



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

Karen Ross, Secretary

MEETING AGENDA PRODUCER REVIEW BOARD

February 2, 2026

10:00 am

TELECONFERENCE

Zoom Link:

<https://us02web.zoom.us/j/86948555267?pwd=EMYo3BTBFaLSi1Mn1aLCXPoodqL5Pd.1>

Meeting ID: 869 4855 5267 Passcode: V9BmF#UW

PHYSICAL LOCATION

CA Department of Food & Agriculture
1220 N Street, Room 333
Sacramento, CA 95814

Board Members Attending Through Teleconference:

Fred Leyendekker, William Dyt, Charles Ahlem, Tony Nunes III, Fred Fagundes, Cal De Jager, Alex De Jager, Dominic Assali, Travis Kamper, Darlene Lopes (alternate)

The Board will call for public comment following each agenda topic*

- (1) Call to Order
- (2) Roll Call / Establish Quorum
- (3) PRB Vacancies / Nominations
- (4) Administrative Announcements
- (5) Hardships
 - a. Enhancing Review Levels
 - b. Consideration Requests
 - i. Raw Farm LLC – Aaron McAfee (tabled from 9/20/2025)
 - ii. South Corner Dairy – Fred Leyendekker (tabled from 9/20/2025)
 - iii. Gordon Hay Dairy – Craig Gordon
 - iv. Dairy Avenue LLC – Richard Oppedyk
 - v. Borba Dairy Farms LP – Mike Borba
 - vi. A & M de Sousa Dairy – Armelin de Sousa
 - vii. Sozinho Dairy – Danny Sozinho
 - viii. Alves & Son Dairy – Joe Alves
 - ix. Luis C Nunes & Sons – Louie Nunes
 - x. GJC Dairy Inc – James Vieira



- xi. Double L Cattle – Tom Vander Dussen
 - xii. Diamond S Dairy – Dimas Sozinho
 - xiii. Sozinho Jerseys – Dimas Sozinho
 - xiv. Dairy Central – Bobby Borba
 - xv. N & C Silveira Dairy – Natalino Silveira
 - xvi. Desert View Dairy LLC – Rayme Mackinson (represented by Mark Wasser)
- (6) QIP Administrative Assessment Rate – Restarted effective 2/1/2026
- (7) Public Comments - comments are reserved for items not appearing on the agenda and are not for Board deliberation.
- (8) Adjournment

** Meetings of the Producer Review Board are open to the public and comply with the Bagley-Keene Open Meeting Act (Act). The Act allows for public comment on all agenda items. Materials presented and distributed during the meeting with a matter subject to discussion or consideration are disclosable public records under the California Public Records Act and shall be made available upon request without delay.*

**Each of the agenda items listed above will include discussion and possible action by the Board at this meeting. All times (if indicated) and the order of business are approximate and subject to change. For further information related to the agenda, please contact Amber Durant at 916-900-5012.*

AMERICANS WITH DISABILITIES ACT

All Board meetings must be accessible to the physically disabled. Any person needing a disability-related accommodation or modification in order to attend or participate in any Producer Review Board meeting may request assistance by contacting Alka Ram at 1220 N St, Sacramento, CA 95814 or by phone at (916) 900-5012.



PRODUCER REVIEW BOARD

MEETING NOTICE

**Monday, February 2, 2026
10:00 am**

TELECONFERENCE

Zoom Link:

<https://us02web.zoom.us/j/86948555267?pwd=EMYo3BTBFaLSi1Mn1aLCXPoodqL5Pd.1>

Meeting ID: 869 4855 5267 Passcode: V9BmF#UW

PHYSICAL LOCATION

**CA Department of Food & Agriculture
1220 N Street, Room 333
Sacramento, CA 95814**

PUBLIC PARTICIPATION

Members of the public are encouraged to provide comments to the Board and may suggest items to be placed on the agenda for discussion at a future Board meeting. While the Board values the participation of the public, the Board Chair reserves the right to limit the time for public comment depending on the length of agenda and number of commenters. Public comment must be related to the Board's authority and jurisdiction and its placement on the agenda is within the discretion of the Board Chair or if applicable, the Department.

All matters noticed on this agenda may be considered for action. Items listed on the agenda may be considered in any order at the discretion of the Board Chair. Any item not so noticed will not be considered or discussed. All meeting agendas and notices are available on the California Department of Food and Agriculture's website:

<https://www.cdfa.ca.gov/dairy/meetings.html>

Each of the agenda items will include discussion and possible action by the Board. Time will be allowed for members of the public to make comments on each agenda item.

For further information regarding this meeting, please contact Alka Ram at 916-900-5012. For questions about the PRB and the Quota Administration Program please contact Amber Durant at 916-900-5012.

AMERICANS WITH DISABILITIES ACT

All Board meetings must be accessible to the physically disabled. Any person needing disability-related accommodation or modification to attend or participate in any Producer Review Board meeting may request assistance by contacting Alka Ram at 916-900-5012.

Item 3

PRB Vacancies / Nominations



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

Karen Ross, Secretary

**CALIFORNIA DEPARTMENT OF FOOD & AGRICULTURE
PRODUCER REVIEW BOARD
2026 ROSTER**

Member Positions

Terms of Office January 1, 2022 to December 31, 2025

*Fred Leyendekker – Visalia, CA (Partial Term)

William Dyt - Corona, CA

Charles Ahlem - Hilmar, CA

Terms of Office January 1, 2023 to December 31, 2026

Vacant

Vacant

Tony Nunes III - Tulare, CA

Terms of Office January 1, 2024 to December 31, 2027

Fred Fagundes – Merced, CA

Cal De Jager – Bakersfield, CA

Vacant

Terms of Office January 1, 2025 to December 31, 2028

Alex De Jager – Chowchilla, CA

Dominic Assali – Ceres, CA

*Travis Kamper – Riverdale, CA

Alternate Member Positions

Term of Office January 1, 2025 to December 31, 2028

Darlene Lopes – Gustine, CA

Vacant

*New Appointment

**Re-Appointment

January 23, 2026



Item 5

Hardships

Producer Review Board Hardship Case Evaluation - Sample Form

Your Name: _____ Date/Time: _____ Location: _____

Claimant Name: _____ Dairy Name: _____

Findings	
1)	Claimant is is not a dairy farmer.
2)	The hardship request was received complete incomplete.
3)	Claimant is current delinquent on paying the QIP assessment.
4)	The hardship does does not include factual supporting documentation demonstrating specific financial loss.
5)	The hardship does does not include supporting documentation demonstrating specific family death/trauma.
6)	The hardship does does not include photos, videos, financial documents, and/or other evidence of natural disaster and subsequent loss and/or damages.
7)	The hardship does does not include documentation of insurance payout or other government relief expected.
8)	There is is not evidence of a natural disaster unique to this dairy.
9)	The hardship claimed is is not unique to this dairy.
10)	The dairy is is not in the process of being sold or is is not shut down.
Other Findings:	

Motion

Motion to support deny grant partial relief of the hardship for

claimant: _____ submitted on date: _____

for extent of relief: _____

effective date: _____

based on the above findings.

CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

Karen Ross, Secretary

DEPARTMENT PROCEDURES FOR HANDLING HARDSHIP REQUESTS UNDER THE QUOTA IMPLEMENTATION PLAN

BACKGROUND

The Quota Implementation Plan (QIP) provides that producers may request relief from hardship to the Producer Review Board and that upon review of the request, the Producer Review Board shall submit its recommendation to either support the request, deny the request, or provide partial relief in writing to the Secretary. The QIP does not specifically outline the procedures or process for submission or consideration of a hardship request received by the Department.

As a result, the Department developed procedures for any hardship consideration received by the Department and reviewed by the Producer Review Board.

RECOMMENDATION

The Department has developed the attached procedures for handling a hardship request under the QIP.

Karen Ross Digitally signed by Karen Ross
Date: 2025.05.21 15:19:40
-07'00'

Karen Ross, Secretary
California Department of Food and Agriculture

5/21/25

Date





**Procedures for Submitting a Consideration for Hardship
to the Quota Implementation Plan
May 1, 2025**

The purpose of this document is to provide direction regarding the process for any hardship consideration to be received by the California Department of Food and Agriculture (CDFA) and reviewed by the Producer Review Board (PRB), as outlined in Article 5, Section 500 of the Quota Implementation Plan (QIP).

Any consideration of hardship request shall include:

- Producer name, physical dairy ranch address, signature of the producer and signature date.
- Contact information for the producer or dairy representative seeking a hardship consideration.
- A statement of the hardship consideration being requested, which includes the basis for the relief requested and clearly articulates the challenges the dairy faces and links the challenges to specific provisions of the QIP.
- A statement on the extent of the relief that is being requested. Please include a timeframe that the relief is being requested for.
- The hardship consideration shall be submitted to the CDFA Secretary or the QIP Administrator, via mail at CDFA-QIP 1220 N Street, Sacramento, CA 95814 or emailed to: pooling@cdfa.ca.gov
- To be considered for a hardship consideration, the applicant must be a current dairy producer and have submitted all the above listed items.

Upon receipt of the hardship consideration request:

- The Secretary shall notify the applicant in writing of its receipt of the hardship consideration request.
- The QIP Administrator will review the hardship consideration request for technical completeness. If the request is incomplete, the applicant will be notified and given 30 days to provide the missing information. At the end of 30 days, the request will be submitted to the PRB as incomplete.
- Upon receipt of a complete request, the QIP Administrator will notify the PRB of the hardship consideration within 15 days of receipt of the hardship consideration request.
- The Chairman of the PRB will call a meeting of the PRB (or Hardship Committee) within 90 days of receipt of the hardship consideration request for the





Board/Committee to review the request and make a recommendation to the Secretary.

