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Case Studies

From Conventional to Organic: The Case of Dairy Farm Transition Decisions

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Abstract

This case study examines farm-level decision-making in the transition from conventional to organic dairy production. Students assume the role of an agricultural consultant advising a dairy farmer who is considering organic certification. Using data from the University of Minnesota's Center for Farm Financial Management, students analyze how production costs, milk prices, farm size, and transition strategies influence the financial viability of transition decisions. The case introduces a present-value discounting framework tailored to organic transition and includes an Excel-based empirical exercise suitable for recitation or laboratory settings. A key pedagogical feature is that students must work with real-world data limitations, requiring them to approximate unobserved transition costs, evaluate assumptions, and justify their recommendations. By combining quantitative analysis with discussion-based decision-making, the case emphasizes applied economic reasoning and the challenges of making management decisions under uncertainty. This case is designed for upper-level undergraduate courses in agricultural and applied economics, particularly farm management, agricultural finance, production economics, agribusiness management, and agricultural policy.

📝 Request Teaching Notes

1. The Dairy Farmer's Decision

Alex operates a conventional dairy farm in Minnesota. Alex has observed the ongoing consolidation of the dairy industry for many years, and concerns about the future viability of the operation have intensified due to rising feed costs and volatile milk prices. At the same time, several neighboring producers have transitioned to organic production and now receive substantially higher milk prices. Having observed these changes and become increasingly concerned about the farm's profitability, Alex is considering whether transitioning to organic production could improve the financial viability of the operation. However, Alex knows from neighboring producers that transition requires a multiyear commitment involving changes in production practices, certification and compliance costs, and potentially higher operating expenses before the farm becomes certified and can receive the higher organic price. Before deciding, Alex has reached out to your agricultural consulting firm for advice. "Some of my neighbors seem to be doing quite well after transitioning, while others have struggled," Alex explains. "I am not sure whether transitioning is the right decision for my farm."[1]

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1 This case was developed for educational purposes, and the dairy farmer in this case study is introduced to provide a realistic decision-making context for students. While the farmer is fictional, all data, financial information, and industry conditions presented in the case are based on actual dairy operation records and publicly available sources.

To advise Alex on this decision, you should be familiar with concepts related to dairy farm profitability and investment analysis. Specifically, Alex would like to understand the costs associated with transitioning to organic production, how production costs and revenues differ between conventional and organic systems, and whether the higher price for organic milk can offset the costs incurred during the transition period and generate positive returns over time. Evaluating these questions requires considering the timing of costs of benefits, the value of future returns, and the uncertainty surrounding future market conditions.[2]

2. The Economic Environment for Dairy Producers

Dairy farmers operate in a challenging economic environment characterized by fluctuating milk prices and changing input costs. Although milk prices are determined within the framework of Federal Milk Marketing Orders, they remain responsive to changing supply and demand conditions. Over time, these changing market conditions have contributed to substantial variation in milk prices (USDA-ERS 2026a). Figure 1 illustrates these substantial fluctuations in milk prices and feed costs over time, highlighting the uncertain economic environment faced by dairy producers. Feed costs are the largest component of dairy production expenses (USDA-ERS 2026b), making the relationship between the volatile milk prices and increasing feed costs a key determinant of a dairy farm's profitability. The sharp increase in feed prices during 2007–2008 was associated with rising energy prices and biofuel expansion, while elevated prices between 2011 and 2014 reflect strong global demand for feed grains and weather-related supply shocks (Ali and Vocke 2009; Wright 2014). More recently, feed prices increased sharply in 2021 and 2022 as supply chain disruptions following the COVID-19 pandemic coincided with strong global demand, particularly from China (USITC 2022).

