

**UNITED STATES DEPARTMENT OF AGRICULTURE
BEFORE THE SECRETARY OF AGRICULTURE**

**IN RE:
MILK IN THE NORTHEAST AND
OTHER MARKETING AREAS;
Class III/IV FORMULAS
Dockets: AO-14-A77
DA-07-02**

**RESPONSE OF THE INTERNATIONAL DAIRY FOODS ASSOCIATION TO
THE MOTION OF AGRIMARK *ET AL.* FOR THE TAKING OF OFFICIAL
NOTICE, AND MOTION OF THE INTERNATIONAL DAIRY FOODS
ASSOCIATION FOR THE TAKING OF ADDITIONAL OFFICIAL NOTICE**

The International Dairy Foods Association supports the November 27, 2007 motion of Agri-Mark *et al.*, requesting that the Secretary take official notice of two publications of the California Department of Food and Agriculture. The first publication sets forth the final results of California's recent Class 4a and 4b pricing formula hearing, and the other publication contains California's summary of weighted average manufacturing costs for manufactured products.

Both publications clearly fall within the parameters of USDA's rules relating to official notice, *see* Agri-Mark Motion at 1. Indeed, official notice was previously taken in this proceeding of comparable State of California publications, without objection, *see* March 2, 2007 Hearing Transcript at pp. 1152-55. Furthermore, both documents were published after the deadline for the submittal of post-hearing briefs in this proceeding, and therefore satisfy applicable rules relating to the submittal of post-hearing materials, *see* Agri-Mark Motion at 1.

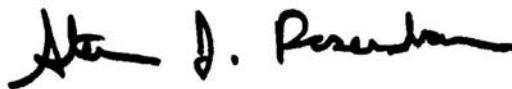
IDFA respectfully requests that the Secretary also take official notice of an additional California Department of Food and Agriculture publication, "Estimated Impact of New Formula on California Class and Pool Prices resulting from October 10 and 11,

2007 Hearing,” Attachment A hereto; also available at <http://www.cdfa.ca.gov/dairy/pdf/hearings/2007/Class4ab/PriceImpactEstimates.pdf>.

This official State publication, first made available in late November 2007, analyzes the impact on class prices of the changes to the California pricing formulas that were adopted November 20, 2007 and made effective December 1, 2007, concluding that *e.g.*, California minimum Class 4b and pool prices would have been \$1.77 and \$0.93 lower, respectively, had the new formulas been in place during the time period September 2006 through August 2007.

This official impact analysis by the State of California will provide the Secretary additional useful information, and merits official notice for the same reasons as the other State of California materials previously granted official notice in this proceeding. Indeed, official notice was previously taken, without objection, of another California Department of Food and Agriculture “estimated impact” analysis, *see* March 2, 2007 Hearing Transcript at pp. 1153, 1155.

Respectfully submitted,



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**Price Formula Changes on California Class and Pool Prices
resulting from October 10 and 11, 2007 Hearing**

Using historic commodity prices, estimates assume that the new formulas
had been in effect from September 2002 through October 2007

**Estimated Impact of New Formula (New Formula less Previous Formula)
Estimated Overbase Price = Announced Overbase Price - Pool Price Change**

	Class 2, 3 & 4a Change (\$/cwt)	Class 4b Change (\$/cwt)	Pool Price Change (\$/cwt)	Estimated Overbase Price (\$/cwt)	Pool Revenue Change (millions)
Sep-02	-\$0.14	\$0.67	\$0.25	\$10.13	\$7
Oct-02	-\$0.14	\$0.50	\$0.17	\$10.31	\$5
Nov-02	-\$0.14	\$0.37	\$0.12	\$9.86	\$3
Dec-02	-\$0.14	\$0.32	\$0.09	\$9.87	\$3
Jan-03	-\$0.14	\$0.46	\$0.15	\$9.85	\$4
Feb-03	-\$0.14	\$0.64	\$0.23	\$9.64	\$6
Mar-03	-\$0.14	\$0.70	\$0.25	\$9.48	\$8
Apr-03	-\$0.14	\$0.73	\$0.27	\$9.59	\$8
May-03	-\$0.14	\$0.79	\$0.31	\$9.66	\$9
Jun-03	-\$0.14	\$0.79	\$0.32	\$9.79	\$10
Jul-03	-\$0.14	\$0.73	\$0.31	\$11.33	\$9
Aug-03	-\$0.14	\$0.61	\$0.24	\$12.50	\$7
Average Sept 02 - Aug 03	-\$0.14	\$0.61	\$0.23	\$10.17	\$7
Sep-03	-\$0.14	\$0.54	\$0.20	\$12.84	\$6
Oct-03	-\$0.14	\$0.47	\$0.17	\$12.92	\$5
Nov-03	-\$0.14	\$0.45	\$0.15	\$12.01	\$4
Dec-03	-\$0.14	\$0.51	\$0.18	\$11.57	\$5
Jan-04	-\$0.14	\$0.59	\$0.22	\$11.23	\$7
Feb-04	-\$0.14	\$0.64	\$0.23	\$11.85	\$7
Mar-04	-\$0.14	\$0.62	\$0.23	\$13.97	\$7
Apr-04	-\$0.14	\$0.31	\$0.08	\$16.61	\$2
May-04	-\$0.14	\$0.06	-\$0.03	\$16.96	-\$1
Jun-04	-\$0.14	\$0.03	-\$0.04	\$15.72	-\$1
Jul-04	-\$0.14	\$0.22	\$0.05	\$13.38	\$1
Aug-04	-\$0.14	\$0.32	\$0.09	\$13.13	\$3
Average Sept 03 - Aug 04	-\$0.14	\$0.40	\$0.13	\$13.52	\$4
Sep-04	-\$0.14	\$0.33	\$0.11	\$13.62	\$3
Oct-04	-\$0.14	\$0.27	\$0.07	\$13.18	\$2
Nov-04	-\$0.14	\$0.19	\$0.04	\$14.08	\$1
Dec-04	-\$0.14	\$0.12	\$0.01	\$14.05	\$0