- The PRB may request the applicant submit additional information or documents as it deems necessary.

The responsibilities of the Producer Review Board:

- The Producer Review Board shall review the hardship consideration request at one or more meetings and make a recommendation to the Secretary.
 - If appropriate, the Board may designate a “Hardship” subcommittee of the Board to review hardship requests and make a recommendation to the full Board.
- The applicant may appear for an oral interview at the PRB meeting.
- Depending on the type of hardship consideration being requested, the Producer Review Board may rely on guidelines provided by CDFA legal regarding hardships or may set its own policies or guidelines in determining whether to recommend the hardship consideration be granted.
- An applicant shall provide, upon request, documents related to the hardship consideration. If the requested documents cannot be readily supplied the PRB may decide to hold off on making a recommendation until the requested documents can be supplied.
- Examples of the types of documents that may be requested include, but are not limited to:
 - Documents and/or statements related to an emergency, quota transfer, change in ownership or other matters related to the use of quota.
 - Financial documents, including the most recent independent CPA Auditor’s reports, balance sheets, profit/loss statements, federal tax returns, articles of organization, operating agreements, bank statements, lines of credit or other relevant financial information.
 - Any documents submitted for consideration will become part of the public record. Certain Personal Identifying Information (such as bank account numbers) should be redacted.
- The Producer Review Board will give earnest and thorough consideration to each request and will do its best to make a recommendation regarding the hardship consideration request in the timeline that the applicant has asked for. However, the PRB may delay indefinitely making a recommendation, particularly if the board feels it does not have enough information to make an informed decision.





CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

Karen Ross, Secretary

- A recommendation to the secretary shall include support of the request, denial or partial relief and indicate the extent of relief recommended and the effective date for such relief, along with its findings.

Upon a recommendation from the Producer Review Board:

- The Secretary shall review the recommendation of the PRB. The recommendation shall be subject to approval or modification by the Secretary, who shall notify the applicant in writing of the decision within 15 days after receiving the recommendation from the PRB.



Item 5
Hardships
Tabled from 9/20/2025
PRB meeting

Item 5-i
Hardships
Raw Farm LLC

Hardship Summary
by Quota Administration Program

Title	Content
Date Submitted	June 10, 2025 (Tabled from 9/20/2025 PRB meeting)
Status	Complete
Producer/Dairy Name	RAW FARM LLC
Requested By	Aaron McAfee (President)
Extent of the Relief Requested	<ol style="list-style-type: none"> 1. "Complete relief from the balances owed and future assessments" 2. Balance as of April 2025: \$586,107.75
Basis for the Relief Requested	<ol style="list-style-type: none"> 1. Bird flu 2. Article 5, Section 301 of QIP excludes RAW FARM 3. RAW FARM is a Producer Distributor that does not purchase milk from producers and is not a Milk Handler 4. RAW FARM has experienced arbitrary and unfair treatment by being the only raw milk producer that is being assessed QIP fees 5. Discrimination against raw milk (a legally produced product in CA), CMAB actively advises against consumption of raw milk
Time Frame for the Relief Requested	Current balances owed and future assessments
Additional / Supporting Document Submitted?	Yes

California Department of Food and Agriculture
CDFA Secretary or the QIP Administrator
CDFA-QIP 1220 N Street
Sacramento, CA 95814
pooling@cdfa.ca.gov
kathy.diaz@cdfa.ca.gov
Kacie.Fritz@cdfa.ca.gov

June 9, 2025

RAW FARM, LLC
Aaron McAfee, MBA
7221 S. Jameson Avenue
Fresno, CA 93706
aaron.m@rawfarmusa.com

RE: Quota Implementation Plan Hardship

RAW FARM submits this hardship notice to the Producer Review Board (PRB) under Article 5, Section 500 of the Quota Implementation Plan (QIP):

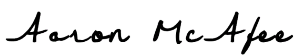
- Producer Name:
 - RAW FARM, LLC
- Physical dairy ranch address:
 - 7221 S. Jameson Avenue, Fresno, CA 93706
- Contact information for the producer or dairy representative seeking hardship consideration:
 - Aaron McAfee, President
 - Work: 559-710-2077
 - Cell: 559-977-8564
 - Email: aaron.m@rawfarmusa.com
- A statement of the hardship consideration being requested, which includes the basis for the relief requested and clearly articulates the challenges the dairy faces and links the challenges to specific provisions of the QIP.
 - Hardship 1: Bird flu
 - During the Bird Flu emergency in 2024-2025, quarantine of a raw milk dairy (PD) meant total shut down with no access to raw milk for continued operations.
 - Quarantine of a Milk Pool dairy allowed continued operations and shipping of milk to the processor with no interruption.
 - Milk pool dairies qualified for FSA ELAP payments of over \$360 per cow per month.
 - A 3,000-cow herd could get \$1.1 million per month until quarantine was lifted.
 - This ELAP payment paid for any small losses in production that the dairy may have suffered.
 - In contrast, RAW FARM operations were shut down for 7-10 weeks with no ability to process milk or sell products.

- During this time, none of the RAW FARM branded products could be produced or sold including 60 day aged raw cheeses.
- The Bird Flu quarantine cost RAW FARM more than \$6 million dollars in losses with continued costs to operate with loaned money to sustain the business.
- RAW FARM was not wholly compensated for its losses like other milk pool dairy operations.
- Raw dairy operational costs far exceed Milk Pool dairy costs by a factor of 10.
 - Testing, food liability insurance, delivery trucks, creamery labor, infrastructure costs, and management etc.
- Hardship 2: Article 5, Section 301 of QIP excludes RAW FARM
 - According to our legal counsel review of Article 5, section 500 of the QIP; Raw Farm does not qualify to purchase or hold Quota in California.
 - New Producer Entry Section 300. A new producer shall make application to the Secretary on forms provided by the Plan Administrator to establish eligibility for an allocation of quota.
 - Section 301. To qualify for an allocation of new quota, a new producer shall:
 - (a) Have a current market milk contract and be shipping to a California handler prior to making application.
 - Raw Farm does not have a “Market Milk Contract”, nor does it “ship to a pool handler”.
 - Raw Farm does not qualify to be a quota holder under the QIP.
 - These requirements are primary prerequisites to purchase Quota and participate in the QIP. RAW FARM meets neither of these requirements.
- Hardship 3: RAW FARM is a Producer Distributor that does not purchase milk from producers and is not a Milk Handler
 - Raw milk for human consumption cannot be part of the milk pool per CDFA Food & Ag code and raw milk standards.
 - Raw milk for human consumption is different and separate from milk pool milk and cannot ever be commingled with other milk or POOLED.
 - Raw milk for human consumption is unprocessed and is not sent to a processor.
 - In addition, raw milk for human consumption must meet all bacteriologic requirements of processed (pasteurized) milk but it is not processed.
 - This is achieved by extreme measures of cleanliness, rapid chilling and routine testing to assure less than 10 coliforms, less than 15,000 SPC, and be free of all pathogens including: campylobacter, salmonella, E.coli 0157H7 / STEC and Listeria.
 - Pool dairies must be less than 750 coliforms, less 50,000 SPC and never tested for any pathogens in their milk that is shipped for processing.
 - Raw milk requirements in California restrict the purchasing of milk from other processors as the requirements for raw milk for human consumption must be met at the producer level.
 - The hardship here is that RAW FARM is being assessed a fee for which it cannot legally gain value. Furthermore, consumers of Raw Farm products do not wish to support processed food. That is why they support and buy raw dairy products.

- CDFA Food and Ag code requires annual individual cow testing for Tuberculosis and quarterly testing of milk for Brucellosis.
 - Milk pool dairies are not required to perform this testing.
 - This is unconstitutional “taxation without representation”.
- Hardship 4: RAW FARM has experienced arbitrary and unfair treatment by being the only raw milk producer that is being assessed QIP fees
 - No other raw milk producer in California is forced to pay assessments to the QIP program.
 - Raw Farm is the only raw milk dairy in California that is assessed fees for QIP.
 - This is not structurally correct and is an error.
 - In past years, other Producer Distributors of raw milk were exempt from QIP, this included Alta Dena in Los Angeles.
 - Raw Milk producers in the State of California are exempt.
 - These producers include: Claravale Dairy, Valley Milk Simply Bottled, San Martin Dairy, Schoch Dairy, Duivenvoorden Dairy.
 - None of these raw milk Producer-Distributors bottlers are forced to pay assessments into the QIP fund.
- Hardship 5: Discrimination against raw milk (a legally produced product in CA), CMAB actively advises against consumption of raw milk.
 - CMAB does not support raw milk.
 - CMAB utilizes expertise from Dr. Payne and he is clear in his anti-raw milk stance in public comment.
 - RAW FARM is forced to pay assessments to CMAB which fails to provide any benefit, and actually suppresses our market actively and passively by advertising against raw milk to potential consumers.
- A statement on the extent of the relief that is being requested. Please include a timeframe that the relief is being requested for.
 - Complete relief from the balances owed and future assessments
 - Below is the summary of assessments and balances owed as of April 2025 statement:

Fee Assessment	Balance as of April 2025
QIP Settlement	\$ 448,952.61
CA Milk Advisory Board	\$ 112,983.30
Dairy Council	\$ 21,792.82
QIP Admin	\$ 2,379.02
	<hr/> \$ 586,107.75

- Signature of the producer and signature date

DocuSigned by:

