



November 1, 2018

TO ALL INTERESTED PARTIES:

The California Food and Agricultural Code (Code) provides that if a federal milk marketing order is established in California, the Secretary of Food and Agriculture is authorized to establish a stand-alone quota program. It allows for the program to be funded by an assessment on milk produced in the state (FAC 62757). Earlier this year, USDA announced the implementation of a California milk marketing order to become effective November 1, 2018.

The Quota Implementation Plan (QIP) was developed after a series of meetings of the Producer Review Board. Subsequently, a referendum was conducted and was certified by the Department on January 5, 2018. The approved QIP details the operations of a stand-alone-program as authorized in the Code.

Article 9 of the QIP provides for two assessments to operate the QIP. One assessment funds the administrative costs of the Department to manage the QIP, and the other assessment funds the quota premiums to be paid to quota producers. While both rates are subject to revision, the initial rates were determined during the QIP development process.

Attached are the orders implementing the collection of both assessments on milk produced beginning November 1, 2018.

Sincerely,

Donald Shippelhoue, Special Assistant
Marketing Division



ORDER OF THE SECRETARY OF FOOD AND AGRICULTURE
IMPLEMENTING AN ADMINISTRATION ASSESSMENT TO BE PAID UNDER
CHAPTER 3.5, PART 3, DIVISION 21 OF THE
FOOD AND AGRICULTURAL CODE OF THE STATE OF CALIFORNIA

WHEREAS, Chapter 3.5, Part 3, Division 21, Section 62757 of the Food and Agricultural Code of the State of California allows the Secretary to establish a stand-alone quota program if a federal milk marketing order is established in California

WHEREAS, Dairy producers approved the QIP via referendum conducted in 2017, and certified January 5, 2018

WHEREAS, Dairy producers approved the FMMO via referendum as conducted by USDA and confirmed on June 7, 2018

WHEREAS, a Federal milk marketing order (FMMO) has been established for California effective November 1, 2018

WHEREAS, the Quota Implementation Plan documents the operation of the stand-alone quota program and provides for a program administration assessment that is to initially be set at \$0.0030 per hundredweight of assessable milk

NOW THEREFORE, I, Don Shippelhouse, Special Assistant of the Marketing Division acting pursuant to Section 902 of the Quota Implementation Plan and by virtue of the authority vested in me by Chapter 3.5, Part 3, Division 21 of the Food and Agriculture Code, do order collection of the administrative assessment beginning November 1, 2018, the fee to be deducted from payments made to market milk producers by handlers and remitted to the Secretary of Food and Agriculture.

By:



Don Shippelhouse, Special Assistant
Marketing Services

Date: 11/1/18

ORDER OF THE SECRETARY OF FOOD AND AGRICULTURE
IMPLEMENTING QUOTA PREMIUM ASSESSMENT TO BE PAID UNDER
CHAPTER 3.5, PART 3, DIVISION 21 OF THE
FOOD AND AGRICULTURAL CODE OF THE STATE OF CALIFORNIA

WHEREAS, Chapter 3.5, Part 3, Division 21, Section 62757 of the Food and Agricultural Code of the State of California allows the Secretary to establish a stand-alone quota program if a federal milk marketing order is established in California.

WHEREAS, Dairy producers approved the QIP via referendum conducted in 2017, and certified January 5, 2018

WHEREAS, Dairy producers approved the FMMO via referendum as conducted by USDA and confirmed on June 7, 2018

WHEREAS, a Federal milk marketing order (FMMO) has been established for California effective November 1, 2018

WHEREAS, the Quota Implementation Plan documents the operation of the stand-alone quota program and provides for a quota premium assessment that is to initially be set at \$0.0436 per pound of assessable solids not fat, which revenue is to be used to pay quota premiums

NOW THEREFORE, I, Don Shippelhouse, Special Assistant of the Marketing Division acting pursuant to Section 901 of the Quota Implementation Plan and by virtue of the authority vested in me by Chapter 3.5, Part 3, Division 21 of the Food and Agriculture Code, do order collection of the quota premium assessment beginning November 1, 2018, the fee to be deducted from payments made to market milk producers by handlers and remitted to the Secretary of Food and Agriculture.

By:



Don Shippelhouse, Special Assistant
Marketing Services

Date: 11/1/18