In recent decades, the US dairy industry has undergone significant structural change, with fewer operations producing more milk as productivity gains and technological adoption have increased the advantages of larger-scale operations (MacDonald et al. 2020; Gillespie, Njuki, et al. 2024; McFadden and Raff 2026). MacDonald et al. (2020) show that although consolidation has occurred nationwide, cost pressures have disproportionately affected small dairy farms in the Midwest and Northeast regions. Furthermore, evidence from 2016 suggests that organic producers realized higher net returns per hundredweight of milk than similarly sized conventional dairy farms (MacDonald et al. 2020). These findings suggest that organic production may offer an alternative strategy for maintaining farm viability, particularly for

2 The learning objectives of this case study are to (1) analyze how changes in milk prices, input costs, and market conditions contribute to differences in profitability between conventional and organic dairy systems; (2) conduct a cost-benefit analysis of transitioning from conventional to organic dairy production; (3) compare the financial feasibility of organic transition across dairy farms of different sizes; and (4) provide and justify recommendations regarding the feasibility of transitioning to organic dairy production while recognizing the limitations of available data and economic analysis.

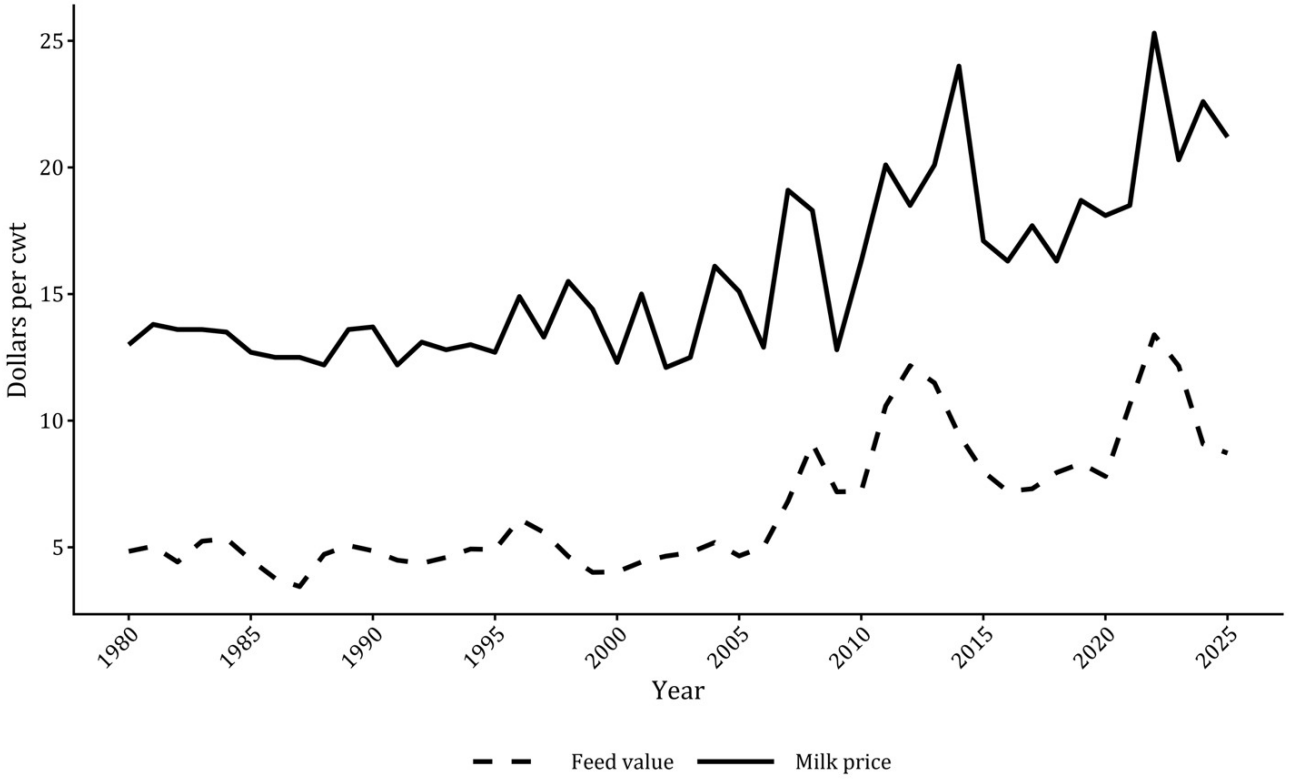


Figure 1. Milk prices and feed costs faced by US dairy producers, 1998–2025

Notes: The figure reports annual average milk prices and the annual average value of a 16 percent protein dairy feed ration, both expressed in dollars per hundredweight.
Source: USDA Economic Research Service (USDA-ERS) (2026a).

smaller dairy operations facing increasing competitive pressures in the consolidating conventional sector. This potential is reinforced by continued growth in the demand for organic food products (Organic Trade Association 2026), driven in part by consumer preferences for healthier and more environmentally sustainable production practices (Gundala and Singh 2021; Raszap Skorbiansky 2025). However, the increasing popularity of plant-based alternatives—such as almond, soy, and oat milk (Asif et al. 2026; Stewart et al. 2020)—introduces additional competition and uncertainty regarding the future demand for dairy products.