 405C97493843480
 06/09/2025 | 4:49 PM PDT

Aaron McAfee, MBA
 President, RAW FARM

Date

Item 5-i
Hardships
Raw Farm LLC
New Information

From: [Fritz, Kacie@CDFA](mailto:Fritz,Kacie@CDFA)
To: [Ko, David@CDFA](mailto:Ko,David@CDFA)
Subject: Fw: QIP Hardship Followup
Date: Friday, January 30, 2026 11:16:14 AM

From: Diaz, Kathy@CDFA <kathy.diaz@cdfa.ca.gov>
Sent: Friday, January 30, 2026 11:02 AM
To: Fritz, Kacie@CDFA <Kacie.Fritz@cdfa.ca.gov>
Subject: FW: QIP Hardship Followup

From: Aaron McAfee <aaron.m@rawfarmusa.com>
Sent: Friday, January 23, 2026 12:15 PM
To: Diaz, Kathy@CDFA <kathy.diaz@cdfa.ca.gov>
Cc: Fritz, Kacie@CDFA <Kacie.Fritz@cdfa.ca.gov>; Michael Schwartz <michael.s@rawfarmusa.com>; Weber, Peter@CDFA <Peter.Weber@cdfa.ca.gov>
Subject: Re: QIP Hardship Followup

C A U T I O N ! [- External Email -] This email originated from outside of our CDFA organization. Do not click links or open attachments unless you recognize the sender and know the content is expected and is safe. * * * Use the Phish Alert Report button to report suspicious emails. * * *

Kathy,

I have read the language in Section 62757 and I see no language stating that raw milk produced for human consumption is included.

Your allegation that raw milk for human consumption is equivalent to “milk produced in the state” is your opinion. Further, the statute leaves room for interpretation by not including the word “all”. Had Section 62757 said “all milk, for all purposes and pasteurization levels, raw and pasteurized”... there would be no room for interpretation. It doesn’t say that because (my opinion) raw milk was never intended to be thrown into the mix of the 99.99% of milk produced in the state that is subject to QIP.

That said, neither of us are lawyers and the lawyers on this email are not judges. As of this email, CDFA has not sufficiently made the factual arguments needed to disprove our hardships 2 and 4.

Mike Schwartz, please reach out to CDFA Legal and see if they have any facts to support their allegations.

Thank you,

Aaron McAfee, MBA
President
RAW FARM, LLC
559-977-8564
Aaron.m@rawfarmusa.com

Sent from my iPhone

On Jan 23, 2026, at 11:34 AM, Diaz, Kathy@CDFA <kathy.diaz@cdfa.ca.gov> wrote:

Thank you for your message, Mr. McAfee.

Kindly note that my email message does not constitute the Department's decision regarding your hardship requests, or any portions thereof. The information I provided is simply the official answer to technical questions that were asked during the September 2025 PRB meeting. It is important to mention that the feedback in my email message is exactly the same feedback provided during the PRB meeting – This item was referred to our Legal Office for review for good measure, to make sure we were not missing anything.

Regarding your request for the legal authority upon which we are basing our response, please allow me to refer you to Section 62757 of the California Food and Agricultural Code, which states: "The stand-alone quota program may be funded by an assessment on milk produced in the state." Additionally, the QIP does not provide any exemption for raw milk producers.

I hope this information is helpful,

Best regards,
Kathy

From: Aaron McAfee <aaron.m@rawfarmusa.com>

Sent: Thursday, January 22, 2026 9:30 PM

To: Diaz, Kathy@CDFA <kathy.diaz@cdfa.ca.gov>; Fritz, Kacie@CDFA <Kacie.Fritz@cdfa.ca.gov>

Cc: Michael Schwartz <michael.s@rawfarmusa.com>; Weber, Peter@CDFA

<Peter.Weber@cdfa.ca.gov>

Subject: RE: QIP Hardship Followup

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Kathy,

Thank you for responding to my follow-up email promptly.

1. This response from CDFA is coming 6 business days before the PRB meeting.
 1. CDFA verbally opposed these hardships in my PRB meeting in early September and represented they would provide further explanation for their position.
 2. Three months has elapsed since then.
 3. Only after I sent a follow up request am I hearing part of the CDFA's position.
 4. I received CDFA's response at the close of business on January 22, 2026. That means I have tomorrow and next week to prepare.
 5. CDFA took 3 months to provide a partial explanation, and I have 6 business days to prepare.
 6. This leaves us inadequate time to review and respond to the opinions of CDFA.
2. CDFA's Counsel's response is incomplete.
 1. The response in its entirety is:

Kindly be advised that the Quota Program has consulted with CDFA's Legal Office and they confirm that:

 1. Raw milk producers are subject to the provisions of the Quota Implementation Plan (including paying assessment)
 2. There are no restrictions banning raw milk producers from purchasing quota.
 2. Please provide citations and support for these conclusory statements.
3. RAW FARM submitted five separate grounds for hardship. CDFA did not respond to three of them.
 1. The informal and incomplete CDFA opinion email addresses Hardships 2 and 4.
 2. That leaves hardships 1, 3, and 5 as undisputed by CDFA legal department.

3. In the September PRB meeting, the PRB categorically denied Hardship 5 as they do not control the actions of the CMAB.
4. Therefore, the remaining undisputed hardships are 1 and 3.
5. I am in receipt of the email from Amber Durant that confirms we are on the agenda.
6. Please confirm that the CDFA agrees with hardships 1 and 3. We respectfully request justification and support for CDFA's conclusory statements against hardships 2 and 4 and sufficient time to review the justification and respond to them.

Thank you,

Have a great and healthy day.

Aaron McAfee | President
RAW FARM

C 559-977-8564
O 559-710-2077
F 559-710-2020

#RAWGOODNESS

Get SOCIAL: STAY CONNECTED

--Facebook
--Instagram
--Twitter--Pinterest
--YouTube
--TikTok

From: Diaz, Kathy@CDFA <kathy.diaz@cdfa.ca.gov>

Sent: Thursday, January 22, 2026 3:39 PM

To: Aaron McAfee <aaron.m@rawfarmusa.com>; Fritz, Kacie@CDFA
<Kacie.Fritz@cdfa.ca.gov>

Cc: Michael Schwartz <michael.s@rawfarmusa.com>; Weber, Peter@CDFA
<Peter.Weber@cdfa.ca.gov>

Subject: RE: QIP Hardship Followup

Thank you for your message, Mr. McAfee and sorry for the delay responding.

Kindly be advised that the Quota Program has consulted with CDFA's Legal

Office and they confirm that:

1. Raw milk producers are subject to the provisions of the Quota Implementation Plan (including paying assessment)
2. There are no restrictions banning raw milk producers from purchasing quota.

I hope this information is helpful,
Kathy Diaz

From: Aaron McAfee <aaron.m@rawfarmusa.com>

Sent: Thursday, January 15, 2026 2:34 PM

To: Fritz, Kacie@CDFA <Kacie.Fritz@cdfa.ca.gov>

Cc: Diaz, Kathy@CDFA <kathy.diaz@cdfa.ca.gov>; Michael Schwartz <michael.s@rawfarmusa.com>; Weber, Peter@CDFA <Peter.Weber@cdfa.ca.gov>

Subject: Re: QIP Hardship Followup

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Thank you Kacie.

Thank you,

Aaron McAfee, MBA
President
RAW FARM, LLC
559-977-8564
Aaron.m@rawfarmusa.com

Sent from my iPhone

On Jan 15, 2026, at 2:08 PM, Fritz, Kacie@CDFA
<kacie.fritz@cdfa.ca.gov> wrote:

Hi Mr. McAfee,

Happy New Year, hope you are well.

Kathy is out this afternoon and asked me to respond on her behalf. Peter Weber, staff counsel at CDFA legal, requests that you contact him directly regarding your below request. His contact info is:

peter.weber@cdfa.ca.gov

(916) 317-0493

He is best reached by phone, he is also copied to this email.

As always, please don't hesitate to reach out if there is anything else you need.

Best Regards,
Kacie

Kacie Fritz
Assistant Director, Marketing Services Division
California Department of Food and Agriculture
916-616-0762 (cell)
<Outlook-b5g1ple5>

From: Aaron McAfee <aaron.m@rawfarmusa.com>
Sent: Thursday, January 15, 2026 9:23 AM
To: Diaz, Kathy@CDFA <kathy.diaz@cdfa.ca.gov>; Fritz, Kacie@CDFA <Kacie.Fritz@cdfa.ca.gov>
Cc: Michael Schwartz <michael.s@rawfarmusa.com>
Subject: QIP Hardship Followup

CAUTION ! [- External Email -] This email originated from outside of our CDFA organization. Do not click links or open attachments unless you recognize the sender and know the content is expected and is safe. * * * Use the Phish Alert Report button to report suspicious emails. * * *

Kathy,

I hope you had a great holiday season. I wanted to follow up on my prior conversation with the CDFA.

By way of background, on June 9, 2025, I submitted our QIP Hardship letter to CDFA. I was granted an opportunity to speak with the PRB and I did so on September 22, 2025. Our case was not approved or denied, but rather “stayed” to the next meeting as CDFA Counsel was to research the validity of some of our claims and provide proof to why they verbally said I was incorrect at the PRB.

It is now mid-January 2026 and we have yet to hear from CDFA on the results of that research. Likewise, we have not heard from the PRB for a date when the next meeting will be held for a vote. To prepare for the PRB meeting, we request the research findings from CDFA legal counsel BEFORE the next meeting so we can prepare our defense.

