United States Department Of Agriculture
Agricultural Marketing Service
Dairy Programs

FEDERAL MILK ORDER No. 1

Northeast Marketing Area

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July 21, 2021

TO: Pool Handlers on the Northeast Order

FROM: Shawn M. Boockoff, Market Administrator

SUBJECT: Request to Reduce Fall-Month Shipping Percentages – **Approved 10% for 2021**

On January 19, 2021, pool handler, Queensboro Farm Products, Inc. (Queensboro), an operator of a supply plant under the provisions of the Northeast Marketing Area (Northeast Order), submitted a request that the shipping percentage specified in Section 1001.7 (c) (2) for the months of September, October, and November be lowered from 20 percent to 10 percent for pool supply plants regulated under the Northeast Order until further notice.

The shipping percentage during September, October, and November of 2019 and 2020 was adjusted to 10 percent in response to a similar request in 2019.

Section 1001.7 (g) of the Northeast Order states that the shipping percentages under the above provision may be increased or decreased by the Market Administrator if, after conducting an investigation and soliciting comments, the market administrator determines that such adjustment is necessary to encourage needed shipments or to prevent uneconomic shipments.

Petition

In their 2021 petition, Queensboro cited declining Class I sales, a decline in the number of Class I customers seeking to purchase milk for Class I usage, and a comment that they, as a long-standing participant of the Northeast dairy industry, were unaware of any instances where Class I needs have not been covered. Queensboro's petition states that as pool distributing plants in the region have closed, many of the remaining bottling plants have established full supply agreements with cooperatives. The impact of such arrangements, according to Queensboro, is fewer Class I customers willing to take their milk and an increased cost of moving milk. The petition states that in the past several years Queensboro has had to seek out Class I customers in order to reach the 20 percent shipping requirement, with only one Class I customer calling upon them for milk to which they stated they immediately complied.

The petitioner noted that they have a unique relationship with cooperatives operating in the Northeast Order area. They report that they separate and balance product (for this cooperative) when they are long in supply and help furnish milk supplies when they are short.

In their petition, Queensboro states that the provision of the Order that allows for handlers, who operate two or more supply plants, to form a "system of plants" and thereby attain the applicable shipping percentage requirements jointly in the same manner as a single plant puts stand-alone supply plants at a disadvantage. The petitioner noted that being an independent small business, and a single plant operation, they do not have that luxury. As the only supply plant remaining on the Order, Queensboro asserts that this seems to discourage entrepreneurship and penalize small businesses. The petition notes that to fulfill the current 20 percent shipping requirement, Queensboro would have to make uneconomical and unnecessary movements of milk resulting in higher hauling costs to their producers. Queensboro further states that in the current economic environment, additional cost to either the producer or a small company, such as themselves, could jeopardize the viability of both. The petition includes a statement asserting that a reduction to a 10 percent shipping percentage would have an insignificant effect on individual producer's milk pay prices.

Summarized Handler Comments

Agri-Mark, Inc. (Agri-Mark), a cooperative handler under Section 1000.9(c) of the Northeast Order and operator of multiple pool supply plants, submitted comments in support of the reduction from 20 to 10 percent, for the months of September, October, and November. Agri-Mark does not support this lowering of the shipping requirement "until further notice" following the drastic changes to the marketplace that the COVID-19 pandemic caused. They state that these requirements should continue to be reviewed annually.

Cayuga Marketing LLC (Cayuga Marketing), a cooperative handler under Section 1000.9(c) of the Northeast Order, submitted comments in support of the reduction from 20 to 10 percent, for the months of September, October, and November, until further notice. Cayuga Marketing underscored their support of the reduction by presenting data that compared relatively stable and then declining Class I utilization against producer milk available. They state the results show that producer milk is more than sufficient to meet Class I demand given Class I utilization has fallen precipitously since 2010. Cayuga Marketing claims it would be forced into maintaining uneconomic milk sales in an effort to meet a 20 percent minimum requirement. Reducing the shipping percentage requirement from 20 percent in 2010, if assuming that rate was appropriate, by a similar rate that Class I utilization percentage has declined by, Cayuga asserts that the shipping percentage could be as low as 6-7 percent.

