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**STATEMENT FROM LAURIE FISCHER - EXECUTIVE DIRECTOR OF
THE WISCONSIN DAIRY BUSINESS ASSOCIATION**

in response to the National Milk Producers Federation press release of 11.1.2011

(November 2, 2011—Green Bay, WI) About twenty Wisconsin producers met with Dr. Stephenson, Director of Dairy Policy Analysis at the University of Wisconsin- Madison on October 20, 2011, at the request of the DBA. Dr. Stephenson presented the results of his latest study, an analysis of the revised version of the Dairy Market Stabilization Program. Dr. Stephenson's modeling showed that there would be a milk price reduction of \$.80 to \$1.63 per hundredweight for all size farms with only moderate milk price volatility improvement. Dr. Stephenson and Professor Nicholson at California Polytechnic State University created this systems dynamic economic model of U.S. dairy industry several years ago. This model has been used to examine multiple dairy policy concepts in recent years. The modeling analysis concludes that small farms will leave the dairy industry at a faster pace. I had an email correspondence with Dr. Stephenson following his presentation to confirm and clarify elements of his presentation.

This is what was presented to us by the study's author. We are not manipulating, extrapolating or twisting his words into pretzels. Dr. Stephenson's presentation convinced us to oppose the Dairy Market Stabilization Program even more vociferously than we had been doing before. The Stephenson/Nicholson report is the only available academic analysis of the Dairy Market Stabilization Act available and its key finding from our perspective is that net farm incomes will decline for all sizes of farms. At a minimum, this result should cause organizations to question the "pass-the-bill and ask questions later" approach to this legislation that is being demanded by the National Milk Producers Federation.

Dr. Stephenson and Professor Nicholson enjoy an excellent reputation as fair and respected agriculture economists. Their reports have been cited by the National Milk Producers Federation and can be found on their website.