I am moving this along to hopefully get the first part of this two-part solution resolved soon. Copied to this email is Michael Schwartz. Michael is General Counsel for RAW FARM, LLC and I hope he will be able to facilitate an amicable resolution of this issue. Please put Michael Schwartz in contact with CDFA legal counsel that was present on September 22, 2025. I believe it was either Haig Baghdassarian or Peter Weber.

Thank you,

Have a great and healthy day.

Aaron McAfee | President
RAW FARM

C 559-977-8564

O 559-710-2077

F 559-710-2020

#RAWGOODNESS



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Item 5-ii
Hardships
South Corner Dairy

Hardship Summary
by Quota Administration Program

Title	Content
Date Submitted	June 30, 2025 (Tabled from 9/20/2025 PRB Meeting)
Status	Complete
Producer/Dairy Name	South Corner Dairy
Requested By	Fred Leyendekker
Extent of the Relief Requested	"A refund of the quota assessments paid" "In the amount of \$480,000"
Basis for the Relief Requested	<ol style="list-style-type: none">1. "In 2023, our facility sustained severe damage as a result of regional flooding"2. "We were directly impacted by the outbreak of Highly Pathogenic Avian Influenza (HPAI) from mid-2024 through mid-2025"
Time Frame for the Relief Requested	"During the hardest-hit period, specifically from 2023 through mid-2025"
Additional / Supporting Document Submitted?	No

To: CDFA Secretary / QIP Administrator
Subject: Hardship Consideration Request – Quota Refund

Dear CDFA Secretary or QIP Administrator,

My name is Fred Leyendekker, and I am the owner of South Corner Dairy, located at 8150 Avenue 360, Visalia, CA 93291. As a longtime California dairyman, I am writing to formally request consideration for financial relief under the Quota Implementation Plan (QIP), due to significant and unforeseen hardships our operation has faced in recent years.

Since the implementation of the QIP, the California dairy industry has experienced the loss of more than 100 dairies, reflecting the intense pressures on producers across the state. Unfortunately, South Corner Dairy has not been spared from these challenges. In 2023, our facility sustained severe damage as a result of regional flooding, which required substantial and costly repairs. Compounding this, we were directly impacted by the outbreak of Highly Pathogenic Avian Influenza (HPAI) from mid-2024 through mid-2025, causing further operational and financial strain.

These back-to-back disasters have placed a heavy burden on our business. Despite paying approximately \$20,000 per month in quota assessments—totaling an estimated \$480,000 over two years—our dairy has received no direct benefit from the quota system. This ongoing financial obligation has been extremely difficult to manage, especially during these periods of crisis.

I am respectfully requesting a refund of the quota assessments paid during the hardest-hit period, specifically from 2023 through mid-2025, in the amount of \$480,000. This relief would significantly ease the financial pressure on our operation and help ensure our continued viability.

Thank you for your time and consideration of this request. Your support would make a meaningful difference to my business and my family.

If you have any questions my direct contact is (559)623-6888.

Sincerely,
Fred Leyendekker
Owner, South Corner Dairy
Producer: 58387
8150 Avenue 360
Visalia, CA 93291



6-26-2025

Item 5

New Hardships for review

Item 5

Hardships

Complete Hardships

Item 5-iv
Hardships
Dairy Avenue LLC

Hardship Summary
by Quota Administration Program

Title	Content
Date Submitted	November 20, 2025
Status	Complete
Producer/Dairy Name	Dairy Avenue LLC
Requested By	Richard Oppedyk
Extent of the Relief Requested	"Immediate and permanent removal of the Quota Implementation Plan (QIP) assessment being taken from my dairy"
Basis for the Relief Requested	<p>"These combined deductions have created a severe and escalating financial hardship that directly threatens the financial sustainability of my operation."</p> <p>"The combined effects of the last five years including Covid-19, the disastrous flood of 2023 that nearly knocked my dairy out in the lake bottom, then into the milk price collapse that summer to follow with bird flu that wiped out 10% of my herd. Only now having CDI assessments coupled with another price collapse"</p>
Time Frame for the Relief Requested	Unspecified: permanent removal of the assessment
Additional / Supporting Document Submitted?	No



As the owner and operator of Dairy Avenue LLC, I am formally requesting the immediate and permanent removal of the Quota Implementation Plan (QIP) assessment being taken from my dairy. As a member of CDI, I am currently subjected to a \$2.50 deduction per hundredweight, in addition to the approximately \$0.40 deduction redistributed to other dairies solely for the purpose of paying a premium to quota holders as outlined by the QIP.

These combined deductions have created a severe and escalating financial hardship that directly threatens the financial sustainability of my operation. The strain placed on my dairy is not the result of mismanagement or poor decisions, but of circumstances entirely outside of my control while also including prolonged market volatility, historic input-cost spikes, unpredictable environmental and regulatory pressures, and processor-level deductions that individual producers have no authority to negotiate or change. The QIP assessment has now compounded these pressures to the point of creating a financial disaster for my dairy effecting my businesses long-term financial viability.

The combined effects of the last five years including Covid-19, the disastrous flood of 2023 that nearly knocked my dairy out in the lake bottom, then into the milk price collapse that summer to follow with bird flu that wiped out 10% of my herd. Only now having CDI assessments coupled with another price collapse I fear I will not survive the final financial blow we have received.

After reviewing the QIP and its provisions, I firmly believe my situation meets and exceeds the criteria for a hardship exemption. The continued removal of funds from my milk checks out of my control at a time when milk price margins are already critically thin is causing direct, immediate, and unsustainable harm to the management and day-to-day operation of my dairy. Without relief, the future stability of my business is at risk.

It is important to emphasize that granting this hardship exemption does not create fiduciary harm to quota holders. The \$1.70 premium paid to quota owners will remain fully intact, unchanged,

and unaffected by my exemption. While it is possible the assessment rate may be adjusted for others, the financial benefit to quota owners is not reduced in any way by granting my request. Their protected interests remain whole and untouched.

Given these circumstances, I respectfully request that the QIP assessment be immediately and permanently removed from my dairy. The continued deduction represents a burden that is both outside my control and impossible to withstand. Immediate relief is necessary to prevent further and potentially irreversible harm.

Thank you for your attention and prompt consideration of this urgent matter.

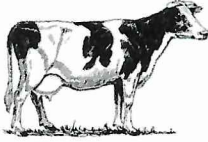


Richard Oppedyk
Dairy Avenue, LLC
PO Box 98
36569 6th Avenue
Corcoran, CA 93212
559-285-8929
roppedyk@gmail.com

Item 5-v
Hardships
Borba Dairy Farms LP

Hardship Summary
by Quota Administration Program

Title	Content
Date Submitted	November 24, 2025
Status	Complete
Producer/Dairy Name	Borba Dairy Farms
Requested By	Mike Borba (CFO)
Extent of the Relief Requested	"Hardship relief from the Quota SNF Assessment"
Basis for the Relief Requested	<ol style="list-style-type: none">1. Reduction in Milk Production2. Declining Milk Prices3. CDI Assessment
Time Frame for the Relief Requested	Unspecified
Additional / Supporting Document Submitted?	No



Borba Dairy Farms

5297 Kelley Rd
Hilmar CA, 95324
Office: (209) 634-4930

I, Mike Borba, serve as Partner and Chief Financial Officer of Borba Dairy Farms, LP. Borba Dairy Farms, LP is a second-generation family farm founded by my parents, who immigrated to the United States with no financial resources, business relationships, or knowledge of the English language. Through decades of dedication, integration into California's regulatory and agricultural environment, and relentless hard work, they built one of the most efficient dairy operations in the state. Today, Borba Dairy Farms, LP along with its three affiliated organizations employ more than 100 individuals and manage over 15,000 animals. We also work closely with more than 200 vendors, many of whom rely heavily on our business for their own stability and growth.

Although it is difficult to acknowledge the need for assistance, we currently see no alternative. I am therefore respectfully requesting that our organization be considered for the **hardship relief from the Quota SNF Assessment**. Below are key areas of hardship that have significantly impacted our operation:

1. Reduction in Milk Production

In the fourth quarter of 2024, approximately 85% of our herd was infected with Avian Influenza (bird flu). The outbreak resulted in substantial unplanned expenses and a severe decline in breeding conception rates and milk production.

While we have worked diligently to recover, much of our herd is now entering its

dry period, leading to another unavoidable and significant reduction in milk output.

2. Declining Milk Prices

As you are aware, milk prices have dropped considerably in 2025, while operating costs have continued to rise. This imbalance has caused the business to operate at a monthly loss, with negative earnings of approximately \$500,000 (a 32% decline). This level of financial strain is unsustainable, and without accepting our hardship request, we will be forced to make extremely difficult decisions regarding the future of our operation.

3. CDI Assessment

The mandatory CDI assessment of \$2.50 per hundredweight was both unexpected and unbudgeted, leaving us with no opportunity to mitigate the impact. After this deduction, our net pay from CDI is reduced to \$13-\$14 per hundredweight—equivalent to pricing levels seen 15 years ago—and results in an additional monthly loss of approximately \$225,000 (16%). Operating under these conditions is unequivocally not sustainable for an organization of our size.

We are proud to be part of California's dairy industry and remain committed to continuing our family's agricultural legacy for generations to come. We respectfully request QIP hardship be implemented to help us navigate this extraordinarily challenging period.

