

EXHIBIT NINETY-TWO ✓
REJECTED BY
ALJ CLIFTON
(WITNESS UNAVAILABLE)

USDA, AMS, Dairy Programs

National Federal Milk Order Hearing
Proposed Amendments Relating to
Producer-Handlers and Exempt Plantw

Docket Nos. AO-A14-A78, etc., IN PERSON
DA-09-02

Declaration under pains and penalties of perjury
Pursuant to 28 U.S.C. Sec. 1746
By Jeff Sapp

My name is Jeff Sapp. I am a co-owner of Nature's Dairy of Roswell, New Mexico. My business address is 5104 South Main St., Roswell, NM 88203. I make this declaration under penalty perjury on behalf of Nature's Dairy, in opposition to Proposals 1 and 2 in this hearing, and in support of Proposal 17 should Proposals 1 and 2 be adopted.

I had intended to appear in person at the hearing, but instructions from my doctor to refrain from travel and avoid stress preclude my personal attendance. I nevertheless offer the following facts about Nature's Dairy's history, operations and competition and request that my declaration be received as part of the record in this proceeding.

1. Nature's Dairy began 30 years ago, when I left my retail management job in Southern California. I joined my ex-college roommate and best friend, Gerald Greathouse, to enter into a new business, Pollard Dairy. Pollard's was an existing Producer Handler, established in the early 1950's. Mr. Pollard wanted to retire and said he was too old to continue milking cows and trying to sell the milk.
2. Our early business, 100 cows and 600 gallons a day, was a classic farm to customer enterprise (raw milk, cream, and glass bottles). Sales consisted of 1/3 home delivery, 1/3 drive in dairy business, and 1/3 grocery store wholesale delivery. Pollard Dairy was renamed Nature's Dairy in 1982.
3. Our two families worked long and hard through the years, gradually increasing production, cow numbers, and milk sales. Gerald's son is currently our herdsman. My three daughters have helped pay for their college by working at our drive-in, milk lab, and creamery office. In 2008, Natures Dairy had 55 employees and a gross payroll of almost 1.8 million dollars.
4. Gerald and I were among the original members of Dairy Producers of New Mexico. DPNM is a trade association, founded in the mid-1990's, representing dairy farmers in New Mexico and West Texas.



5. My partner, Gerald, presently serves as DPNM's Secretary Treasurer, and has been an active Board member for over 20 years.
6. Among the accomplishments of DPNM were efforts to get cooperatives working together in the Southwest. Those efforts led to creation of the Greater Southwest Agency, a milk marketing federation. Nature's Dairy supports those activities.
7. During the first 25 years of our Nature's Dairy operation, there were many fluid milk processors in southeastern New Mexico. Here is a list and current status of these plants.

Southeastern New Mexico Competitors 1980-2005

Lane Dairy, Producer Handler - Gone
Raymond Pollard Dairy, Producer Handler - Gone
Lone Star Dairy, Producer Handler - Gone
Klein Dairy, Producer Handler - Gone
Sundance Dairy, Producer Handler - Gone

Borden, Albuquerque, NM - Gone
Borden, Amarillo, TX - Gone
Borden, El Paso, TX - Gone
Kelly Dairy - Gone
Preston Dairy - Gone
Safeway Dairy - Gone
Farmer's Dairy - Gone

8. Our current primary competitors are: Dean Foods, with plants in Lubbock, TX, El Paso, TX and Albuquerque, NM, and Plain's Dairy of Amarillo, TX, a member store Co-op creamery.
9. Nature's *primary* distribution area now encompasses an 80 mile radius around Roswell in southeastern New Mexico. Primary customers include independent grocery stores, various school districts, and limited institutional business.
10. At one time, approximately six years ago, Nature's had Class I sales of close to 3 million pounds per month. Nature's largest customer at that time was the Big 8 stores, a small regional grocery chain. We had grown with this independent grocery chain for seventeen years. As they opened more stores, Nature's added more cows and production.
11. Our main competitor, Dean's Foods, offered Big 8 stores a deal they could not