Dairy Farmers of America (DFA), a cooperative handler under Section 1000.9(c) of the Northeast Order and operator of multiple pool supply plants, submitted comments that did not oppose a continued reduction from 20 to 10 percent for the months of September, October, and November, but opposes the requested effective period of "until further notice." DFA opposes an "until further notice" period due to the COVID-19 pandemic related uncertainty at all points along the supply chain, and thus, that the current environment best suits a monthly review by the Market Administrator to determine if a continued reduction of the percentages is necessary.

Upstate Niagara Cooperative, Inc. (Upstate Niagara), a cooperative handler under Section 1000.9(c) of the Northeast Order and operator of pool distributing and partially regulated pool distributing plants, submitted comments supporting a reduction for the months of September, October, and November, but prefer the Market Administrator continue to review the matter regularly rather than an approval for "until further notice". Upstate Niagara believes that overall market conditions that warranted past reductions remain largely true today. They comment that as COVID-19 restrictions are lifted, there appears to be return to a pattern of a downward trend in Class I milk sales.

Findings

Monthly pool statistics continue to present a picture of declining Class I utilization for the Northeast Order, though there had been some slowing of this trend earlier in 2021; The Class I utilization for the most recent pool, May 2021, at 672.2 million pounds was the lowest volume for the month in 20 years. At 28.9 percent, Class I utilization in May was the lowest ever for the month and fourth lowest Class I utilization by percent for any month since the Order's inception. In 2000, the year in which the 20 percent fall month shipping percentages were adopted as part of Order Reform, the Class I utilization for the months of September, October, and November averaged 49 percent of the volume of milk pooled during those months. In 2018, Class I utilization for these same three months averaged 31.1 percent of the total pool – a drop of roughly 18 percentage points.

Chart 1 presents September-November Class I utilization as compared to that period during the year 2000. In 2020, Class I utilization for the September through November period was 24.7 percent below the same period during the first year of the Northeast Order, in 2000, showing how much less Class I has been utilized in recent years compared to when the Order's shipping provisions were first adopted.

Chart 1.

