



December 1, 2008

**To: Producers and Handlers of Market Milk**

**Subject: Change in Fluid Milk Testing Program Assessment Rates**

Section 34301 of the California Food and Agricultural Code (FAC) requires the Department to supervise the testing of milk fat and milk solids not fat, and the weighing and sampling of market milk delivered to handlers. This supervision helps to safeguard against unrepresentative sampling practices and improper or inaccurate test results used to determine the quality and value of market milk.

To cover the costs of the Fluid Milk Testing Program, the Department is authorized to assess producers and handlers a fee on market milk delivered in accordance with state stabilization and marketing plans. Pursuant to FAC Section 34302, handlers are required to deduct an assessment from payments made to producers for market milk, including a handler's own production, a sum not to exceed one-tenth of one cent (\$0.001) per hundredweight of market milk. Likewise, handlers are required to pay a fee not to exceed five-hundredths of one cent (\$0.0005) per hundredweight of market milk. The law also requires that the rate of assessment deducted from producers, and the rate paid by milk handlers shall at all times be in the ratio of 2 to 1. The fees are paid to the Department on or before the 45<sup>th</sup> day following the last day of the month during which the market milk was received.

The assessment rate deducted from producer payments and the rate paid by milk handlers are currently set at \$0.0008 and \$0.0004 per hundredweight, respectively. These rates have not been adjusted since 1986 when the program was first established, and are insufficient to cover current program costs. Effective January 1, 2009, the Department is increasing assessments for the statewide Fluid Milk Testing Program to the rates of \$0.001 per hundredweight of market milk for producers and to \$0.0005 per hundredweight of market milk for handlers.

Based on 2007 milk production data, this amounts to an increase of approximately \$3.56 per month for the average dairy farm (production of 17,799 cwt/month), and an increase of approximately \$1.78 per month on that same average amount of milk for the handler. The assessments will continue to be included on monthly invoices to milk handlers issued by the Department's Milk Pooling Branch.

Questions may be directed to the Milk and Dairy Food Safety Branch at (916) 654-0773.

Sincerely,

A handwritten signature in black ink, appearing to read "S.W. Beam".

Dr. Stephen W. Beam, Chief  
Milk and Dairy Food Safety Branch  
Animal Health and Food Safety Services

cc: Dr. Annette Whiteford, Director, AHFSS  
Dr. Richard Breitmeyer, State Veterinarian

