

FMMO October 16, 2015

The order of things at the FMMO hearing is getting to be as predictable as the color of the winning team for the upcoming World Series. This week was no exception: coop witness reading a testimony very slowly, followed by extensive questioning from attorneys, alternating with a few producer testimony. More specifically, week number four of the California FMMO hearing kicked off with Mr. Hollon (DFA) taking the stand on Wednesday to start the holiday-shortened week. He had previously introduced his testimony the prior Friday so his time on the stand was spent answering questions. The bulk of the questions revolved around pooling rules, plant status and the uniqueness of California. California is unique for a lot of reasons, but two are particularly striking when it comes to the dairy landscape. Although I've heard the cows are particularly happy out here, the main reasons mentioned were the quota program and the high utilization of Class 4a and 4b (known as the equivalent of Class IV and III in FMMO lingo). In the midst of all this, Mr. Fluegel, a dairyman from Hanford, presented some testimony from a producer perspective, but also from his personal experience in cattle sales. He stated very clearly that dairy cows used to move to California; now the movement is reversed as cows are emigrating out of state.

Mr. Dennis Schad's (LOL) testimony on class prices and product classification was the focus of Thursday, but a few others slipped in between breaks to introduce their statements. Mr. Vander Woude and Mr. Maddox, two dairymen, each voiced their support for the coops' proposal. I had the chance to testify again on behalf of Western United Dairymen to emphasize the issues of quota and pooling. Specifically, quota is both as an asset and a cash flow tool that is crucial to many dairy operations in the state. Inclusive pooling (i.e. strict pooling rules that prevent handlers from escaping contributions to the pool) is also key to a state like California with high utilization for Class 4a and 4b. Inclusive pooling is also key to ensure the survivability of the quota program like we know it today.

The week ended with Mr. Schad taking the stand again to clarify portions of his testimony. Mr. Hollon then took the stand to introduce testimony on transportation allowances. This topic is a little bit less controversial in that the Dairy Institute also has transportation allowances included in their proposal. However, the mechanics are different so Mr. Hollon did not get to avoid a lengthy cross-examination. If there is a prize for whoever will be on the stand the longest during these proceedings, Mr. Hollon is definitely in the lead. Joey Fernandes presented his statement close to the end of the week, ending on a heartfelt and compelling request for a better system.

As a reminder, any interested party can listen to the live audio feed at: tinyurl.com/camilkhearing. 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.