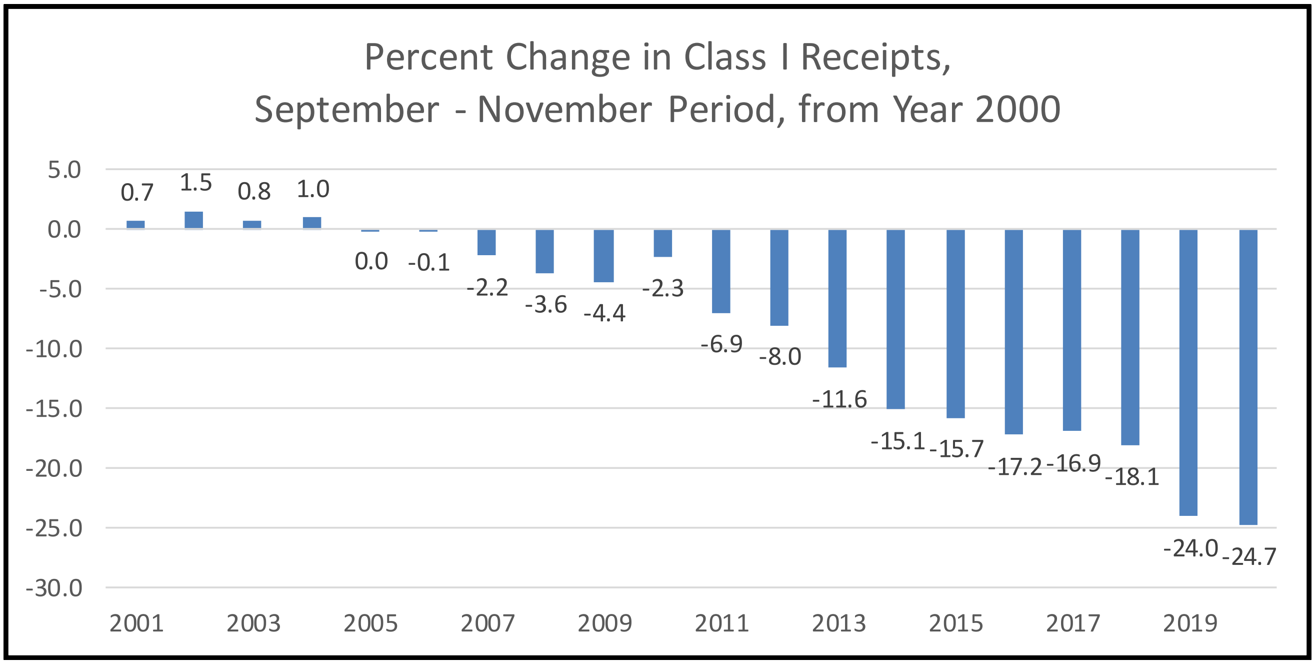
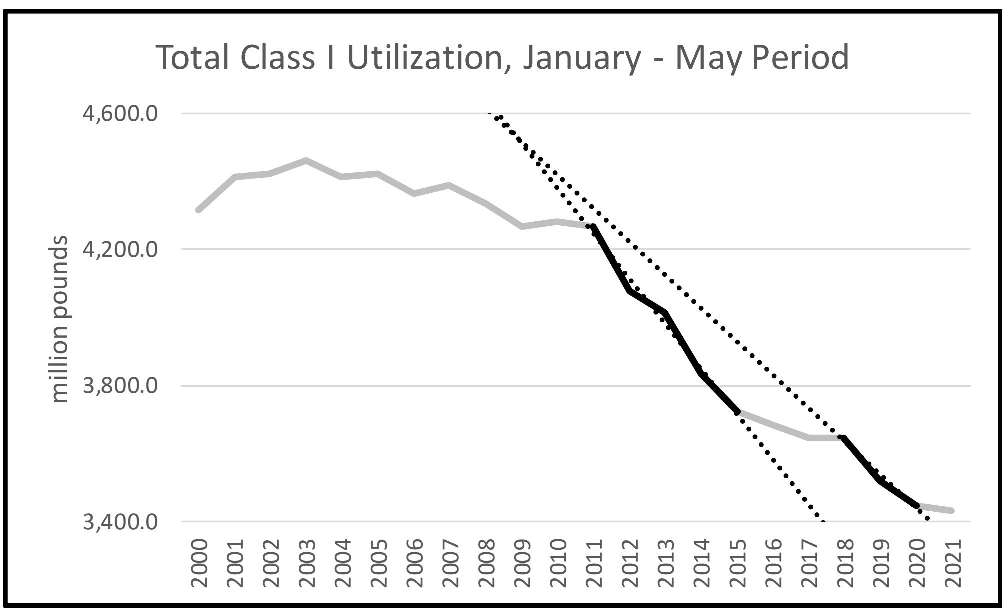


Chart 2 presents total Class I utilization for the period January through May of each year since 2000 (leap year adjusted). The two trend lines in the chart highlight the more rapid decline in utilization volume from 2011 to 2015 and the return to a fairly similar decline from 2018 to 2020. This year, there was a slowing of the rate of decline in the January-May period.

Chart 2.



The following table presents average level of Class I utilization on the Northeast Order for a 3-month spring period and the immediately following 3-month fall period. The intent is to show a seasonal change as a simplistic expectation of where fall Class I utilization may be based on where the previous spring level was. The 2021 projection in the table is based on a Class I calendar, composition and seasonal factors with current levels of Class I utilization. This projection is showing a potential for a decrease in fall month Class I utilization compared to spring. This would suggest a lack of need to return to a shipping percentage higher than has been approved in recent years, at least for fall 2021.

	Class I Utilization		
Year	Mar-May Avg	Sep-Nov Avg	% Difference
	million pounds		
2000	867	912	5.3
2001	900	919	2.1
2002	892	926	3.8
2003	892	920	3.1
2004	890	921	3.5
2005	890	912	2.5
2006	887	911	2.7
2007	885	892	0.9
2008	873	879	0.8
2009	860	873	1.4
2010	874	892	2.0
2011	847	849	0.2
2012	821	839	2.2
2013	807	807	0.0
2014	765	775	1.2
2015	742	769	3.7
2016	741	755	1.9
2017	735	758	3.1
2018	737	748	1.4
2019	705	693	-1.6
2020	702	687	-2.2
2021	691	646*	-6.5*

*Projection based on Class I calendar, seasonal factors, and current utilization.

The volume of milk pooled on the Order through the first 5 months of this year is the fourth largest volume since the inception of the Northeast Order, though slightly below the prior year, adjusted for leap year.

