

**IDFA TESTIMONY
REGARDING THE CLASS I
MOVER (aka THE BASE
CLASS I SKIM PRICE)
PROPOSALS 13-18**

REALITY –

The Number of Months when Class I is Lower than the Manufacturing Prices is nearly the same for both the IDFA and NMPF Proposals.

IDFA Proposal 14 - Class I Price + \$1.60 Differential Percent of Months Below the Manufacturing Class Prices					NMPF Proposal 13 - Class I Price + \$1.60 Differential Percent of Months Below the Manufacturing Class Prices				
Time Period	% Lower than Class II	% Lower than Class III	% Lower than Class IV	% Lower than Weighted Avg	Time Period	% Lower than Class II	% Lower than Class III	% Lower than Class IV	% Lower than Weighted Avg
2018-2022	5.0%	11.7%	1.7%	5.0%	2018-2022	5.0%	11.7%	5.0%	5.0%
2013-2022	5.8%	6.7%	0.8%	2.5%	2013-2022	5.0%	7.5%	2.5%	2.5%
Jan 2012 - August 2023	5.7%	8.6%	0.7%	2.1%	Jan 2012 - August 2023	5.0%	7.1%	2.1%	2.1%

IDFA Proposal 14 vs. NMPF Proposal 13 Differences in % Months Under Manufacturing Class Prices				
Time Period	% Lower than Class II	% Lower than Class III	% Lower than Class IV	% Lower than Weighted Avg
2018-2022	+0.0%	+0.0%	-3.3%	+0.0%
2013-2022	+0.8%	-0.8%	-1.7%	+0.0%
Jan 2012 - August 2023	+0.7%	+1.4%	-1.4%	+0.0%

NMPF CONTENTION:

Using the higher of Class III or IV to set the Class I price sends an important price signal to farmers

REALITY: IDFA'S DATA ANALYSIS ESTABLISHES OTHERWISE

The price signal to farmers is the blend price, not the Class I price.

Nationally, Class I is on average only 29.2% of pooled milk (2018-22 average).

For the past 10 years, from 2012 to 2022, on average:

- the Class I share of the blend price was 31.8% under IDFA Proposal 14 and 31.9% under NMPF Proposal 13;
- Under the IDFA proposed Class I skim milk mover, the amount added to the average of the Class III and Class IV price only represented 1.41% of the blend price;
- Under the NMPF proposed Class I skim milk mover, the amount by which the higher of Class III or IV exceeded the average of Class III and IV only represented 1.49% of the blend price.