

**Additional Information of
Dairylea Cooperative Inc.**

**Presented at the
Federal Milk Marketing Order
Class III and IV Hearing
Indianapolis, IN
April 2007**


**In Support of
Proposal No. 20 Relative to a
Regulated Cost of Production Add-on**

EXHIBIT
54
QEB 4-11-07

- 4) Please submit a map that colors in the states that have one or more plants included in the DPPS. For each state that is color coded, identify the number of plants included. If less than three and confidentiality is a concern, please denote without identifying the actual number of plants. Please reproduce a separate map for each product – block and barrel cheese can be combined into one map.
- 5) Create a second group of maps that describes the same information as in 4, however, identify and color code by region – using regions as identified in the Dairy Products Report.
- 6) Identify in a table the number of plants and, secondly, the number of reporting entities for each product type in the DPPS. Again the two cheese categories can be combined.
- 7) Please provide the number of reports filed each week during 2006, by product type in the DPPS.
- 8) Identify how many plants file information that cumulatively represent at least 70 percent of the product pounds in the DPPS, for 2006, by product type. Again, the cheese categories can be combined.
- 9) Identify how many reporting entities cumulatively file information that represents at least 70 percent of the product pounds in the DPPS for 2006, by product type. Again the cheese categories can be combined.
- 10) Make available the rule being developed, in final or draft form, codifying the process to verify the information presented in the product pricing survey.

Dairylea thanks you in advance for your consideration of including its proposal in the Class III and IV hearing and for providing the requested information. If you would like to discuss this matter, or have questions about the requested information, please contact me at 1-800-654-8838, extension 5658.

Sincerely,



Edward W. Gallagher
Vice President, Economics
and Risk Management

5. Create a second group of maps that describe the same information as in the previous request. However, please identify and color code by region, using the regions identified in the Dairy Products Report.

Plant counts for individual commodities would require re-tabulation and disclosure validation beyond the resources NASS has allocated for this project. However, we are providing regional plant counts that combines cheddar cheese, nonfat dry milk, butter, and dry whey. The regions are based on those in the Dairy Products Publication and counts represent plants manufacturing any one of the four commodities meeting the million lb production cutoff and the AMS specifications requirement. If plants produced more than one commodity, they were not duplicated.

Region	Plants
West	33
West North Central	16
South Central	4
East North Central	23
Atlantic (Combined)	11

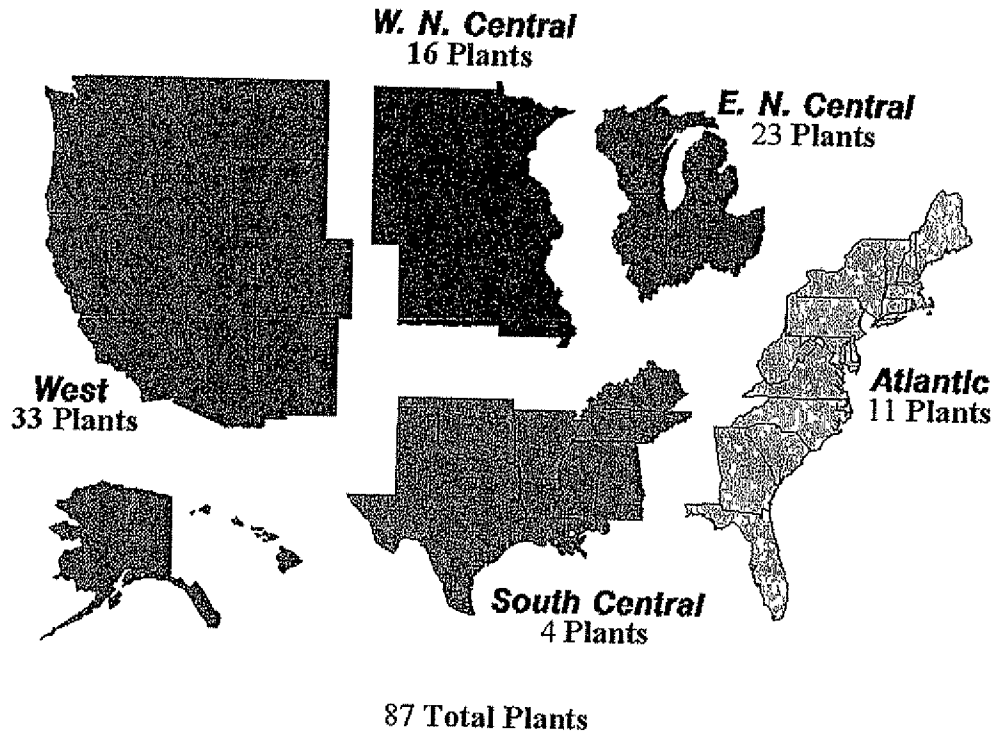
A color map is attached.

6. In a table, identify the number of plants and the number of reporting entities for each product type in the DPPS. Again, combining barrel and block cheese is acceptable.

The table displays total plants producing one of the four dairy products in the prices program. Because plants may produce more than one product, the numbers aren't additive. Information for 2006 is not available.

Dairy Products Prices, Total Plants vs Plants Meeting AMS Specifications, 2005

Product	Total Plants	Plants > 1 Million Lbs	Qualifying Plants
Cheddar	168	72	31
Butter	68	39	22
Nonfat Dry Milk	48	44	34
Dry Whey	36	31	20



**NASS Price Survey Cheddar Cheese Total
Compared to Total US Cheese Production, 2000 - 2006**

<u>Year</u>	<u>Cheddar Cheese NASS Survey</u> pounds	<u>Total Cheese US Production</u> pounds	<u>NASS as a % of US</u>
2000	769,707,920	8,257,998,000	9%
2001	829,735,512	8,260,628,000	10%
2002	1,022,850,352	8,547,267,000	12%
2003	979,556,628	8,557,243,000	11%
2004	973,840,888	8,873,150,000	11%
2005	990,083,769	9,127,107,000	11%
2006	1,020,870,259	9,460,185,000	11%

Data from USDA.

**Percentage of U.S. Milk Production*
With a Circularity Issue, Based on
Selected Comparable Category, 2000 - 2006**

<u>Year</u>	<u>Federal Order and California</u>		<u>U.S Milk Production</u>
	<u>Class III and IV Receipts**</u>	<u>Producer Receipts</u>	
2000	19%	10%	9%
2001	19%	11%	10%
2002	21%	12%	12%
2003	26%	14%	12%
2004	25%	13%	11%
2005	20%	11%	10%
2006	20%	11%	10%

* Based on total solids equivalent of milk used in products included in NASS Price Survey.

** 4a and 4b for California.