Milk utilized in Class IV–historically considered a balancing class with the manufacture of lower valued storable products–typically exhibits year-to-year variation in the Northeast Order in response to the overall supply and demand for milk in the region. During the first 5 months of this year, the pounds of milk utilized in Class IV has ranked third highest since the Order's inception (only this period in 2017 and 2020 being higher). Class IV utilization for May 2021 was the third highest ever for that month and fourth highest ever for the Order (two higher months were April and May of 2020, months in which the onset of the pandemic and its associated demand and supply chain changes contributed to).

USDA National Agricultural Statistics Service *Milk Production* report indicates that some slowdown in milk production had been occurring earlier in the year, but the latest report indicates year-over-year milk production is up 4.9 percent for the major-24 milk producing states. That said, those figures are compared against the prior May when producers began efforts to curtail excess milk in face of a market that included the disposing of milk at the farm. If using pool volumes as a proxy for milk production, the region may be producing milk at about the level of the prior year.

Though high level data support the characterization of a regional market with ample supplies of milk coupled with declining Class I usage, the COVID-19 pandemic situation, though improving, is not entirely in the past, and has proven to create hard to predict, or unpredictable outcomes. The data on current milk volumes and Class I demand, coupled with the ongoing COVID-19 challenges, threat of variants and even impacts on the supply chain that continue, suggest a shipping percentage that may be suitable at a lower level, but with an abundance of caution, does not warrant an extended period of approval such as "until further notice". The same caution would suggest it prudent the Market Administrator monitor markets monthly throughout this period. Even two months away, September through November may be more difficult to predict than normal.

Existing Provision

The shipping provisions of the Order (under Section 1001.7 (c) (1) and (2) stipulate that a supply plant (and this also applies to cooperatives operating as handlers under Section 1000.9(c)) must deliver milk to a distributing plant in order to meet the requirement. As noted in prior decisions, the option is not to "ask" whether the milk is needed or not, but instead, delivery to a pool distributing plant is stipulated. However, under Section 1001.7(g) the provision authorizes the Market Administrator to adjust the shipping percentage "to prevent uneconomic shipments", if so warranted. Thus, preventing the administratively required delivery of excessive milk to distributing plants, when order data and industry comments indicate a lower required shipping percentage is appropriate, is a measure that can and has been taken for the past eight years by the Market Administrator, following the receipt of similar industry requests to review the provision as a measure to prevent disorderly marketing and uneconomic shipments of milk.

Decision

After reviewing a variety of Northeast Order statistical data related to total pool volume, class utilization changes over time, fluid sales reports for the Order, and recent industry dynamics, together with comments submitted by parties responding to the call for comments on Queensboro's request, a reduction in the shipping percentage under Section 1001.7 (c) (2) of the Northeast Order from 20 to 10 percent for the three months of September, October, and November of 2021, is approved. In consideration of the recent and ongoing uncertainty associated with a marketplace and supply chain that has been challenged by the COVID-19 pandemic, the approved 10 percent level is not extended to "until further notice."

As provided under the terms of the Northeast Order under Section 1001.7 (g), the Market Administrator may review the need for any further adjustment on his own initiative or at the request of interested parties.

More Information

Complete copies of comments submitted by handlers regarding the requested shipping percentage reduction, along with Queensboro's request, can be found on the Northeast Order website; www.fmmone.com or by contacting the Market Administrator's office at 518-452-4410.

Agrimark

From: Catherine de Ronde
Sent: Friday, June 25, 2021 1:45 PM
To: Riordon Brian
Cc: Bill Beaton ; Thomas Pittman
Subject: Shipping Requirements Investigation - Agri-Mark comments

Hi Brian,

Please see Agri-Mark's comments below regarding the shipping requirement request. Please let me know if any questions and confirm receipt.

Thank you!

Catherine

Dear Mr. Market Administrator,

Agri-Mark appreciates the opportunity to comment on the request from a pool handler in the Northeast Marketing Order to lower the shipping percentage from 20 percent to 10 percent during the months of September, October, and November, as specified in Section 1001.7 (c)(2) of the Northeast Marketing Order.