The combination of these trends creates a complex decision environment for dairy farmers: While organic production offers the potential for higher revenues, it also involves higher costs and greater uncertainty. Much of this uncertainty also stems from the cost and availability of organic feed. Organic feed markets operate on a smaller scale than conventional feed markets, with production and trade occurring in lower volumes and often concentrated in specific geographical regions (Hadachek et al. 2022).[3] As a result, organic feed

3 Because transportation costs for bulky agricultural products are high, organic and conventional production often occur in the same regions, although organic production tends to be more concentrated in cooler areas where pest pressures are lower (Hadachek et al. 2022).

prices are generally more susceptible to production shocks and market volatility. For example, adverse weather conditions affecting a major organic feed-producing region may reduce supply and increase prices across a substantial portion of the market (Delbridge 2013). Higher production costs are also associated with lower productivity in many organic systems (McBride et al. 2015). Organic crop yields are typically lower than conventional yields because restrictions on synthetic fertilizers, pesticides, and herbicides can make nutrient management, weed control, and pest management more difficult. In a large meta-analysis, de la Cruz et al. (2023) found that organic crop yields are approximately 25 percent lower on average, while more recent evidence suggests a persistent yield gap of at least 18.4 percent across crops and climates (Seufert et al. 2012). Similarly, organic dairy farms generally produce less milk per cow because organic standards require greater reliance on grazing and forage-based feeding systems and less use of energy-dense feed concentrates (Hardie et al. 2014).[4] In response to higher feed costs and input constraints, many organic dairy farms rely more heavily on homegrown feed and pasture-based systems, although feeding strategies vary across farms and regions (Delbridge 2013). For example, farms in the Corn Belt and Midwest rely more on homegrown feed, whereas Western operations depend more heavily on purchased inputs (Gillespie, Raszap Skorbiansky, et al. 2024).

Although organic dairy production involves higher costs, these are partially offset by the price premiums for organic milk relative to conventional milk. Consumers cannot verify the organic attribute of milk themselves. Therefore, labels such as the USDA Organic seal help build consumer trust in organic products and support a higher willingness to pay for them (Van Loo et al. 2011). Organic milk prices are typically determined through contracts linked to conventional milk prices, with an added premium for organic production (Hadachek et al. 2022), which ties organic prices to broader dairy market conditions and exposes them to similar price risks. Although the magnitude of the premium varies with market conditions, Carlson and Jaenicke (2016) find that organic milk premiums were relatively persistent between 2004 and 2010 and among the highest of all organic product premiums. Periods of expansion in organic dairy production can increase supply and place downward pressure on premiums. Moreover, in regions with more processors, farmer cooperatives may have greater flexibility to switch buyers and negotiate higher premiums, whereas in markets with fewer processors, limited buyer options can allow processors to exert market power (Hadachek et al. 2022).

4 Wisconsin organic dairy farms relying more heavily on pasture-based feeding exhibited substantially lower rolling herd averages than farms using greater concentrate supplementation (Hardie et al. 2014).

The uncertainty surrounding both costs and prices highlights the importance of evaluating the transition decision over multiple years rather than focusing on a single production season. In this case, you will advise Alex, a dairy farmer considering whether to transition from conventional to organic production. Although organic milk typically commands a price premium, transitioning requires changes in production practices, higher operating costs, and a certification period during which milk cannot be sold as organic. Alex wants to determine whether the potential long-term benefits of organic production are sufficient to justify these costs and risks. The framework presented in the following sections provides a structured approach for evaluating this question. As in many real-world investment decisions, some relevant information may be uncertain or unavailable, requiring you to make and justify reasonable assumptions when assessing the financial feasibility of transitioning to organic dairy production.

