



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

Karen Ross, Secretary

May 18, 2020

**QUOTA IMPLEMENTATION PLAN
ASSESSMENT RATE REVISION
EFFECTIVE JUNE 1, 2020**

TO ALL INTERESTED PARTIES:

It has come to our attention that some producers are not aware of pool quota transfer procedures established by Article 4, Section 400 the Quota Implementation Plan for Market Milk. Please refer to the following requirements before acquiring or transferring pool quota:

The California Food and Agricultural Code (FAC) 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).

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

Article 9 of the QIP provides for a quota revenue assessment to fund the quota premiums to be paid to quota producers. The rate of this assessment was initially set at \$0.0436 per pound of Solids Not Fat. At that rate, more money had been collected than was needed to pay quota premiums. To reduce the cash balance in the fund, effective September 1, 2019, the Department reduced the rate to \$0.0374 per pounds of Solids Not Fat.

The excess cash reserves have been depleted making it necessary to increase the rate. Based on staff recommendation, the Board voted to recommend the rate be increased to \$0.365 per hundredweight, or \$0.0420 per pound of Solids Not Fat, and was subsequently approved by the Department.

Attached is the Order changing the assessment rate on milk produced beginning June 1, 2020.

Sincerely,

Donald Shippelhoute
Special Assistant
Marketing Services Division