While Agri-Mark is supportive of lowering of the shipping percentage from 20 to 10 percent for the year of 2021, we do not support the lowering "until further notice". Given the drastic changes the Covid-19 pandemic caused in the marketplace this past year, we do not support making a long-term change at this time.

To conclude, we support lowering the shipping percentages for 2021. These requirements should continue to be reviewed annually to determine the appropriate percentage.

Thank you for the opportunity to comment,

Catherine

Catherine de Ronde
VP, Economics & Legislative Affairs
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P: 978-552-5533
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UPSTATE NIAGARA
COOPERATIVE, INC.
FARMER OWNED

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Buffalo, NY 14225

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700 Ellicott Street, Suite 2
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Information Technology:
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Buffalo, NY 14225

Buffalo Fluid Plant:
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Rochester Fluid Plant:
45 Fulton Avenue
Rochester, NY 14608

Valley Farms Dairy, LLC:
1860 East Third Street
Williamsport, PA 17701

Cultured Products Plant:
3300 North America Drive
West Seneca, NY 14224

North Country Dairy LLC:
22 County Route 52
North Lawrence, NY 12967

Oatka Milk Products:
700 Ellicott Street
Batavia, NY 14020

June 25, 2021

Mr. Brian Riordan
Federal Milk Order No. 1
Northeast Marketing Area
Sent via email to: briordan@fedmilk1.com

Mr. Riordan,

Upstate Niagara is writing in response to your invitation for comment on the request from a pool handler, regulated under the provisions of the Northeast Marketing Order, to lower the shipping percentage specified in Section 1001.7 (c)(2) for the months of September, October, and November from 20 percent to 10 percent until further notice.

In each of the past several years, performance standards were adjusted lower during the months of September, October, and November. Upstate Niagara believes that maintaining the recent status quo of reducing shipping requirements continues to be warranted. Regarding timing, we would prefer to see the Market Administrator continue to review this matter regularly rather approving a change that would include 'until further notice'.

The Cooperative believes that the overall market conditions that warranted the past adjustments remain largely true today. During the pandemic, we saw fluid milk sales improve. However, as COVID-19 restrictions are lifted, fluid sales seem to be heading back toward the well-documented downward trend in overall Class I milk sales.

To summarize, Upstate Niagara believes that a reduction of shipping requirements is warranted for the months of September, October, and November with review regularly.

Sincerely,

Jodi Smith Krzysiak

Jodi Smith Krzysiak
Economist

cayuga marketing

Date: June 25, 2021

United States Department of Agriculture
Northeast Marketing Area
c/o Brian Riordon
302A Washington Avenue Extension
Albany, NY 12203-7303