3. Organic Transition Decision Framework

The decision to transition to organic production is inherently a multiperiod investment problem. Although the farmer makes the decision to switch production systems at a single point in time, its profitability depends on the stream of revenues and costs realized over multiple periods. At any given point in time, a conventional farmer faces expected revenues and costs under the existing production system. The decision to adopt organic production therefore depends on comparing the expected stream of revenues and costs under organic production to those under continued conventional production over a planning horizon.

A critical component of this decision is the transition period required for organic certification. During this period, farmers must adopt organic production practices but are unable to market their milk at the organic price. As a result, they incur higher production costs while continuing to receive conventional milk prices. Evaluating these alternatives therefore requires quantifying the differences in revenues and costs across production systems over time. To do so, the farmer considers net returns per unit of production under each production system, which summarize the relationship between milk prices and production costs:

$$NR_t = P_t - C_t, \tag{1}$$

where NR_t is the net return per hundredweight (cwt) of milk in year t, P_t is the milk price per cwt of milk, and C_t is the production cost per cwt of milk. Once annual net returns are calculated, the cost of transition can be measured as the difference between the net return from remaining conventional and the net return from operating as a transitioning farm during the transition period:

$$\Delta NR_t^{TR} = NR_t^{TR} - NR_t^{C}, \tag{2}$$

where NR_t^{TR}denotes annual net returns during the transition period and NR_t^C denotes annual net returns under conventional production in year t. Negative values of ΔNR_t^{TR} indicate that the farm earns lower net returns during the transition period than it would have earned by remaining conventional. Similarly, the long-run benefit of organic certification can be measured as the difference between the net return from certified organic production and the net return from remaining conventional:

$$\Delta NR_t^O = NR_t^O - NR_t^C, \tag{3}$$

where NR_t^O represents annual net returns per cwt of milk under organic production. Positive values of ΔNR_t^O indicate that organic production generates higher annual net returns than conventional production.

These annual differences can then be aggregated and discounted to evaluate the overall financial viability of transitioning to organic production. Because the transition decision involves costs and benefits that occur over multiple years, the farmer must account for the timing of these cash flows. To assess feasibility of transitioning, the farmer compares the present value of expected benefits and costs over time. Let r denote the discount rate. A higher discount rate places less weight on future benefits and costs, while a lower discount rate places greater value on future outcomes. Therefore, the profitability of organic transition depends not only on the magnitude of expected costs and benefits but also on how the farmer values returns received in the future.

Transitioning is profitable if the discounted benefits from higher organic revenues exceed the discounted costs of transitioning:

$$\sum_{t=1}^{T} \frac{\Delta NR_t^O}{(1+r)^t} \geq \sum_{t=1}^{T} \frac{\Delta NR_t^{TR}}{(1+r)^t}, \tag{4}$$

where $t = 0, 1, \ldots, T$ indexes time, T denotes the planning horizon, and r is the discount rate. This framework allows the farmer to evaluate how production decisions depend on key factors such as price premiums, cost differences, and the discount rate. The farmer will choose to adopt organic production if the discounted benefits exceed the associated discounted variable costs:

$$\underbrace{\sum_{t=\tau}^{T} \frac{\Delta P_t^O}{(1+r)^t}}_{\substack{\text{benefit of} \\ \text{transitioning}}} \geq \underbrace{\sum_{t=0}^{\tau-1} \frac{\Delta C_t^{TR}}{(1+r)^t} + \sum_{t=\tau}^{T} \frac{\Delta C_t^O}{(1+r)^t}}_{\substack{\text{variable cost of} \\ \text{transitioning}}}, \tag{5}$$

where τ represents the first period in which organic certification is achieved,[5] at which point milk can be marketed as organic. The term ΔP_t^O captures the price premium received after certification. The term ΔC_t^{TR} reflects the higher variable production costs incurred during the transition period, such as reliance on purchased organic feed and adjustments associated with adopting organic practices, and ΔC_t^O denotes the variable cost differences that persist thereafter, once certification is achieved and the farm operates under a fully organic production system.

