

## FOOTNOTES

1. Market structure refers to the number and size distribution of firms, the nature of the products sold, and the conditions of entry. Market conduct refers to the behavior of firms within a market structure particularly the nature and types of decisions that are made. Market performance refers to the effect of market structure and conduct on prices, costs, output and other economic variables. See [2, pp. 408-410].
2. An industrial dynamics model is essentially a set of deterministic mathematical equations which describe the operation of an economic or social system. Such models are generally used to improve the understanding of the behavior characteristics of a system and to simulate the impact of a particular course of action on the system. See section II, Forrester [3], Pugh [17] and Raulerson [18] for further details.
3. Class I products include whole milk, skim milk, low-fat milk, and chocolate milk. Class II products include buttermilk, flavored drinks, half and half, table cream, sour cream, ice cream, ice milk, and sherbet. This classification applied during the 1966-69 period. Current Class I and II products are somewhat different.
4. The seasonal component of total milk utilization (EU) was fairly uniform from 1966 to 1969. The coefficients of variation for monthly milk utilization were quite small, namely: Jan. 3.5, Feb. 3.0, Mar. 1.9, April 2.2, May 5.5, June 2.8, July 1.5, Aug. 2.7, Sept. 7.2, Oct. 3.1, Nov. 4.1, and Dec. 4.0.
5. The seasonal component of Class I milk utilization (EUC1) was fairly uniform from 1966 to 1969. The coefficients of variation for monthly Class I milk utilization were quite small, namely: Jan. 2.0, Feb. 1.0, Mar. 1.6, April 1.6, May 1.7, June 2.2, July 2.2, Aug. 2.4, Sept. 3.3, Oct. 1.9, Nov. 3.3, and Dec. 4.2.
6. Consistency could have been checked on a monthly basis; however, the month was considered too short a time interval to expect good correspondence between actual and simulated movements in the variables.