Sincerely,



Mike Borba

Borba Dairy Farms, LP

Item 5-vii
Hardships
Sozinho Dairy

Hardship Summary
by Quota Administration Program

Title	Content
Date Submitted	December 1, 2025
Status	Complete
Producer/Dairy Name	Sozinho Dairy
Requested By	Danny Sozinho
Extent of the Relief Requested	"The money taken from my milk paycheck for the QIP each month be suspended indefinitely"
Basis for the Relief Requested	"Our farms payed ... \$26,557.51 total every month to the QIP, and I receive nothing back for my assessment"
Time Frame for the Relief Requested	Unspecified: Indefinite suspension
Additional / Supporting Document Submitted?	No

SOZINHO DAIRY

8489 E. ELKHORN AVE.

SELMA, CA. 93662

(559) 896-9715

12/01/2025

Attention Karen Ross & David Ko.

My name is Danny Sozinho, I am a family owner of our family farm Sozinho Dairy, my parents started in 1977, we have had another difficult year once again due to low milk prices QIP and co-op assessments for their bad decisions that I had no control over, Our family dairy farm has been negative losing money this year, negative hundreds of thousands dollars a month, I find it hard to sleep a night knowing this, we are at the breaking point to keep our third generation dairy farm in business, I feel I am alone as most of our family friends who had a family dairy farms have gone out of business, I'm having to borrow money each month to pay my bills. I'm requesting the money taken from my milk paycheck for the QIP each month be suspended indefinitely, as we all understand it is only benefitting the minority not the majority on Californian Dairy farmers, QIP is wrong and unfair. Please consider this request to keep family dairy farms in existence in our wonderful state of California.

I am requesting hardship consideration. This is my 2nd request to waive our assessment, currently for the month of October our farms payed:

CA State ID

Sozinho#1-55935-\$9,765.56

Sozinho#2-56944-\$12,663.81

Sozinho#3-50600-\$4,128.14

\$26,557.51 total every month to the QIP, and I receive nothing back for my assessment. That puts a hardship on the operation of my dairy. The Dairy business is killing us with these low prices and I can use all of the help I can get. I am asking for an exemption from paying the assessment to the QIP. I do not want to participate in an assessment that gives me nothing back of value. Please inform me of when the next PRB meeting will be held to hear my request.

Sincerely,

Danny Sozinho 12/01/2025

Item 5-x
Hardships
GJC Dairy Inc

Hardship Summary
by Quota Administration Program

Title	Content
Date Submitted	December 8, 2025
Status	Complete
Producer/Dairy Name	GJC Dairy Inc
Requested By	James Vieira
Extent of the Relief Requested	"Immediately cease deducting the assessment for the QIP"
Basis for the Relief Requested	"QIP is forcing me to pay roughly \$10,000 per month or \$120,000 a year to my neighbor and I get absolutely nothing in return"
Time Frame for the Relief Requested	"Until such a time CDFA issues to my dairy the free quota that was issued to cover class one usage specifically when my dairy is issued enough quota to cover my assessment"
Additional / Supporting Documents Submitted?	Yes

12/8/2025

Article 5

I'm requesting relief from hardship caused by the QIP.

Hardship is defined by Cambridge dictionary.

(Hardship is a situation in which your life is difficult or unpleasant often because you do not have enough money)

The basis of my request is QIP is forcing me to pay roughly \$10,000 per month or \$120,000 a year to my neighbor and I get absolutely nothing in return. Taking this money from my dairy is causing hardship due to the assessment of the QIP.

The extent of relief I am requesting from this hardship is for CDFA a to immediately cease deducting the assessment for the QIP until such a time CDFA issues to my dairy the free quota that was issued to cover class one usage specifically when my dairy is issued enough quota to cover my assessment then I will be happy to pay the assessment equal to the Quota premium I receive from the state issued quota as in Article 2 of the QIP.

My last hardship was denied using a fiduciary excuse. Please don't insult my hardship since there is no reason or merit to this program other than to pay a premium to the holders of Quota. If there was a fiduciary responsibility the Secretary of AG Karen Ross would never have allowed a referendum to terminate the QIP.

Lastly there are quota holding board members who testified they would sell their cows if quota went away so how could they deny a hardship knowing the dairy asking for a hardship, is getting \$1.70 less per CWT, then the quota holder denying the hardship

GJC Dairy, Inc.

James Vieira

209 652-6980

jimvieiradairy@yahoo.com

2401 Newman Rd.

Turlock, Ca. 95380

 12-12-2025

I've attached a copy of my hardship for my dairy,
James C. Vieira, owner
GJC Dairy, Inc.
2401 Newman Rd.
Turlock, Ca. 95380
209 652-6980
jimvieiradairydairy@yahoo.com
12/12/2025

The basis for the hardship is the fact that the QIP is deducting approximately \$10,000.00 a month from my milk check and giving me nothing in return.

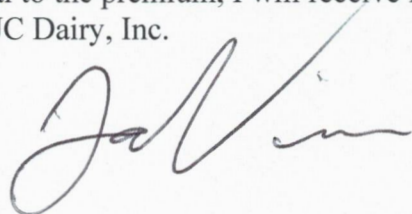
Leaving me a pay price that is lower than the FFMO.

The challenge my dairy is having \$10,000.00 less each month to pay my bills due to the QIP deduction.

The statement of the relief being requested is to immediately stop deducting from my milk check for the QIP until the State issues my Dairy free Quota as in article 2 of the QIP.

When and if the State issues my Dairy free Quota, I will allow the State to deduct as much from my milk check equal to the premium, I will receive from my State issued free Quota.

Jim Vieira, owner GJC Dairy, Inc.

 12-12-2025

Item 5-xii
Hardships
Diamond S Dairy

Hardship Summary
by Quota Administration Program

Title	Content
Date Submitted	December 16, 2025
Status	Complete
Producer/Dairy Name	Diamond S Dairy
Requested By	Dimas Sozinho
Extent of the Relief Requested	"An exemption from paying the assessment to the QIP"
Basis for the Relief Requested	"I pay \$9,000.00 every month to the QIP, and I receive nothing back for my assessment"
Time Frame for the Relief Requested	Unspecified
Additional / Supporting Document Submitted?	No

Diamond S Dairy

11447 8 1/2 Avenue

Hanford CA 93230

Dear Secretary Ross and the PRB,

I pay **\$9,000.00** every month to the QIP, and I receive nothing back for my assessment. That puts a hardship on the operation of my dairy. The Dairy business is killing us with these low prices, and I can use all of the help I can get. I am asking for an exemption from paying the assessment to the QIP. I do not want to participate in an assessment that gives me nothing back of value. Please inform me of when the next PRB meeting will be held to hear my request.

Thank you,

CA-54760

A handwritten signature in blue ink, reading "Dimas Sozinho", written over a horizontal line.

Dimas Sozinho

12-16-25

Item 5-xiii
Hardships
Sozinho Jerseys

Sozinho Jerseys

11447 8 1/2 Avenue
Hanford CA 93230

Dear Secretary Ross and the PRB,

I pay **\$10,500.00** every month to the QIP, and I receive nothing back for my assessment. That puts a hardship on the operation of my dairy. The Dairy business is killing us with these low prices, and I can use all of the help I can get. I am asking for an exemption from paying the assessment to the QIP. I do not want to participate in an assessment that gives me nothing back of value. Please inform me of when the next PRB meeting will be held to hear my request.

Thank you,

CA-50100

A handwritten signature in blue ink, reading "Dimas Sozinho", written over a horizontal line.

Dimas Sozinho

12-16-25

Hardship Summary
by Quota Administration Program

Title	Content
Date Submitted	December 16, 2025
Status	Complete
Producer/Dairy Name	Sozinho Jerseys
Requested By	Dimas Sozinho
Extent of the Relief Requested	"An exemption from paying the assessment to the QIP"
Basis for the Relief Requested	"I pay \$10,500.00 every month to the QIP, and I receive nothing back for my assessment"
Time Frame for the Relief Requested	Unspecified
Additional / Supporting Document Submitted?	No

Item 5-xiv
Hardships
Dairy Central

Hardship Summary
by Quota Administration Program

Title	Content
Date Submitted	December 17, 2025
Status	Complete
Producer/Dairy Name	Dairy Central
Requested By	Bobby Borba
Extent of the Relief Requested	"An indefinite stop payment of the QIP payments"
Basis for the Relief Requested	"The cumulative effects of paying into QIP has reached a devastating point for Dairy Central's financial future" "The QIP is the only reason for the shortfall as all expenses / revenues are standard in the industry"
Time Frame for the Relief Requested	Unspecified: Indefinite stop payment
Additional / Supporting Document Submitted?	No

Bobby Borba
Dairy Central
24051 Swenson Road
Hilmar, CA 95324
(209)321-5444
borbalivestock@yahoo.com

California Department of Food & Agriculture
1220 N. Street
Sacramento, CA 95814

December 17th, 2025

ATTN: Secretary Ross
Kathy Diaz
Peter Weber
Amber Durant

Dairy Central has been paying into the new QIP since 2018. During this period of time, my dairy has paid approximately 1.3 million into the QIP. Those funds were then distributed to other dairies that produce the exact same product and compete with Dairy Central

The cumulative effects of paying into QIP has reached a devastating point for Dairy Central's financial future. Dairy Central's net profit margin over the past 5 years has been 3%. The QIP deduction equates to 60% of my net return. The QIP transfers precious liquidity to my competitors that hold QIP certificates,

The QIP has prevented Dairy Central from being able to strategically plan around cyclical nature and periodic increases and expenses. I cannot maintain sufficient reserves normally available during times when milk pricing and cost of operations provide revenue to build reserves. Because of the QIP, Dairy Central has higher costs than its quota holding competitors and is at a substantial disadvantage in competing with quota-holding dairies for feed, land, and labor. Dairy Central now has no reserves. The QIP is the only reason for the shortfall as all expenses/revenues are standard in the industry.

