

FMMO October 30, 2015

Week number 6 of the California FMMO hearing was as packed with information as previous weeks. The focus this week remained the case in chief put forth by the proponents of proposal #2 (Dairy Institute of California). When processors go up to Sacramento to testify at CDFA hearings, they are usually very unified in the message they present. This hearing is not much different as most witnesses on that side of the table were harmoniously beating the same drum throughout the week.

The week started with Mr. Dejong from Hilmar Cheese returning to the stand to get cross-examined on the testimony he introduced the week before. An interesting point he tried to make included arguing against the oft-mentioned producer comment regarding their inability to hedge efficiently due to the Class 4b vs Class III discrepancy. He notably stated there are other ways to use risk management in California. Noel Rosa, of Rosa Brothers, testified right after and had prepared timely comments on the fact that risk management at the CME does not work well for California producers. Ms. Martin, of Dairygoddess Farmstead Cheese and Milk, stated her support for proposal one and managed to present a very heartfelt testimony that touched many people in the room. Mr. Maldonado (Marquez Brothers) and Mr. Zolin (a consultant) ended the day with more support for proposal 2.

Tuesday kicked off with Mr. Hofferber (Farmdale Creamery) who argued there is no disorderly marketing in California. He said that his company cannot afford to pay for the whey. But a nice side note, he did admit that they need the producers to stay in business. Mr. Moore and Mr. DeCardenas from Cacique explained how their company started from humble beginnings. They explained that the cost of doing business in California is more – a statement I suppose producers know too well. Mr. Zolin got back on briefly before Mr. Blaufuss (Dean Foods) started reading his testimony.

A fresh start to Wednesday, Mr. Giacomazzi (dairyman from Hanford) explained the importance of keeping his multigenerational dairy going. He managed to get the best comment from the judge, who described his testimony as “spellbinding”. Mr. Blaufuss took the stand to finish reading his testimony before Mr. Ahlem (Chairman and owner of Hilmar Cheese) testified in support of proposal 2. He explained that Hilmar built its second cheese plant in Dalhart instead of California because it was a better opportunity, there was good land for dairies, decent water, proximity to markets and California had an unstable regulatory environment. Then, in an interesting turn of event, Mr. Vetne (who so far had been abundantly questioning witness on behalf of Hilmar Cheese), took the stand as an expert on milk marketing regulation and policy. He focused on “the importance of market clearing cannot be understated.”

Thursday started with Mr. Vetne and Mr. Miltner (counsel for Select Milk Producers) carrying a conversation that sounded more like they were chatting over a beer than for a FMMO hearing. Mr. Miltner had warned the audience that he wanted to get esoteric, so I suppose it wasn't too surprising. Dr. Schiek took the stand to introduce his testimony on pooling. Mr. Zolin followed, discussing the related topic of performance requirements. Ms. Taylor (Leprino Foods) surprisingly made an appearance earlier in the process than I would have bet – typically, during CDFA hearings, she ensures she is the last one to testify.

Friday morning was spent with Mr. Murphy (bestwhey LLC) explaining why cheese plants can't afford to pay for whey as outlined in proposal 1. Tom Vannortwick and Leonard Vanderburg completed the roster at the time of going to press.

Interested parties will have to wait an extra hour before the fun resumes on Monday (because of time change) but will still be able to listen to the live audio feed at: www.ams.usda.gov/live. Don't have time to sit through entire days of deliberations? "Like" Western United Dairymen on Facebook or follow us on twitter (@wudnews) for daily progress updates. Members who don't like Twitter or Facebook are more than welcome to send me an email at aacmoody.wud@gmail.com if they would like to receive the daily updates directly in their inbox.