The decision framework can be adjusted to distinguish partial and full organic transition strategies along two dimensions: the length of the transition period and the variable cost structure after certification. National Organic Program guidelines suggest that farmers may choose between two transition strategies: a partial transition, in which only the herd is converted, or a full transition, in which both land and herd are converted to organic practices (Coffey and Baier 2012). Partial transition allows the farm to access the organic price premium sooner, but it may involve higher post-certification operating costs due to continued reliance on purchased organic feed. In contrast, full transition delays certification because both herd and land must be converted, but it may reduce long-run variable costs by allowing greater on-farm feed production. In practice, organic regulations allow multiple pathways for transitioning dairy operations. For example, producers may transition livestock and land simultaneously, transition them in stages, or take advantage of provisions that allow dairy animals to transition during the final year of land conversion under certain conditions (Coffey and Baier 2012). Because these alternatives differ in certification timing and feed requirements, they may generate different streams of costs and benefits over time.

One reason that producers may choose to delay herd transition until the final year of land transition is that crops and forage produced on land in its third year of transition can be used to feed transitioning dairy animals (Coffey and Baier 2012). This may reduce reliance on purchased organic feed and lower the costs associated with transitioning the herd. More generally, Delbridge (2013) notes that transition decisions may also depend on whether dairy farms produce their own feed or rely primarily on purchased feed. As a result, farmers face a trade-off between accessing the organic milk premium sooner and potentially reducing long-run feed costs through a more extensive transition strategy. The farmer will choose to transition fully rather than partially if the discounted long-run gains from full organic production exceed the additional discounted transition costs required to convert land and herd:

5 There are two stylized transition strategies that differ in the timing of certification: (1) a partial transition with a 1-year transition period and (2) a full transition with a 3-year transition period.

$$\underbrace{\sum_{t=\tau_{FO}}^{T} \frac{C_t^{PO} - C_t^{FO}}{(1+r)^t}}_{\substack{\text{long-run gain from lower operating} \\ \text{costs from organic certification of land and herd}}} \geq \underbrace{\sum_{t=0}^{\tau_{FO}-1} \frac{\Delta C_t^{TR}}{(1+r)^t}}_{\substack{\text{short-term additional cost} \\ \text{of transitioning the land and herd}}}, \quad (6)$$

where C_t^{PO} is the variable cost under partial transition in period t, C_t^{FO} is the variable cost under full transition in period t, τ_{FO} is the first period in which the farm receives the organic premium under full transition, and ΔC_t^{TR} is the additional transition cost incurred in period t when pursuing full transition rather than partial transition. The left-hand side represents the discounted long-run cost savings from full transition, while the right-hand side represents the additional discounted costs incurred during the longer transition period. This condition highlights the trade-off between alternative transition strategies and depends critically on the length of the transition period, the timing of certification, and the resulting stream of costs and benefits. Evaluating this condition in practice, however, requires information on strategy-specific costs and revenues over time, which is often unavailable in real-world data.

While the available data capture many production and overhead expenses, they do not capture all costs associated with organic certification. These may include learning organic management practices, modifying production systems to comply with organic regulations, maintaining additional records, undergoing annual inspections, and paying certification fees (Delbridge 2013). Certification costs vary across farms and certifying agencies and may be partially reimbursed through cost-share assistance programs (Hadachek et al. 2022; Carlson et al. 2023). Because information on these transition-specific costs is not consistently available in the data, the estimated transition costs should be interpreted as capturing differences in observed operating costs and revenues across production systems rather than the full economic cost of transition.

4. Advising the Dairy Farmer: Evaluating the Transition Decision for Alex

Alex has asked for your recommendation regarding whether transitioning to organic dairy production is financially feasible. To develop a recommendation, you will use the decision framework introduced in Section 2 together with historical information on prices, costs, and production outcomes for conventional and organic dairy farms. Because detailed information on farms undergoing transition is rarely observed, some components of the analysis must be approximated using available data from the University of Minnesota Center for Farm Financial Management. As is often the case in applied economic analysis, this requires making assumptions using historical patterns, evaluating their implications, and carefully interpreting the resulting estimates.

