

OAKHURST DAIRY

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Members of the Northeast Dairy Compact Commission and honorable guests:

Good morning [afternoon]. My name is Thomas Brigham. I am the chief financial officer of Oakhurst Dairy, located in Portland. I am here today, as a representative of one of Maine's dairy processors, to comment on our experience with the Northeast Dairy Compact.

In general, it is the practice of our company to support measures that are beneficial to the dairy farmers in Maine and northern New England-- provided that: 1) such measures do not cause milk prices to become so high as to risk an adverse impact on consumption, and 2) that we are not put into a position where we are at an economic disadvantage with regard to our competition.

During the four years that the Compact has been in existence, I estimate that the over-order premium, established by the Compact, has added an average of eleven cents (\$0.11) to the wholesale selling price of a gallon of milk. Such an increase would seem to be in line with normal inflation and other consumer product price increases that have occurred during that timeframe. At the same time, we have not noted any trends in sales that would be indicative of a significant decline in the consumption of fluid milk products.

Given that the Dairy Compact requires that the over-order premium be assessed on all dairy processors, who sell fluid milk products within any of the six New England states, we find that it has effectively kept us on a "level playing field" with regard to our competitors.

For these reasons, we have found the Northeast Dairy Compact to be a workable system, and we would not be opposed to it being extended beyond its current expiration date.

Thank you for your time and consideration of these comments.