

Cornell University

Cornell Program on
Dairy Markets & Policy

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June 22, 2007

Honorable Victor Palmer
Administrative Law Judge
United States Department of Agriculture
Room 1049 South Bldg.
14th Street and Independence Avenue SW
Washington, DC 20250

By email only: victor.palmer@usda.gov; amsdairycomments@usda.gov

RE: Completion of updated manufacturing cost study and hearing statement
for: Milk Order Hearing, Docket No. AO-14 -A77.

Dear Judge Palmer and Dairy Programs Staff:

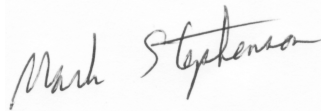
As you are aware, and reflected in the transcript of the April 2007 hearing segment, I have been requested to conduct an updated survey of plant manufacturing costs for butter, powder, cheddar cheese and whey powder, and provide testimony on the results at the continuation of the hearing in Pittsburgh, starting July 9.

I have not been asked, and do not intend, to give testimony at the hearing as a proponent or opponent of any hearing proposal before the Department of Agriculture. The updated survey and testimony on the survey will follow the format and procedures employed for my original survey, concerning which I appeared as a public witness at the prior make allowance hearing in September 2006. The parties to next month's hearing are presumably familiar with my testimony and survey presented last year.

Unfortunately, I am unable to provide survey results or draft testimony by the June 22 deadline for proponent and opponent advance testimony. My instruction to plant operators, prior to the announcement of the testimony deadline, was to provide to me all data by June 28, so that I could assemble results and conclusions to present at a continued hearing in July.

In order to give as much advance notice as possible concerning the updated survey, and of my testimony on the survey, I am committed to posting my report and testimony on the CPDMP website prior to July 9, and will have printed copies available for distribution in the hearing room prior to the time the hearing reconvenes. I hope that this will accommodate everyone's needs.

Sincerely,

A handwritten signature in black ink that reads "Mark Stephenson". The signature is written in a cursive style with a large, prominent "M" and "S".

Mark Stephenson

Cc: interested parties by email