



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

Karen Ross, Secretary

November 15, 2018

To the Producer Addressed:

As California transitions from the California milk pricing system to a Federal Milk Marketing Order (FMMO) several questions have come up regarding California's role after November 1, 2018.

The California Department of Food Agriculture (CDFA) will administer a stand-alone quota program (QIP) under which virtually all market milk will be assessed to fund a premium paid on quota milk. The administration of the QIP will be handled through your handler who will collect the assessment for the QIP and make payments to producers on their quota allocation.

CDFA will continue to issue handler licenses, perform limited administration of the Milk Producer Security Trust Fund, and enforce producer payments. CDFA will require producers to continue to file a copy of their milk sales contracts to the Department and notify CDFA promptly in the event of late payment. The Department will accept complaints from producers relative to non-payment by handlers and will investigate any complaint. Once the Department determines a payment default has occurred, CDFA will determine its authority on a case by case basis.

Enforcement of producer payments will be based on the terms of the contract between producers and handlers. With the implementation of the FMMO, CDFA expects that producers and handlers will need to review contracts and those contracts may need to be rewritten or amended. It is the responsibility of the producer to submit any new or amended contract to CDFA.

If you have any questions, contact me via telephone at 916 900 5124 or via email at Donald.shippelhoute@cdfa.ca.gov

Sincerely,

Donald Shippelhoute, Special Assistant
Division of Marketing Services

