



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

A. G. Kawamura, Secretary

December 5, 2007

To the Market Milk Producer or Handler Addressed:

The California Food and Agricultural Code (Code) authorizes the Secretary of Food and Agriculture to establish a Market Milk Administration Fee (Fee) on market milk (Grade A) and manufacturing milk (Grade B) sold into commercial trade channels in California to fund the operations of the Dairy Marketing Branch.

Last spring, the Branch determined that it had sufficient funds to administer the program without continuing to collect the Fee. As such, the Fee was suspended as of May 1, 2007 and has remained in suspension for the past several months.

The Branch's cash balance is currently at a level such that it is necessary to reestablish the Fee. The Fee will be at a reduced rate of one and two-tenths cents (\$0.012) per hundredweight for market milk (Grade A) and six-tenths of one cent (\$0.006) per hundredweight for manufacturing milk (Grade B). Two-thirds of the assessment is paid by producers of market milk and one-third is paid by handlers of market milk. The Fee will go into effect with milk received by market milk handlers beginning **January 1, 2008**.

Because milk handlers are responsible for remitting both producer and handler assessments to the Department, we are enclosing a copy of the Milk Pooling Statement of Accounts for handlers to identify the reestablished Fee.

Anyone requiring a copy of the Order of the Secretary that reestablishes the assessment may obtain one by contacting the Branch at the phone number below.

Sincerely,

David K. Ikari, Chief
Dairy Marketing Branch

Enclosure



STATE OF CALIFORNIA
DEPARTMENT OF FOOD AND AGRICULTURE
MILK POOLING BRANCH

ASSESSMENT INVOICE FOR JANUARY 2008

ASSESSMENT	POUNDS	RATE	DOLLAR VALUE	ASSESSMENT TOTAL
POOL ADMINISTRATION FEE		0.000000 *		
MARKET MILK ADMINISTRATION FEE				
PRODUCER		0.000080		
HANDLER				
PRODUCT RECEIVED FROM PRODUCER				
LESS BULK PRODUCT SHIPPED OUT				
NET HANDLER FEE		0.000040		
MANUFACTURING MILK ADMIN FEE				
PRODUCER		0.000120		
HANDLER				
PRODUCT RECEIVED FROM PRODUCER				
NET HANDLER FEE		0.000060		
DAIRY FOOD CONTROL FEE				
PRODUCER		0.000008		
HANDLER				
PRODUCT RECEIVED FROM PRODUCER				
LESS BULK PRODUCT SHIPPED OUT				
NET HANDLER FEE		0.000004		
DAIRY COUNCIL FEE				
PRODUCER				
CLASS 1 PRODUCER RECEIPTS		0.000150		
OTHER PRODUCER RECEIPTS		0.000060		
MANUFACTURING PRODUCER RECEIPTS		0.000060		
NET PRODUCER FEE				
HANDLER				
CLASS 1		0.000150		
OTHER MILK PROCESSED		0.000060		
NET HANDLER FEE				
MARKET ORDER ASSESSMENT (MARKET)		0.001000		
NET CHARGE				
MARKET ORDER ASSESSMENT (MANUFACTURING)		0.001000		
PRODUCER SECURITY TRUST FUND				
CLASS 3 FAT		0.000000		
CLASS 3 SNF		0.000000		
NET CHARGE				
FLUID MILK MKT ORDER				
CLASS 1 SALES		0.001488		

TOTAL FOR ALL ASSESSMENTS

*Assessment returns to 0.000110 on April 1, 2008