My first hardship petition was tabled by the Producer Review Board in 2023 and effectively denied without any consideration of the merit of the petition. On February 27th, 2024 I submitted reviewed financials from the accounting firm of Gallagher Gatewood evidencing the significant financial losses. This is something no other dairy has provided, as far as we understand. A second hardship petition was denied in 2025.

The PRB Board cannot fairly treat my request as it is comprised primarily of quota holders and they have taken the position that if a hardship is granted then others will have to be granted which will impact the financial windfall received by each member of the PRB. I hereby request an indefinite stop payment of the QIP payments.

There are numerous QIP certificate holders that have provided testimony and other evidence that certificate holders could not survive without the payments they are receiving from my Dairy and others similarly situated. By the same token, it is obvious the QIP provides a hardship to my dairy.


Dairy Central needs a reprieve from the QIP payment obligation to be able to retain hard earned revenue.

The Dairies that have been receiving QIP funding have had decades to retain excess proceeds from the labor of Dairy Central (and others similarly situated). It is time to grant relief when it falls squarely within Article 5 of the QIP and the definition of hardship under the QIP.

The QIP tax should not continue to be imposed on Dairy Central in light of the hardship posed when the only reason not to grant a hardship seems to be to benefit the holders of the QIP certificates. It is improper to table or delay this request.

I have not been made aware of any denial of a hardship request based on legitimate grounds. It appears the only consideration has been the threat to the QIP, which is clearly not something that should be considered under Article 5 of the QIP.

Thank You



Bob Borba

Item 5-xv
Hardships
N&C Silveira Dairy

Hardship Summary
by Quota Administration Program

Title	Content
Date Submitted	January 8, 2026
Status	Complete
Producer/Dairy Name	N&C Silveira Dairy
Requested By	Natalino Silveira
Extent of the Relief Requested	"Exempt from the QIP assessment payment"
Basis for the Relief Requested	"Its major financial burden on my business"
Time Frame for the Relief Requested	Unspecified
Additional / Supporting Document Submitted?	No

Natalino Silveira <nshbrowncow@gmail.com>

Thu, Jan 8, 2026 at 7:04 AM

To: Durant, Amber@CDFA <Amber.Durant@cdfa.ca.gov>

Cc: Weber, Peter@CDFA <Peter.Weber@cdfa.ca.gov>, Diaz, Kathy@CDFA

<kathy.diaz@cdfa.ca.gov>, Fritz, Kacie@CDFA <Kacie.Fritz@cdfa.ca.gov>

To whom it may concern at CDFA/PRB Board.

My name is Natalino Silveira, this is my 4th Hardship request letter, I've requested to be exempt from the QIP assessment payment for the reason that its major financial burden on my business. Of course if I was receiving some sort of financial assistance back from QIP payment it would make sense, with today's milk prices its extremely difficult to stay current with my dairy bills, again I am paying for something and I receive nothing in return, all of you at the PRB board want to see proof, financial statements, invoices etc, you don't have to be an extremely educated person to see that the QIP assessment is weight on mine and many California dairy farmers, just look at the facts, how many dairy farms do we loose each year, when my wife and I started our dairy business in 1998 there was nearly 4000 dairies in California, how many are left 700 to 800 according to CDFA. Maybe I'm not saying stop the Qip, but stop taking from me, you need proof that it's a financial burden, what more proof do you need that is plain simple MATH.... It's literally the first payment that comes out of my creamery check, before I can pay my men that I employ, the grain company, the hay guy, my dairy supplies, my utilities, to feed my OWN family at home etc... It makes no sense. My father and mother and 3 siblings migrated to this country in 1977 from the Azores islands when I was 6 searching for a better life in America, a country with an amazing construction.... YOU... CDFA and PRB board tell me how constitutional this program is, Remember, don't just vote for your own pockets... Vote for the industry, its crucial, what's going in the dairy industry at this moment is generational there's a lot people being affected by this issue, there's a lot of lines being drawn in the sand, for the sake of my dairy operation I hope you take my letter into consideration and stop taking from me.

Natalino Silveira
N&C Silveira Dairy

CDFA/ PRB Board

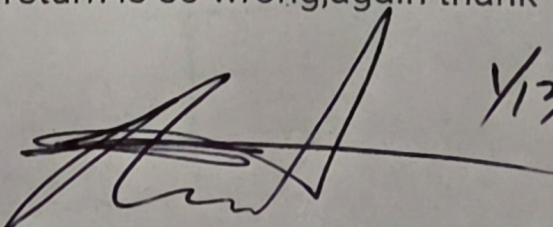
I forgot to include this information in my letter sent earlier.

We started our dairy operation on December 4th of 1998, I went through the years and calculated that we've spent over 2.5 to nearly 3 million dollars into the QIP through our assessments.

I understand that all the QIP families have invested into purchasing quota to receive a financial payment back, its a great investment that they've chosen, but I DID NOT CHOSE to give up 2.5 to nearly 3 million dollars to program to receive NOTHING IN RETURN, taking something from someone and giving them NOTHING in return is so wrong, again thank you for taking my letter into consideration

Natalino Silveira
N&C Silveira Dairy

Sincerely Natalino Silveira

 1/13/20

From: [Natalino Silveira](#)
To: [Durant, Amber@CDFA](#)
Cc: [Weber, Peter@CDFA](#); [Diaz, Kathy@CDFA](#); [Fritz, Kacie@CDFA](#)
Subject: Re: Hardship Request Letter of Notice
Date: Thursday, January 8, 2026 7:23:12 AM
Attachments: [image001.png](#)
[image001.png](#)

CAUTION ! [- External Email -] This email originated from outside of our CDFA organization. Do not click links or open attachments unless you recognize the sender and know the content is expected and is safe. * * * Use the Phish Alert Report button to report suspicious emails. * * *

I'm requesting that my letter be sent directly to the Secretary the Ag Karen Ross and also be read at the next PRB meeting.

Thank you

Natalino Silveira N&C Silveira Dairy

On Thu, Jan 8, 2026, 7:19 AM Natalino Silveira <nsbrowncow@gmail.com> wrote:

CDFA/ PRB Board

I forgot to include this information in my letter sent earlier.

We started our dairy operation on December 4th of 1998,I went through the years and calculated that we've spent over 2.5 to nearly 3 million dollars into the QIP through our assessments.

I understand that all the QIP families have invested into purchasing quota to receive a financial payment back,its a great investment that they've chosen,but I DID NOT CHOSE to give up 2.5 to nearly 3 million dollars to program to receive NOTHING IN RETURN, taking something from someone and giving them NOTHING in return is so wrong,again thank you for taking my letter into consideration

Natalino Silveira

N&C Silveira Dairy

On Thu, Jan 8, 2026, 7:04 AM Natalino Silveira <nsbrowncow@gmail.com> wrote:

To whom it may concern at CDFA/PRB Board.

My name is Natalino Silveira,this is my 4th Hardship request letter,I've requested to be exempt from the QIP assessment payment for the reason that its major financial burden on my business.Of course if I was receiving some sort of financial assistance back from QIP payment it would make sense,with today's milk prices its extremely difficult to stay current with my dairy bills,again I am paying for something and I receive nothing in return,all of you at the PRB board want to see proof,financial statements,invoices etc,you don't have to be an extremely educated person to see that the QIP assessment is weight on mine and many California dairy farmers,just look at the facts,how many dairy farms do we loose each year,when my wife and I started our dairy business in 1998 there was nearly 4000 dairies in California,how many are left 700 to 800 according to CDFA.

Maybe I'm not saying stop the Qip,but stop taking from me,you need proof that it's a financial burden,what more proof do you need that is plain simple MATH....It's literally the first payment that comes out of my creamery check,before I can pay my men that I employ, the grain company,the hay guy,my dairy supplies,my utilities,to feed my OWN family at home etc...It makes no sense.My father and mother and 3 siblings migrated to this country in 1977 from the Azores islands when I was 6 searching for a better life in America,a country with an amazing construction.... YOU...CDFA and PRB board tell me how constitutional this program is,

Remember,don't just vote for your own pockets...Vote for the industry,its crucial,what's going in the dairy industry at this moment is generational there's a lot people being affected by this issue,there's a lot of lines being drawn in the sand,for the sake of my dairy operation I hope you take my letter into consideration and stop taking from me.

Natalino Silveira

N&C Silveira Dairy

On Mon, Oct 6, 2025, 2:01 PM Natalino Silveria <nsbrowncow@gmail.com> wrote:

Hi Amber, I will be resubmitting a new hardship consideration letter, based on how bias an unconstitutional, the board is and the program is, there is no reason why my letter should not be considered. It's plain simple third grade economics, I pay a 150,000K year. I get nothing un return for it. What more hardship proof do you need from me? Everyone at CDFA SHOULD BE ASHAMED OF YOURSELVES FOR HELPING THIS PROGRAM EXIST...

On Mon, Oct 6, 2025, 12:46 PM Durant, Amber@CDFA
<Amber.Durant@cdfa.ca.gov> wrote:

Dear Mr. Silveira,

Attached is the PRB's decision regarding your hardship request. Please let me know if you have any questions.

Thanks,

Amber Durant

Staff Services Manager III

Marketing Services Division - Quota Administration Program

California Department of Food and Agriculture

[1220 N Street](#)

[Sacramento, CA 95814](#)



Natalino Silveira <nsbrowncow@gmail.com>

Thu, Jan 8, 2026 at 7:04 AM

To: Durant, Amber@CDFA <Amber.Durant@cdfa.ca.gov>

Cc: Weber, Peter@CDFA <Peter.Weber@cdfa.ca.gov>, Diaz, Kathy@CDFA <kathy.diaz@cdfa.ca.gov>, Fritz, Kacie@CDFA <Kacie.Fritz@cdfa.ca.gov>

To whom it may concern at CDFA/PRB Board.

