4, 28 11495:10 11496:5,19 11497:2 11498:11 11500:13 11501:24,27 11502:14,21 11504:25 11505:2,5,19,25 11511:5 11515:16 11523:17 11524:28 11525:26,27 11528:20 11532:11 11537:15,16,19 11538:5,23 11544:5 11547:5,15 11552:20,21 11555:20,21 11562:5,7 11563:10 11565:13,14 11568:23 11569:18 11570:4,10,15 11571:12 11574:4 11581:18 11585:22 11586:4,5,8,9,15 11591:13 11592:20 11599:14,24 11600:13 11601:21 11603:7,13,19	11558:26 11559:7 11561:17 11563:23,24 11565:21 11566:10 11568:13,14,16, 17,18 11569:4,9 11570:6 11576:11,12 11579:17 11580:12,13,28 11581:3,6, 17,27 11582:1,13,15,23,24 11596:13,19,22,25
consistency's 11508:9	continues 11459:20 11520:21	Costco 11539:26 11540:25 11549:22 11551:2	costly 11425:8
consistent 11441:19 11442:12 11500:15 11598:17	continuing 11464:24 11570:24	costs 11407:27 11408:1 11409:24,25 11410:10,15,17 11423:3 11424:9,10,11,15 11425:3 11427:6 11439:5 11446:19,21 11450:4 11451:22,24 11452:5,6,10, 13,22 11453:7 11456:22 11459:19 11465:27 11467:5, 11,28 11468:4,14 11477:8, 25,27 11478:4,8,13,14 11480:12 11487:7 11493:2, 17 11518:20,28 11521:27 11541:16 11543:20 11546:26 11557:7,22 11558:9 11561:3,24 11580:21 11581:5 11596:27 11597:20	
consistently 11519:9 11588:14	continuous 11452:7 11538:13		cottage 11522:16 11556:28 11587:16,25
consolidate 11557:2 11578:24	contract 11496:17,18 11505:18 11548:1 11569:2 11570:3		counsel 11391:22
consolidation 11557:18	contracts 11490:4 11505:20 11569:9		counted 11465:18
constrain 11418:22,27	contrast 11589:8		countercyclical 11592:15 11597:19
constrained 11398:28 11400:11 11403:14 11418:21 11420:9	contributes 11518:28		counterintuitive 11499:27
constraint 11419:4	contribution 11497:18		counterproductive 11517:26
constraints 11398:21 11400:10 11419:13 11426:24	contributions 11493:20		counties 11398:12 11404:18 11498:8,9
constructed 11415:24	control 11545:28 11571:5 11588:9		counting 11456:24
construction 11463:18	conventional 11507:9,10 11595:28 11596:2,5,19,27 11597:15,17,24 11598:2 11599:9,11,21,22 11600:4,7, 8,24 11603:4,6,9,12		country 11398:23,25 11399:13,17 11410:27 11420:3,6 11424:16,18 11426:25 11434:3 11439:27 11444:4 11445:22 11446:15, 25 11448:26 11452:15 11453:21 11454:19 11464:4 11477:21 11478:1 11494:16, 23,24,27 11497:9 11498:13 11572:21 11581:21
consultant 11515:21,22 11516:5 11587:1	conversations 11571:22		countryside 11597:28
consumer 11426:23 11438:21 11551:8 11557:21 11559:22,25,26 11560:2 11570:25 11579:3 11588:11 11599:16,28 11600:17,26 11601:1 11603:16	converse 11510:4		county 11399:4,22 11401:2, 5,10,11,13 11433:13 11502:18 11543:25
consumers 11399:16 11427:4 11436:3,4,9 11540:7 11549:16 11556:15 11557:7 11559:9,14 11561:18 11600:28 11603:21	conversely 11438:27 11441:25 11587:17		county-level 11395:26 11399:6 11490:22,28
consuming 11462:10	conversion 11452:18,24		
consumption 11539:20 11557:8 11566:16 11571:14	convert 11492:16		
contacts 11418:25	converted 11488:9 11508:11		
contained 11396:23 11561:2	convincing 11452:4		
contemplating 11491:13	cooperative 11443:2,8 11490:14 11502:3 11542:20 11547:14 11552:20 11597:25		
contention 11483:27	cooperative-owned 11442:27 11443:19 11444:10 11490:12,17		
contents 11606:10	cooperatives 11467:4,11 11501:15 11510:10,25		
context 11469:16 11473:20 11570:28 11571:9 11595:26	coordinated 11456:6 11484:5		
continue 11459:15 11463:8 11511:3 11537:21 11539:2 11557:6,9,19 11563:11 11566:2 11590:3 11592:27	copies 11471:13 11476:14 11531:8 11532:8		
continued 11556:19 11557:11 11559:16,19	copy 11421:21 11471:10 11517:8 11530:5 11586:19 11601:28		
	corner 11535:1		



11494:28	11568:3,5,6,20 11569:2,26	11516:19,28 11518:11	dark 11424:22
couple 11407:12 11439:18	11570:1,9,11,21,26 11571:2,	11519:8 11524:11 11532:22	data 11393:22 11394:10,14,
11500:17 11504:6 11527:8	3,6,9 11575:16,18 11580:10,	11536:27 11537:8,14	16,27 11395:3,20,22,23,24,
11545:2 11552:11 11563:27	14 11587:9,11,17,23,24,26	11538:27 11541:20 11556:2	28 11396:2,3,8,13,16,23
11565:7 11586:6	11592:10,11,13	11558:18 11564:1,9	11397:21,22 11398:1,3,13
court 11390:2,24 11391:2,25	Creamery 11446:8 11597:8	11565:25 11566:19,20	11399:4 11401:6,18,19,22,
11392:2,10,14,19,24,28	Creamery's 11505:28	11576:13 11592:19 11594:9	25 11402:2,3,7 11403:1
11393:6,13,28 11394:2,7	creams 11534:13 11587:14	11595:5,13	11405:21 11406:6,10,16
11406:26 11407:2 11412:26	create 11431:17 11439:1	customer 11466:27 11467:1	11409:1 11411:14 11413:17,
11413:1 11417:17 11421:27	11442:26 11447:1 11453:28	11488:13 11577:20	27 11414:7,13,22 11419:9
11422:13,21 11424:1,3	11460:21 11477:11	11581:27	11421:3 11422:26 11423:27
11427:11,18,27 11428:6,14,	11483:13 11518:2 11521:25	customers 11466:4,7,17,21,	11431:7,8 11432:1
20,25 11429:3,7,11,15,21,26	11557:20 11563:12	23 11467:12 11488:15	11436:13,20 11437:19
11430:3,8,18 11447:24	11588:23 11590:9 11598:6	11535:27 11546:7 11557:3	11439:7 11442:17 11457:1,7
11448:1 11450:13 11454:22	created 11416:23	11564:6 11565:28 11566:1	11458:1 11471:5 11472:15
11458:4 11462:18 11463:8	creates 11466:14 11478:22	11577:7,8,15 11581:20	11500:6 11501:25,27
11468:20,25 11475:6,17	11503:26 11505:9 11522:26	cut 11492:14 11505:12	11506:26 11507:1,2,7
11476:5,8,11,21 11504:3	creating 11399:16 11400:3	cuts 11505:8 11545:14	11539:21 11544:6 11550:10,
11506:14 11511:13 11512:2,	11455:22 11559:9,13	cycle 11503:12	11 11560:18,28 11561:23,24
9,16,23 11513:2,9,18,24,28	creation 11517:20	cycles 11465:12,13	11563:27 11571:17
11514:5,11,15,19,26	credence 11484:14	<hr/> D <hr/>	11573:19 11575:21
11517:7 11519:23,25	credit 11453:4	daily 11451:26 11504:17	11591:21 11594:10
11520:7,12,14 11521:15	credits 11535:19	dairy 11391:13 11395:11	data-driven 11539:19
11526:24 11527:26	creep 11409:16	11400:16 11405:23 11415:7	dataset 11394:22 11413:23
11529:20 11530:4,15,20,23,	critical 11516:20	11420:23 11436:13	datasets 11414:14
26 11531:1,9,13,20,23,26	criticize 11493:28	11445:28 11446:3,9	date 11562:18 11579:3
11532:11,14 11533:12,25	cross-examination 11407:8,	11447:15 11449:8,20	date 11562:18 11579:3
11534:2,5,8 11536:28	9 11413:3 11417:17,22	11452:23 11455:25,28	David 11429:19 11430:7
11538:13 11541:5 11544:10	11468:19 11469:1 11476:12,	11456:11,21 11458:20	11513:10
11551:25 11552:7,9,28	16 11499:3 11504:4	11459:22 11461:20	day 11390:4 11452:1
11553:7,10,16,20,24	11506:14,19 11523:26	11462:10 11468:11 11469:4	11481:26 11483:6 11490:5
11554:2,6,12,17,23 11555:9	11524:1 11527:1 11541:4,5,	11477:17,18,25,27,28	11503:21 11505:17
11559:12 11573:4 11575:9	6 11544:10,15 11567:10,11	11478:8 11479:16,22	11524:17 11548:9 11579:26
11577:14 11583:15,22	11572:5 11573:4,9 11576:19	11491:12,19 11504:19,22,24	11584:13 11594:8 11595:5
11584:2,7,10,14,16,25	11598:25 11599:1 11601:6,	11505:13 11517:18,24	11607:8
11585:1,6,11,17,26	12	11521:26 11531:6,19	day-to-day 11477:16
11586:20 11593:16	cross-examine 11413:2	11532:23 11533:1,4,7,8	days 11530:21,23 11535:18
11598:26 11601:6 11602:1,	11526:25	11534:21 11535:16	11548:6,8 11578:1,21
26 11603:25 11604:5,8,22	cross-examine 11413:2	11539:12,13,14,23 11544:24	11605:10,13,16,23 11607:2
11605:1 11606:22,25	11526:25	11545:11,12 11547:2,3,6,14	deadline 11605:7,11,17,21
11607:5	cross-examine 11413:2	11555:7,10,17 11559:10,15,	Deaf 11433:13
cover 11465:22,27 11477:7	11526:25	21 11561:12 11583:12	deal 11416:3 11485:3
11478:4,8 11596:12	cross-examine 11413:2	11587:22 11596:5,11,20,21	dealt 11606:9
covered 11477:25,28	11526:25	11597:10 11598:7,11,18	debate 11438:19 11452:28
11478:9,14 11496:22	cross-examine 11413:2	11603:20,21	decade 11556:26
11555:2	11526:25	dairying 11548:21	decades 11399:10 11557:17
covers 11467:23,24	cross-examine 11413:2	Dairyman 11457:5	December 11519:13,20
COVID 11541:27 11545:24	11526:25	Dakota 11535:5	11521:3,24 11540:11
11546:14	cross-examine 11413:2	Dallas 11535:4 11542:15	11591:4
cow 11518:22 11597:26	11526:25	11555:7,11	decent 11567:28 11568:1
11603:12,13	cross-examine 11413:2	damage 11435:19	decide 11549:8
cows 11572:21	11526:25	damages 11435:6	decided 11516:27
CPI 11472:18	cross-examine 11413:2	Danny 11606:23	decides 11498:13
cream 11522:13,14,16,17	11526:25		
11525:6 11533:8 11534:15	curious 11542:8		
11556:28 11559:15,16,18,23	current 11432:27 11436:21,		
11561:17 11563:12,13	27 11443:16,19,26 11444:1,		
11565:24 11566:4,7,8	5,7,9 11453:11 11467:25		
11567:16,19,20,23,25	11472:11 11481:6 11494:3,6		
	11501:4,10 11506:4,7,11		



decimal 11520:10	11455:20 11459:10	designed 11456:20	11491:11 11492:6,13
decimals 11432:4	11542:27 11556:21,22 11578:8,19,22 11579:8	desirability 11452:11	11494:4,6,8,28 11498:8 11499:24 11500:1,3,22
decision 11480:11 11517:14 11526:13,22 11527:16 11578:17 11579:25 11590:17 11594:14,22 11595:12 11604:18	delta 11430:11 11443:24 11501:2	desirable 11594:16	11501:3,10,14 11516:23,24, 28 11517:5,28 11518:4,12, 26 11519:8,27 11523:1,9,16, 18,20 11524:5,28 11525:20, 25 11526:14,18 11527:10 11528:19,21 11529:6,8,10 11536:25,27 11537:5,8,10, 15,28 11538:10,21,27 11544:1 11550:12 11558:16 11559:3 11560:11 11561:10, 11 11565:4 11568:26 11587:6 11589:26,28 11590:8,11,12 11593:20 11594:20,23 11595:1,4,7,14 11598:8 11602:9
decisions 11504:13 11579:16 11593:1	deltas 11561:25	desire 11505:3 11511:10	
decline 11435:2 11457:18 11486:14,15 11487:20 11496:11 11521:2 11555:28 11556:17 11572:1	demand 11400:16 11404:14 11426:23 11435:28 11447:10 11456:27 11457:25 11461:16,25 11471:8,23 11472:8 11486:5 11488:12,15,16,18 11494:19 11503:9 11546:5 11557:9,12 11559:5,8,22 11561:13 11567:6 11570:25 11571:5 11572:15	destination 11435:1 11518:21 11579:12	
declined 11487:24 11521:18 11571:21	demonstrate 11421:6	destruction 11460:14	
declines 11509:10 11571:26	demonstrated 11450:5 11522:5	detail 11596:25	
declining 11456:21,22 11539:7,20 11556:9 11557:12 11559:28 11581:7, 8	demonstrating 11560:18 11561:1	detailed 11587:22	
decrease 11434:21 11469:27 11485:16,24 11486:25 11487:10 11537:14 11540:14 11561:14 11564:8 11593:15	denominator 11484:28	determination 11525:2	
decreased 11525:11,28	Denver 11581:27	determine 11428:15 11435:12 11493:6 11517:23 11518:4 11521:6 11526:17	
decreasing 11485:26	deny 11462:15	determined 11446:27 11491:26 11588:11 11593:3 11596:20	differentials 11410:5 11431:15 11435:28 11436:2, 8,26 11438:3,26,28 11439:3, 17 11440:13,19 11441:5 11442:18,25 11443:16 11444:5,9 11447:12 11449:24 11450:25 11451:9 11452:21 11455:17 11456:28 11457:2 11460:18, 20,28 11464:19 11465:24 11467:10,26 11469:25 11470:7,11 11471:7 11472:24,28 11473:4,10 11478:22 11481:21 11485:18,24,26 11486:2 11487:16,26 11490:23,27 11494:23,27 11498:10 11500:24 11508:22 11524:16 11543:25 11548:26 11551:5 11555:27 11556:5,12 11558:9,20 11566:4 11581:13 11582:20
dedicated 11492:13	department 11526:11 11543:1	determining 11477:20 11524:20 11587:6	
deep 11440:26 11452:28	depend 11462:11	developed 11516:8	
defeat 11455:6	dependent 11437:28 11460:20 11470:22,24,25 11541:19	developing 11425:22,25 11442:28	
deficit 11408:9,10 11447:7 11449:26 11450:2,8 11459:16 11495:6	denominator 11484:28	deviate 11441:6	
define 11510:9	deny 11462:15	diesel 11487:2 11541:20,23	
defined 11502:1	department 11526:11 11543:1	dietary 11587:28	
degradation 11481:24	depend 11462:11	differ 11404:5	
degradations 11485:7	dependent 11437:28 11460:20 11470:22,24,25 11541:19	differed 11411:2	
degrade 11482:1 11490:10	depending 11434:27 11462:11 11484:2 11569:27	difference 11395:17 11396:17 11397:3,21 11398:6 11409:9 11426:1 11437:19 11440:11,21 11443:23 11444:2,13,14 11446:20 11448:27 11459:8 11483:23 11490:20 11507:24 11510:13 11518:27 11520:25 11522:6, 8,10 11537:24 11556:13,14	
Delhi 11583:7	depends 11483:25 11543:5, 10 11551:11	differences 11397:25 11402:4 11408:28 11409:6 11421:3 11425:21 11600:15	differently 11410:11 11442:2 11589:23
deliver 11446:10 11455:27, 28	depool 11519:6,9 11528:16, 25 11588:26	differential 11399:20 11436:20,21 11437:1,4,7,12 11438:5,11,13 11439:9,10, 13,23,24,25,27 11440:1,5,7, 11,23 11441:17,22,24,26 11442:3,5 11443:19,22,27 11444:1 11445:23 11448:11, 19 11449:3,13 11453:11 11454:11 11457:15 11469:22 11471:21 11472:8, 10 11482:21,25 11484:17 11485:17 11486:16,26 11487:10 11490:24	difficult 11399:17 11403:15 11405:9,20 11412:15 11417:14 11425:8,13 11465:12 11466:20,24 11548:13 11590:2
delivered 11448:23 11455:6 11460:19 11484:18 11504:17 11559:26 11561:24 11581:27	depoiled 11528:8 11591:1,3	difficult 11405:2 11475:4, 11	dime 11396:5,6 11563:20
deliveries 11453:14	depooling 11415:17 11521:24 11525:17 11528:10,28 11590:19,23 11591:21,23 11592:19 11593:1,3,14,18	difficulty 11405:2 11475:4, 11	dimes 11494:6
delivering 11452:11 11453:12 11456:8 11518:21	depress 11557:12	diminished 11404:4 11406:3	
delivery 11447:6 11450:12, 19 11452:6 11453:4	deregulation 11456:21 11460:12	direct 11393:16 11430:20 11438:4 11444:23,24 11456:7 11461:19,22,24,26 11462:25,27 11463:8 11475:13 11488:27 11515:2 11532:4 11554:26 11556:20 11578:19,22 11579:7 11586:1	
	derivation 11394:16		
	derived 11562:10		
	description 11417:13 11499:15		
	designated 11516:6		



directed 11450:9	disproportionately 11567:2	dollars 11405:28 11431:16 11537:2	dynamics 11564:1 11591:26
direction 11472:18 11600:21	disruption 11480:18,20	domino 11481:25	<hr/> E <hr/>
directly 11487:13 11527:20 11578:25	distance 11400:21 11408:12 11427:4 11518:19 11542:19, 25 11549:17 11581:20	doors 11556:27	e-mail 11552:18
director 11515:23 11516:12	distances 11403:28 11579:10,13	dot 11436:23 11535:1	earlier 11396:3 11405:25 11423:9 11431:28 11432:10 11445:5 11457:6 11499:15 11503:12,14 11522:5 11524:21 11533:2 11540:13 11541:12,21
Directors 11516:10	distant 11542:20	double 11467:9,27 11541:26	early 11605:22 11606:2
directs 11477:13	distinct 11596:1,6 11599:10	double-dipping 11467:15	earn 11535:19
disadvantage 11504:9 11522:26 11558:27 11561:10 11581:17 11582:9	distressed 11564:15	doubling 11590:12	easier 11403:12 11424:26, 27
disadvantageous 11505:14, 15 11506:8	distribute 11535:12 11547:10 11553:18	doubt 11589:27	easiest 11436:22
disadvantages 11598:9	distributed 11531:10 11532:7 11535:10	doubtless 11456:22	east 11542:23 11582:5
disagree 11475:15 11487:22	distributed 11534:25 11558:25	dozen 11530:25,26	Eastern 11390:4 11440:14 11605:11
disappear 11489:24	distributes 11534:25 11558:25	drag 11503:17	echo 11527:26
disassociated 11438:15	distributing 11443:5 11501:14,18,20,28 11519:4 11522:12,18,27 11531:8 11589:1,5,7,16 11590:3,23, 26 11598:10 11602:19	dramatic 11540:15	echoey 11527:25
disconnect 11442:7	distribution 11402:28 11403:5,21,24 11404:1,13, 26,28 11414:17,22,28 11415:10,11,12 11534:19 11543:16 11547:4 11556:20, 21,22 11578:7,8,9,18,20,23, 27 11579:1,9 11594:15	dramatically 11525:11	econometric 11473:14
discuss 11485:19 11604:18	distributions 11395:26	dried 11598:7	economic 11405:15 11446:13 11449:16 11460:21,23 11461:15 11477:12 11485:4 11500:28 11527:23 11562:13 11589:21
discussed 11413:9	distributor 11536:6,13 11544:28	drink 11600:2	economically 11491:19 11588:26 11589:10
discusses 11461:1	diverse 11587:21 11592:6	drive 11439:12 11487:4 11530:28 11545:6 11546:20 11549:7,16 11556:19 11559:7 11578:6	economist 11606:23
discussing 11391:23 11471:8 11473:6 11568:21 11605:3	diversions 11448:14	driven 11466:10 11550:10 11568:23,24 11581:5	economy 11468:14
discussion 11407:1 11412:28 11442:24 11444:26 11451:23 11509:22 11514:4 11531:12 11548:12 11579:22 11594:2 11604:28 11606:13	diversity 11598:15	drivers 11579:24	effect 11436:7 11438:12,21 11439:2 11442:18 11454:27 11463:21,23 11470:10 11561:13 11593:5
disdain 11454:25	diverted 11564:17	drives 11551:20 11578:17	effective 11417:1,6 11446:23 11559:10,14 11595:15
disguised 11456:23	divided 11550:27 11573:23, 26,27	driving 11439:12 11527:18 11539:13 11540:9	effectively 11446:24 11454:18
disincentivize 11447:6	divides 11431:16	drops 11487:2,3,4	effectiveness 11451:18
dismisses 11450:3 11452:9	divine 11461:27	drug 11539:26	effects 11401:8 11450:4
disorder 11446:26	document 11423:4 11606:11	dry 11561:27,28 11562:11, 13,24 11564:13,20,23 11570:7	effort 11421:10 11515:8
disorderly 11445:11 11454:17,28 11456:18 11483:14 11485:5,9,13 11498:14 11519:2 11590:9 11598:5	documented 11398:26 11458:10	DSD 11535:22 11578:7	eggnog 11534:14
disparity 11522:28 11589:19,24	documents 11394:13,18 11430:23 11554:12	dual 11396:11 11411:18,19	elaborate 11577:5
dispersed 11420:7	Doelman 11598:12	due 11519:15 11521:26 11525:12,13 11528:4 11556:10 11557:11 11559:22 11562:20 11570:25 11596:6 11607:2	elastic 11540:12
dispersion 11470:23	dog 11392:23	duly 11514:17 11532:2	elasticities 11438:20,23
display 11430:15	dollar 11426:15 11520:9	dumb 11461:27	elasticity 11540:11,12
disposed 11503:25		dump 11395:24	
disposition 11564:19		duration 11465:17	
		duty 11462:1	
		dwelt 11605:6	
		dynamic 11572:20,23,26,27	



