



May 17, 2001

Mr. David Ikari, Chief
Dairy Marketing Branch
California Department of Food and Agriculture
1220 N Street, Room A-224
Sacramento, CA 95814

Re. Alternative Proposal to the Public Hearings on the Pooling Plan and Stabilization and Marketing Plans for Market Milk scheduled for June 28, 2001, and July 2, 2001.

Dear Mr. Ikari:

On behalf of California Dairies, Inc., a milk marketing cooperative of approximately 700 members in California, we would like to submit the following proposal of changes for the pending hearings on transportation allowances and credits:

Pooling Plan For Market Milk.

Section 921.2

- (a) For plants located in the Bay Area receiving area, which shall consist of the counties of Alameda, Contra Costa, Santa Clara, Santa Cruz, San Francisco and San Mateo:
- (1) From zero through 99 miles \$0.24 per CWT
- (e) For plants located in Southern California receiving area, which shall consist of counties of Los Angeles, Orange, Riverside and Ventura:
- (2) From Kern, Kings, Santa Barbara and Tulare Counties: **(not Fresno)**
- (1) From zero through 119 miles \$0
Over 119 through 149 miles \$0.46 per CWT
Over 149 miles \$0.59 per CWT
- (3) Delete

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Stabilization And Marketing Plan For Market Milk

Section 300.2

<u>Designated Supply County Location</u>	<u>Maximum Per CWT</u>	<u>For Shipments To Designated Deficit Counties</u>
Tulare County	\$0.30	Los Angeles, Orange & Riverside (not San Diego or Ventura) Counties
Fresno and Kings Counties	-0-	

The above changes are reflective of current hauling costs and changes in supply arrangements in the Southern California marketplace. We are hopeful our proposal will be granted the status of an "alternate proposal" and we will be fully prepared to support our recommendation at the June 28th hearing.

Sincerely,

CALIFORNIA DAIRIES INC.



Gary L. Korsmeier
Chief Executive Officer

GLK:mp