My name is Natalino Silveira, this is my 4th Hardship request letter, I've requested to be exempt from the QIP assessment payment for the reason that its major financial burden on my business. Of course if I was receiving some sort of financial assistance back from QIP payment it would make sense, with today's milk prices its extremely difficult to stay current with my dairy bills, again I am paying for something and I receive nothing in return, all of you at the PRB board want to see proof, financial statements, invoices etc, you don't have to be an extremely educated person to see that the QIP assessment is weight on mine and many California dairy farmers, just look at the facts, how many dairy farms do we loose each year, when my wife and I started our dairy business in 1998 there was nearly 4000 dairies in California, how many are left 700 to 800 according to CDFA. Maybe I'm not saying stop the Qip, but stop taking from me, you need proof that it's a financial burden, what more proof do you need that is plain simple MATH.... It's literally the first payment that comes out of my creamery check, before I can pay my men that I employ, the grain company, the hay guy, my dairy supplies, my utilities, to feed my OWN family at home etc... It makes no sense. My father and mother and 3 siblings migrated to this country in 1977 from the Azores islands when I was 6 searching for a better life in America, a country with an amazing construction.... YOU... CDFA and PRB board tell me how constitutional this program is,

Remember, don't just vote for your own pockets... Vote for the industry, its crucial, what's going in the dairy industry at this moment is generational there's a lot people being affected by this issue, there's a lot of lines being drawn in the sand, for the sake of my dairy operation I hope you take my letter into consideration and stop taking from me.

Natalino Silveira

N&C Silveira Dairy

CDFA/ PRB Board

I forgot to include this information in my letter sent earlier.

We started our dairy operation on December 4th of 1998, I went through the years and calculated that we've spent over 2.5 to nearly 3 million dollars into the QIP through our assessments.

I understand that all the QIP families have invested into purchasing quota to receive a financial payment back, its a great investment that they've chosen, but I DID NOT CHOSE to give up 2.5 to nearly 3 million dollars to program to receive NOTHING IN RETURN, taking something from someone and giving them NOTHING in return is so wrong, again thank you for taking my letter into consideration

Natalino Silveira

N&C Silveira Dairy

Item 5-xvi
Hardships
Desert View Dairy

Requested by
Desert View Dairy to
table the hardship until
next meeting.

(requested on 1/27/2026)



400 Capitol Mall, Suite 1850
Sacramento, California 95814
T. 916.444.6400
mwasser@markwasser.com

Admitted in California and Nevada

January 14, 2026

VIA E-MAIL TO dairy@cdfa.ca.gov

California Dairy Quota Implementation Plan Producer Review Board
California Department of Food and Agriculture
1220 N Street
Sacramento, California 95814

RE: *Request for Hardship Consideration*

Dear Members of the PRB,

We represent Rayme Mackinson. Mr. Mackinson is one of the owners and operators of Desert View Dairy, LLC, in Wasco, California. This is a request for hardship consideration on his behalf pursuant to Section 500 of the Quota Implementation Plan.

On his behalf, we request the Quota Premium Assessment be immediately suspended and removed from his dairy. He is suffering a \$2.50 deduction per hundredweight, in addition to not receiving quality premiums, which for his dairy has historically earned \$.25-\$.30 premiums each month. This is on top of the roughly \$.40 deduction being taken from him and redistributed to other dairies, solely for the purpose of paying quota premium to quota holders, under QIP. Through his November final payment from CDI, the quota premium deductions have cost him over \$1,864,270.00, not including the lost quality premiums.

In addition to poor margins and these deductions, flooding and almost constant rain from roughly November 15, 2025 until today have severely impacted and stressed the dairy, both financially and physically. The flooding and resulting loss of milk production has cost Mr. Mackinson roughly \$400,000.00 to date (\$200,000/month or \$0.62/cwt), and he presumes this loss will continue throughout the rainy season.

These aggregate losses have created a severe and steadily escalating financial crisis that threatens the financial sustainability of his operation. This is not a consequence of mismanagement or poor decisions but is the result of circumstances that are entirely out of his control. He has been able to handle the historic market volatility, input-cost spikes, unpredictable environmental and regulatory pressures, and processor-level deductions that

individual producers have no authority to negotiate or change. But the quota premium assessment is compounding these pressures to the point of impending financial disaster for his dairy.

Mr. Mackinson's situation meets and exceeds any reasonable criteria for a hardship exemption. The continued removal of funds from his milk checks without his consent and without returning anything of value or benefit to him is neither right nor lawful. It is causing a direct, immediate, and unsustainable risk to the management and operation of his dairy. Without relief, the future stability of his business is in jeopardy.

For all these reasons, we respectfully request that the quota premium assessment be immediately suspended and removed from Desert View Dairy. Immediate relief is necessary to prevent further and potentially irreversible harm.

Thank you for your attention and prompt consideration to this urgent matter.

Very truly yours,



Mark A. Wasser

cc: Rayme Mackinson (via email)

Item 5

Hardships

Incomplete Hardships

Item 5-iii
Hardships
Gordon Hay Dairy

Hardship Summary
by Quota Administration Program

Title	Content
Date Submitted	November 16, 2025
Status	Incomplete
Producer/Dairy Name	Gordon Hay Dairy #5
Requested By	Craig Gordon
Extent of the Relief Requested	"Granted an exemption from paying the QIP"
Basis for the Relief Requested	"Paid over a million dollars since the QP came into existence and I have received no value from my QP assessment"
Time Frame for the Relief Requested	Unspecified
Additional / Supporting Document Submitted?	No

From: [Haycraigggordon](#)
To: [Ko, David@CDFA](#); [Diaz, Kathy@CDFA](#); [Durant, Amber@CDFA](#); [Weber, Peter@CDFA](#); [Ross, Karen@CDFA](#)
Subject: Gordon Hay Inc. Hardship
Date: Sunday, November 16, 2025 10:04:04 PM

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-Dear CDFA,

-

I have written you at least 3 different emails in regards to the denial of my Hardship, without an explanation as to why it was denied by the Secretary. The PRB said it was for financial fiduciary responsibility to the program. That is not in the QIP, and I have shown you how my exemption would not affect the quota holders from getting their quota payments, therefore that is not a reason to deny me my hardship. Since no one else has come up with the reason that I should be denied, I am requesting again, that Gordon Hay Inc. be granted an exemption from paying the QIP? My exhibits from before show that I have paid over a million dollars since the QP came into existence and I have received no value from my QP assessment. If I am denied my exemption, I want it to be in writing and be specific to the reasoning for my denial.

Thank you ,

Craig Gordon

Item 5-vi
Hardships
A&M de Sousa Dairy

Hardship Summary
by Quota Administration Program

Title	Content
Date Submitted	November 25, 2025
Status	Incomplete
Producer/Dairy Name	A and M de Sousa Dairy
Requested By	Armelin de Sousa
Extent of the Relief Requested	"Immediate and permanent removal of the Quota Implementation Plan (QIP) assessment being taken from my dairy"
Basis for the Relief Requested	"These combined deductions have created a severe and escalating financial hardship that directly threatens the financial sustainability of my operation"
Time Frame for the Relief Requested	Unspecified: permanent removal of the assessment
Additional / Supporting Document Submitted?	No

As the owner and operator of A and M de Sousa Dairy, I am formally requesting the immediate and permanent removal of the Quota Implementation Plan (QIP) assessment being taken from my dairy. As a member of CDI, I am currently subjected to a \$2.50 deduction per hundredweight, in addition to the approximately \$0.40 deduction redistributed to other dairies solely for the purpose of paying a premium to quota holders as outlined by the QIP.

These combined deductions have created a severe and escalating financial hardship that directly threatens the financial sustainability of my operation. The strain placed on my dairy is not the result of mismanagement or poor decisions, but of circumstances entirely outside of my control while also including prolonged market volatility, historic input-cost spikes, unpredictable environmental and regulatory pressures, and processor-level deductions that individual producers have no authority to negotiate or change. The QIP assessment has now compounded these pressures to the point of creating a financial disaster for my dairy affecting my businesses long-term financial viability.

After reviewing the QIP and its provisions, I firmly believe my situation meets and exceeds the criteria for a hardship exemption. The continued removal of funds from my milk checks out of my control at a time when milk price margins are already critically thin is causing direct, immediate, and unsustainable harm to the management and day-to-day operation of my dairy. Without relief, the future stability of my business is at risk.

It is important to emphasize that granting this hardship exemption does not create fiduciary harm to quota holders. The \$1.70 premium paid to quota owners will remain fully intact, unchanged, and unaffected by my exemption. While it is possible the assessment rate may be adjusted for others, the financial benefit to quota owners is not reduced in any way by granting my request. Their protected interests remain whole and untouched.

Given these circumstances, I respectfully request that the QIP assessment be immediately and permanently removed from my dairy. The continued deduction represents a burden that is both outside my control and impossible to withstand. Immediate relief is necessary to prevent further and potentially irreversible harm.

Thank you for your attention and prompt consideration of this urgent matter.