elect 11449:21	enormous 11445:16	essentially 11478:22 11492:9	excess 11522:12,14 11557:10 11587:9,11
element 11453:15 11455:1	enormously 11390:26	establish 11594:12	excessively 11398:27
elements 11410:4 11453:19, 20 11465:22	ensure 11462:2 11477:25 11478:13,14 11481:5 11491:26 11495:18	established 11411:11	exclusively 11525:7 11578:21
elevate 11571:6	entered 11496:18 11583:14	establishes 11498:23	excuse 11416:25 11424:26 11432:21 11435:5 11437:6 11440:24 11443:21,28 11445:18 11447:11 11458:17 11460:5 11468:22 11479:5 11481:22 11505:10 11527:8 11602:12
eligible 11528:25	enticing 11425:7	establishing 11459:12 11518:25 11596:10	executing 11516:14
eliminate 11446:13 11447:12 11455:8 11456:20 11464:18 11496:24 11497:1	entire 11413:17 11491:22 11501:16 11570:14	establishment 11533:13	executive 11443:12
eliminated 11447:11	entirety 11462:16 11605:15	estimate 11472:13,16 11537:23	exhibit 11392:18,20,23 11393:2,5,7,9,10,11 11394:19,22,24,26 11395:27 11396:26 11402:11 11406:16,17 11407:16 11409:20 11418:8 11421:17, 18 11427:12,13,14,16,21,22, 23,25,28 11428:1,2,4,7,8,9, 11 11429:10,12,14,16,20,22, 27 11430:4,9,19,26 11431:2, 3 11432:11 11433:3,4,5 11434:11 11435:22,24 11438:22 11442:20,21 11443:13 11444:18 11445:3 11448:6 11450:5 11456:17 11458:1 11469:19 11470:6,9 11471:11,12,14 11472:1 11473:14 11476:15 11499:9 11500:18 11501:26 11502:12 11506:24 11507:11 11508:27 11512:10,11,12,14,17,18,19, 21,24,25,26,28 11513:3,4,5, 7,10,12,14 11514:6,20,22,24 11515:13,14 11517:9 11529:19,21,22 11530:5,16, 18 11531:17 11532:10,12 11533:26 11552:26 11553:1, 2,3,5 11554:16,18,22,24 11555:19 11560:6,7 11570:22 11572:9 11573:14 11576:21 11583:17,18,20, 24,25,27 11585:13,25,27 11586:14 11603:24,26,27,28 11604:2 11606:9
eliminates 11448:21 11595:13	entity 11521:28 11522:2 11537:27 11571:12	estimates 11420:2	exhibits 11392:14 11418:1 11420:13 11427:10 11429:8 11443:4 11445:15 11447:10
eliminating 11456:28 11525:9	entrusted 11498:27	estimation 11405:10 11496:12	
elimination 11523:4	enumerate 11445:13	evaluate 11523:15 11524:6	
Elmhurst 11597:11,22	enumerated 11467:6	evening 11604:20	
Elmhurst's 11597:8,27 11598:1	environment 11498:28 11511:11	events 11439:4	
embraced 11446:3	envision 11485:23 11523:3	eventuality 11456:16	
emergence 11596:16	envisioned 11456:4	eventually 11459:2 11465:5 11580:17	
emerging 11596:7	envy 11550:3	Everybody's 11604:25	
emphasis 11481:14	equal 11397:19 11415:11 11449:15 11460:2,3 11473:12 11480:10 11484:27 11486:15 11491:18 11494:1 11495:7 11497:7,10 11505:23 11539:11	evidence 11415:14 11427:12,15,17,21,24,26,28 11428:3,5,7,10,12 11452:4 11457:27 11470:10 11483:28 11512:10,13,15, 17,20,22,24 11513:1,3,6,8, 10,13,15 11529:21 11530:17,19 11552:27 11553:1,4,6 11583:14,16,19, 21,23,26,28 11600:6 11603:26 11604:1,3	
employed 11515:23 11555:7,10	equally 11494:26	evident 11512:27	
enabling 11461:3	equals 11494:17	evolution 11480:25	
enacted 11563:26 11565:23	equates 11576:7	exacerbate 11448:3 11525:16	
encourage 11447:4 11455:5,24 11495:15 11590:13	equation 11550:18	exact 11471:2	
encouraged 11455:15	equipment 11542:3	examination 11393:16 11424:7 11430:20 11463:9 11515:2 11532:4 11552:1 11554:26 11586:1 11603:1	
encourages 11449:25 11495:5	equitable 11415:9,12 11587:5	examined 11392:12 11429:5 11514:17 11532:2 11554:10 11585:19	
Encouraging 11517:24 11598:15	equivalent 11400:6 11507:26 11542:9 11570:12	exceed 11593:22	
end 11390:19,22 11403:16 11407:25 11415:1 11481:25 11490:5 11507:21 11528:17 11546:23 11570:24 11600:4	Erin 11426:7	exceeded 11520:3,5,17	
ended 11605:22	erode 11482:1,2	exceeds 11556:2	
ending 11436:10,18	error 11396:23	Excel 11392:25,26	
ends 11605:17	escalating 11450:4	excellent 11531:1 11598:27 11604:6	
energy 11596:3	ESL 11556:23,25 11558:24 11576:27 11577:2,27 11578:10,16 11580:11,17 11581:20		
engage 11415:5	espousing 11454:27		
engaged 11515:21 11516:5	essence 11437:26 11449:1 11466:13 11479:1 11483:18 11508:12		
enhance 11446:27			
enjoyed 11584:6			



11512:7 11583:13	extend 11579:5	11441:14 11464:26	11523:5,10,12 11524:19
exist 11418:14 11439:2	extended 11556:23	11465:14 11484:6,14	11525:10 11528:3 11529:2
11442:19 11451:24	11578:10 11579:25 11599:6	11525:5 11530:27	11558:17,20,26,28 11559:1,2
11459:21 11465:18	extent 11414:19 11488:3	fall 11400:17 11434:20	11560:19 11561:1,9
11498:15 11520:22	11506:7 11571:15	11480:26,27 11484:27	11572:19 11573:24
existed 11420:23 11521:25	extra 11425:1 11578:20	11592:4	11580:25,27 11581:1,4
existent 11484:4	11606:1	fallen 11571:15	11595:8 11605:4,5
existing 11464:6	extraordinary 11415:18	familiar 11519:10	Federation 11471:11
exists 11519:6 11556:18	eye 11438:18	fancy 11586:23	11516:1 11518:1 11526:20
11589:24		fare 11490:6	11606:24
expand 11528:22 11548:28	F	farm 11400:11 11411:20	Federation's 11588:23
11549:19		11434:23 11472:14	Fedex 11606:19
expanded 11596:8	face 11405:16	11473:15,21 11491:5,7	feed 11477:13 11596:22,25
expect 11390:15,21	facilitate 11596:15	11518:1 11524:14 11526:19	11597:20 11603:9,10
11401:26 11440:12,18	facilities 11523:4 11533:7	11541:13 11562:22	feeding 11587:27
11441:28 11499:28	11557:3 11558:2,26,28	11588:22 11596:16 11598:7	feeds 11461:15
expected 11593:22	11561:8	11606:16,24	feel 11438:17 11536:17
expedite 11515:8	facility 11536:10 11558:17	farmer 11449:8,20 11456:21	11544:21
expenditures 11546:24	11581:16	11461:21 11477:17,18,27	fell 11457:23
expense 11562:17 11580:22	fact 11415:21 11442:7	11491:12 11504:22	felt 11525:24
expensive 11451:28	11447:5 11449:17 11453:6	11505:13 11544:24	fifty- 11474:11
11459:14,17 11488:14	11454:16 11455:14	farmer-to-plant 11478:28	fight 11532:19
11549:23 11558:14	11456:24 11465:6 11466:19	farmers 11411:21 11446:1,9	fighting 11456:12 11479:17,23
11580:19,22	11470:14,27 11474:7	11452:23 11455:25,28	figh 11485:6
experience 11465:9,20	11479:8 11483:20 11485:12,19	11456:8,11,13 11458:20	figure 11407:15 11550:26
11468:4 11493:11 11497:16	11485:12,19 11519:7 11540:19,24	11459:22 11468:11	figured 11481:4
11502:25 11533:1 11541:15	11540:19,24 11567:3 11582:4 11586:15	11473:21 11477:25,28	file 11605:10,25 11607:2,3
11582:10 11584:5	factor 11437:27 11491:25	11479:16,22 11491:19	filling 11605:7
experiences 11464:23	11492:27 11519:28	11497:17 11498:6 11504:19	filling 11531:2
11554:8	11527:18 11566:21,27	11517:24 11521:26 11539:5	filters 11508:22
experiencing 11494:16	11569:17 11570:16	11542:11 11557:9 11596:12,20,21	final 11425:8 11492:5
11556:9	11582:17	farmers' 11478:8 11603:17	11508:15 11531:4 11595:11
expert 11470:28 11543:1	factored 11465:24	farming 11446:4	11596:10
11587:1 11599:13	factors 11438:10 11459:24	farms 11415:28 11492:16	finally 11393:9
expertise 11599:25	11461:12,14 11477:12	fast 11435:26 11551:18	financial 11491:4 11562:18
expire 11579:4	11484:21 11485:18 11503:8	fat 11431:20 11566:9,24	11565:25
expires 11580:3,4	11550:2 11570:2,5,8,14	11567:2,4,26 11588:12	financially 11518:9
explain 11394:15 11399:23	11571:28 11582:26	federal 11402:23 11415:3	11529:27
11432:14 11435:23 11451:1	facts 11459:6,7 11588:20	11416:12,22,25,28 11417:5,9,13	financially-sound 11539:16
11499:13 11544:22,25	fail 11461:9 11462:7	11425:23 11431:5	11549:26
11572:18	failed 11597:1	11432:28 11433:2 11434:18	find 11415:28 11419:18
explained 11402:16	fails 11459:5 11461:8	11445:17 11447:2 11448:5	11497:17 11500:6 11545:14
11591:26	failure 11464:7 11502:27	11453:28 11454:26	11551:17 11552:5,13
explanation 11394:20	failures 11459:25,26	11457:19,26 11458:28	11553:11 11557:10
11418:2 11474:28	faint 11552:8	11459:28 11460:10,14,15,22,27	finding 11507:15
explicitly 11588:6	fair 11407:17 11412:16,18	11466:3,11,18,22	findings 11607:3,6
exports 11539:12	11422:20 11425:12 11439:6	11467:20 11471:7 11478:3	finds 11461:12
expressed 11517:14,16	11467:26 11469:9 11470:1,5,16	11481:1,10 11484:8,26	
	11471:3 11475:13	11490:8,18 11495:14,26	
	11477:6 11478:16,17	11496:2,24 11497:1,4,14,19,26,28	
	11496:25	11498:5,13,19,22,24	
	fairly 11406:3 11421:5	11507:20 11509:25,28	
		11510:1 11516:8,16,18,19	
		11517:4,6,27 11519:2	
		11520:15,27 11521:3,5,10	



fine 11468:3	follow-up 11552:3	frequent 11505:10,11	gave 11515:11
finish 11390:12 11604:27	food 11492:9 11505:1 11588:1	fresh 11517:21,26 11518:3, 14,24,27 11519:1 11524:23 11527:22	general 11468:13 11532:23 11551:5 11557:24
finished 11563:1 11582:7	Foods 11391:13 11469:4 11517:18 11531:6,19 11534:16,21 11535:8,9 11536:9 11583:12 11596:9	fresher 11407:14	generally 11418:4 11427:3 11433:24 11453:26 11455:12 11465:11,28 11467:19,21 11468:1 11504:11,18 11508:19 11550:18 11579:13 11589:1
fitting 11437:15	foodservice 11579:6	friend 11402:12	generate 11477:2,3 11478:3, 12 11522:12
five- 11584:23	footnote 11443:4 11586:12	Friendship 11583:6	generated 11495:14 11519:3
five-minute 11584:20	force 11462:3 11483:19 11484:21 11516:7,18,22 11517:15 11524:27 11525:23 11546:7	front 11514:6 11585:16,21	generates 11587:12
fix 11461:11,17,18 11462:1, 8,14 11477:10,14	forced 11557:1 11602:17	frozen 11587:25	gentleman 11428:21 11514:7 11531:20
fixed 11466:13 11577:7,10, 16 11597:26	forces 11486:5	fuel 11484:2 11487:2 11596:3	genuine 11464:22
flagged 11414:15	foreseeable 11480:13	fulfilling 11548:4	geographic 11417:8 11442:6
flat 11434:6	forget 11476:15	full 11422:26 11517:9	geography 11417:1
Florida 11407:28 11408:11 11440:7 11441:1 11583:5	forgotten 11576:25	fully 11521:28 11522:19 11589:4,5,16	Georgia 11441:1 11463:20, 22 11464:10
flow 11546:24	form 11395:20 11445:21 11452:19 11466:19 11482:26 11518:17 11546:25	fully-regulated 11519:4	Giles 11391:14 11466:26 11531:7,22 11532:1,6 11536:28 11541:8 11553:7
flows 11411:17 11449:10,11	format 11392:26 11549:21 11551:11 11588:1	function 11424:25,27 11485:12	Giles' 11541:3
fluid 11399:2,18 11400:18, 22 11401:12 11404:7 11405:6,8,9,19 11406:1 11407:24 11409:27 11416:26 11418:20 11419:20,22 11425:1,3 11426:23 11452:20 11457:21,25 11463:22 11468:4 11469:22 11472:8 11478:15 11488:1,3 11491:27 11496:7 11505:6 11506:9 11534:12,13 11537:25 11539:8 11556:3, 20 11571:14,20,25 11578:7 11580:13 11587:7,11,13,14, 15,19,23 11588:1,9,10,21 11589:12 11590:1 11595:21 11597:12	formats 11540:8,23 11549:19 11559:25	fund 11520:19,28	gillions 11439:10
flush 11408:19,23,28 11409:18	forms 11587:27	fundamental 11538:8	give 11401:15 11402:27 11425:2 11471:10 11483:26 11484:13 11538:4 11545:23 11550:14 11565:17 11570:19,28 11582:20
FMMO 11447:28 11456:19 11477:26 11519:14 11539:4 11588:15,16 11589:6,26 11590:26,27 11591:9,11,14, 16,20 11593:2,4,7 11596:17 11597:2,17	formula 11562:25 11565:1 11569:8,19,20 11570:12 11575:11,16,17,18 11576:14	Fundamentally 11595:27 11597:28	glad 11544:21 11554:7 11584:7,14 11604:12
FMMOS 11455:7 11461:4 11476:27,28 11497:17 11506:2 11589:22 11593:9 11594:11 11596:15	formulas 11466:7 11524:7 11525:4 11526:16 11563:13 11564:6,9 11565:24	funds 11596:13	global 11560:2
focus 11410:19 11469:12,18 11471:16	formulate 11562:8	future 11523:10 11524:8 11528:19	goal 11528:5
focused 11417:2,7 11491:23	formulation 11565:21	G	good 11390:11,16 11391:6 11392:28 11393:18,19,21,28 11398:24 11407:11 11413:5, 6 11417:24,25 11422:19 11425:18 11430:14,22 11440:21 11469:3,5,6 11476:18 11499:7,8 11506:21,22 11514:11 11515:4 11527:3,4 11530:4, 20 11532:6 11541:8,9 11542:26 11544:17,18 11548:3 11553:16,20 11567:13,14 11572:7 11573:12,13 11580:18,21,23 11584:5 11585:3 11598:23 11604:24,25 11606:25
folks 11541:13	formulations 11590:15	G-A-L-B-R-A-I-T-H 11392:1 11554:1	goods 11533:9 11582:23,24
follow 11446:6 11456:19 11457:26 11461:6,8,9 11462:15 11488:2 11551:3	forum 11539:23	G-I-L-E-S 11531:7,22	
	forward 11569:9 11592:23 11598:28	gain 11433:26,28	
	found 11397:3 11406:16 11418:3 11457:8 11507:16 11540:11 11543:25 11588:17 11597:22	Galbraith 11391:16 11553:14,28 11554:9,28 11560:4 11567:13 11573:12 11584:4	
	foundation 11569:6	Galbraith's 11391:27 11586:13	
	four-month 11474:24	gallon 11436:25 11437:8 11438:14 11457:10 11458:3 11466:13 11487:3 11537:25 11538:22 11540:17 11542:6, 7 11549:7 11550:14,16,19 11571:24	
	fourth 11525:18 11561:16	gallons 11543:3	
	frankly 11602:17	game 11475:13	
	free 11530:20 11559:4 11572:13	gamut 11464:26	
		gappy 11557:28	



