

DEPARTMENT OF FOOD AND AGRICULTURE

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A. G. Kawamura,
Secretary



December 19, 2003

TO ALL INTERESTED PARTIES:

On November 3, 2003, the Department held a public hearing to consider amendments to the Pooling Plan for Market Milk (Pooling Plan). The amendments under consideration regarded changes to the ability of plants and of producer's dairy farms to "depool".

Having carefully weighed the contents of the hearing record, the Department has determined that the following changes are warranted.

- Any plant that does not process Class 1 or mandatory Class 2 milk products will continue to have the option to change its pool status. However, any change in plant status, whether it be pool or nonpool, must be adhered to for a minimum of twelve consecutive months.
- Any Market Milk from dairy farms that have been depooled can only be repooled within a twelve-month period if it is physically shipped to a plant with Class 1 or mandatory Class 2 usage. A plant that purchases milk that was previously depooled and then pooled for less than twelve months will be charged by the pool based on the usage of the milk and will receive a credit for the milk at the overbase price.
- Handlers are permitted to use price estimation procedures for approximate payments to producers that have been reviewed and approved by the Pool Manager as alternatives to using prior month's pool prices.

The adjustments to the Pooling Plan will take effect for milk delivered to processing plants on or after January 1, 2004.

Copies of the Hearing Determinations and a more detailed explanation of the Department's decision may be obtained by contacting the Dairy Marketing Branch at (916) 341-5988. You may also download copies from the Department's website at www.cdfa.ca.gov/dairy. From the main page, click on [Dairy Hearing Petitions and Announcements] and then on any of the links associated with the hearing on depooling.

To All Interested Parties
December 19, 2003
Page 2

Should you have any questions or desire further information, please contact Donald Shippelhouse or Eric Erba at the number above.

Media contacts and publication staff are asked to contact the Department's Public Affairs Office by e-mail at cdfapublicaffairs@cdfa.ca.gov or by phone at (916) 654-0462.

Sincerely,

ORIGINAL SIGNED BY

John Lee, Chief
Milk Pooling Branch

ORIGINAL SIGNED BY

David K. Ikari, Chief
Dairy Marketing Branch