

**ORDER REVISING QUOTA PROGRAM ADMINISTRATION ASSESSMENT TO BE PAID
UNDER CHAPTER 3.5, PART 3, DIVISION 21 OF THE
CALIFORNIA FOOD AND AGRICULTURAL CODE**

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

WHEREAS, California Dairy producers approved an FMMO via referendum as conducted by USDA and confirmed on June 7, 2018, and the FMMO for California became effective November 1, 2018; and

WHEREAS, California Dairy producers approved a standalone quota program via referendum conducted in 2017, certified on January 5, 2018, and as a result California's standalone quota program became effective November 1, 2018; and

WHEREAS, the standalone quota program provides for a quota program administration assessment to cover the cost of managing the Quota Administration Program (QAP); and

WHEREAS, in 2023 the Department suspended the program administration assessment for one-year effective September 1, 2023; and

WHEREAS, in 2024 the Department extended the suspension of the program administration assessment from September 1, 2024 until a time when the financial needs of the program required the reinstatement of said assessment; and

WHEREAS, the Department recently determined that regular budget expenditures have increased since 2023 and will continue to increase due to recent litigation, as well as due to the cost of developing a computer system to replace the legacy system that is currently used to track and settle transactions related to the Quota Implementation Plan (QIP) and other dairy program assessments collected by QAP; and

WHEREAS, the current administration assessment is \$0.000 and results in projections that fail to align reserves with the anticipated expenses, which is contrary to the desires of the Department;

NOW THEREFORE, it is hereby ordered that pursuant to Section 902 of the QIP and by virtue of the authority vested in me by Section 62757 of Chapter 3.5, Part 3, Division 21 of the Food and Agricultural Code, effective February 1, 2026, the quota program administration assessment rate will be set to \$0.0039 per hundredweight of assessable milk. This is a \$0.0009 cent increase from the assessment rate that was in place until 2023. This assessment rate will remain in effect until modified by the Department.

By:

Kathy Diaz

 Digitally signed by Kathy Diaz
Date: 2026.01.05 07:50:12 -08'00'

Kathy Diaz, Director
Marketing Services Division

January 5, 2026
Date