Government 11594:26	guess 11414:12 11433:5 11476:18 11499:20 11524:8 11526:1 11528:9 11532:17 11541:28 11542:18 11555:1 11578:14 11586:17	happening 11570:11 11591:21 11592:16	helps 11546:26 11558:4
grab 11570:18	guessing 11426:22	hard 11452:20 11458:14 11507:15 11532:8 11545:14	Henry 11470:28
graciously 11515:10	Gustine 11583:4	hard-to-get 11558:10,13	Hereford 11433:14
gradations 11440:4	guy 11567:7,16 11576:18 11584:7	harder 11488:8,19	hey 11450:21
Grade 11446:21,22 11452:27 11453:10,15,24,25 11459:9 11491:3,4,5,7,21, 23,25,27 11492:7,9,11,13, 16,17,21 11569:13,22	guys 11542:10	harmful 11450:4	high 11406:11,20,23 11407:27 11423:4,15,22 11434:9 11442:3,5 11454:21 11457:12 11464:27 11465:1, 2,4,15 11470:11 11482:14 11484:14,20 11485:1,7 11496:5 11503:16 11508:28 11511:10 11518:12 11559:7, 18 11566:15 11571:5 11580:10 11582:6 11596:12 11597:21 11602:22
gradient 11433:17 11435:7 11450:1 11509:15	<hr/> H <hr/>	harms 11434:24	higher 11405:8 11419:27 11438:5,26 11440:22,23,25, 27 11441:22,23,24 11451:9, 12 11457:10 11458:2 11465:6 11475:26,28 11479:17,23 11494:27 11508:28 11517:25 11518:25 11556:12,24 11558:8,9 11559:27 11561:7 11569:5 11572:22 11579:28 11580:8 11596:27
graph 11436:16 11437:10 11474:22	H-E-B 11533:4	hate 11438:17	higher-of 11448:17
graphical 11415:14	half 11404:16 11433:6 11466:13 11474:26 11522:16 11534:14 11543:10 11562:1,4 11566:5,11 11569:5 11587:24	hauling 11446:19 11450:4 11451:22 11452:5,10,13	higher-paying 11456:12
gray 11397:18 11407:19	halfway 11572:11	have3 11534:6	highest 11405:14 11426:21 11434:2 11438:7 11440:7,13 11448:24 11456:1 11565:2
great 11392:3 11395:1 11396:15 11422:17 11479:8 11523:1 11545:9 11559:15 11604:22	Hancock 11391:6 11407:10, 11 11412:24 11424:14 11429:7,9,12,18,24 11430:1, 6,11,14,16,21 11444:23,25, 27 11445:2 11462:19,22,27 11463:4,7,10,11 11468:18 11475:6,7,17 11512:5 11513:16,26 11514:20,24,28 11515:3 11523:24 11529:16 11530:13 11531:3 11572:6,7 11573:2	header 11574:19	highlighting 11602:7
greater 11397:16,18 11408:3,6 11409:11 11509:3,4,5 11558:26 11561:15 11581:17	hand 11425:5 11458:24 11461:25	heading 11555:23 11560:9	highly 11399:12 11447:17
greatly 11436:25 11556:2	handful 11405:1	headquarters 11533:15	highs 11421:16,21,23
green 11397:17 11398:11,14 11404:19 11407:18,23 11408:2 11409:13,16,26 11419:25 11424:22 11538:26	handle 11424:28	heard 11438:19 11464:17 11466:2 11467:3,7 11481:27 11495:21 11507:2 11510:17 11525:22 11526:6,21 11536:4 11542:13,28 11552:7 11586:16	Hiland 11533:16
grill 11600:11	handler 11446:25 11454:19, 28 11455:3,4,21,22,23 11456:10,24 11478:23 11479:1,7,15 11483:18 11509:23 11510:16 11511:2, 7,11 11519:4 11593:2	hearing 11390:5,22 11406:16 11413:10 11421:18 11422:11 11431:9 11435:27 11438:19 11442:24 11450:20 11451:23 11452:5 11458:15 11469:18 11470:5 11471:12, 13 11472:1 11474:18 11491:8 11495:21 11515:7 11516:11 11517:6 11523:10, 14 11528:19 11532:10 11536:3 11541:12 11547:18 11552:26 11554:16,21 11555:19 11560:6 11583:13 11586:7 11587:2 11599:14, 27 11605:7,11,22	historically 11415:23 11417:9 11524:16 11587:20
groceries 11534:26 11536:6 11543:7 11545:8 11547:11	handler's 11572:28	hear 11466:5,26 11473:26 11475:8 11509:23 11547:1	historical 11503:12
grocery 11443:10,26 11444:16 11533:5 11534:18, 22 11536:5,7 11539:27 11540:2,22,26 11542:27 11543:19 11544:23,27,28 11545:1,8,20,26 11547:8 11549:2 11550:28	handlers 11417:10 11468:5 11479:13 11501:6 11593:13, 18 11594:16 11595:15,19	heard 11438:19 11464:17 11466:2 11467:3,7 11481:27 11495:21 11507:2 11510:17 11525:22 11526:6,21 11536:4 11542:13,28 11552:7 11586:16	historically 11415:23 11417:9 11524:16 11587:20
group 11390:17 11402:17 11437:7 11443:6 11445:7 11476:24 11516:22 11517:15,18 11585:4	handlers' 11597:16	hearing 11390:5,22 11406:16 11413:10 11421:18 11422:11 11431:9 11435:27 11438:19 11442:24 11450:20 11451:23 11452:5 11458:15 11469:18 11470:5 11471:12, 13 11472:1 11474:18 11491:8 11495:21 11515:7 11516:11 11517:6 11523:10, 14 11528:19 11532:10 11536:3 11541:12 11547:18 11552:26 11554:16,21 11555:19 11560:6 11583:13 11586:7 11587:2 11599:14, 27 11605:7,11,22	history 11415:8 11458:15 11484:18 11495:12 11593:26 11595:24
grow 11557:19 11596:14	hands 11462:6	heart 11596:4	hit 11454:21 11457:12
growing 11559:20	hang 11538:6	heavily-surplus 11408:15	hold 11398:3 11504:22 11507:15 11546:23
growth 11536:19 11537:17, 19 11556:10 11598:15	happen 11395:8 11439:4 11502:10 11541:15 11551:15	heavy 11534:15 11580:10, 13	holidays 11592:13
guarantee 11445:20 11447:18 11476:28 11477:1, 7,16 11479:8 11484:26	happened 11418:12	hedge 11577:21	home 11540:9
guaranteed 11477:17,18 11478:2		held 11444:26 11532:27	hone 11471:9



honest 11576:25	11565:24 11575:16,18 11587:17,26 11592:10	11593:10,14,18,20,21 11598:8,9,11 11601:23,24 11602:9,10,13	importance 11488:7
honor 11390:11,28 11391:19 11392:16,25 11393:4,15 11406:25 11407:4 11424:6 11426:6 11427:9 11428:13 11429:10 11430:16 11463:10 11468:18 11475:7 11476:10 11499:2 11512:6 11513:17, 26 11514:28 11523:25 11529:18,23 11531:3,25 11533:28 11534:7,11 11552:26 11553:9,14 11554:4,13 11567:9 11584:1,19 11585:3,10,24 11586:18 11598:25 11601:11 11602:28 11604:4	Idaho 11400:26 11421:8 idea 11398:24 11402:27 11408:27 11418:26 11420:21 11491:11 11525:22 identical 11424:16 11432:5 11433:7 11444:12 11449:11 11451:5 11497:21,22 11510:12 11589:23 11600:5 identification 11392:21 11393:3,8,12 11429:17,23, 28 11430:5,10 11514:23 11532:13 11554:19,25 11585:28 identified 11406:15 11501:17,22 identifies 11586:13 identify 11394:18 11395:2 11396:8 11398:6 11429:7 11430:23 11476:21 11531:16 identifying 11516:20 identity 11590:16 IDFA 11406:16 11553:1 11560:6 IDFA-1 11421:17 11423:1 IDFA-EXHIBIT 11532:9 11554:15,21 11583:16,23 ignore 11462:13 11497:15 ignores 11446:16,18,20 11459:23 II 11410:25 11411:9 11448:16,20 11516:23,28 11517:5,23,28 11518:12 11519:3,7,9,14,28 11520:2, 4,17,20,23,26 11521:2,9,11, 13,21 11522:1,3,4,6,18,19 11523:1,3,9,16,20 11524:5, 16,20 11525:24 11527:10, 14,19,20,25 11528:2,8,19 11555:17 11560:11,14 11561:13 11562:2,3,12,16, 23,25 11563:8,14 11564:9, 22,24,28 11565:4,10 11566:3,6,19,27 11568:17, 26 11569:7,19 11573:28 11574:1,3 11575:22 11577:13 11587:6,7,10,14, 15,16,18,19,21,22 11588:4, 6,8,20,25,27 11589:9,13,18, 21,22,26,27 11590:3,4,8,11, 12,14,17,19,20,21,22,27,28 11591:1,2,10,11,12,15,20, 23,28 11592:6,12,15,16	III 11393:23 11396:18 11397:16,18 11400:15 11402:21,25 11403:21 11404:1,10,12,18 11405:1,6 11408:4 11409:9,23 11410:20,22,25,27 11411:2, 5,8,10 11414:11 11426:2,15 11427:1,2 11446:10 11448:28 11449:11,23 11451:3 11488:9,17,20,26 11507:27 11519:18 11520:2, 3,5,17,24 11524:18,19 11555:17 11557:11,13,14 11564:10,11,22,24 11565:1 11573:19,23,24 11588:7 11601:23,24 III/IV 11449:14 illegal 11460:25 illogical 11567:5 illustrated 11591:2 illustration 11519:12 imagine 11485:25 imbalance 11459:21 immediately 11464:2 immune 11468:13 impact 11398:1 11411:21 11424:23 11432:25,28 11435:28 11438:4,10 11442:16 11450:11,18 11451:9,15 11452:14 11464:8 11472:8 11473:6 11474:8 11495:3 11555:26 11557:26 11566:3,4,16 11579:20 11580:12 11588:21 11589:27,28 11590:8 11592:9 impacted 11452:10 11464:4 impacts 11434:4 impermanence 11458:17 impertinence 11458:16 impetus 11565:17 implemented 11558:8 implementing 11564:8 implication 11441:9,11 11442:24,27 11472:26 11511:4 implications 11459:4 11511:1,6,8 implying 11415:15	important 11404:22 11410:26 11444:6,8 11451:25 11455:1 11459:24 11469:17 11490:5 11492:20 11587:7 11595:18 11599:6 Importantly 11445:20 11588:3 impose 11395:15 11398:21 11418:17 imposing 11498:24 impossible 11466:20 11497:15 11523:15 improperly 11447:8 11456:27 11487:16 improve 11452:13 improvement 11447:3 11506:10 inartfully-worded 11477:5 incapable 11498:18 incent 11453:22 11556:15 incentive 11410:10,17 11424:10,11,15,21 11434:22,25 11435:2,4 11448:22 11449:16 11450:6, 7 11451:17 11453:13 11458:6 11460:21 11465:7 11480:28 11491:4 11493:25 11502:13,16,24 11509:9 11517:13,21 11518:2,28 11519:9 11598:6 incentives 11446:13 11451:16 11460:18,23 11519:14 11578:15 incentivize 11410:2 11453:13 11459:10,15 11518:13 incentivizing 11410:5 inches 11390:27 incidence 11432:27 incidences 11445:25,26 11446:2 11448:8,9,13 include 11461:14 11494:5 11526:2 11563:15 included 11410:24,25 11443:9 11501:24 11502:6 11516:10 11522:19 11590:27 11607:4 includes 11563:22 11587:21,23 11588:4,6 11589:6 including 11443:9,25
I			
I-S 11530:7			
i.e. 11587:19 11588:15			
ice 11522:17 11525:6 11533:8,9 11563:12,13			



11444:15 11477:12 11587:26,28 11589:18 11595:17 11596:25	indicating 11408:9 11524:22 11592:24	initially 11436:11	interrupted 11534:9
income 11456:21	indicative 11439:18	innovation 11390:17 11476:23 11517:18 11585:4 11598:11,14	intersection 11437:2
inconsequential 11450:5	Indirectly 11580:11	inputs 11596:3,20 11603:7, 18	interval 11414:7
inconsistencies 11500:5	individual 11417:2 11432:15 11446:25 11454:19,28 11455:3,22,23 11456:7,10, 24 11478:22 11479:1,7,15 11483:11,16,18 11491:12 11493:21 11509:23 11510:16 11511:2,7,11	inquiry 11485:21	intervening 11439:4
inconsistent 11441:20 11499:27 11536:18 11543:23,26 11544:3	industry 11399:6,9,12 11401:25 11405:23 11411:18 11412:5 11418:25 11420:23 11461:1 11462:10 11497:4 11503:2 11533:1 11536:3 11539:16,18 11549:26,28 11559:11,15 11594:15 11595:8 11598:16, 19	inserted 11443:1	intra- 11487:17
incorporate 11563:13	inefficiencies 11558:12	inside 11602:18	intra-market 11487:18
increase 11419:23 11432:26 11439:3 11444:10 11445:25, 26 11446:2 11450:1 11456:27 11458:19 11468:6 11469:25 11470:7 11471:20, 22 11472:9,12 11473:9 11474:9,25,26 11482:12 11485:19,22 11487:7 11523:8 11524:9,23 11540:13,17 11548:25 11550:15 11551:6 11556:4 11557:9 11558:12,19,22 11559:10,14,16,19,23 11560:11 11561:11,12,17 11562:23 11563:24 11566:5, 6,10,19,21,26,27 11567:1 11568:21 11570:11,26 11572:26 11581:11,13 11590:7,9,10,13,19 11593:19,21 11598:8	inept 11481:17,20	insignificant 11498:25,26	intuition 11409:14
increased 11451:22 11523:2 11524:13,18 11525:28 11557:18 11559:22,26 11565:4 11566:8 11570:25 11602:9	inequitably 11589:19	instance 11413:15 11480:18 11506:28 11507:1	intuitive 11438:26 11499:24
increases 11446:18 11447:14,16,18 11448:8,9, 13,14 11452:5,6,9 11459:19 11468:13 11510:2 11557:21 11566:20	inequity 11521:25	instantaneous 11504:13	intuitively 11436:1 11438:2, 6 11439:16 11441:16,17
increasing 11472:3,7 11473:10 11537:28 11555:26 11561:6 11566:3, 9,10,14 11593:19	inexpensive 11541:23	instantly 11503:22	invariably 11457:26 11461:2
incremental 11542:2 11580:28 11581:3	infant 11587:27	institute 11453:3	inventory 11454:3 11564:15,24,26,28
increments 11401:15	infinitely 11475:28	instructs 11477:10 11487:27	inverse 11504:14
incurred 11518:21	inflation 11468:6	insufficient 11465:28 11468:15,16 11495:15	inversely 11484:7
incurring 11427:5	influence 11481:15 11503:10	insure 11461:12	inversion 11448:20
independent 11438:1 11470:22,24 11534:18,22 11535:16 11544:28 11545:10,21 11549:24	influenced 11401:11 11594:25	intact 11546:15	inversions 11445:25 11448:9 11454:7
indexes 11561:22	influences 11481:21,22	integrated 11545:11	investigated 11436:6
Indiana 11433:15 11464:1	informal 11606:13	intended 11399:5 11523:11 11561:11,13,25	invisible 11461:25
	information 11398:23 11418:26 11419:10,11,17 11428:17 11453:1 11457:5 11498:2 11507:19 11519:21 11525:1 11539:23 11547:23 11604:6	intending 11491:7	invite 11417:20 11506:17 11513:20 11526:26 11544:11,13 11573:7 11601:9
	infrequently 11594:23	intense 11397:6	involved 11568:14 11571:28 11582:26
	ingredient 11518:11,12 11590:15 11600:8	intensified 11522:15	irrelevant 11497:4
	ingredients 11517:22,25,26 11518:15,24,27 11519:1 11565:20 11590:14 11598:7	intent 11478:26	issuance 11596:9
	inherent 11460:11	intentional 11564:14	issue 11423:27 11428:16 11471:1 11484:12 11505:8, 22 11517:12 11538:8 11595:8
	inherently 11443:1 11587:8	intentions 11464:21 11484:20 11485:1	issued 11516:11
	initial 11460:12 11605:24 11606:2	interest 11461:14 11494:19 11557:14	issues 11395:2 11409:28 11498:18 11516:20,21 11523:17 11528:20,23 11557:26
		interesting 11446:7,11 11457:4	item 11406:9 11446:23
		interests 11516:5	items 11454:1
		intermediary 11411:10	iterations 11398:20
		intermountain 11581:23	IV 11410:24 11411:3,4,6 11448:18,28 11449:12,23 11454:14 11488:10,18,20,26 11517:21 11519:17,27 11524:20 11527:20,21 11557:11,13,14 11560:12
		International 11391:13 11469:4 11517:18 11531:6, 18 11583:11	
		interpret 11472:23 11475:2	
		interpretation 11477:23 11478:10	
		interrupt 11450:13 11517:7 11533:25 11575:14	



11563:7,9 11566:19 11587:10 11588:7 11590:14 11601:24	11557:24,28 11567:7,24 11573:15 11580:24 11592:3, 4 11604:18	Lawyers 11469:15	listed 11521:9
J	knife 11505:12	lay 11414:17	listening 11550:4
J-E-F-F-R-E-Y 11429:1	knowing 11401:25 11523:13 11524:7	lead 11459:27 11460:13 11494:15	lists 11606:5,6
January 11390:1,3 11506:28 11507:3 11512:1 11532:28 11591:4	knowledge 11418:24 11443:7 11475:13	leading 11592:15	litany 11570:14
Jeff 11391:8	kriging 11401:8	leads 11485:21 11501:21	literally 11552:5
Jeffrey 11429:1,4 11445:4	Kyle 11391:17	learned 11485:10	liters 11571:24
Jersey 11597:5	L	leave 11399:9 11589:19	lived 11548:14
job 11462:1,5,11 11496:3	label 11525:6 11546:3 11600:25	leaves 11445:16	load 11505:17 11543:9 11566:6 11567:19,22,25 11570:8
Johns 11433:15	labeled 11500:21 11554:15	left 11444:19 11462:18 11509:25 11510:2	loads 11546:1,6,8
joining 11393:20	labor 11487:4 11596:3,26	left-hand 11440:16	local 11503:9
Juan 11596:24	lack 11441:3 11595:6	legally 11496:15	localized 11399:6 11492:23
jump 11459:3	lactose-free 11581:19	legislation 11461:4	locally 11542:17
jumped 11546:16	lag 11474:23	length 11458:23	located 11463:17,19 11518:19 11533:15 11536:9 11558:3 11597:4
Juniper 11597:9,10,23	lags 11473:27 11474:2,23	lengths 11414:21	location 11395:16 11400:19 11416:3 11433:11 11480:10 11533:24
justifiable 11587:5	Lake's 11583:6	lens 11412:18	locations 11400:7 11403:11 11427:5 11501:4 11558:11, 13,14 11559:7 11581:19
justification 11556:4	Lancaster 11433:16	lessened 11464:3	lockstep 11437:28
justify 11487:7 11578:25	landed 11561:23 11581:26 11582:13	letter 11606:17	logic 11558:28 11578:13
K	landing 11582:15	letting 11399:28	logical 11456:20 11460:10 11496:26,27 11497:6,15,25 11579:6
K-E-E-F-E 11585:9	language 11461:10 11472:23 11475:4 11607:1	level 11399:4 11411:20 11465:15 11472:13 11491:5 11516:22 11526:13,21 11551:1,7 11560:21 11561:3 11567:2,4	lockstep 11437:28
Kaiser 11471:1,19	laptop 11513:25	levels 11561:7 11562:27	logic 11558:28 11578:13
Kaiser's 11471:4,5,26	Laredo 11542:23	lie 11414:7	logically 11496:9
Kansas 11437:9,13 11545:5	large 11395:24 11403:24 11406:4 11408:14 11410:26 11420:2 11488:17 11489:19 11537:27 11571:6 11588:1 11590:13	life 11412:8 11556:23 11577:28 11578:10 11579:5, 26	logical 11456:20 11460:10 11496:26,27 11497:6,15,25 11579:6
Keefe 11390:21 11402:15 11422:15 11423:26 11432:10 11463:2 11584:18 11585:4,6,8,18,21 11586:3, 22 11598:20,24 11599:8 11601:10 11602:26 11604:5	largely 11433:22 11440:26 11480:11 11588:8	lift 11419:13	logically 11496:9
Keefe's 11431:28	larger 11420:4 11545:2,15 11556:5 11558:5 11564:4	lighter 11407:18 11409:13	logistical 11480:12
Kentucky 11581:22 11582:8 11583:6	largest 11440:10 11534:17 11582:17,24	likelihood 11438:28 11465:4 11590:19	Lone 11435:14 11445:5 11467:1,12,14,18 11535:16 11547:26
key 11426:23 11472:6 11579:24	Las 11404:3 11405:5	likened 11599:11	long 11403:2,4 11409:15 11437:24 11455:3 11464:26 11465:11 11482:13 11484:23 11503:1,16 11527:7 11532:27 11533:6 11546:20 11552:17 11581:20 11595:24
kind 11398:6 11400:17 11407:19 11418:3,19 11422:27 11424:23 11433:21 11435:15,17 11437:6 11438:21 11441:27 11442:8,22 11465:6,14 11476:26 11483:6 11491:22 11510:23 11536:12 11544:25 11546:7,26 11547:19,24 11548:2	lastly 11406:9 11425:20	limitations 11458:16,21	long-term 11464:24 11465:19 11477:13,19,24 11478:8 11482:16 11505:18, 20 11539:17 11549:27 11589:25
	late 11597:3	limited 11444:20 11462:25 11463:2,6 11563:4	longer 11403:28 11406:2 11410:11 11414:27 11415:16 11465:15,17 11504:18,22 11549:16 11556:22 11578:9 11579:10, 11,13
	latest 11539:21	limits 11489:1,3 11491:24	
	law 11460:26 11461:6,8,9 11462:15	lines 11474:20 11530:6 11587:16	
		link 11506:27 11588:8	
		linking 11568:25	
		list 11390:12,14,15 11443:3 11500:18 11501:17,19 11528:2 11582:28	