Given these data limitations, your objective is not simply to perform calculations but to use the available evidence to assess whether the expected benefits of transitioning are likely to outweigh the associated costs and risks. Throughout the exercise, consider how assumptions about costs, future benefits, and the timing of returns influence your conclusions. By the end of the case, you should be prepared to explain not only whether you would recommend transition to Alex but also the conditions under which that recommendation might change. Alex can then combine your advice with other considerations before making the final decision.

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Appendix A. Empirical Application of the Transition Framework

Using historical data from the University of Minnesota Center for Farm Financial Management (FINBIN) evaluate whether Alex should transition from conventional to organic production.[1] Apply the decision framework introduced in the case to estimate net returns and compare partial and full transition strategies. Be prepared to explain your reasoning and discuss conclusions.

Part I. Understanding Alex's Current Incentives

Before recommending whether Alex should transition to organic production, you must first determine how profitability differs across conventional, transitioning, and certified organic production systems.

Step 1: Estimate Net Returns

Using the following formula, calculate the net return per cwt of milk for conventional dairy farms (NR^C) and organic dairy farms (NR^O):

$$Net\ Return = Milk\ Price\ (\$/cwt) - Cost\ (\$/cwt). \tag{A1}$$

One of Alex's primary concerns is that farms undergoing transition must adopt organic production practices before they are allowed to receive the organic milk price. Because separate data for transitioning farms are unavailable, approximate transition-period net returns by combining the production costs of organic farms, reflecting the higher costs associated with organic production practices, and the milk price received by conventional farms, reflecting the fact that milk cannot yet be marketed as organic. Using this approximation, calculate the net return per cwt of milk for transitioning farms (NR^{TR}).

Step 2: Compare Profitability Across Production Systems

Using your calculated values, compute

$$\Delta NR^{TR} = NR^{TR} - NR^C \tag{A2}$$

$$\Delta NR^O = NR^O - NR^C \tag{A3}$$

Interpret your results:

1. Does transitioning appear to improve or reduce profitability relative to remaining conventional?
2. In which periods do the results differ from what you expected?

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1 Because the data span multiple years, nominal monetary values should be adjusted for inflation and expressed in real dollars before comparing outcomes across time.

3. What factors discussed in the case help explain the differences you observe?

Part II. Evaluating Costs of Transitioning

Begin by evaluating the transition decision for the average dairy operation using the "All Farms" category. This provides a common benchmark for understanding whether transitioning appears financially feasible under typical conditions. Using the net return per cwt of milk differences calculated in Part I, estimate transition costs for both the partial and full transition strategies using the total per unit cost of production.[2]

Discussion Questions

1. How would your recommendation change if the analysis focused only on direct costs, rather than total costs including overhead and labor?
2. What does this suggest about the importance of non-feed expenses in the transition decision?

Part III. Looking Beyond the Average Dairy Farm Transition Costs

The average-farm results provide a useful benchmark, but they may hide important differences across dairy operations. Farm size can affect cost structure, labor requirements, and feeding strategies. To examine whether the recommendation changes across farms, repeat the transition-cost analysis for *one* farm-size category:

- A small farm (1–50 cows)
- A medium-sized farm (51–100 cows)
- A larger farm (101–200 cows)

Discussion Questions

1. After completing your farm-size analysis, compare your results to the average-farm benchmark.
2. Does the transition appear more or less feasible for your farm-size category? What explains the difference?
3. Compare your results with those obtained for other farm sizes.

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2 Recall from the organic transition framework that transition costs are measured as the discounted sum of the losses incurred during the transition period relative to remaining in conventional production: $Transition\ Cost = \sum_{t=1}^{T} \frac{\Delta NR^{TR}}{(1+r)^t}$.

4. Which farm size appears to face the highest transition costs? Why?
5. Which farm size appears to receive the greatest long-run benefits from transitioning?
6. How do differences in cost structure, labor requirements, and production practices help explain the variation in transition costs across farm sizes?
7. How might feeding strategies and access to homegrown feed, discussed in the case, contribute to these differences?
8. Based on your results, would your recommendation to Alex differ depending on the size of the dairy operation?

