

EXHIBIT NO. 22

Metropolitan

**Testimony of Bob Seiler**

**Docket No. AO-313-A48 et al DA-04-06**

**December 6, 2004**

**Kansas City, Mo.**

**My name is Bob Seiler. My address is 13501 W. 85<sup>th</sup> North, Valley Center, Kansas 67147. We are near Wichita, Kansas in the southern part of the state. My wife Marcella and I run a 100-cow dairy and farm about 2,000 acres. I am a member of the Kansas Dairy Association and am representing them.**

**We market our milk through Dairy Farmers of America, Inc., and there is not another choice within 120 miles. I have participated as a Corporate Resolutions member for DFA the last 3 years and have had much heartburn about depooling, and I helped write a resolution to try to stop depooling. It is very important that we quickly stabilize the market in Order 32 by stopping the extreme depooling because of the effect it is having on our farm and the other dairymen of Kansas and I am sure the rest of the Order.**

**Without competition for milk in our area we have no choice whom to market our milk through and no competition for it. As you can see from the tables in some of the exhibits, we have some of the highest hauling rates in the Order. There is little incentive for the coop to return its gains from depooling to us**

because of the lack of competition. These monies I believe are being used in areas where they feel they need to stay competitive. This is why I believe we need to revise the pooling restrictions in Order 32.

The reason I am here today is because I realized the gain that could be made in our profit at our farm if the pool was stabilized. Using the Class I through Class IV utilizations from 2002 on Order 32, which is the last year that they were stable, Class I averaged 27%; Class II averaged 6%; Class III averaged 62% and Class IV averaged 5%. I compared the March 2004 through October 2004 time period prices which we received using the percentages that the classes had during the 2002 period. If depooling had not occurred, we would have netted an additional \$11,600 on our small 100-cow dairy. We produce about 2.5 million pounds of milk a year. Considering what is likely to happen in December 2004, it will likely be a loss of around \$15,000 for the year for our farm. Needless to say, the reason I am here is because that would increase my profit by a third on our farm.

When you multiply these numbers across the state of Kansas using Jim Reed's numbers of 1.338 billion pounds produced per year, the totals are substantial. The March 2004 to October 2004 time period would have netted another 6.2 million dollars to Kansas dairymen, and I would estimate 8 million dollars for all of 2004.

**I support anything you can do to tighten up the pool, and I would even like to see the Dean proposal that would not let the milk be pooled for 12 months if it is depooled.**

**I do not support additional transportation credits in order to participate in the pool. I think if you share in the pool you really need to be able to perform. I hope that the Federal Order 32 changes will move through quickly. Back in March when cheese prices went over \$2.00, there was excitement among my colleagues that we would have \$20 milk and hopefully help recover from the last couple of years of low prices. Needless to say, when our milk price topped out at \$18.00 there was disappointment. It is hard to get excited about the current uptick in the cheese prices knowing that it will mean high PPD's and missed opportunities.**

**Thank you for your consideration of my thoughts.**

**Bob Seiler**