looked 11394:10 11395:11 11406:21 11408:25 11410:23,24,27 11411:8 11421:20 11474:21 11502:4 11507:8	11579:16 11587:10 11592:10 11593:1 11594:20 11603:5 11604:17	Manitowoc 11433:14	11510:18 11519:12 11521:27 11522:6 11529:5 11535:24 11539:9 11559:4, 16 11562:9,21 11563:25 11564:1,14,15 11565:7 11566:15 11568:10,12,15, 23,24 11569:3 11570:1,13, 15,26 11571:8 11572:13,23, 27 11574:19 11577:21 11581:5 11596:4,8 11598:2, 3 11599:9,10	
lose 11527:21	main 11485:24	manufacture 11555:17	market's 11522:1	
loser 11588:24	maintain 11523:20 11596:14	manufactured 11405:22 11485:20	market-driven 11568:27	
losers 11588:23	maintained 11559:18	manufacturer 11525:6 11546:4 11587:10	market-set 11458:26	
loss 11541:2 11557:8	maintaining 11444:7	manufacturers 11506:3,10 11559:19 11587:19	market-wide 11446:26 11454:26 11455:27 11460:8, 9 11497:13 11511:7	
lost 11447:28 11456:23	maintenance 11492:14	manufactures 11547:3 11558:24 11560:13	marketing 11416:25 11417:19,20 11428:16 11431:5 11445:11 11446:28 11447:2 11448:5 11450:10 11454:26 11455:24 11456:4, 11,16 11458:28 11459:6 11460:10,14,16,17,27 11461:4 11464:5 11477:9 11479:16 11485:14 11487:27 11495:26 11496:25 11498:14,19 11503:5 11504:13 11506:15, 17 11515:24 11516:13 11517:4 11519:2,10,11 11526:26 11544:11,13 11558:17,21 11559:2 11560:19 11573:5,8 11589:4 11590:9 11598:6 11601:7,10 11604:14	
lot 11398:24 11399:10,14 11419:11 11420:7 11438:19 11439:4 11534:15 11541:26 11542:18 11544:24 11545:4 11549:1 11551:12 11552:18 11566:1 11571:28 11572:1, 21 11580:10 11581:20,28 11592:7,16,17 11602:10	majeure 11546:7	manufacturing 11398:1 11399:11 11405:5,8,13,18, 22 11408:4 11410:21 11424:28 11448:28 11449:7 11450:27 11451:3,4,6,13,14 11453:13 11454:5 11459:12 11460:3 11480:9 11486:14 11488:7,8 11491:18 11494:1,11,18 11495:8 11497:7,9,22 11502:19 11505:23 11533:5 11536:10 11537:20 11545:12 11556:27 11557:27 11561:8 11562:28 11588:27 11598:8	market-set 11458:26	
low 11400:22,25 11406:11, 20 11421:8 11423:4,15,22 11442:4 11470:12,20 11503:17 11588:10,11 11597:20 11602:21	major 11445:28 11471:15 11498:26 11501:8	map 11394:24 11396:27,28 11397:3,5,8,13 11398:8 11404:19 11407:17 11408:20 11409:2,4,5,17 11424:20 11439:20 11440:4, 12,16 11534:24 11542:22	marketing 11416:25 11417:19,20 11428:16 11431:5 11445:11 11446:28 11447:2 11448:5 11450:10 11454:26 11455:24 11456:4, 11,16 11458:28 11459:6 11460:10,14,16,17,27 11461:4 11464:5 11477:9 11479:16 11485:14 11487:27 11495:26 11496:25 11498:14,19 11503:5 11504:13 11506:15, 17 11515:24 11516:13 11517:4 11519:2,10,11 11526:26 11544:11,13 11558:17,21 11559:2 11560:19 11573:5,8 11589:4 11590:9 11598:6 11601:7,10 11604:14	
lower 11403:13 11411:7 11413:16,25 11414:26 11438:27 11440:28 11441:25,26 11484:11 11486:10 11499:24,25 11509:8,9 11517:25 11540:28 11556:19 11578:4 11580:1 11591:19	majority 11498:23 11525:13 11536:21	mapped 11409:8	marketplace 11486:19 11487:9,19 11505:25 11558:4 11559:23 11564:21 11567:3,6 11589:20 11590:4,10 11595:25	
lowering 11458:24	make 11393:28 11394:6 11395:17 11399:17,27 11401:22 11406:10 11413:11 11420:10 11421:13 11422:27 11438:25 11448:24 11452:17 11463:28 11465:6 11473:1 11477:20,22 11478:6 11487:28 11491:17 11493:20 11497:3 11502:25 11503:14,25 11504:15 11505:6 11506:26 11507:11 11508:13 11514:1 11517:8 11520:7 11523:25 11524:11, 12 11525:2 11526:12,22 11527:6 11529:24 11530:4 11536:12 11537:1,3 11545:16 11551:4 11555:15 11558:13 11559:20 11562:12 11564:7 11565:16 11573:16 11578:17 11586:11 11588:20 11590:2 11591:15 11598:9 11600:2,7 11602:5,6,19 11606:12	maps 11398:5,10 11421:7 11439:19	markets 11416:26 11417:3,8 11446:15 11451:21 11456:19 11458:7 11485:5 11565:19 11579:14 11595:28 11596:5 11599:10 11600:16	
lowers 11448:12	margin 11466:13	March 11395:12	mark 11392:8,11,14 11429:13,19 11514:25	
lowest 11440:14 11454:2,7, 16 11582:13,15	marginal 11397:15	margin 11466:13	marked 11392:18,20,23 11393:2,7,11 11394:19 11402:10 11429:16,22,27 11430:4,9,19 11443:7 11471:11 11512:10,17,25 11513:4,11 11514:21,22 11515:14 11532:8,9,12 11553:1 11554:16,18,20,21, 24 11560:6 11583:16,23 11585:24,27 11586:19 11603:26	markups 11540:26
lows 11406:23 11421:16,21, 23	making 11420:21 11475:18 11496:3 11526:9 11535:26 11563:12 11579:25 11589:12,22	mark 11392:8,11,14 11429:13,19 11514:25	mass 11539:25 11549:21	
Lubbock 11535:24	manage 11482:19	market 11405:16,17 11446:26 11450:10 11459:21,26 11461:16 11477:18 11480:26 11485:4, 12,15 11486:24 11487:17 11502:27 11503:3 11504:23 11505:16,20 11508:26	match 11394:3 11397:8 11432:8 11541:1 11549:11	
luck 11461:27 11550:8	management 11555:12 11577:3	manager 11532:23	matches 11432:10	
lunch 11511:13	mandating 11556:12 11559:27	mandatory 11589:5,16	matching 11405:20	
luncheon 11511:17				
M				
M-A-R-K 11392:9				
M-I-K-E 11531:22				
MA 11431:7				
machines 11498:22				
made 11419:14 11443:15 11446:7 11476:11 11488:6 11489:13 11510:1 11529:24 11540:1 11544:28 11563:2				



material 11499:20	menu 11577:8	18,19,21 11401:1,12	14 11543:3,8,9 11544:1
materialize 11445:21	menus 11577:11	11403:9,12,15,26 11404:14,	11547:3,10,13 11549:11
materialized 11510:3	merchandiser 11549:21	20,23 11405:2,7,11,13,19,27	11550:19 11556:2,5,6,13,19,
math 11426:4 11450:23	merchandisers 11539:25	11406:1,4 11407:11,20,22,	23 11557:8,10 11558:2,3,4,
11453:23,25 11542:6	mess 11436:26	24 11408:10,11,26 11410:6,	11,13,20,24 11559:2,5
11550:17 11551:4 11558:15	message 11410:16	17 11411:17,19 11413:7	11560:14,19,20,24 11561:2,
11566:13,18 11567:17,25	method 11423:12,16	11415:17,21 11416:1,3,18,	14,27,28 11562:11,12,13,25
11576:18 11584:7,11	11455:4 11457:17 11518:3	25,27 11419:20,22 11420:5	11563:1,3,13 11564:13,17,
Mathematically 11451:1	methodology 11401:9	11424:25 11425:1,7	20,23,27 11566:22 11567:15
matter 11450:27 11465:1	11412:8 11425:21 11595:24	11426:23 11429:9 11430:6	11568:19 11570:7 11571:14,
11537:26 11549:12	methods 11462:7	11431:5,9,10,17 11433:27	20,24,25 11572:1,8,14,19,
matters 11390:6,9 11604:11	Miami 11436:27 11437:2,13	11434:12,13,23,25,28	20,22 11573:23 11578:4,7,
meal 11587:28	11440:3	11435:3,9,10,13,16,17	25 11579:18 11580:13
meaning 11414:7 11424:13	mic 11390:24 11527:27	11436:5,28 11438:14,20	11581:20 11582:1,17,23
11438:9 11461:11 11464:13	Michigan 11433:15,24	11445:5,6,9 11446:18,21	11585:4 11587:12,19,21,23
11470:21 11473:10 11594:6	11515:21,26 11516:2	11447:2,4,5,6,7,15 11448:5,	11588:2,4,6,10,12,15,17
means 11408:2 11437:25,27	11525:7	23 11449:16,19,25 11450:7,	11589:2,6,15 11590:14,19,
11441:21 11455:19	mics 11393:28	12,19,21,22 11451:13,14	22,28 11591:1,3,10,11,12,
11474:24 11475:5 11535:7	mid 11597:3	11452:2,5,6,7,11,12,14,18,	14,15,20,23 11592:3,9,25
11549:20 11558:8	middle 11413:22 11414:20	20,22,27 11453:7,13,18,21,	11593:7,14,18 11594:5,12,
meant 11399:1 11507:18	11433:23 11458:5 11459:3	22,24 11454:3,14,26	15,18 11595:21,22,26,27,28
measure 11437:18 11556:3	11480:2 11534:27 11560:8	11455:4,5,9,11,19,20,25	11596:2,13,16,18 11597:2,3,
measuring 11470:15	11574:6 11581:10	11456:3,8,15,16,22 11457:9,	7,12,20,23,27 11598:1,7
meat 11536:11 11545:12	Mideast 11414:12 11484:3,	21,25 11458:25,28 11459:6,	11599:3,9,11,17,21 11600:1,
11547:7 11582:6	10 11519:11	9,11,15,16,17,18,20,28	4,7,11,23,24 11602:10,14,16
mechanism 11558:4	Midwest 11409:17 11414:10	11460:10,14,15,18,22,23,27	11603:4,7,19
median 11413:23,24	11433:23 11440:9,15,28	11461:13,16,21,23,25,28	milk's 11396:4 11537:9,23
11414:2,3,4,20 11439:24,25,	11602:21	11462:2,9,10 11463:22	11596:6
28 11440:6,8,11,13,25,27	MIG 11392:22 11393:10	11466:23 11467:1,2	Milk-112a 11429:20
11441:1,7,22,24,25,26,27	11395:27 11396:22 11397:4	11468:5,8,12 11469:22	Milk-112b 11429:24
11442:14 11499:25,26	11402:10 11427:12,21,28	11470:8,28 11471:11	11508:27
meet 11460:16,22 11597:23	11464:17 11467:3 11497:27	11472:8,18 11473:22	Milk-112c 11430:1
meeting 11494:19	11508:4 11587:1 11598:12	11476:23 11477:4,12,15,21	milk-surplus 11558:11
meets 11589:13	11603:26	11478:15 11480:12	Milkpep 11539:22 11540:6
member 11445:6 11461:2	MIG's 11587:4	11481:10,18 11482:4,13	milks 11587:13
11516:4 11548:27 11598:12	MIG-16 11456:17	11483:16,23 11484:10,16	million 11432:21,22
members 11524:26	MIG-16F 11428:7	11485:10,11,20,22,23	11445:19,21 11447:21,28
11525:23 11534:22 11536:6	MIG-EXHIBIT 11392:17	11486:3,4,19,21,28 11487:5,	11448:7
11540:27 11545:2,10	11585:22	7,9,24 11488:1,4,8,9,10,12,	Miltner 11391:19,20
11546:23,25 11549:1	Mike 11391:14 11531:7,22	19,20,22,23,24,28 11489:6,	11413:4,7 11417:15 11476:3
members' 11538:2	11532:1 11556:1	20,21,27,28 11490:8	11499:4,5 11503:28
membership 11539:28	mile 11542:27	11491:4,18,27 11492:17	11505:22 11524:2,3
11545:2 11546:21	miles 11481:25 11535:24	11495:5,9,16,23,26,28	11526:23 11527:9 11541:7,
memory 11500:10	11536:21 11542:4,7,17	11496:2,3,7,11,15,24	10 11544:8 11567:12,15
mention 11421:2 11530:3	11543:17 11545:5,6 11547:9	11497:14 11498:13,19	11572:2 11598:27 11599:2,3
11549:1 11553:17	11549:7 11557:18	11499:5 11500:25 11502:14,	11601:4
mentioned 11418:18	milestone 11532:14	20,27,28 11503:10,21	Miltner's 11504:6 11603:3
11419:15 11421:15 11448:6	milk 11390:4,17 11391:7,20	11504:22,25,27 11505:6,7,	mind 11407:14 11550:1
11542:21 11547:13	11398:2 11400:1,2,3,11,12,	17,19,24 11506:2,9 11507:9,	11560:1 11583:1
11549:16		10 11508:17,25 11509:10,15	mindful 11391:4
		11512:5 11513:27 11515:21,	minds 11559:9,13,24
		24 11516:1,2,12,14 11517:4,	mine 11432:4,8
		17,22,26 11518:3,5,14,16,	minimum 11453:11 11466:3
		17,18,19,22,23,24,27	11477:26 11487:5 11491:10
		11519:1,7,10,11,14,15	11492:6 11524:10 11597:2
		11520:20,21,27 11521:2,6,	
		28 11522:2,25 11524:3,23,	
		26 11525:10,23 11526:2,8	
		11527:22 11528:8,25,27	
		11531:4 11534:12,13,20	
		11535:6,7,11,16,20	
		11536:19,20 11537:17,25	
		11538:4 11539:1,6,7,8,10,	
		20,21,22 11540:12	
		11541:10,13,17 11542:1,7,	



Minnesota 11583:6	Monday 11390:1,3 11512:1	moving 11453:27 11454:15 11459:18 11468:4,8 11485:21,23 11487:7 11489:20 11542:2	11488:5 11503:23 11579:19 11596:28 11599:22
minor 11530:1	money 11449:5,22 11452:22 11456:2 11491:20 11540:8 11545:16 11546:23 11565:16	multiple 11455:6 11459:25 11511:6 11555:18 11566:5, 9,11 11567:17 11568:3,6,8, 9,10,12,20,22 11569:15,17 11570:11,13,14 11581:19	needed 11403:28 11407:24 11410:11 11427:3,7 11468:13 11504:25 11527:5 11539:5 11546:9,11
minus 11418:28 11419:14, 15	month 11395:13 11431:5,12, 17 11457:6 11519:15 11520:18,22 11521:1,20 11528:27 11546:16 11567:23 11568:22 11594:6, 7,9,27 11595:4,5,14	multiples 11559:16,18,23 11561:17 11570:21,26	negate 11450:11,18
minute 11390:25 11532:26 11533:25 11602:27 11606:15	month-to-month 11466:10 11477:16	multiplicative 11459:25	negative 11432:26,27 11433:2 11445:27,28 11446:2,9 11448:10,14 11453:20 11508:10 11566:16
minutes 11444:19 11445:12 11458:5 11468:21 11535:21 11553:21 11599:7 11601:4 11606:19	monthly 11436:15 11451:26 11457:7 11472:15 11494:16 11590:27 11593:7	multiplier 11569:1,14 11570:3	negatively 11434:4
misalignment 11519:5 11520:21 11528:7,11	months 11436:10,12 11474:22 11518:8 11519:18 11539:24 11546:17 11550:4, 5 11555:3 11562:26 11577:17,24 11591:3,5,19 11592:26 11593:21	multiply 11447:22	negotiate 11483:5 11493:22, 23
misalignments 11525:13	months' 11504:24	Munch 11606:14,23	negotiated 11505:18,20 11548:12,16
missed 11418:2	morning 11390:1,11,16 11391:6 11393:18,19 11407:11 11413:5,6 11417:24,25 11430:22 11469:3,5,6 11476:18,20 11499:6,7,8 11506:21,22 11606:16 11607:10	Murray 11583:5	negotiating 11516:14 11569:26
mission 11416:22 11417:6 11460:16,22	Mountains 11558:1	mutually-agreeable 11483:6	negotiation 11503:3,19 11509:26 11548:18 11552:22 11569:3
misspoke 11569:22	mousetrap 11536:12 11545:19	myriad 11481:23	negotiations 11547:20
misstate 11478:5	move 11404:3,11 11406:27 11410:17 11427:9 11434:23, 25 11435:2,9,22 11441:18, 27 11442:2 11447:4 11449:25 11450:7,21,22 11452:22 11453:22 11460:11,23 11468:12 11476:8 11492:27 11493:24 11495:5 11502:20,28 11509:10 11512:7 11529:18 11541:13,16 11542:7 11552:26 11556:24 11558:21 11559:6 11560:5 11562:4 11574:6 11578:13, 16 11579:10 11581:1 11603:23	N	neighbor 11490:9
misunderstood 11423:27 11510:14	moved 11487:5,6	N-O-V-I 11515:26	neighboring 11454:10 11464:7 11481:28
mitigated 11510:7,24	movement 11410:2,6 11434:13 11459:15	narrative 11410:7 11602:7,9	net 11563:3 11564:7 11565:8 11576:9
mix 11563:12,13 11565:24 11575:16,18 11587:17 11592:10	mover 11448:17,18 11457:13	narrow 11556:14	network 11565:3 11578:20
mixes 11522:17	moves 11435:10 11437:28 11452:14 11508:15,18 11509:15 11569:4 11592:4	national 11391:7 11396:4 11407:11 11408:26 11425:10 11429:9,20,24 11430:1,6 11434:12 11445:6,8 11457:9,15,16,19, 22 11470:28 11471:11 11500:25 11501:16 11508:27 11512:5 11513:27 11516:1,7 11524:26 11525:23 11526:1,8 11531:4 11537:9,23 11539:1 11572:7 11596:10	neutral 11527:15
MMPA 11516:3,4,5,13,17 11522:28		nationally 11539:22 11591:27	Nevada 11398:6,15,28 11418:19 11419:21
MMPA's 11516:6		nationwide 11399:7 11472:9	newness 11425:20
model 11395:24 11396:4,10 11398:20 11399:28 11402:1 11408:17 11410:21 11411:1, 24,28 11418:21 11419:7 11420:27 11426:20 11500:28 11502:5 11536:12 11537:13,22 11538:3,9,20 11540:24 11544:23 11545:19 11556:20 11578:7		natural 11456:10 11479:15, 22 11480:25 11484:27 11485:4,10,21 11486:4 11503:12	Niagara 11546:4
model's 11411:12		naturally 11482:2	nice 11402:26 11489:3
modeled 11410:22		nature 11415:26 11467:17 11505:27	Nicholson 11396:4,7,12 11408:27
modeling 11536:25 11537:5		nearby 11401:5,13	Nicole 11391:6 11407:11 11429:9 11512:5 11572:7
models 11395:7		nearest 11396:5,6	NMPF 11516:2,4,7,10,18,27 11517:28 11523:6,8,11,23
modernization 11516:9,21		necessarily 11406:2 11438:28 11481:23 11483:1 11486:7 11487:11,13	NMPF's 11472:8
modernize 11523:12			NMPF-112 11429:12 11512:10
modest 11524:17 11529:7			NMPF-112A 11429:18 11512:17
modestly 11589:1			NMPF-112B 11512:24
moment 11406:24 11412:27 11430:27 11450:14 11496:21 11570:19			NMPF-112C 11499:9 11513:3