Part IV. Evaluating the Long-Term Benefits of Transitioning

Transitioning to organic production only makes sense if the future benefits of certification are large enough to compensate for the costs incurred during the transition period. In this section, estimate the discounted benefits associated with organic certification and assess whether they appear sufficient to justify transitioning.

Step 1: Estimate Benefits Using Observed Data

Using the net return differences between organic and conventional production (ΔNR^O) calculated in Part I, estimate the discounted benefits of transitioning under both the partial and full transition scenarios using the total cost of production (direct, overhead, and labor expenses).

Discussion Questions

1. Do the estimated benefits appear large enough to offset the transition costs calculated in Part III?
2. How do your estimated benefits reflect the organic price premiums discussed in the case?
3. How might uncertainty in organic price premiums affect your estimated benefits over time?

Step 2: Extending Benefits Beyond the Observed Period

The available data capture only a limited number of years after certification.[3] However, farmers may continue receiving organic premiums well beyond the observed period. For each transition path, first calculate the total discounted benefits observed after certification. Then divide this value by the number of observed post-certification periods to obtain the average observed discounted benefit per period. Because later certification years have fewer observed benefit periods, extend the benefit stream by multiplying this average by the common comparison window:[4] 18 periods for partial transition and 16 periods for full transition:

$$Extended\ Benefits = \left(\frac{\sum_{t=1}^{T_{obs}} \frac{\Delta NR^{O}}{(1+r)^{t}}}{T_{obs}} \right) * H, \qquad \text{(A4)}$$

where T_{obs} is the number of observed post-certification periods and H is 18 for partial transition or 16 for full transition.

Discussion Questions

1. How does extending the benefit period affect your conclusions about the profitability of transitioning, and how realistic are these conclusions given price and cost volatility discussed in the case?
2. The extended-benefit calculation assumes that future real net benefits remain equal to their historical average. How might your conclusions change if
    a. organic price premiums decline over time?
    b. organic price premiums increase over time?
    c. feed costs increase relative to milk prices?
3. Compare the transition costs and extended-period benefits. Does transitioning appear economically feasible under each transition path? Explain your reasoning.

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3 Because the data for organic farms begin in 2005 and the earliest organic certification outcomes are observed beginning in 2006, the maximum post-certification benefit window observed in the data is 18 periods for the partial-transition path and 16 periods for the full-transition path. These horizons are therefore used as common comparison windows. This avoids giving earlier certification cohorts more observed benefit years than later cohorts simply because they appear earlier in the sample.

4 This approach assumes that future real net benefits are similar to the average observed discounted benefits. It is used to make farms with different certification years comparable, but it may overstate or understate the true long-run benefits if future prices or costs differ from historical patterns. Changes in organic price premiums, feed costs, labor expenses, market conditions, or policy may cause realized benefits to differ from those estimated here.

4. Compare your findings with those of students assigned different farm sizes. What patterns emerge across farm sizes, and how do these patterns affect your overall recommendation to Alex?

Part V. Recommendation to Alex

You have now evaluated the profitability of conventional, transitioning, and organic production systems, estimated transition costs and long-term benefits, and examined how your conclusions depend on farm size, transition strategy, and discounting assumptions. Prepare a recommendation for Alex addressing the following questions:

1. Based on your analysis, would you recommend that Alex transition to organic production?[5] Why or why not?
2. Which transition strategy appears most attractive: partial transition or full transition? Explain your reasoning.
3. After comparing your results with those obtained for other farm sizes, which farm size appears to have the strongest economic case for transitioning to organic production, and which appears to have the weakest? Support your answer using evidence from the analysis.
4. Which assumptions have the greatest influence on your recommendation? How do changes in the discount rate affect your conclusions?
5. What limitations of the data and analysis should Alex consider before making a final decision? In particular, how might the use of aggregate data, approximated transition costs, and assumptions about future benefits affect the reliability of the results?
6. Do you believe the simplifying assumptions used in this exercise are more likely to overstate or understate the profitability of transitioning? Explain your reasoning.

Final Reflection

As in many real-world investment decisions, no analysis can eliminate all uncertainty. If you were advising Alex directly, what additional information would you want before making a final recommendation?

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5 Assume that Alex's farm is the same size as the one you were assigned in Part II.