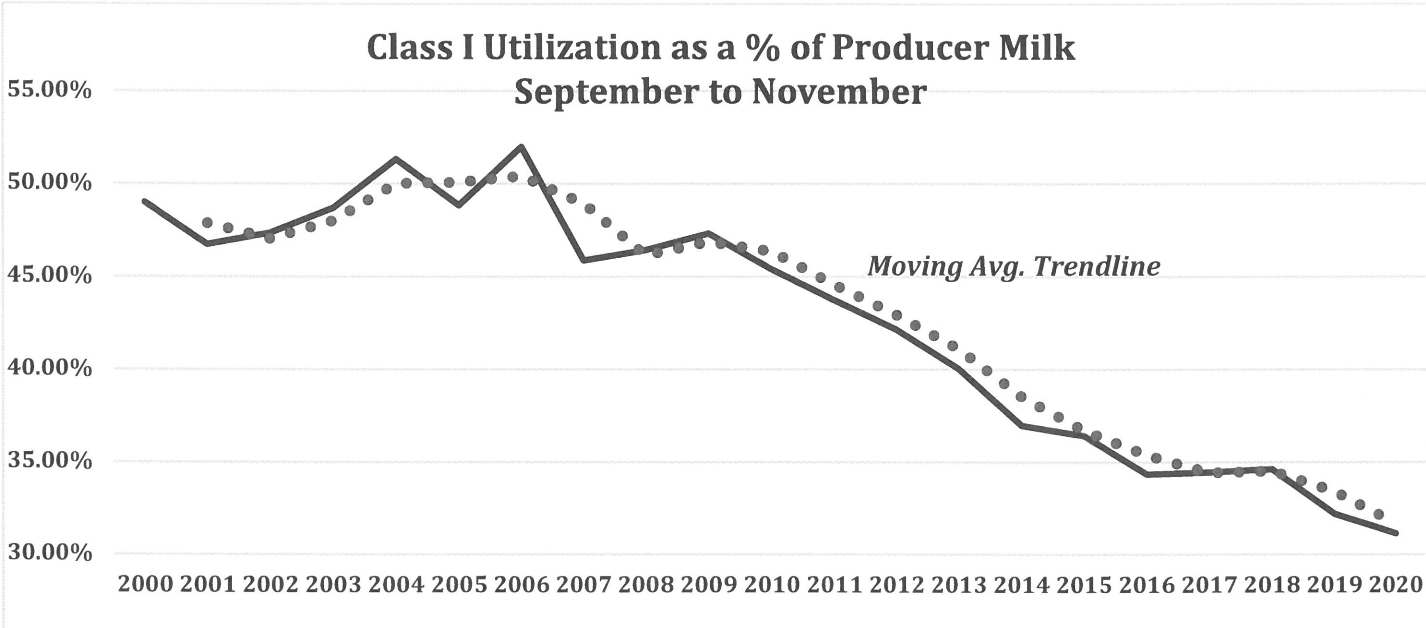
RE: Shipping Requirements Investigation

Dear Shawn:

Cayuga Marketing is in favor of lowering the shipping percentage from 20 percent to 10 percent for the months of September, October, and November *until further notice*. Under Section 1001.7(g) of the Order, the applicable shipping percentages may be increased or decreased by the Market Administrator if it is determined that such adjustment is necessary to encourage needed shipments or to prevent uneconomic shipments.

We have not changed our position since 2019, when we recommended a 10% shipping requirement during the September to November timeframe. For 2021 and beyond, we are recommending maintaining the shipping requirement from September to November at 10%. The data that we have reviewed would suggest the shipping requirement from September to November could be as low as 6%-7% by utilizing the same logic we employed in 2019 using data from 2000 to 2018 timeframe.

In determining our position, we analyzed the amount of producer milk produced in Federal Order 1 during September through November from years 2000 to 2020. We then compared the producer milk available against Class I demand during the same period of time. For the time period spanning from 2000 to 2009, the demand for Class I milk expressed as a percentage of total producer milk sold during September through November ranged from a low of 46.41% to a high of 51.99%. The average during this period time was 48.35%. The Class I utilization during this period of time remained relatively stable as depicted in the graph below. Starting in 2010 and continuing through 2020, the percentage of Class I milk sold as a percent of total producer milk decreased each year from a high of 45.39% in 2010 to a low of 31.13% in 2020. Thus, the cumulative Class I demand for the September to November timeframe as a percent of producer milk available decreased by a total of 14.25%, or approximately 1.4% per annum. If we assume that a 20% shipping requirement was proportionally correct to Class I utilization in 2010, it can be surmised that a 6% shipping requirement is correct for 2021 since Class I sales during the September through November timeframe have decreased by 14.25% from 2010 to 2020.



The data in the graph above certainly solidifies our position that producer milk is more than sufficient to meet Class I demand during the September to November timeframe, and furthermore, the September to November pooling percentage should be reduced to 10% *until further notice* to reflect the fact that Class I utilization as a percentage of available producer milk has decreased 14.25% from 2010 to 2020. Should Class I sales continue to decline, the 10% pooling percentage requirement should be reviewed to ensure milk marketers in Federal Order One are not incurring abnormal marketing costs related to meeting a pooling requirement that cannot be supported through data.

In 2021 and beyond, Cayuga Marketing will be forced into maintaining uneconomic milk sales to maintain its Class I sales above 20% during the months of September, October, and November. This will have a detrimental effect on our producers who will bear the increased marketing costs, which will reduce their net milk price. Our objective is to maximize our members return on their milk through the orderly marketing of their milk to its highest and best use. By maintaining a 20% pooling requirement, we would not be able to meet our objective.

Feel free to reach out to me directly if you should have any further questions or concerns.