NMPF-113 11514:20 11515:13	25 11428:4,11 11429:16,22, 27 11430:4,9 11432:17,22, 25 11433:1 11434:18 11435:18 11437:8 11439:11 11443:28 11444:6,18 11445:9,10,13,14,18,24 11446:12,16,20,23,24 11447:1,3,8,13 11448:4,6,8, 21,26 11449:28 11450:3,6, 11,18 11451:19,20 11452:9, 12,25,26 11453:27 11454:1, 12,18,25 11455:15 11456:5, 26 11457:24 11458:1,6 11459:4,5,23 11461:8 11462:13,16 11469:11 11474:7,14,16 11475:23 11490:2 11492:2,25 11493:27 11497:27 11501:6, 18 11503:2 11507:7 11509:13 11512:14,21,28 11513:7,14 11514:22 11515:15 11519:14 11520:16 11521:3,15,18 11523:5 11530:10,18 11531:17 11532:10,12 11533:26 11553:5 11554:18, 24 11558:17 11567:28 11568:1 11574:14 11582:1,2 11583:20,27 11585:27 11592:8 11604:2	observations 11403:21 11414:18 11571:20	operator 11522:27 11537:25
NMPF-213 11529:21		obtain 11484:15	opinion 11416:28 11485:16 11491:16 11502:9,26 11508:21,25 11509:16,24 11524:4,28 11525:27 11526:5 11539:3 11607:6
nomenclature 11441:15		obvious 11495:11 11498:12 11577:9,18 11583:3	opportunities 11564:5,6
non-class 11589:7		occur 11400:28 11446:14 11447:17 11454:2 11502:26 11524:23	opportunity 11412:7 11419:24 11474:17 11519:6 11535:19 11605:25 11606:3
non-dairy 11534:15		occurred 11468:6	opposed 11535:26 11539:14
non-fat 11519:15 11561:27, 28 11562:11,13,16,24 11564:13,20,23 11570:7 11574:1		occurrence 11432:26 11433:1 11447:17 11448:14	opposes 11523:6 11560:15
non-fluid 11589:9		occurs 11467:16 11563:6	opposing 11463:4
non-pool 11523:4		October 11408:22 11436:11, 19 11507:1,2,3 11519:20,23, 24 11520:22,26 11521:8,20 11536:27 11537:7 11539:1	opposite 11442:3 11471:2
non-states 11561:27		odd 11453:1	opposition 11390:21 11391:8,9 11429:13 11444:17 11445:9 11462:23 11463:3 11469:8,11 11515:28 11555:23 11560:10,17,28 11586:4 11587:2
non-transformation 11423:2		off-the-record 11407:1 11412:28 11514:4 11531:12 11604:28	option 11491:5 11564:23 11565:1
non-transformed 11421:23 11423:5,8,9		offer 11482:5,7 11483:28 11545:17 11594:3	options 11462:6 11564:20 11603:17
non-uniform 11511:4,8 11521:26		offered 11412:9 11416:15 11500:25 11523:11 11597:26	oral 11474:17
nonperishable 11518:6		offerings 11598:15	order 11403:9,22 11404:2,4, 9,11,16,26 11405:4,27 11413:14,18,19 11415:3 11416:17,19 11417:13 11425:23 11427:19 11429:19 11431:5,22 11432:2,16,28 11433:14,15, 16,18,23,24,25 11434:1,17, 18 11435:5,15 11443:21 11445:17,18 11447:2 11448:11 11449:18,28 11454:9,10,26 11457:19,26 11458:28 11460:10,14,22,28 11465:21 11466:3,11,18,22 11467:20 11471:7 11478:3 11481:1 11484:8,26 11490:8,18 11495:14,26 11497:2,14,26 11498:16,23, 25 11502:1 11505:4 11509:9,10,25 11510:2,11 11516:8,16,18,19 11517:6, 27 11519:2,11 11520:15,27 11521:3,6,10 11523:5,10,12 11524:19 11525:10 11528:3, 24 11532:15 11539:9 11543:6,11 11547:11 11558:17,21,26 11559:1 11572:22 11573:24 11580:25,27 11581:1,4,11, 12,16 11591:25 11593:8,26 11595:3,8,11 11597:5
normal 11414:22		Ohio 11442:8,9 11499:19 11522:28	
north 11542:23		on-demand 11410:2	
Northeast 11414:10,12 11442:8,9 11484:5 11597:4 11602:22	numbers 11418:9,11 11420:12,16,17,18,25,26 11421:23 11423:1,5,8,14,15 11444:12 11457:12 11474:13 11483:27 11484:26 11489:14,16 11507:4 11525:10 11530:10 11562:5 11567:7 11575:10	official 11606:6	
Northern 11464:1	numeral 11601:22	offset 11447:21,25,28	
Northwest 11558:1	numerous 11517:13 11564:17	Ohio 11442:8,9 11499:19 11522:28	
notable 11444:13 11448:27	nutrient-dense 11403:27	on-farm 11446:21	
Notably 11432:20		one-for-one 11563:16	
note 11396:26 11431:28 11452:16 11458:18 11499:11,13 11515:6 11531:3 11601:19,20		one-tenth 11432:9	
noted 11398:26 11527:25 11556:2 11593:19 11594:22 11595:17		online 11421:20	
notes 11419:8 11496:21		opened 11464:1,3	
notice 11390:26 11391:25 11398:9 11516:11 11548:22 11552:18 11606:6	ob- 11427:18	opening 11463:12,21	
notified 11594:16	object 11475:7	opens 11606:19	
notify 11605:16	objection 11427:11,20,27 11428:6 11475:17 11512:9, 16,23 11513:2,9 11529:20, 23 11530:14 11552:28 11583:15,22 11603:25	operate 11505:4 11545:9 11557:27 11581:19	
November 11519:23 11521:24	objective 11455:8 11557:23	operates 11535:22	
Novi 11515:26	obligated 11477:24 11490:17,18	operating 11462:19 11481:8 11495:25 11526:14	
number 11390:6 11392:20 11393:2,7,11 11418:27 11420:2 11425:18 11427:16,	obligation 11520:19,28 11522:21,24	operation 11405:3 11420:8 11533:9 11535:22	
	observation 11403:2 11412:9 11446:7,11 11503:1	operations 11420:4 11525:7 11589:18 11590:5 11596:14, 26	

O



Order's 11416:22	11447:20,26,27 11455:5,10 11456:16 11458:7,19	11535:23 11536:19 11537:18 11542:15	payment 11482:25 11490:16 11520:19,28
orderly 11446:27 11455:4, 24	over-order 11447:14,16 11455:12,13,19 11458:11, 14,15,20 11459:1 11460:21 11463:27 11464:2,4,6,8,12, 14,20,25,26 11465:3,9,14, 18,27 11467:13,22,26 11478:27 11479:6,9,11 11480:8,26 11481:2,5,8,12, 17,22 11482:5,18,20,26,28 11483:7,8,11,20 11484:19, 23 11485:2 11488:28 11489:1,2,8,19,22 11490:3 11495:9,12,15,19,23,27 11498:20,27 11503:10,12, 16,17 11509:26 11510:2,6, 21 11535:18 11547:20 11548:11,16 11552:3,6,12, 14 11558:6,7 11559:4 11572:14,23	paper 11545:27	payrolls 11516:16
orders 11402:23 11405:26 11415:11,18,22,23 11416:12,19 11417:1,2,5,7,9 11425:6 11431:13,19,20 11432:17 11433:2,10,19,22, 28 11434:2,3,4,5,8,21 11448:5 11449:16,17 11450:9 11453:3 11454:1, 12,13 11455:8 11459:28 11460:16 11461:2 11481:10, 15 11482:16 11487:24 11496:2,25 11497:4,19,28 11498:3,5,14,19 11507:12, 20,26 11508:6,11 11509:1,3, 6,7,13,16,20,28 11517:4 11529:2,9 11559:2 11560:19 11561:1,9 11572:19 11589:1 11591:28 11593:12,22 11602:14,20	overage 11454:3	parent 11534:16,25 11536:9 11571:11	pays 11467:14 11484:24,25 11550:19
ordinary 11437:14	overlap 11404:9 11409:22	parse 11399:4	peak 11465:13
organic 11586:8 11594:2 11595:22,24,26,27 11596:5, 6,7,9,10,11,13,16,18,20,21, 22,24,26 11597:2,3,7,10,14, 15,16,17,20,23,24,25,27 11598:1,2 11599:9,17,21,23, 26 11600:1,9,13,22,24,25 11603:3,6,7,10,13,18,21	overnight 11489:24	part 11405:25 11416:16 11418:2 11474:22 11490:5 11499:18 11540:1 11545:18 11546:20 11560:23 11572:21 11575:21 11580:25,27 11587:15	peaks 11465:17 11503:13
organic's 11596:16	overriding 11525:15	partial 11460:12	peer 11412:6
organizations 11489:4	oversimplify 11407:17	partially 11460:13 11489:4	peer-reviewed 11412:1
organized 11417:7	oversupply 11486:3,4	partially-regulated 11522:23 11528:14	pegged 11453:8 11595:27
orient 11469:24	overview 11557:24	participants 11510:18 11589:6,10	pegging 11603:6
origin 11434:28	owned 11443:8 11501:15 11510:9 11535:8,15 11536:5	participate 11528:25	Pennsylvania 11433:16 11440:27 11442:9 11500:11
original 11395:21,23 11396:13 11518:10 11530:5	owners 11534:23 11544:28 11545:1,4,20 11564:5	participating 11521:2,7	people 11399:9 11419:18 11436:28 11471:13 11496:1 11501:2 11541:28 11545:6, 24,25 11584:6 11599:6,21 11605:10,16
out-competing 11597:27	ownership 11500:19	participation 11589:8,16,17	people's 11605:26 11606:3
outcome 11483:6 11491:8, 10 11523:14 11556:18	owns 11536:10	parties 11390:13 11458:18, 27 11607:2	percent 11474:26
outcomes 11556:11	oxymoron 11509:5	parts 11408:12,13 11424:17 11440:9 11471:15 11539:18 11549:27 11605:3	percentage 11419:15 11489:27 11579:28 11580:1 11582:24 11588:16
outlet 11439:6	<hr/> P <hr/>	pass 11466:3,18,20,21,22, 24 11565:28 11566:1	percentage-wise 11484:9
outliers 11414:15	p.m. 11605:11	passage 11596:8	percentages 11509:1 11588:14 11602:13
outlines 11548:2	Pacific 11558:1	past 11409:7 11529:6 11542:13 11556:26 11557:17 11559:17 11561:22 11562:20 11563:17,24	perfect 11458:12 11540:21 11573:27 11600:17,19,20, 23,27
outlying 11414:13	package 11403:27 11526:2	path 11557:22	perfectly 11592:14 11597:19
output 11473:14 11544:4 11600:5	packaged 11435:9 11466:23 11469:22 11505:6 11522:13 11541:16	pause 11446:5 11537:12	perform 11545:9
outright 11564:20	packing 11547:7	pay 11405:19 11458:17 11464:6 11467:4,10,11 11477:3 11482:12,14 11484:23 11485:2 11486:21 11527:15 11535:17 11548:15 11561:4,7 11572:22 11594:18	performance 11450:12,19 11528:24,28
outsized 11483:15	pages 11392:24 11433:7 11533:27 11534:5	paying 11467:9 11479:17,25 11480:8 11481:28 11485:1 11558:5	period 11409:15 11474:24 11519:19 11577:25 11591:4 11592:1 11594:17
outstanding 11586:6	paid 11455:25 11467:27 11468:1 11521:26 11522:1,3 11568:18 11594:25		periods 11465:13,15 11577:16
over-fmmo 11445:22	pallet 11543:9		perishability 11504:12 11505:8
	Panhandle 11534:27		perishable 11459:20 11503:4,24,26 11504:8 11505:11



person 11428:27	11488:13,24,28 11489:6,26 11490:6,9,18,19 11496:1 11501:4 11502:14,19,21,28 11503:5 11519:5 11522:1,3, 18,24,27,28 11528:13,14 11533:8,10,15,16 11534:12 11535:21,24 11536:11 11538:21 11541:14,17 11543:14 11545:12,18 11546:13,18 11550:11 11563:1 11564:17 11581:10, 12 11582:14 11583:5 11587:13 11588:28 11589:7, 9,12	plotting 11409:21	popular 11557:4
perspective 11422:18 11470:4 11528:6 11536:3 11543:28 11572:28 11573:1 11603:20	plant's 11522:20	PMO 11505:1	populous 11398:14
pertains 11501:27	plant-based 11556:14,16 11599:20	point 11395:12 11399:11 11400:1,12,25 11401:2,10 11420:23 11421:8 11426:12 11434:28 11435:1 11453:1 11457:4 11468:3 11473:23 11475:9,18 11476:11 11477:22 11478:20 11482:17 11489:23 11495:13 11520:10 11524:9 11526:19 11532:18 11533:21 11537:2 11539:8 11549:6 11551:5 11566:6, 11,17 11569:5,6 11572:11, 25 11579:12,22 11580:20 11581:28 11590:25 11600:17 11602:6,19	pork 11596:2 11599:12 11600:10
perverse 11598:6	plant-level 11398:21	points 11414:13 11437:19 11454:21 11457:12 11507:7 11561:23,24 11572:12	portion 11399:11 11415:9 11445:22 11481:9,11 11483:15,22,24 11484:7 11489:7 11492:6 11494:15, 22,24 11495:27 11497:8 11498:12,26 11510:9,25 11594:13
Philadelphia 11500:11	plants 11398:23,25,27 11399:2,15,18 11400:14,15, 18,22 11401:12 11403:10, 14,15,25 11404:6,7,10,15, 18,19,23 11405:1,5,6,9,16, 18,20 11406:1,12,20,23 11407:24,26 11408:4 11409:27 11415:6 11418:20, 23,26 11419:1,19 11420:3,4, 7,8 11423:22 11424:28 11425:1 11436:28 11442:27 11443:2,5,7,19,21,23,25 11444:10,11,14,15 11446:14,17 11449:9 11451:24,27,28 11452:11 11453:18 11455:6,28 11456:1,9,13,22 11459:14, 18 11460:19 11465:28 11466:2,5,6 11477:3 11479:18,24,25 11480:13 11481:5 11482:19 11483:15 11484:13 11485:9 11488:12, 14,18 11489:5 11490:12,14 11500:18 11501:14,17,18, 20,22,23,24,28 11502:3,4,27 11511:10 11522:12,24 11528:12 11555:14,16,18 11556:27 11557:4,27 11560:19 11561:1,24 11582:10 11583:1 11587:15, 18 11589:1,4,5,17 11590:3, 22,26 11598:10 11602:19	political 11440:6	pose 11506:2
phone 11552:16	places 11397:15 11427:6 11440:21,25 11441:19 11454:5 11458:6 11462:5 11481:3 11492:25 11493:27 11494:3,5,8 11596:4	pool 11405:28 11406:3 11415:19,22,27 11416:1 11431:10,12,14,26 11432:19,21 11434:7 11447:21,28 11448:4 11449:10,22 11450:28 11451:2,14,18 11453:4,13 11456:11 11460:8,9 11464:20 11478:23 11479:1, 7,15 11483:18 11488:17 11490:18 11497:13,18,25 11501:14,19,28 11510:16,22 11511:11 11517:23 11519:14 11521:3,7,13 11522:12,21,25,26,27 11523:5 11527:21 11528:7, 15,25,27 11588:28 11589:4, 10 11593:5,9,11 11598:10	position 11408:4 11435:12 11503:20 11505:14,15 11532:22,27 11536:2,14 11550:3 11555:6 11560:9 11587:4
physically 11491:15	placing 11561:8	policy 11425:23 11606:16	positioned 11589:20
pick 11567:27 11581:28	plain 11461:10 11462:4 11473:3	political 11440:6	positive 11454:11 11498:10
picture 11441:5 11476:27 11499:21 11508:20 11547:8	plains 11467:18 11532:23, 25 11533:22,23 11536:2 11539:14 11547:2 11582:6	pool/depool 11590:17	possibility 11416:16 11491:14 11492:21
piece 11453:1,11 11457:4 11481:12 11491:3 11493:25 11575:21 11582:18	plan 11391:10 11584:24	pooled 11399:19 11405:27 11416:17,18 11455:11 11510:18 11520:20,27 11521:10,21 11525:11 11527:25 11591:12 11592:3, 25 11602:11,15,16,17	possibly 11398:18 11466:27
pieces 11449:27	planned 11463:18	pooling 11415:4,8,9 11416:8 11450:12,19,22 11451:17 11454:27 11456:19 11511:7 11516:16 11519:3 11528:28 11588:28 11589:6,14 11593:11	post 11605:7
piggybacking 11510:23	planning 11596:15	pools 11416:4 11431:10 11434:1 11445:17 11446:25, 26 11454:19,28 11455:3,22, 24 11456:24 11509:23 11510:5 11511:2,8	posted 11605:14
pilots 11430:11	plant 11395:16 11400:20,27 11405:3,11 11411:22 11413:20 11419:10,12,21 11425:7 11427:5 11443:3 11449:10,21 11455:26 11456:7 11463:13,15,22 11464:1,3,11 11466:9 11481:24,28 11483:2,11,12, 17 11484:24 11485:3	plots 11402:16,22 11403:20 11411:5	potentially 11391:17 11401:4
Pittsburgh 11500:12	plots 11402:16,22 11403:20 11411:5	plotted 11437:10	potentially 11391:17 11401:4
place 11397:24 11401:9 11407:1 11412:28 11416:23 11434:27 11436:27 11442:1 11449:2,12 11452:21,24 11489:26 11494:7 11503:21, 25 11514:4 11531:12 11565:12 11570:27 11582:21,22 11589:25 11604:28	play 11564:14		potentially 11391:17 11401:4
places 11397:15 11427:6 11440:21,25 11441:19 11454:5 11458:6 11462:5 11481:3 11492:25 11493:27 11494:3,5,8 11596:4	plays 11489:19		pound 11518:23 11520:6,13 11562:5,6,23 11563:18,20 11565:8 11566:10,20,21,25 11567:21,26 11574:16,24 11575:5,12,22 11576:9,11, 12
placing 11561:8	pleasure 11544:20		pounds 11400:4,5 11431:9, 10,17 11521:11,12,13,14,17, 19,22 11566:7,23,24 11567:18,20,22,24 11574:7, 13,22,25,26 11575:6,7,28 11576:4 11591:7,18 11602:13
plain 11461:10 11462:4 11473:3	plenty 11453:21		powder 11517:21 11518:3,5, 17,22 11519:1,15 11524:12, 23 11525:7 11527:17,18 11561:28 11563:10 11564:21
plains 11467:18 11532:23, 25 11533:22,23 11536:2 11539:14 11547:2 11582:6	plot 11403:4,18		powdered 11518:14 11527:22 11564:27
plan 11391:10 11584:24	plots 11402:16,22 11403:20 11411:5		Powell 11391:17
planned 11463:18	plotted 11437:10		power 11459:21 11461:20 11462:8 11465:21 11503:3 11571:8
planning 11596:15			
plant 11395:16 11400:20,27 11405:3,11 11411:22 11413:20 11419:10,12,21 11425:7 11427:5 11443:3 11449:10,21 11455:26 11456:7 11463:13,15,22 11464:1,3,11 11466:9 11481:24,28 11483:2,11,12, 17 11484:24 11485:3			



Powerpoint 11396:21 11458:1 11532:7 11533:21 11586:23	16 11552:4,12 11558:6 11559:4 11562:15 11566:5 11572:14	11427:1,2 11431:7,19 11432:2,7 11433:9,10,17,19, 26,27 11434:5,7,11,16,17, 19,22 11435:7 11436:13,18, 25 11437:2,3,11 11438:4,7, 14,19,20,23 11439:9,22 11441:17,23,25 11442:4,5, 11,13 11444:7 11445:25 11446:13 11447:4 11448:9, 13,14,20,24 11449:1,6 11450:1,7,24,26 11451:2,3, 4,12 11454:2,4,7,16 11455:16,19 11456:14,20 11457:8,9,16,18,19,23 11458:2,3 11459:12 11460:3 11464:8,18 11466:3,4,8,14, 15,18,22 11467:20 11469:23 11470:8,12,26 11472:7,10, 12,13,14,15,17,28 11473:7, 11,15,21 11474:25,26,27 11476:28 11477:1,17,26 11478:25 11480:12 11481:18,27 11484:2,8,10, 23 11485:13,17 11486:6,8, 10,16 11487:2,18 11489:7,9, 10 11490:3,22,26 11493:28 11494:1,10,17 11495:3,4,7, 8,14,15 11496:12 11497:9, 20 11498:23,25 11499:18, 25,27 11500:3 11502:16 11507:6,14,22,25,26,27 11508:3,5,7,12,14,23 11509:2,3,5,8,14,24 11518:7 11519:5,17,27,28 11520:5, 17,21,23,24 11521:23 11522:2,4,6,7,28 11525:3,13 11527:15,21 11528:4,7 11539:6 11540:12,13,20 11541:1,20 11547:28 11551:6,9 11556:13,14 11559:18 11560:12 11561:21 11564:15 11565:8 11567:27 11568:6,7 11569:13,16,21,23,25 11570:12 11571:26 11573:25 11574:1,15 11575:19,23 11576:13 11577:7,10 11590:20,23 11591:26 11593:4,5,21,22 11594:6,10,17,24,26 11596:2 11597:2,3,6,14 11599:12 11603:6	11448:28 11449:4,7,14,18 11450:27 11451:4,5,8,13 11455:5,10,13,19 11457:3, 21,25,26,27 11458:7,11,14, 19,20,25,26,27 11459:1,13, 14 11460:2,4,6 11461:11,17, 21,23,26,28 11462:2,9,14 11464:2,6,12,14,25,27 11465:3,4,10,14,18,22,27 11466:11 11471:7,21,23 11472:11,25 11474:8,9 11477:2,7,9,11,13,14,20,24 11478:3,8,11,13,27,28 11479:6,10,12 11480:9,10 11481:22 11483:19 11484:19 11485:7,8,9 11486:9,14,15 11489:22 11490:19 11492:20 11494:11,12,18 11495:3,14, 27 11497:6,7,10,21,22 11498:27 11503:10,13,16,17 11505:23 11508:18 11509:12,25 11510:2,6 11511:4 11517:24 11519:16, 18,28 11521:26 11523:13 11549:23 11551:15,18 11556:8 11557:12,22 11559:17,27 11566:4 11571:7 11592:20 11594:5, 8,25 11595:10,13,24,27,28 11596:12,16,17,18 11597:20,26 11603:15
PPD 11431:18,21,23,25 11432:2,28 11507:22,24 11508:1,4,7,10,12,16 11520:6,15,18,25	prepared 11439:18 11462:17 11515:13 11519:21 11529:12		
PPDS 11432:26,27 11433:2 11445:27,28 11446:2,9 11448:10,15 11507:13	preparing 11601:14		
practical 11449:20	presence 11556:6		
practice 11518:13	present 11445:8 11471:4,25 11515:18,28 11526:7 11533:24		
practices 11596:21	presentation 11531:8 11532:7,8,21 11533:21 11543:22		
pre-covid 11540:15 11541:25	presented 11396:3 11397:12,20 11415:14 11421:3 11431:8 11523:7 11524:13 11529:13 11539:24 11560:18,28		
preceding 11595:4	presenting 11399:7 11401:19		
precisely 11397:8	president 11532:23 11533:5 11555:11		
precision 11396:2	pressure 11464:11,13,16 11495:13 11606:1		
predate 11596:15	presume 11503:19		
predictable 11459:26	pretty 11423:7 11435:8 11448:10 11449:4 11464:27 11473:3 11524:17 11529:6 11540:24 11546:10,15 11548:6 11551:19 11552:8		
predominance 11488:7	prevailing 11522:4		
predominant 11489:6	prevalent 11587:20		
predominantly 11446:15	prevent 11485:13		
preface 11460:1 11581:18	prevented 11562:17		
prefer 11605:25	previous 11397:8 11398:8 11418:12 11445:15 11447:10 11448:6 11458:10 11524:21 11556:1 11568:7 11591:24		
preference 11459:11 11600:17	previously 11392:12 11393:22 11397:12,20 11406:10 11411:11,13 11413:12 11429:5 11514:12 11515:8 11531:23 11533:3 11554:2,10 11585:19		
preferences 11588:11 11601:1	previsions 11451:18		
preliminary 11390:6,9 11392:4 11604:11	price 11396:18 11397:15,16 11399:1,22,24,26 11400:1,2, 6,13,14,16,23 11402:21 11403:13 11404:17 11407:27 11411:4,27 11416:7 11425:22,24 11426:1,2,13,16,21,28		
premium 11405:10 11455:12 11464:20 11466:19,24 11467:22 11479:25 11480:8 11481:14 11482:13,26,28 11483:7,11 11484:8 11485:2 11488:28 11489:8,19,28 11490:3 11509:26 11535:18 11552:6, 14 11558:7 11561:6 11562:14 11572:23 11576:10 11596:19 11597:7, 14,18,24			
premiums 11456:16 11458:8,12 11460:21 11463:27 11464:4,14 11467:13,26 11480:23,24,27 11481:2,6,8,12,17,24 11482:1,5,18,20 11483:8,21 11484:1 11489:1,3 11490:10 11495:9,13,19,23 11498:20 11510:3 11547:20 11548:11,			
	priced 11563:7,9 11565:2 11597:5		
	prices 11393:23 11397:18 11400:10 11402:24,25 11404:11,12,13 11410:20 11419:23,26 11426:19,24 11432:7,18 11435:10 11436:3,5,8,14,26 11438:10, 27 11439:1,17 11440:17,18, 19,22 11441:4,6,13 11442:19 11445:22 11447:14,16,20,26,27		
	pricing 11415:8,10 11416:8 11431:19 11433:10 11439:11 11441:13 11449:3 11455:4,7 11457:24 11458:16 11459:7 11460:4, 6,7,8 11466:17 11480:25 11490:9 11497:11,12,28 11498:4,7 11501:8,9 11510:28 11511:9 11528:11 11566:14 11577:16 11586:8 11589:26 11593:25 11594:2, 3,12 11595:2,7,16,18,19,22, 26 11597:18 11598:1		
	primals 11411:16		
	primarily 11469:11 11556:20 11578:7 11597:4		
	primary 11597:8		
	principally 11474:16		
	print 11606:19		
	printed 11392:27 11533:27 11584:22		
	prior 11390:19 11394:14 11396:27 11397:28 11487:8 11515:22 11593:25 11594:9		
	private 11516:4 11525:6 11546:3		
	privy 11571:22		