X Armelm de Sousa

Armelm de Sousa
owner / operator

Item 5-viii
Hardships
Alves & Son Dairy

Hardship Summary
by Quota Administration Program

Title	Content
Date Submitted	November 25, 2025
Status	Incomplete
Producer/Dairy Name	Alves & Son Dairy
Requested By	Joe Alves
Extent of the Relief Requested	"Immediate and permanent removal of the Quota Implementation Plan (QIP) assessment being taken from my dairy"
Basis for the Relief Requested	"These combined deductions have created a severe and escalating financial hardship that directly threatens the financial sustainability of my operation"
Time Frame for the Relief Requested	Unspecified: permanent removal of the assessment
Additional / Supporting Document Submitted?	No

From: [Durant, Amber@CDFA](mailto:Durant.Amber@CDFA)
To: [Ko, David@CDFA](mailto:Ko.David@CDFA)
Subject: FW: Financial Hardship with QIP and CDI
Date: Thursday, January 22, 2026 10:49:01 AM

From: Melissa <joealvesandson@yahoo.com>
Sent: Tuesday, November 25, 2025 10:05 AM
To: Durant, Amber@CDFA <Amber.Durant@cdfa.ca.gov>; Ross, Karen@CDFA <secretary.ross@cdfa.ca.gov>; Weber, Peter@CDFA <Peter.Weber@cdfa.ca.gov>; Diaz, Kathy@CDFA <kathy.diaz@cdfa.ca.gov>
Subject: Financial Hardship with QIP and CDI

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Hello,

As the owner and operator of Alves & Son Dairy, I am formally requesting the immediate and permanent removal of the Quota Implementation Plan (QIP) assessment being taken from my dairy. As a member of CDI, I am currently subject to a \$2.50 deduction per hundredweight, in addition to the approximately \$0.40 deduction redistributed to other dairies solely for the purpose of paying a premium to quota holders as outlined by the QIP.

These combined deductions have created a severe and escalating financial hardship that directly threatens the financial sustainability of my operation. The strain placed on my dairy is not the result of mismanagement or poor decisions, but of circumstances entirely outside of my control, while also including prolonged market volatility, historic input-cost spikes, unpredictable environmental and regulatory pressures, and processor-level deductions that individual producers have no authority to negotiate or change. The QIP assessment has now compounded these pressures to the point of creating a financial disaster for my dairy, affecting my business's long-term financial viability.

After reviewing the QIP and its provisions, I firmly believe my situation meets and exceeds the criteria for a hardship exemption. The continued removal of funds from my milk checks out of my control at a time when milk price margins are already critically thin is causing direct, immediate, and unsustainable harm to the management and day-to-day operation of my dairy. Without relief, the future stability of my business is at risk.

It is important to emphasize that granting this hardship exemption does not create fiduciary harm to quota holders. The \$1.70 premium paid to quota owners will remain fully intact, unchanged, and unaffected by my exemption. While it is possible the

assessment rate may be adjusted for others, the financial benefit to quota owners is not reduced in any way by granting my request. Their protected interests remain whole and untouched.

Given these circumstances, I respectfully request that the QIP assessment be immediately and permanently removed from my dairy. The continued deduction represents a burden that is both outside my control and impossible to withstand. Immediate relief is necessary to prevent further and potentially irreversible harm.

I have been a dairy farmer for over 20 years. We are a family-run facility and have employees who have been with us from the start. We work day in and day out to do our part in providing clean and safe milk, only to have more funds removed from our milk check. With all these deductions, our CDI milk check this last closeout for October 2025 just covered our payroll and utilities. We know we are not the only ones struggling; there are others whose CDI check was much smaller and who couldn't cover anything but payroll. We as farmers should not have to struggle to the point that we worry about making payroll, let alone paying all the cost that comes with running a business. It affects not only our families but also the families of our employees.

Thank you for your attention and prompt consideration of this urgent matter.

Thank you,

Joe Alves
Owner
Alves & Son Dairy

Item 5-ix
Hardships
Luis C Nunes & Sons

Hardship Summary
by Quota Administration Program

Title	Content
Date Submitted	December 3, 2025
Status	Incomplete
Producer/Dairy Name	Luis C Nunes & Sons
Requested By	Louie Nunes
Extent of the Relief Requested	"Immediate and permanent removal of the Quota Implementation Plan (QIP) assessment being taken from my dairy"
Basis for the Relief Requested	"These combined deductions have created a severe and escalating financial hardship that directly threatens the financial sustainability of my operation"
Time Frame for the Relief Requested	Unspecified: permanent removal of the assessment
Additional / Supporting Document Submitted?	No

From: [Durant, Amber@CDFA](mailto:Durant.Amber@CDFA)
To: [Ko, David@CDFA](mailto:Ko.David@CDFA)
Subject: FW: Hardship template
Date: Thursday, January 22, 2026 10:48:42 AM

From: Louie Nunes <louienunes3@gmail.com>
Sent: Wednesday, December 3, 2025 5:23 PM
To: Durant, Amber@CDFA <Amber.Durant@cdfa.ca.gov>; Ross, Karen@CDFA <secretary.ross@cdfa.ca.gov>; Weber, Peter@CDFA <Peter.Weber@cdfa.ca.gov>; Diaz, Kathy@CDFA <kathy.diaz@cdfa.ca.gov>
Subject: Fwd: Hardship template

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As the owner and operator of Luis C Nunes & Sons, I am formally requesting the immediate and permanent removal of the Quota Implementation Plan (QIP) assessment being taken from my dairy. As a member of CDI, I am currently subjected to a \$2.50 deduction per hundredweight, in addition to the approximately \$0.40 deduction redistributed to other dairies solely for the purpose of paying a premium to quota holders as outlined by the QIP.

These combined deductions have created a severe and escalating financial hardship that directly threatens the financial sustainability of my operation. The strain placed on my dairy is not the result of mismanagement or poor decisions, but of circumstances entirely outside of my control while also including prolonged market volatility, historic input-cost spikes, unpredictable environmental and regulatory pressures, and processor-

level deductions that individual producers have no authority to negotiate or change. The QIP assessment has now compounded these pressures to the point of creating a financial disaster for my dairy affecting my businesses long-term financial viability.

After reviewing the QIP and its provisions, I firmly believe my situation meets and exceeds the criteria for a hardship exemption. The continued removal of funds from my milk checks out of my control at a time when milk price margins are already critically thin is causing direct, immediate, and unsustainable harm to the management and day-to-day operation of my dairy. Without relief, the future stability of my business is at risk.

It is important to emphasize that granting this hardship exemption does not create fiduciary harm to quota holders. The \$1.70 premium paid to quota owners will remain fully intact, unchanged, and unaffected by my exemption. While it is possible the assessment rate may be adjusted for others, the financial benefit to quota owners is not reduced in any way by granting my request. Their protected interests remain whole and untouched.

Given these circumstances, I respectfully request that the QIP assessment be immediately and permanently removed from my dairy. The continued deduction represents a burden that is both outside my control and impossible to withstand. Immediate relief is necessary to prevent further and potentially irreversible harm.

Thank you for your attention and prompt consideration of this urgent matter.

Item 5-xi
Hardships
Double L Cattle

Hardship Summary
by Quota Administration Program

Title	Content
Date Submitted	December 15, 2025
Status	Incomplete
Producer/Dairy Name	Double L Cattle Company
Requested By	Tom Vander Dussen
Extent of the Relief Requested	"I am asking for an exemption from paying the exemption from paying the assessment to the qip"
Basis for the Relief Requested	"Currently pays 20,366.88 dollars a month to the qip which I receive no value for"
Time Frame for the Relief Requested	Unspecified
Additional / Supporting Document Submitted?	No

From: [Tom Vander Dussen](#)
To: [Ross, Karen@CDFA](#)
Cc: [Ko, David@CDFA](#)
Subject: Quota hardship requested
Date: Monday, December 15, 2025 1:33:30 PM

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Dear secretary Ross and orb board. Double L cattle company at 10234 Lansing Avenue in Hanford state number 51523 currently pays 20,366.88 dollars a month to the qip which I receive no value for. That puts a huge burden or hardship on my business. I am asking for an exemption from paying the exemption from paying the assessment to the qip. With extreme low milk prices I need some help. Please inform me of when the next prb meeting will be scheduled to hear my request.

Sent from my iPhone

Item 6

QIP Administrative Assessment Rate Revision



January 5, 2026

**QUOTA IMPLEMENTATION PLAN
QUOTA PROGRAM ADMINISTRATION ASSESSMENT REVISION
EFFECTIVE FEBRUARY 1, 2026**

TO ALL INTERESTED PARTIES:

The California Food and Agricultural Code (FAC) section 62757 authorizes the Secretary of the California Department of Food and Agriculture (CDFA or Department) to establish a standalone quota program if a federal milk marketing (FMMO) order were to be established in California. An FMMO was issued into effect in California in 2018 which resulted in the implementation, via industry referendum, of the Quota Implementation Plan (QIP). QIP became effective on November 1, 2018.

FAC section 62757 and Article 9 of QIP provide for a **program administration assessment** to cover the cost of managing the Quota Administration Program (QAP). Since the inception of QIP, the administration assessment rate had been set at \$0.0030 per hundredweight. The Department suspended the administration assessment for 1-year effective September 1, 2023. In 2024, the Department extended the suspension effective September 1, 2024 until a new assessment rate is adopted to meet the operational needs of the QAP.

Recently, CDFA reviewed its projections and determined that reinstating the administration assessment was needed to make reserve levels consistent with the financial needs of QAP and the Department's goals of maintaining revenue, expenditures and administrative reserves in alignment. Accordingly, CDFA has set the **Program's administration assessment to \$0.0039 per hundredweight effective February 1, 2026**. This assessment rate will remain in place until modified by CDFA. The Assessment Order can be found on the back of this letter.

Sincerely,

Kathy Diaz
Kathy Diaz, Director
Marketing Services Division

Digitally signed by Kathy Diaz
Date: 2026.01.05 07:38:51 -08'00'



**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