Sincerely,

Kevin J. Ellis
CEO
Cayuga Marketing

June 25, 2021

Shawn M. Boockoff, Market Administrator
Federal Milk Marketing Order 1
333 Fairfax Street
Alexandria, VA 22314

Dear Mr. Boockoff:

Dairy Farmers of America (DFA), a cooperative handler under Section 1000.9(c) of the Northeast Order and operator of multiple pool supply plants, is responding to the Market Administrator's invitation for comments regarding a request to lower the shipping percentage specified in Section 1001.7 (c)(2) during September, October, and November from 20 percent to 10 percent until further notice.

DFA does not oppose the continued reduction in the applicable shipping percentages to 10 percent for the months of September, October, and November; however, DFA is opposed to the "until further notice" effective period as submitted in the request. DFA would prefer the shipping percentage be reviewed each month during the requested period. The COVID-19 pandemic has introduced an increased level of uncertainty at all points along the dairy supply chain. It would be easier for the market to respond to an additional decrease if needed in the fall than to request an increase if deliveries fall short of demand. We feel the best course is monthly review by the Market Administrator in order to determine if continued reduction of the percentages is necessary given the conditions existing at that time.

Thank you for considering our comments.

I will be glad to answer any questions you may have.

Sincerely,

Chris Allen
Vice President Dairy Marketing & Economic Policy

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April 26United States Department Of
Agriculture
Agricultural Marketing Service
Dairy Programs

FEDERAL MILK ORDER No. 1
Northeast Marketing Area
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April 26, 2021

TO: Pool Handlers

FROM: Shawn M. Boockoff, Market Administrator

SUBJECT: Shipping Requirements Investigation – Solicitation of Comments

This office has received a request from a pool handler, regulated under the provisions of the Northeast Marketing Order, to lower the shipping percentage specified in Section 1001.7 (c)(2) for the months of September, October, and November from 20 percent to 10 percent *until further notice*. Section 1001.7 (c)(2) states that in each of the months of September through November such shipments and transfers, by supply plants or qualified cooperative association handlers, to distributing plants must equal not less than 20 percent of the total quantity of milk that is received at the plant or diverted from it during the month.

Under Section 1001.7(g) of the Order, the applicable shipping percentages may be increased or decreased by the Market Administrator if it is determined that such adjustment is necessary to encourage needed shipments or to prevent uneconomic shipments. After reviewing milk utilization data for the Northeast Order, this office is commencing a formal assessment of milk supplies and market conditions relative to the demand for milk utilized as Class I and, in particular, for the upcoming months of September, October, and November.

The Market Administrator invites the submission of comments, data, or views on this request to lower the shipping percentages from 20 percent to 10 percent applicable during the months of September–November until further notice.

A copy of the request can be found on the Northeast Order website: www.fmmone.com

Please submit any comments by June 25, 2021, to the address or email below.

Northeast Marketing Area
302A Washington Avenue Extension
Albany, NY 12203

Attention: Brian Riordon

Fax: 518-464-6468
briordon@fedmilk1.com

January 19, 2021

Market Administrator
Northeast Marketing Area
89 South Street Suite 301
Boston Ma. 02111-2671
Shawn M. Boockoff

Mr. Boockoff,,

Queensboro Farm Products, Inc. is requesting that the shipping percentage, under Section 1001.7(c) (2) of the Order, be decreased for the months of September, October, and November from 20 % to 10 % for the Pool Supply Plants in Federal Order One. As a handler operating as a family business for 112 years and one of the two Pool Supply Plants remaining in Order One, we have had zero calls for Class I milk in years. We feel that the 10% difference in shipping would have an insignificant effect on the producer's milk pay price.

In the context of the entire Order, the volume is not noteworthy, but it has a big impact on our company. In order to fulfill the 20% shipping requirement, we would have to make uneconomical and unnecessary movements of milk which would result in higher hauling charges to our producers. The constant decline of Pool distributing Plants associated with the Order (The loss of at least 8 large plants in the last 10 years) makes additional shipments into the remaining plants virtually impossible. In the current economic climate, any additional cost to either the producers or to a small company, such as Queensboro, could jeopardize both our viabilities.

In June 2005, when the Federal Order was amended to have year round supply plant shipping standards, handlers with multiple supply plants set up their own supply plant systems. This allowed them to meet the standards by, in effect, treating the supply plant system as one plant. They could have one plant in the system that has a high Class I shipping percentage and that could provide enough Class I sales to cover the entire plant system. Queensboro, being an independent small business and a one plant operation, does not have that luxury. As stated above we would need to move milk in an uneconomical manner to meet the shipping standards. This seems to discourage entrepreneurship and penalizes small business.