probative 11395:5	11477:4 11487:24 11502:24 11511:8 11516:15 11520:19, 28 11522:21 11527:19 11537:20 11539:4 11588:15 11596:25	profits 11546:22,25 28 11587:2	propose 11422:14 11497:3
problem 11397:2 11449:12 11454:4 11480:6 11482:18 11483:8 11492:22 11495:28 11509:19,20 11534:11 11597:28 11601:16	producer's 11528:5	program 11436:13 11454:26 11460:14 11517:27 11594:26 11596:11 11597:27	proposed 11443:22 11500:21 11501:3 11516:26 11518:1,4 11523:2 11524:12 11525:21 11538:5 11558:8 11559:3 11561:4 11581:13 11590:7 11605:12 11607:3,6
problematic 11448:16	producers 11391:20 11413:7 11415:4,10 11445:5,6 11459:27 11461:21 11464:19 11465:21 11467:1 11485:8 11486:9 11490:17 11494:18 11497:17 11499:5 11500:25 11510:28 11511:4 11515:21 11516:1,3 11524:3 11527:13,15 11535:22 11539:5 11541:11 11557:15 11561:12 11563:6 11597:17 11599:4 11603:20	progression 11456:20 11460:10 11497:6	proposing 11473:9 11524:9
problems 11447:22 11448:2 11459:24 11595:13 11603:5	producers' 11597:16	projection 11592:23	proprietary 11443:9,10,25 11444:11,15 11490:11,19 11501:15 11502:4 11510:12
procedurally 11433:7	producing 11452:27 11459:8 11603:7,18	promise 11478:26	proposing 11473:9 11524:9
proceed 11393:14 11430:17 11512:4 11534:10 11585:12	product 11404:21 11405:16 11407:25 11410:26 11411:17 11417:11 11425:8 11447:15 11452:17,19 11457:25 11459:20 11488:10 11503:4,6,24,25 11504:9,12,16 11505:9,11 11518:20,21 11546:17 11547:9 11556:8 11557:11, 18 11559:20 11563:2 11578:18 11579:26,28 11580:9 11582:7 11588:5	promote 11598:5	proven 11556:10
proceeding 11514:13 11515:9 11516:6 11517:17 11524:22 11526:12 11531:24 11554:3 11595:18	production 11400:11 11408:10 11446:21 11522:13 11523:3 11537:18 11556:28 11557:2,5,10 11559:5,6 11572:15 11578:16 11587:16 11596:6, 9,13,19,25,26	promotions 11592:13	proves 11590:25
proceedings 11607:11	products 11399:16 11400:13,16 11405:18,23 11406:19 11426:24 11427:3 11452:20 11454:9 11472:18 11485:20 11497:11 11522:14,15,17 11555:18 11560:13 11564:22 11576:27 11577:2,27,28 11578:10 11580:10 11587:8, 22,24,25,27,28 11589:13,22, 23 11590:3,15 11591:15 11592:7,12,17 11598:9,12 11603:16	prompt 11566:15	provide 11402:6 11408:24 11430:27 11445:3 11481:10 11498:3 11515:17 11548:5,9 11577:11,20 11595:25 11596:13 11604:20
process 11403:12 11418:23 11419:2,24 11420:9 11432:6,9 11503:3 11504:28 11516:19,21 11563:1 11572:19 11581:19	professional 11409:14 11491:16	prompted 11504:6	provided 11406:15 11428:18 11436:19 11452:4 11519:9 11597:20
processing 11398:22 11419:12 11456:22 11510:8, 26 11543:14 11556:24,25 11558:13 11580:17 11582:2 11588:1 11600:22	proffered 11411:25	promulgated 11558:7	providence 11461:27
processor 11481:20 11482:3 11484:22 11488:23 11495:22 11496:6,11,16 11504:15,20,24 11527:17 11550:8 11568:18 11578:13, 16,19 11579:17	profit 11477:18 11549:15	proper 11455:25 11518:7 11524:5	providing 11406:10 11533:18 11604:5
processor's 11588:9		proponents 11453:3,5 11455:14 11456:23	provisions 11446:1 11447:2 11450:12,19,22 11451:17 11453:28 11497:3 11498:5,7 11588:28
processors 11459:21 11480:7 11481:4,16,26 11483:5 11484:14 11490:1, 11 11492:18 11493:16,19 11495:8 11497:1 11498:17 11504:18 11505:24 11506:8 11557:15 11563:12 11587:7, 11 11588:22,25,27 11589:21,22 11590:1 11598:9 11603:21		proportion 11425:3 11468:5	proxy 11507:23 11508:11,16
procurement 11408:1 11409:27 11416:18 11424:9, 11 11425:5,11 11521:27 11555:11 11597:12		proposal 11390:20,21,23 11391:8,9,15,18 11432:22, 25 11433:1 11434:18,24 11435:5,18 11442:25,28 11443:22,28 11444:18 11445:9,14,18,24 11446:12, 16,20,23,24 11447:1,3,8,13 11448:4,8,21,26 11449:28 11450:3,6,11,18 11451:19, 20 11452:9,12,25,26 11453:2,3,6,9,27 11454:18, 24 11455:2,15 11456:5,26 11457:24 11458:6 11459:4, 5,23,24 11460:11 11461:8 11462:13,16,23 11463:3,5 11469:8,9,11,13,24,27 11470:4 11472:9 11479:2, 11,22 11480:6,18 11481:13 11489:8 11494:15 11496:24, 27,28 11498:10 11500:25 11501:3,11 11508:4 11509:13 11515:15,28 11516:28 11518:16 11523:7, 8,19,20 11524:13 11529:12 11536:14,18 11537:9,24 11538:5,11,22 11539:1 11543:23,26 11555:20,23,26 11556:7 11558:16,25 11559:6 11560:7,9,10,15 11562:3,22 11563:19,26 11564:2,8 11565:12,23 11581:11 11586:4 11587:3,5 11588:21,23,25 11589:15 11590:2,6,18 11593:13,17 11598:4,17	public 11461:13 11462:10 11516:17 11523:14
procuring 11405:2		propose 11422:14 11497:3	published 11412:6 11561:21
produce 11453:24 11491:4 11522:15		proposed 11443:22 11500:21 11501:3 11516:26 11518:1,4 11523:2 11524:12 11525:21 11538:5 11558:8 11559:3 11561:4 11581:13 11590:7 11605:12 11607:3,6	pudding 11600:3,7
produced 11420:6 11477:15 11522:23		promote 11598:5	pull 11396:21 11398:8 11406:1 11407:20 11417:28 11418:1 11422:8 11471:14 11533:20
producer 11391:23 11431:9, 10,17 11455:4 11471:11		promotions 11592:13	pulled 11395:21,23 11561:23
		prompt 11566:15	purchase 11571:2,3 11599:18,20
		prompted 11504:6	purchased 11518:6
		promulgated 11558:7	purchases 11504:21
		proper 11455:25 11518:7 11524:5	pure 11461:13 11477:11
		proponents 11453:3,5 11455:14 11456:23	purely 11451:28 11466:10 11485:12 11488:13
		proportion 11425:3 11468:5	purpose 11476:27 11496:24
		proposal 11390:20,21,23 11391:8,9,15,18 11432:22, 25 11433:1 11434:18,24 11435:5,18 11442:25,28 11443:22,28 11444:18 11445:9,14,18,24 11446:12, 16,20,23,24 11447:1,3,8,13 11448:4,8,21,26 11449:28 11450:3,6,11,18 11451:19, 20 11452:9,12,25,26 11453:2,3,6,9,27 11454:18, 24 11455:2,15 11456:5,26 11457:24 11458:6 11459:4, 5,23,24 11460:11 11461:8 11462:13,16,23 11463:3,5 11469:8,9,11,13,24,27 11470:4 11472:9 11479:2, 11,22 11480:6,18 11481:13 11489:8 11494:15 11496:24, 27,28 11498:10 11500:25 11501:3,11 11508:4 11509:13 11515:15,28 11516:28 11518:16 11523:7, 8,19,20 11524:13 11529:12 11536:14,18 11537:9,24 11538:5,11,22 11539:1 11543:23,26 11555:20,23,26 11556:7 11558:16,25 11559:6 11560:7,9,10,15 11562:3,22 11563:19,26 11564:2,8 11565:12,23 11581:11 11586:4 11587:3,5 11588:21,23,25 11589:15 11590:2,6,18 11593:13,17 11598:4,17	



11517:27	11512:6 11513:19 11526:27	rationale 11518:25	receive 11535:18 11548:8
purposes 11450:9 11455:7 11519:12 11600:26	11527:8 11543:12 11544:8, 12,14 11552:3,11 11555:4 11570:19 11572:3 11573:6,8 11576:24 11586:6 11593:25 11594:1 11595:23 11598:23, 27 11601:8 11603:3	raw 11400:19,28 11411:19 11447:15 11452:18 11467:2 11504:25 11505:6 11516:14 11518:18 11538:4 11541:13 11542:1 11562:12 11579:18	received 11427:16,25 11428:4,11 11512:14,21,28 11513:7,14 11517:24 11530:18 11553:5 11561:5,8 11583:20,27 11604:2
pushed 11408:13		re-ran 11396:17	receiving 11451:27 11535:19 11560:20,24 11561:2
pushes 11558:16	quick 11432:24 11437:14 11530:12 11594:3 11606:14	re-read 11447:24 11560:22	recent 11519:21 11540:11 11562:20
pushing 11419:4	quickly 11401:21 11450:16 11503:26 11505:9,17 11601:14,20	reached 11471:1	recess 11511:17
put 11390:13 11391:22 11418:5 11421:16 11423:1, 3,10 11431:21 11462:22 11464:11,20 11468:3 11470:28 11476:19 11507:23 11510:5 11560:22 11566:23 11574:24 11575:3, 5 11576:4 11581:10 11582:8 11604:11,21	quotations 11594:24	read 11454:20 11471:15 11472:6 11474:20 11475:4 11480:8,15,17,25 11490:4 11517:3 11521:15 11526:6 11537:2 11555:24 11560:26 11565:5 11576:26 11579:23 11580:16 11586:23 11588:18 11593:16 11602:7 11606:10	recipe 11556:10
puts 11464:13 11481:14 11545:13 11558:25 11581:16 11606:1	quote 11479:14 11480:24	reading 11475:14 11480:5 11492:5 11583:2	recognize 11399:15 11400:9 11416:22 11451:20,22 11452:13,26
putting 11418:8 11462:24	quoted 11474:12 11492:2	ready 11428:23 11468:22 11530:16 11553:22 11584:26	recognized 11599:13
puzzles 11470:27		reaffirmed 11606:17	recognizes 11590:18
	R	real 11410:15,17 11412:8 11419:20 11449:12 11454:4, 6 11467:23,25 11468:2 11492:23 11552:22	recognizing 11453:6
Q	R-A-S-C-H 11391:26 11514:10	realities 11405:15	recollection 11416:8,10,11
	R-SQUARE 11437:18,24 11438:9	realize 11566:8	recommendations 11516:8, 9
	R-SQUARED 11470:14,18, 20 11475:23,24,27	realized 11570:17	recommends 11472:9 11537:14
qualification 11593:6,12	race 11417:28	realm 11491:13	record 11390:2,14 11391:23 11392:7 11396:27 11406:26, 28 11407:2 11412:26 11413:1 11428:25,26 11458:14 11468:25,26 11475:14 11476:14,22 11511:16 11512:2,3 11513:24 11514:3,5 11517:8 11531:9,11,13,14 11544:23 11547:23 11553:24,25 11565:6 11585:1,2 11586:19,24 11588:19 11601:21,28 11604:17,18, 21,24,26 11605:1,2,3,9 11606:10,12,28 11607:9
qualitatively 11401:26,28 11402:5 11421:4	raise 11412:13,17 11436:2,3 11438:27 11539:6 11540:18 11550:15 11551:9 11556:8	reasonable 11594:17	record's 11520:8 11580:2
quality 11593:5	raised 11595:23	reasoned 11455:24	records 11425:14
quantity 11461:12 11462:2,9 11477:11,15	raises 11436:2	reasons 11418:19 11523:7 11527:23 11536:17 11560:16 11562:18 11564:13,16,18 11568:9 11577:9,18	RE-CROSS-EXAMINATION 11426:10
quarter 11404:26,27	raising 11539:15 11561:3	rebate 11546:25	red 11397:14 11409:24,26 11424:21,27 11440:6,26 11442:1 11535:1
quartiles 11413:27	ran 11418:12	reblend 11490:14,16	red-colored 11398:12
question 11411:20 11412:20,22 11416:11 11417:4,15 11418:17 11421:13 11426:8,27 11435:27 11436:6 11441:8 11442:15 11465:25 11476:2, 4 11477:6 11479:9 11482:7, 9,11,13,23 11486:18,23 11489:12,15,16 11491:6,24 11492:12 11493:5 11495:3, 11 11501:10,21 11505:27 11510:14 11511:7 11527:11 11538:7,18 11550:13 11582:14 11599:8 11601:10 11602:4	random 11437:26 11438:11 11470:22	recall 11406:13 11420:24 11423:21 11471:4 11498:1, 2,3 11506:5	redirect 11424:6,7 11511:14 11552:1 11603:1
questioning 11459:27	range 11402:27 11403:16 11413:17 11414:8 11419:1, 14 11440:2 11445:19 11529:7	receipts 11589:2	reduce 11434:1 11435:4 11438:28 11439:5 11446:12 11447:11 11448:11 11471:23 11478:24,25
questions 11390:19 11393:27 11394:10 11395:5 11396:10 11407:12 11412:10,13,17 11413:8 11417:18,19,21 11419:16 11421:14 11500:17 11502:7 11503:19,28 11504:6 11506:15,16,23 11508:17	ranges 11593:10		
	rapidly 11594:14 11596:8		
	rare 11455:10		
	rarely 11467:22,24		
	Rasch 11391:9,10 11513:26 11514:1,9,16 11515:4,20,27 11523:22,24 11524:4 11526:25 11529:16,24 11530:13,21 11531:3		
	Rasch's 11391:25		
	rate 11504:28		
	rational 11588:26 11589:10		



11491:8,10 11497:20 11510:4 11517:23 11536:22 11556:13 11559:8	11459:7 11466:15 11477:3 11478:25 11481:10,11 11496:2 11502:15 11522:1, 19 11589:4,5,16 11593:3	remaining 11534:17	representatives 11542:12
reduced 11432:21 11447:11 11456:28 11457:25 11492:14 11588:12	regulating 11412:11,12	remains 11459:10 11595:18	represented 11404:15 11435:23 11437:20 11484:6 11524:27 11591:7
reduces 11434:25 11448:4, 12,21 11450:6 11451:17 11557:8	regulation 11399:14 11415:3 11416:7 11460:26 11485:13 11505:1 11559:27	remarkable 11536:19 11598:11	representing 11391:20 11499:5 11516:17 11524:3 11527:13
reducing 11431:14,26 11486:2 11557:13	regulations 11516:19 11519:2 11523:12 11525:3 11604:19 11605:4,5	remarks 11594:3	represents 11413:12,23 11414:6 11437:18
reduction 11431:12,14 11439:1 11458:27 11478:21 11486:5 11508:21,22 11509:3,4,5	regulatory 11558:8,9 11590:6 11598:13,17	remember 11416:5 11437:25 11481:7 11495:25 11524:17	request 11460:12 11577:7, 15
reefer 11582:5	rehydration 11562:17	remind 11461:3,7 11555:5, 14	requesting 11422:5
refer 11564:11 11568:3 11570:6 11607:1	reject 11523:19 11590:6	reminder 11391:5 11435:9	requests 11411:16
reference 11574:15	rejected 11598:4	reminders 11461:5	require 11458:8 11519:3 11556:23 11578:9,10
referenced 11417:3	rejecting 11598:16	removed 11518:22	required 11409:12 11505:1 11528:15 11557:7 11596:21
referred 11516:1,3 11518:2	rejection 11455:3,23	removing 11563:22	requirements 11593:6,12 11596:7
referring 11568:4	relate 11442:13	Rensselaer 11433:15	requires 11460:18 11496:17
reflect 11405:21 11449:18, 19 11467:20 11492:20 11509:28 11537:17 11540:19	related 11484:7	repeat 11461:17 11489:15, 16 11497:8 11502:7 11538:6	rerun 11420:11 11423:19,20
reflected 11471:21 11509:25	relation 11441:9	repeated 11559:24	research 11396:8
reflecting 11393:23 11591:8 11598:1	relationship 11436:4,7,17 11437:10,26,27 11438:13 11439:2,8 11440:5 11441:12 11442:2,6,18 11457:2,3 11467:18 11470:7,10,15,21, 25 11471:6 11478:28 11483:16 11493:21 11495:4 11499:23,27,28 11500:2 11501:9 11502:3 11521:23 11547:26 11548:2 11558:10	repeatedly 11464:17	reserve 11433:12,13,18,21, 27 11434:23,26 11435:7,20 11447:5,6 11449:25 11450:2,7 11452:2 11459:16 11488:17 11509:6
reflection 11452:17	relationships 11547:19 11590:23	replace 11478:26 11517:2 11565:2 11575:4	respect 11469:12 11595:11 11599:26 11600:22
reflects 11394:27 11395:28 11461:12 11592:18	relative 11440:19 11452:14 11519:16 11559:25	replaced 11455:18 11557:6	Respectfully 11523:22
reform 11524:19 11539:19 11550:9 11593:26 11595:3, 9,11	relevant 11470:2	replacement 11576:1,2 11596:26	respective 11505:24
regard 11530:9 11605:18	reliance 11455:5 11458:8 11510:5	replacements 11587:28	respond 11436:9 11491:19, 21 11606:3
region 11403:13 11407:26 11409:22 11464:15	relied 11458:21,22	replete 11458:15	responding 11436:5 11598:2
regional 11441:10,11,13 11442:15,16 11452:12	relies 11447:13	reported 11419:7 11437:11 11444:26	response 11393:26 11394:9 11436:3 11465:25
regions 11399:13,18 11406:3 11408:10,15 11409:26 11418:21 11425:4 11426:25 11427:6 11449:26 11455:13 11459:16 11581:21 11582:7	relieve 11598:5	Reporter 11538:13 11552:9 11555:9 11559:12 11575:9	responses 11605:25
regression 11437:15,16,20	relive 11550:5	reporting 11420:18,19 11516:16	responsibility 11458:9 11462:14
regular 11415:20	rely 11461:20,22,24,27 11462:7 11465:2,3 11483:4	represent 11403:21 11413:7,17 11414:2 11418:11 11420:22 11433:20 11444:12 11459:5 11516:5 11527:12 11541:10 11567:15 11599:3	responsible 11477:19 11516:13,15 11597:11
regulate 11460:13 11589:23	relying 11470:5	representation 11395:10 11484:9	rest 11414:17 11416:18
regulated 11446:13 11456:15 11458:25,26,27	remain 11392:10 11429:3 11554:6 11556:17 11557:4 11585:17	representative 11433:12 11516:7	restrictions 11528:26 11529:1
	remainder 11390:23		result 11432:22 11434:17 11438:6 11445:10,17 11455:22 11459:26 11464:10 11474:25 11480:13 11483:1 11495:1