	Class 2, 3 & 4a (\$/cwt)	Class 4b (\$/cwt)	Pool Price (\$/cwt)	Overbase Price (\$/cwt)	Pool Revenue (millions)
Jan-05	-\$0.14	\$0.09	-\$0.01	\$13.79	\$0
Feb-05	-\$0.14	\$0.07	-\$0.02	\$13.24	-\$1
Mar-05	-\$0.14	\$0.02	-\$0.04	\$13.24	-\$1
Apr-05	-\$0.14	-\$0.02	-\$0.06	\$13.30	-\$2
May-05	-\$0.14	-\$0.07	-\$0.09	\$12.81	-\$3
Jun-05	-\$0.14	-\$0.12	-\$0.11	\$12.75	-\$3
Jul-05	-\$0.14	-\$0.18	-\$0.14	\$13.15	-\$4
Aug-05	-\$0.14	-\$0.21	-\$0.15	\$12.80	-\$5
Average Sept 04 - Aug 05	-\$0.14	\$0.04	-\$0.03	\$13.33	-\$1
Sep-05	-\$0.14	-\$0.25	-\$0.17	\$13.39	-\$5
Oct-05	-\$0.14	-\$0.27	-\$0.19	\$13.18	-\$6
Nov-05	-\$0.14	-\$0.31	-\$0.21	\$12.44	-\$6
Dec-05	-\$0.14	-\$0.37	-\$0.24	\$12.47	-\$7
Jan-06	-\$0.14	-\$0.42	-\$0.26	\$11.95	-\$8
Feb-06	-\$0.14	-\$0.44	-\$0.27	\$10.78	-\$8
Mar-06	-\$0.14	-\$0.37	-\$0.23	\$10.26	-\$8
Apr-06	-\$0.14	-\$0.22	-\$0.16	\$10.04	-\$5
May-06	-\$0.14	-\$0.17	-\$0.14	\$10.06	-\$4
Jun-06	-\$0.14	-\$0.10	-\$0.10	\$10.10	-\$3
Jul-06	-\$0.14	-\$0.09	-\$0.10	\$9.91	-\$3
Aug-06	-\$0.14	-\$0.16	-\$0.13	\$10.30	-\$4
Average Sept 05 - Aug 06	-\$0.14	-\$0.26	-\$0.18	\$11.24	-\$6
Sep-06	-\$0.14	-\$0.27	-\$0.19	\$10.91	-\$6
Oct-06	-\$0.14	-\$0.46	-\$0.28	\$10.89	-\$9
Nov-06	-\$0.14	-\$0.69	-\$0.39	\$11.22	-\$12
Dec-06	-\$0.14	-\$0.91	-\$0.51	\$11.29	-\$16
Jan-07	-\$0.14	-\$1.17	-\$0.64	\$11.36	-\$21
Feb-07	-\$0.14	-\$1.69	-\$0.90	\$11.85	-\$27
Mar-07	-\$0.14	-\$2.27	-\$1.20	\$12.38	-\$41
Apr-07	-\$0.14	-\$2.66	-\$1.37	\$13.26	-\$45
May-07	-\$0.14	-\$3.04	-\$1.58	\$15.01	-\$53
Jun-07	-\$0.14	-\$3.15	-\$1.64	\$17.36	-\$52
Jul-07	-\$0.14	-\$2.91	-\$1.49	\$18.41	-\$49
Aug-07	-\$0.14	-\$1.97	-\$1.02	\$19.02	-\$34
Average Sept 06 - Aug 07	-\$0.14	-\$1.77	-\$0.93	\$13.58	-\$30
Sep-07	-\$0.14	-\$0.96	-\$0.53	\$19.46	-\$16
Oct-07	-\$0.14	-\$0.74	-\$0.40	\$19.06	-\$13
Nov-07 ¹	-\$0.14	-\$0.89	-\$0.47		

¹The Pool impacts will be calculated when the pool prices are released around the 24th of the following month