Historically there has been a dramatic drop in the number of pool supply plants. In January 2000 there were 20 pool supply plants and in January 2013 there were only 11 "plant systems" and 2 independent supply plants. Queensboro is one of those two.

Class I sales are decreasing every year and the number of viable Class I dealers is decreasing as well. Producer milk is more than sufficient to meet Class I demand as Class I utilization declines almost every year. In fact Class I utilization was down 1.3% for the first three quarters of 2020 compared to 2019 and down an additional .0.7% in October 2020. In past years Queensboro has had to seek out Class I customers in order to reach the 20% shipping requirement. In addition this year as in other recent years in the Northeast, milk and skim milk will have to be dumped due to lack of plant capacity. Class IV, the balancing class in the order is ever increasing due to higher milk production and ever decreasing Class I sales in the order. The figures for February 2018 indicate that the Class I volume was the lowest ever for the month and the Class IV volume among the highest for the month. This imbalance in supply and demand will continue throughout the next ten years and for the foreseeable future. In the last few years only one customer has called upon us to sell milk and we immediately complied. We also have not heard of any other instances where Class I needs have not been covered.

Class I sales declined from 2010 to 2011 by 3.0 % and from 2011 to 2012 by an additional 2.7 %. This decline continued in 2013 with Class I volumes setting new lows. In fact, in 2013 Class I volume was the lowest ever. Volume was down 3% from the 2012 total. Eleven months in 2013 had the lowest Class I volume for those respective months in 14 years. Since the inception of the Northeast Order in 2000, annual Class I volume has declined by more than 1 Billion pounds. January 2014 had the lowest Class I volume of any January on record. The volume in June 2013 was the lowest Class I total out of 169 monthly pools. Even with the population increasing by 3.2 % in the Northeast, these declines continue. Since the inception of Order I, almost 20% of the pool distributing plants have closed. Another difficulty Queensboro has encountered is the fact that many of the remaining pool distributing plants in the Northeast Order have established full supply arrangements with cooperatives. This certainly reduces our options and increases the cost of the movement of the milk. In point of fact, Queensboro has a unique relationship with these cooperatives. We separate and condense product when they are long in supply and we help furnish milk supplies when they are short. Again, in the spring and summer and even winter of 2019 and 2020 at the request of a large Northeast Order Cooperative and two other sizeable Cooperatives Queensboro is helping to balance their excess supply of milk by separating, skimming, and condensing for them. In addition we unload and store their excess Class I weekend supplies of raw milk and feed it back to them during the week.

In previous year's decision letter from the Market Administrator, dated August 5, 2013, it was stated that "the macro trends supported by this analysis support a reduction in the shipping percentage." We believe that those trends are continuing and past year's reduction by the Market Administrator had no adverse effect on producers. All of our industry contacts informed us that all Class I needs were met. The latest statistic available, which confirms our beliefs, is that Class I utilization for February 2018 was less than 32.0 %. April 2017 was 29.4%, April 2016 was 32.0 %, April 2015 was 32.8 %, April 2014 was 34.4 % and Class I for April 2013 was 36.5 %. In the first quarter of 2018 Class I utilization will have dropped to approximately 32.0 % In July2018 Class I volume was the lowest ever for the month and the smallest ever for the order on a per day basis. In addition the Class I usage in February 2019 accounted for 31.4% of the total milk receipts down 1.3% from January.. In point of fact for many months the volume of milk utilized as Class I has set a new low for that respective month. Just recently the Upper Midwest Market Administrator in Federal Order 30 reduced the Class I shipping percentage to eliminate disorderly market conditions. Class IV utilization is rising each month to take up the slack. Milk supplies have risen dramatically and the market Administrator has recognized this in his decision to lower the Class I shipping percentage for June, July and August 2015 from 10% to 5 % and to reduce the shipping percentage to 15% for 2016 and 2017,and moving that percentage in to 10% in 2019 and 2020. For all of the reasons that we have presented, we are requesting that the 20% Class I shipping requirement for September, October, and November be reduced to 10% for pool supply plants until further notice.

Very truly yours,
Lewis P. Miller
President

Lewis P. Miller