11496:27 11509:12	review 11474:17	11420:27 11463:7 11488:16,	scenario 11402:3 11418:12
11528:10 11538:9 11556:25	reviewed 11412:7 11516:18	18 11489:10 11534:12,15	11419:8 11420:26 11502:17
11563:3 11564:7,8 11580:17	revised 11431:25 11508:15,	11536:11 11540:8 11578:27	scenarios 11395:15,19
resultant 11470:12	16	11579:1 11605:16	11434:13 11494:16
resulted 11476:3 11520:18	rid 11503:24	running 11425:28 11444:28	schedules 11604:19
resulting 11505:23	rig 11541:22,25	11542:27	scheme 11456:4
11540:13 11556:16	rise 11447:20,27	runs 11396:4 11398:19	scholar 11428:21
11568:26 11578:12	risen 11399:1	11402:1 11420:20	Schuelke 11446:6,8 11506:1
results 11411:1,24 11421:4	risk 11555:12 11577:3,22	rural 11534:23 11540:3	scrap 11579:26 11580:1,2
11432:15 11500:27 11502:5	road 11484:24 11485:3	Ryan 11391:19 11413:7	screen 11430:25 11431:3
11508:25 11521:27	robust 11421:5	11499:5 11524:3 11541:10	script 11446:5,6
resuming 11390:10	Rocky 11558:1	11567:15 11599:3	Seaboard 11440:14
resurrect 11559:28	role 11405:22 11416:7,12,14	S	season 11408:19,23,24,28
retail 11436:3,5,8,13,14,17,	11482:18 11489:20	S-A-L-L-Y 11585:8	11409:18 11592:11
18,24 11437:2,3,11 11438:4,	11580:25	S-I-M-S 11429:2	seasonal 11592:8,13
7,10,14,20,27 11439:1,6,9,	roll 11438:18	S-T-E-P-H-E-N-S-O-N	seasonality 11592:3
11,17,22 11440:17,19,22	Roman 11601:22	11392:9	seconds 11462:18
11441:4,6,13,17,23,25	room 11430:11 11439:20	S-T-E-V-E 11553:28	Secretary 11446:27
11442:4,5,11,13,19 11457:2,	rose 11457:21	Sadly 11600:12	11455:1,15 11456:7
8,9,21,26 11458:2,3	Rosenbaum 11391:12	safety 11492:10 11505:1	11458:8,17 11461:9,11,19,
11466:6,21 11469:22	11392:1 11469:2,3	Safford 11542:24	22,24,26 11462:3,8,13,15
11470:8,12,26 11471:7,21,	11475:18,20,21 11476:5,6,9	sake 11508:9 11540:16	11477:10,13,19,24 11478:7
22 11472:8,13,14,15,18,25	11531:5,15,18 11532:5,15,	sale 11417:11 11564:21	11487:28 11488:1,2
11473:15 11474:8,26	19,20 11533:17,27 11534:3,	11582:14	Secretary's 11455:2,23
11499:18,25 11500:1,3	7 11536:15 11537:11	saleable 11546:17	11462:1,6,14
11507:6 11540:18 11545:13	11538:15 11541:3 11543:13	sales 11425:8 11455:9	section 11454:13,20
11550:15 11579:7	11551:25 11552:2,10,15,25	11516:14 11521:21	11586:28 11588:5 11605:5,6
retail-to-differential	11553:13,17 11554:12,13,	11540:14 11571:9,20	sections 11454:13
11499:23	20,27 11555:13 11560:3	11578:6 11582:11 11589:3	sector 11598:15
retailer 11466:10 11550:19	11567:9 11583:11 11584:1,2	Salina 11545:5	secure 11559:20
retailers 11540:26 11551:6,	11606:26,27	Sally 11390:20 11585:4,8,18	securing 11458:11
17	roughly 11403:6 11443:23,	Sam's 11539:26 11540:25	seek 11455:28 11497:24
retain 11486:8	27 11444:2 11495:7	11549:22 11551:2	seeks 11560:11 11590:10
retaining 11458:11	round 11425:16	Saputo 11555:7,10,14	sees 11579:3
return 11446:24 11454:18,	rounded 11396:5 11432:4	11557:26 11558:2,24	segment 11595:21
28 11456:2 11476:14	11448:7	11560:13,19 11561:1,4	Select 11391:20 11413:7
returning 11407:6 11417:26	rounding 11401:6,7,8,15	11564:12 11571:11,19	11499:5 11524:3 11541:10
11515:12	11432:5,8	11576:27 11583:1	11567:15 11599:3
reveal 11467:17	routinely 11591:1 11592:3	Saputo's 11558:16,20	selection 11397:7
revenue 11431:12,14	row 11601:22	satisfy 11556:3	self-serving 11454:27
11432:21 11445:16 11449:9,	rows 11507:17	save 11549:7	sell 11433:28 11496:11,15
11 11510:15,18,21 11519:3	ruinous 11415:5 11455:8	saved 11491:20 11576:11,	11550:20,22 11580:3,6
11523:5 11528:6 11559:10,	11511:9	13	seller 11503:20 11569:27
14 11561:12 11563:5	rule 11492:5 11541:16	savings 11564:4	sellers 11566:8
revenues 11431:26	11542:26 11596:10	Scale 11404:5	selling 11550:22 11571:25
11432:19 11447:21,28	rules 11593:11	scatter 11437:10	
11448:5 11478:3,27 11510:5	run 11395:7,15,20 11401:24	scattered 11543:9	
11517:23	11402:3 11408:17,21,23,24		
reversal 11455:2	11418:5,7 11419:7,13		
reverse 11551:15			
reversion 11491:4 11492:21			
reverting 11491:21			



sells 11536:6	severely 11435:18	11538:26 11588:12 11593:8	simultaneously 11431:5
semi 11541:22	shade 11407:19	shows 11402:20 11409:17	single 11493:14 11549:2
semi-solid 11587:25	shaded 11414:1,3,6 11591:17	11423:20 11441:3 11444:4 11458:2 11495:12 11499:21 11508:28 11538:25 11539:21 11563:23	single-load 11535:21
send 11486:10 11535:11	shadow 11393:23 11396:18 11397:15,16,17 11399:1,22, 24,25 11400:6,9,13,14,16,23 11402:20,21,24,25 11403:13 11404:11,12,17 11407:27 11410:20 11411:4,27 11419:23,26 11425:22,24 11426:1,2,13,15,19,21,24 11427:1	shrinkage 11454:3	sir 11474:10 11552:24
sends 11486:9	shake 11488:8,19	shut 11545:25	sitting 11452:2
sense 11470:2 11526:1 11562:13 11579:6	share 11510:17 11593:27 11597:1	shuttered 11556:27	situation 11460:27 11486:24 11495:17 11496:14 11521:25 11546:8 11601:2
sensitive 11390:26 11592:12	shared 11510:22	sic 11538:28	situations 11493:28
sentence 11560:26	sharing 11510:15	side 11432:24 11440:16 11537:20 11544:24 11547:2 11548:12,13,18,23 11549:9 11569:28 11579:17	skewed 11414:28 11442:25
sentences 11472:6	sharp 11505:13	sides 11505:13	skim 11431:20 11489:10 11490:22,26 11491:2 11507:25 11518:18 11519:28 11520:3 11559:25 11560:14,20,25 11561:2,13, 21 11562:2,3,7,12,15,16,23, 25,28 11563:16,21,22 11564:9,10,11 11565:2 11566:7,8,21,22,23,27 11567:1,3,18,20 11568:18 11570:6 11573:19,23,24 11574:3,8,9,22,25 11575:4, 5,22 11576:5 11577:17 11587:23 11588:4,11 11594:5,12 11595:10,13
separate 11490:23 11517:5 11523:17 11528:20 11553:18	shed 11572:20	signal 11520:9	skip 11586:24
September 11395:12	sheds 11558:3	signals 11486:9,11	slide 11396:22 11402:9 11535:14 11543:22 11548:24 11549:18,25 11550:14
series 11439:22 11507:6	sheer 11461:27 11485:19	significant 11459:19 11494:15,22,25 11497:7,8 11498:12 11510:8,9,25 11519:7,17 11525:6 11591:23	slightly 11444:11 11527:11 11593:24
serve 11449:9 11480:7,11, 19,21,22,23 11483:2,14 11488:12,16 11489:4,21 11492:17 11508:26	sheet 11574:27	significantly 11445:24,26 11493:9,12 11588:14,21 11591:19 11594:27	slope 11449:24
served 11480:14 11481:5 11495:19	shelf 11556:23 11577:27 11578:10 11579:4,5,25 11599:17	similar 11401:26,28 11421:5 11464:10 11474:13 11484:6 11502:8 11564:12 11596:3 11600:5	slotted 11515:7
serves 11500:10	shift 11405:21 11527:24 11528:3	similarity 11397:11,14	slow 11435:26 11551:19
service 11416:24,25 11417:19,21 11428:16 11439:22 11484:12 11506:16,18 11526:27 11544:11,14 11545:9,16 11573:5,8 11579:14 11601:7,10 11604:14	shifted 11523:3	simple 11426:4 11443:20 11453:23 11462:12 11567:25	slowly 11441:14
services 11466:1 11548:5, 10	ship 11543:15 11547:9 11581:24	simplify 11489:11	small 11406:9 11425:2 11442:22 11443:16 11481:9, 12 11483:22 11484:6 11495:27 11534:23 11535:22 11536:7 11540:4 11545:14
servicing 11581:23	shipments 11535:25 11543:6 11578:24 11579:10	simplistic 11518:5	small-town 11549:24
serving 11482:18 11488:15	shipped 11403:28 11427:3,4 11535:6	simply 11424:27 11431:6, 16,23 11432:15,24 11433:9, 17,26 11438:25 11439:2,21 11440:4 11442:16,19 11443:6,17 11458:21,22 11465:18 11501:1 11502:19 11507:24 11511:6 11527:23 11561:7 11580:28 11583:13 11596:18	smaller 11403:20 11415:27 11417:7 11420:7 11425:4 11484:9
SESSION 11390:1 11512:1	ships 11534:20 11547:3	Sims 11391:8,9 11429:1,4 11430:22 11445:4 11450:14 11463:12 11468:18 11469:5 11470:27 11476:13,18,26 11499:7 11513:19,22 11548:20	Smith 11433:13
set 11413:27 11414:22 11420:16,17,24 11422:26 11424:20 11425:10,23 11448:18 11455:16 11461:21,23,25,27 11466:8 11477:14,24 11478:11,13 11490:3 11527:10 11568:10, 12,13 11570:13	short 11408:23,28 11424:6 11533:3 11548:14 11588:24	Sims' 11429:13	softer 11394:2
setting 11477:20 11478:7 11487:26 11518:12 11540:4	short-term 11482:12		soft 11587:24
settings 11534:23	shorten 11605:10		softer 11394:2
settle 11570:15	show 11421:6 11430:25 11440:4 11442:1,17 11494:19 11561:25 11565:6 11590:28 11602:14		softer 11394:2
settlement 11520:19,28 11522:21	showed 11471:6		softer 11394:2
seven-tenths 11566:25	showing 11397:15 11402:23,24 11409:27 11431:2 11475:1		softer 11394:2
	shown 11404:19 11408:20		softer 11394:2



11587:9	speculative 11447:17	started 11427:18 11539:9 11546:16 11547:25 11569:10 11586:10,27 11604:12,13 11605:4	steps 11497:15
sole 11547:16	spell 11392:7 11428:28 11514:8 11531:21 11533:12 11553:27 11585:6	starting 11390:18 11406:17 11479:14 11540:7 11569:6	Steve 11391:12,16,27 11469:3 11531:5,18 11553:13,14,28 11554:9 11583:11
solely 11501:27	spelled 11391:26	starts 11480:2 11533:26 11554:28 11569:3 11592:11	stimulating 11556:5
solicited 11419:17	spelling 11391:28	state 11392:6 11398:10 11407:28 11428:28 11440:6 11441:21 11499:26 11500:1, 4 11514:8 11525:3 11531:21 11553:27 11585:6	stockpile 11504:24
solids 11400:5 11518:17,19, 23 11559:25 11560:14,20,25 11561:2,5,7,13,14,21 11562:2,3,6,7,8,12,23,25 11563:4,7,13,14,16,21,23 11564:9,10,11,25 11565:2 11566:6,7,9,19,21,23,28 11567:1,4,18,20 11568:18 11570:6 11573:19 11574:1, 8,9,22,25 11575:4,5,8,22,27 11576:5 11577:17	spent 11515:6 11557:20	stated 11525:19 11543:22 11584:10 11594:14 11595:12	stood 11418:19
solution 11426:20 11539:17 11549:26 11550:1 11560:1	spin 11496:21	statement 11429:13 11466:16 11473:8 11475:14 11487:1 11489:13 11508:20 11519:22 11526:6,7 11570:22 11571:8 11578:13 11579:23 11580:16 11581:18 11588:18 11590:25 11601:14 11603:5, 15	stop 11490:1 11491:20 11520:7 11536:28 11561:19
solving 11498:18	spoken 11423:25 11493:25	statements 11496:9,23 11553:18 11570:18 11584:22	store 11443:10 11444:16 11534:23 11536:8 11540:27 11541:18 11543:5,8,10,20 11544:28 11545:1,3,4,8,20, 26,28 11546:10 11549:3,10 11551:12 11556:20 11578:19,22,26 11579:7
sort 11441:11,13 11526:14 11541:21 11591:26	sporadically 11592:5	states 11398:16 11419:3 11440:27 11442:1,8,10,12 11457:13 11499:16,17,22 11500:4,14 11534:18,26 11555:16 11558:25 11560:14 11561:28 11583:2 11588:3 11594:16	stored 11518:7
sought 11596:12	spot 11505:16,20 11568:7	stating 11502:12	stores 11443:26 11536:7,8 11538:2 11539:26 11540:3, 5,6,17,18,19 11542:20 11547:11 11548:27 11550:15,28
sound 11550:1	spotted 11395:5	statistical 11433:9 11434:19 11437:14,18 11470:15 11521:5	story 11399:8 11402:5 11421:6,7 11471:8 11559:24
sour 11522:16 11556:28 11587:16,26	spread 11519:17 11562:10	statistically 11414:15,16	straight 11507:12
source 11436:14 11454:14 11518:20 11523:5	spreadsheet 11392:26	statistics 11441:9 11443:18 11519:12	straightforward 11448:10 11462:4 11497:5
sources 11418:25 11433:21	spring 11408:18 11592:4	stay 11445:12 11525:1	stream 11478:15 11504:27
south 11441:1 11463:20 11464:10 11535:5 11542:24	Springs 11583:7	steadily 11556:9	street 11515:26 11550:22
Southeast 11433:12,22 11434:24,26 11435:8 11458:12 11464:12 11484:2, 8	spur 11457:25	steady 11478:15 11504:27 11505:3 11548:6	strength 11519:15
Southeast's 11435:19	square 11462:5	step 11394:4 11416:21 11513:20 11553:8 11584:16	stress 11397:6
Southwest 11414:25 11433:22 11440:14 11441:2	squares 11437:14	step-wise 11454:15	striated 11483:13
spatial 11502:5	SS 11574:7,13	Stephenson 11390:18 11391:10 11392:8,10,11 11393:18 11394:5 11407:6 11413:2,5 11417:18 11428:14 11449:26 11456:17 11488:6	strike 11440:24 11473:5 11481:1 11487:8 11517:2
speak 11422:1 11475:9 11605:28	St 11433:15		strive 11559:20
speaking 11411:15 11414:17	stable 11592:15 11596:12 11597:26		strongly 11594:25
specific 11416:13 11455:14, 21,26 11490:28 11491:24 11543:24 11557:26 11588:21	staff 11395:5 11461:2		structural 11510:13 11557:21 11581:5
specifically 11410:19 11416:7 11418:27 11419:6 11506:6 11557:26 11558:15 11594:22	stand 11397:22 11398:10 11416:6 11430:23 11584:11 11585:5		structurally 11572:25
spectrum 11400:17 11426:20,26	standalone 11528:12,13 11587:19 11588:25 11589:8, 18,20 11590:4		structure 11456:11 11478:2, 23 11479:16 11481:6,8 11569:9 11594:15 11597:14, 19,25 11598:1,13



struggling 11598:14	11461:12,21,23,25,28	11435:20 11450:1 11461:15	suspect 11411:9 11464:11
student 11415:7	11462:2,9 11465:21	11468:12 11484:16	suspend 11504:21
studied 11471:26	11477:11,15 11478:11,12	11495:23 11504:15	sustain 11475:17
studies 11493:6 11540:13	11479:9 11482:4 11484:16	11505:11 11506:3 11509:17, 19 11521:28 11522:2	sustainability 11539:17 11549:27
study 11412:1 11423:1	11486:13 11487:28	supply 11398:2 11400:19,21	swath 11464:4
11483:26 11536:18,25,26,27	11491:27 11495:23 11496:6, 12	11401:1 11404:14 11415:5	swear 11514:15 11531:26
11537:5,6,7,22 11538:28	sufficiently 11447:21,27	11416:26 11419:22	sweet 11533:9 11563:15,16, 18
11539:1 11540:10,11	11478:24 11489:21	11433:12,13,18,21,27	sweetened 11588:2
11543:23,26 11544:3,5	11495:19	11434:23,26 11435:7	switch 11513:24 11556:15 11564:7 11599:21
subject 11483:16 11523:9	suggest 11410:9 11470:6	11443:5 11446:14 11447:5,7	switching 11540:8 11549:19
11588:28 11589:14	11485:24 11526:7,21	11448:22 11449:16,25	sworn 11392:10,12 11429:3, 5 11514:17 11532:2
11590:22	11571:25	11450:2,7 11451:16 11452:7	11554:6,10 11585:15,17,19
submit 11422:9,10,15	suggested 11416:15	11456:12 11459:16	symptomatic 11415:21
11516:27 11550:6	suggesting 11412:11,12	11461:16,25 11467:2	Syracuse 11500:9
submitted 11392:26	11526:10,20	11478:12 11479:17,23	system 11391:3 11405:12
11393:22 11453:2 11471:2	suggestive 11414:24	11480:28 11482:16,20,27	11424:23 11498:20 11506:4, 7,11 11578:28 11579:2,9
11523:22 11526:5 11605:20	suggests 11414:21,28	11486:5 11487:28 11488:17	11590:26 11591:20
11606:18	11415:14 11425:16,17	11491:27 11492:26 11495:5, 16 11496:1,3,6 11501:22	systematically 11443:1
suborns 11461:9	11484:19 11492:5	11502:13,16 11503:9	systemically 11443:1
subsequent 11528:27	Sulphur 11583:7	11505:3,19 11509:6	systems 11578:23
subset 11439:28	sum 11467:23 11468:1	11511:10 11535:20	
substantial 11405:10	11473:27 11474:3,23	11536:19,20 11539:10	T
11445:22 11446:17	11520:17 11521:9	11544:1 11546:14 11548:4	table 11396:3 11406:21
11447:13 11451:21,26	summarize 11448:23	11556:2,5,7,22 11557:11	11423:20 11443:17
11452:26 11464:11 11470:9	11477:23 11478:20	11559:20 11562:28 11563:5	11473:19,24 11561:20
11480:24 11481:11	11557:16	11578:9 11582:12 11597:4, 8,23	11563:23 11564:11
11489:20 11510:28	summarized 11406:11	supplying 11416:4 11453:7	11588:12,16,18 11593:8
substantially 11401:26	11431:13	11458:7 11459:18 11489:25	11601:18
11419:23 11435:8 11440:22	summarizes 11443:17	11491:20	tables 11406:18
11458:13 11464:3 11465:17	summarizing 11489:17	support 11412:1 11469:8,	tails 11403:2
11473:1 11481:9,14 11487:6	summary 11432:12	10,14 11483:27 11485:26	takeaway 11397:28 11399:5
11592:25	11443:12 11460:15	11486:2,5,25 11489:14	11406:7 11410:16 11443:12
substitute 11517:21	11501:25,27	11515:14 11516:2 11536:15	11526:11
11518:3 11519:1 11565:26	sums 11432:19	11587:1 11594:26 11598:13, 18	takeaways 11563:27
11598:7 11600:20,24	super 11551:1	supporters 11458:24	takes 11401:9 11421:10
11601:1 11603:9,12	Supercenters 11539:25	supporting 11454:24	11431:6,16 11432:15
substitutes 11600:17,19,23, 27	superior 11459:12	supposed 11455:18	11433:5,9 11481:14
substituting 11458:25	supplement 11394:14	11457:23 11530:2	11545:13 11579:2,11
11518:13 11527:19	supplemental 11434:25,28	suppressed 11464:1	taking 11540:20 11542:2
11565:16,23 11603:3,17	11435:13,16,19 11509:17,19	11465:16	11575:20,22,27 11578:25
substitution 11517:13,25	supplied 11579:18	surface 11442:11 11447:4	talk 11423:23 11426:12
11524:22 11525:5,12,14	supplier 11455:11 11482:9	11495:4	11450:20 11464:23
11527:22 11561:15	11483:17 11493:14	surplus 11400:19 11425:1	11467:13,14 11528:3,17
11562:11,18,19,24 11563:6, 16,17,19,21,23,28 11564:2, 4,21 11574:22,27 11590:13	11496:10,15 11505:10	11427:6 11486:19,28	11532:25 11548:15
substitutions 11563:15	11546:4 11547:16	11487:2,9	11549:19 11578:14
subtract 11584:12	suppliers 11416:1 11477:4	surprise 11439:19	
subtraction 11426:4	11479:12 11480:7 11483:2,5	surround 11509:7	
subtracts 11433:10	11490:2 11493:7,20	survey 11421:22,24 11423:6	
sufficient 11447:20	11498:18 11504:8 11521:28	11436:13,15 11442:11	
	supplies 11403:12 11408:11	11457:8 11493:6 11499:18	
		11594:10	
		surveyed 11440:10	



11580:26 11581:9 11591:6 11605:19	terms 11415:26 11431:9 11432:1,18 11442:7,13 11444:6 11467:20 11501:7 11595:20	11525:15 11541:21 11546:22 11580:18,19 11599:7	11595:3 11597:11 11604:15	
talked 11466:16 11467:4 11527:24 11539:20 11544:23 11564:10 11582:26 11606:5,7	test 11412:7 11437:14	things 11431:4 11439:11 11441:22 11454:2 11469:13 11470:16 11471:19 11473:12 11481:23 11489:24 11529:10 11568:13 11582:1 11592:10, 14	times 11433:1 11451:6,7 11475:26 11551:13 11558:1 11568:6,8 11569:14 11586:26 11589:14	
talking 11409:20 11415:25 11438:22,23 11465:23 11505:16 11519:19 11542:12 11548:25 11569:12 11578:4,5 11584:6	testified 11392:13 11429:6 11464:18,22 11489:18 11491:3 11493:2 11496:6 11497:27 11506:1 11514:12, 18 11531:23 11532:3 11540:10 11541:21 11554:2, 11 11560:17,27 11585:12,20 11586:26 11591:24 11595:6 11598:12 11599:10	thinking 11435:16 11480:5	timing 11586:22 11595:9	
tall 11403:4	testify 11391:15,16,18 11467:13 11473:26 11515:8 11527:5 11544:19 11560:10 11604:9	thinly 11456:23	Title 11605:4	
tank 11570:8	testifying 11391:24 11542:1 11587:2 11599:27	third-party 11516:14	today 11391:11,15,17,24 11407:14 11422:1 11433:6 11452:6 11465:10 11466:27 11468:16,17 11481:2 11483:21 11485:28 11487:7 11488:6,8,12 11489:14 11493:7 11498:19,22,28 11515:19,27 11518:6 11525:4 11531:2 11544:19 11556:17 11560:10 11561:5, 8 11562:20 11578:18 11584:9 11587:3,18 11589:24 11594:5 11595:19 11599:19 11601:15 11604:9, 12,27	
tanker 11541:13 11566:6 11567:19,22,25	testimonies 11554:14	thous- 11432:20	today's 11604:15	
targeted 11416:17	testimony 11390:7,10,19 11392:5 11394:20 11406:21 11408:26 11409:10 11411:25 11415:13 11416:15 11418:12 11423:20 11430:27 11431:28 11444:17,23,24,25 11445:3,8 11449:27 11453:26 11458:10 11462:17,25,27,28 11467:7 11469:7,16 11471:5,10,26, 27 11472:1 11474:18,21 11475:9 11478:5,19 11481:27 11484:14,18 11489:17 11490:21 11492:15 11493:3,27 11494:14,22,26 11495:21 11496:23 11497:16 11498:6 11501:6 11502:12 11506:1,5 11515:17,18,28 11522:5 11523:7 11524:21 11525:18 11541:4,12 11543:12 11547:18 11550:4 11554:28 11555:24 11556:1 11560:5 11561:20 11572:9 11586:3, 13,24 11596:24 11598:22 11604:13	thousand 11477:28 11570:2	thousands 11567:23 11570:5	Todd 11573:11
task 11516:7,18,22 11517:15 11524:27 11525:23	Texas 11433:13 11532:24 11533:15 11534:28 11535:2, 20 11536:19 11537:18 11540:10 11555:8,11 11583:7	threatening 11452:7	toilet 11545:27	
Taylor 11390:11 11395:4 11417:23,25 11421:28 11422:6,17,23,24 11423:28 11424:2,4 11426:7,11 11444:22,24 11506:20 11511:12 11527:2,28 11528:1 11529:14 11544:16 11551:22 11575:10 11576:20 11577:19 11583:9 11584:19 11601:11,13,27 11602:2,3,24 11604:16	text 11423:3	threatens 11492:26	told 11403:19 11537:13	
tea 11533:9	theoretically 11458:25 11502:22	threshold 11589:13	tolerance 11580:1,9	
tear 11514:26	thing 11419:12 11424:12 11441:10 11479:2 11508:13	throw 11425:19	tolling 11466:12	
tease 11580:24		thumb 11541:16 11542:26	tomorrow 11391:11,18 11422:2,15 11423:24 11452:7 11465:11 11466:27 11584:21 11604:21 11605:22 11606:8,14,15 11607:10	
technical 11469:17		tie 11596:1 11597:2	tool 11489:3,6	
telling 11497:23		tied 11527:20 11571:26	tools 11455:24	
tells 11403:10 11405:7 11565:22		ties 11570:21	top 11433:6 11437:5 11452:25 11454:22,23 11490:27 11494:14 11530:6, 10 11551:10 11574:18	
temporary 11489:23		tight 11394:6 11403:1	topic 11515:12	
ten 11436:10 11584:25 11599:7 11601:4 11606:19		tighten 11450:21	Torrington 11534:28	
ten-minute 11428:22 11584:23		tighter 11403:23 11404:7	Torrington 11535:3 11542:22	
ten-month 11436:18 11437:3		tilted 11503:3	toss 11402:15	
tend 11420:4 11425:3 11440:28 11442:26 11444:14 11446:1		Tim 11598:12	total 11420:3,5 11423:21 11425:2 11481:9 11483:22 11484:9 11495:27 11521:9, 11 11522:20 11534:26 11539:10 11582:23 11588:15 11593:9	
tenderloin 11600:10		time 11391:3 11395:12 11396:2 11398:21 11400:1 11403:15 11405:9,20 11406:21 11409:15 11412:4, 25 11413:10 11416:5 11418:8 11419:7,9 11420:23 11425:18 11437:25 11448:18 11452:21,24 11458:23 11465:11,16 11468:17 11477:25 11489:23 11490:10 11504:22 11507:15 11515:7, 11 11519:21 11523:16 11527:7 11529:17 11533:6 11546:2 11552:17 11562:17 11577:25 11578:20 11579:2 11580:22 11583:10 11592:1	totality 11468:10	
term 11501:2 11533:3 11570:3				
terminology 11424:9				



totally 11540:1 11541:19	trigger 11487:14,15	11557:10 11564:7 11578:12 11582:12 11597:22	11555:16 11594:16
tough 11524:6	trimmed 11515:9	unable 11482:5,19 11495:22 11597:22	units 11582:5
towels 11545:27	trouble 11509:17 11568:25	unallocated 11423:2	universe 11443:22
town 11536:7,8 11540:4,27 11543:17 11545:5,15 11547:10 11549:3,10	truck 11487:3,4 11543:4,8	unconventional 11596:17	University 11536:24 11537:4,12 11538:8,20 11540:10 11544:3
towns 11534:23 11545:15 11546:18	truckload 11543:10	undeniable 11450:3	unlimited 11490:2
track 11450:1 11542:10 11596:28	truckloads 11535:11 11546:2	undeniably 11459:27	unload 11505:17
tracking 11477:22 11478:6	true 11414:7 11415:16 11450:23 11451:25 11503:23 11504:11,14 11510:4 11526:4 11595:15 11604:8,10	underlying 11415:2,15	unmarketable 11503:6
tractor-trailer 11541:22,25	truncate 11499:14	underpins 11595:19	unnoticed 11453:9
trade 11595:20	trust 11464:19	understand 11393:26 11394:9 11399:28 11402:6 11407:13 11415:25 11416:20 11422:4 11463:18 11469:7 11471:17,18 11473:20 11474:6 11485:27 11502:9,25 11534:8 11543:13 11550:17 11551:4 11567:16 11569:14 11573:16	unrecognizable 11450:26
traded 11568:7	tune 11434:27	understanding 11413:11 11415:7 11475:11 11501:12 11576:15	unregula- 11453:9
traditional 11466:6 11539:27 11540:2,5,22 11550:27 11551:10 11558:3 11595:20	turn 11423:25 11430:15 11432:11 11439:14 11444:17 11471:28 11506:15,24 11514:7 11548:24 11565:11 11576:21 11586:12 11601:7, 17	understood 11402:15 11413:12 11482:22 11503:15	unregulated 11460:20 11480:26 11522:3,24
Traditionally 11522:14	twenty- 11522:8	undoubtedly 11460:13	unrelated 11596:17
transaction 11569:28	two-thirds 11404:16 11450:15	unequal 11521:27	unusual 11465:26
transactions 11433:20	twos 11545:4	unequally 11590:5	uphold 11460:26
transcript 11537:1 11576:26 11605:6,8,12,14	tying 11528:4 11599:11 11603:15	uneven 11503:26	upset 11546:12
transfer 11466:14	Tyler 11533:15	unfair 11589:28	urban 11540:3
transforming 11485:20	type 11419:12 11442:22 11482:19 11542:9 11545:3 11551:1,12 11598:17	unfairly 11589:20 11590:8	USA 11555:7,10
transition 11557:6 11593:24	typical 11433:21 11434:8,12 11482:20 11534:12 11589:13	unfairness 11589:12	usage 11519:4 11522:1,3 11566:16
translate 11472:12	typically 11395:7,9 11411:15 11483:10 11518:19 11522:3 11587:9	uniform 11431:19 11432:2 11433:9,10 11434:19 11455:7 11477:2 11483:9 11485:8,9 11490:8 11493:13 11507:14,21,25,26 11508:2, 3,5,6,12 11509:12 11510:28 11517:3,10 11522:2,7 11529:8 11590:20 11593:5, 22 11597:6	USDA 11392:26 11393:22 11402:6 11406:7 11411:23 11436:14,19 11437:11 11439:22 11442:10 11457:7 11460:20,26 11461:1,2 11462:15 11484:13 11487:25 11491:26 11516:11 11523:19 11526:8 11587:4 11590:6 11595:9,23 11596:10 11598:18
transmission 11472:14 11473:15 11474:27	typo 11601:20	uniformly 11425:11	USDA's 11500:6
transmit 11447:14		uninfluenced 11480:12	USDSS 11399:24 11536:18 11538:3 11543:23
transmitted 11486:11		unintentional 11564:16	utility 11452:18,19,21,24
transport 11459:17 11518:23		unique 11493:20 11536:2 11596:6	utilization 11405:26 11434:3,9 11450:28 11455:26,28 11456:1 11483:12 11486:13 11509:1 11521:9 11522:19 11539:8, 10,14 11578:6 11587:7 11588:10 11589:2,8 11590:27 11593:4,8,10,11
transportation 11427:5 11518:15,20,28 11536:22 11542:14 11543:1,20 11582:3,4		unison 11456:6	utilize 11419:10 11560:14
travel 11400:21		unit 11580:14	utilized 11518:8 11522:13,
travelled 11579:13		United 11457:13 11534:18	
travels 11581:20			
treat 11410:21			
treated 11510:11			
tremendous 11537:17,19			
trend 11437:15 11470:23 11487:23			
trends 11592:8			
	ultimate 11458:6 11579:12		
	ultimately 11516:9 11556:15		
	U		
	U.S. 11436:15 11445:11 11469:22 11510:8 11539:12 11557:28 11571:15,26		
	Uh-huh 11424:19 11546:28 11549:14 11551:21 11578:11 11580:7,15 11581:25 11582:25		



15	11443:10,26 11444:16	walk 11402:19 11429:8 11497:4	whipping 11522:16 11580:14 11587:24 11592:13
<hr/> V <hr/>	viable 11491:5	walked 11591:25	whisker 11414:26,27
vacuum 11526:15	vice 11442:4 11533:5 11555:11 11592:4	walking 11602:5	whiskers 11413:17,21 11414:11,21
Valley 11597:9,11	violates 11460:24	Walmart 11463:12,21 11539:25 11540:24,28 11545:7	white 11407:19 11583:6
Valley's 11597:24	virtually 11438:12 11439:9 11444:12 11449:10,15	wanted 11391:22 11401:22 11402:6 11413:8 11417:28 11418:1 11507:8 11530:2 11548:28 11586:7 11594:3 11595:25 11601:4 11602:5	wholesale 11466:8,21 11540:17,20 11550:15,20 11551:7
Valley/cropp 11597:25	11450:26 11451:5 11456:6		wholesaler 11466:9 11545:21
valleys 11465:16 11503:13	11460:2,3 11470:25	warehouse 11534:21 11535:7,8,12,26 11537:26 11541:17 11543:15 11547:4, 8	wholesalers 11534:18
valuable 11482:15 11523:4 11607:5	11480:10 11497:10	warning 11458:20	wholesome 11461:13 11477:12
value-added 11558:24	vis-à-vis 11504:10	warrant 11485:16 11487:9, 11	wide 11416:17 11417:11 11556:17
valued 11540:8 11564:24 11566:12	visualization 11402:7	washing 11498:22	Wilmington's 11583:4
values 11396:11 11399:1,19 11400:1,2,3,8,14,16	visualizing 11425:26	waste 11601:5	Wilson 11573:10,11 11575:13 11576:17
11401:11 11402:27 11403:5	voice 11394:2 11456:6	water 11518:22 11533:8 11536:10 11545:27 11546:2, 8,13,18,19	winnners 11588:23
11407:28 11408:19 11409:1	volatile 11597:18	ways 11505:8,12 11587:12 11591:21	Wisconsin 11433:14 11536:25 11537:4,13 11538:9,20 11544:3
11411:4,18,19,27 11419:26	volume 11398:22,24	website 11605:15	wisely 11462:5
11422:4 11424:21,22	11406:4 11410:26 11419:12, 22 11420:2,3,5,6 11487:20, 22 11521:2,6,21 11525:10	websites 11431:7	witnesses 11390:12,23 11391:14 11444:6,22 11454:24 11462:23 11463:1, 4 11464:17 11467:3
11425:15,16,25 11447:15	11528:15 11538:1 11539:21	week 11390:12 11391:21,22 11417:26 11418:2 11446:7	11464:17 11467:3
11456:8 11497:19,23,24	11540:14 11548:26 11556:9, 16,17,19 11578:5,25,26	11452:1 11535:19 11543:6	11497:27 11515:9,10
11509:28 11561:15,21	11591:10,16,27,28 11592:9 11593:9,11	11546:2,9 11548:6,8 11565:20,21 11606:17	11517:17 11584:10 11595:6, 17 11604:9
variable 11437:28 11438:1 11470:24,26 11529:9	volumes 11419:19 11519:7 11521:23 11527:25 11528:2	week's 11568:7	wondered 11541:15 11544:22
variables 11470:22	11590:28 11591:19 11592:24 11593:7	weekends 11548:7	wonderful 11606:7
variation 11451:27 11452:1 11485:7	voluntarily 11496:18	weekly 11451:26	wondering 11390:13 11464:23 11467:14 11528:22 11547:22 11571:19 11572:18 11578:14
varies 11568:8 11599:19	voluntary 11589:9,17	weeks 11418:6 11446:7 11594:1,10	Worcester 11597:8
variety 11564:13 11568:8 11587:12	vote 11550:7	weighted 11432:7,17	word 11438:17 11477:14 11517:2,10 11528:9 11529:26 11530:7 11571:17
vary 11529:1 11588:28 11593:9,12 11594:26	Vulin 11390:16,24,28 11391:5 11392:16,22,25 11393:4,9,15,17 11394:4,8 11406:24 11407:3,4 11422:13,14,20 11423:25 11424:6,8 11426:6,9 11427:9 11428:13,15 11463:2,6 11476:17,21,23, 25 11499:1 11504:3,5 11506:13 11585:3,4,10,14, 21,24 11586:2,18,21 11593:23 11598:24 11602:26,28 11603:2,23 11604:4	weird 11567:7	words 11403:1 11418:13 11434:4 11441:27 11472:2 11518:10
vast 11498:23	Vulin's 11394:3	west 11426:23 11440:15 11542:24 11558:27 11581:17,23 11582:4,8	work 11419:11 11445:5 11454:15 11517:15 11524:8 11526:16 11555:6 11564:28 11602:8
Vegas 11404:4 11405:5	<hr/> W <hr/>	Western 11561:27,28	worked 11395:11 11423:26
vein 11463:25	wage 11487:5	whatsoever 11437:27 11470:25	
Velez's 11596:24	wait 11504:18 11574:11 11606:20	whew 11519:16 11563:15,17, 19	
vendors 11548:3	Waited 11527:7	whichever 11432:3	
verbal 11406:21			
Vermont 11597:26			
versa 11442:4 11592:4			
versus 11418:4 11442:13 11446:21 11452:27 11457:20 11511:7 11520:1 11565:24 11566:19,28 11570:7 11602:22			
vertically 11545:11			
vertically-integrated			



11533:3	York 11442:10 11500:7,8,9 11583:7 11597:4
working 11410:8 11428:15 11443:6 11445:6 11515:22 11516:22 11557:20	York-new 11597:5
works 11399:24 11483:7 11544:26 11547:24 11572:24,26,27 11595:26	<hr/> Z <hr/>
world 11395:11 11438:8 11464:2 11488:5 11540:21 11551:17 11572:20	Zapata 11535:2,3
worse 11509:20,21 11559:7 11597:18	zero-level 11498:8
worth 11435:17 11504:25 11606:4	zero-point 11400:20
worthwhile 11589:25	zone 11431:22 11433:9 11502:13,18
write 11570:25 11606:17	zones 11397:19 11415:11
writing 11606:8	
written 11394:19 11429:13 11430:26 11471:10 11472:1 11537:3 11554:14,28 11588:18 11607:4	
wrong 11574:27 11586:17 11590:28	
wrote 11392:2	
Wyoming 11534:28 11535:1,3 11542:22	
<hr/> Y <hr/>	
y'all's 11550:3	
year 11395:14 11408:13,14 11432:23 11435:1 11436:10 11445:19 11457:22 11468:15 11520:2 11521:11 11522:8,9 11546:23 11554:5 11568:1 11591:22	
years 11406:22 11422:26 11423:9 11431:6,11 11432:16,19,20 11446:18 11450:4 11451:22 11458:13 11459:19 11468:7,15 11484:19 11485:11,22 11490:2 11515:23 11521:7 11532:28 11535:17 11536:20 11539:7 11548:21 11557:20 11559:17,19 11560:1 11561:22 11562:1 11563:17,25 11564:1,3 11565:7,12,17,22,26	
years' 11562:9	
yellow 11403:19 11538:27	
yield 11569:13,17	
yogurt 11587:17,26	

