CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE
A. G. Kawamura, Secretary

June 30, 2010

John Rossi
Chairman
California Floor Price Committee
P.O. Box 332
Manteca, CA 95336

Dear Mr. Rossi:

This is to acknowledge receipt, on June 29, 2010, of the letter submitted by California Floor Price Committee, dated June 29, 2010. The letter petitions the Department to call an emergency hearing to consider amendments to the Stabilization and Marketing Plans for Market Milk (Plans). Specifically, the letter suggests flooring the all milk price and raising tariffs or putting a tax on all milk imported into California.

In order for a petition to be valid, it must include: a brief description of the requested changes, including a copy of the suggested language to amend the Plans; relevant analysis, comments and/or data supporting the request; and the authority of the Secretary to take the action requested. In reviewing your letter requesting a hearing it was determined your request is incomplete. Your letter lacks the proposed language to amend the Plans, detailing the specifics of how your proposal would be implemented per Title 3, Chapter 3, Article 1, Section 2080.3 of the California Code of Regulations.

The Department will expedite its process for consideration once your proposal is completed.

Sincerely,

David Ikari

David K. Ikari, Chief
Dairy Marketing Branch

California Floor Price Committee
P. O. Box 332
Manteca, California 95336

June 29, 2010

A.G. Kawamura, Secretary
California Department of Food and Agriculture
1220 N Street
Sacramento, CA 95814

Re: **Petition for Emergency Hearing to Floor the All Milk Price at $14.50**
Amendments to the Stabilization and Marketing Plans for Market Milk
Northern and Southern California Marketing Areas

Dear Mr. Kawamura:

Pursuant to Articles 4 through 9, Chapter 2, Part 3, Division 21 of the California Food and Agricultural Code, as implemented by Title 3, Section 2080.2 of the California Code of Regulations, the California Floor Price Committee requests an Emergency Hearing to **floor the all milk price at $14.50 per hundredweight**. In support of this request, enclosed please find copies of a petition requesting a $14.50 floor signed by over 400 California dairymen, and their suppliers of goods, services, and credit. The California Floor Price Committee is a coalition of California dairymen, and their suppliers and bankers.

Because of its ongoing Cost of Production studies, the California Department of Food and Agriculture (CDFA) is well aware that the relentless, severe, economic hardships suffered by California dairymen during 2009 has not abated during the first half of 2010. Dairymen are broke and their suppliers and banks are owed hundreds of millions of dollars. Dairies continue to go out of business and milk producers continue to operate at a loss. Now is the time for CDFA to act and save what remains of the California dairy industry.

Besides a $14.50 floor price, we are asking the Department to raise tariffs or put a tax on all milk imported into California on an emergency basis so that milk entering the state from any source is priced no lower than $16.50 per hundredweight. This tariff or tax should not be removed by the Department, unless and until, California dairymen have rebuilt their equity and are operating on a sound, profitable basis.

The California Floor Price Committee requests that the Department call an Emergency meeting no later than August 6, 2010. Your kind consideration of this Emergency Petition is greatly appreciated.

California Floor Price Committee

John Rossi, Chairman

Enclosure

cc: Arnold Schwarzeneggar, Governor (w/encl)
Jerry Brown, Attorney General (w/encl)
A. J. Yates, Office of the Secretary (w/o encl)
Kevin Masuhara, Director, Marketing Services (w/o encl)
David Ikari, Dairy Marketing Branch Chief (w/o encl)

California Farmers Union

March 4, 2010

Governor Arnold Schwarzenegger
State Capitol Building
Sacramento, CA 95814

Dear Governor Schwarzenegger:

On behalf of the dairy producer members of the California Dairy Campaign (CDC) and the California Farmers Union we urge the California Department of Food and Agriculture (CDFA) to floor the all milk price at $14.50 per hundredweight on an emergency basis. Already 109 dairies have gone out business throughout the state and many more will follow if an emergency price floor is not put in place immediately to stabilize producer prices.

As you know dairy producers continue to endure an unprecedented and prolonged crisis due to record low producer prices that do not come close to covering the average cost of production in the state. It is imperative that CDFA floor the all milk price at $14.50 per cwt to provide a much needed price safety net for producers during this period of chronic low prices. We encourage CDFA to implement this price floor without delay so that producers are able to receive some relief soon. We further call on CDFA to raise tariffs on all milk imported into California so that the milk entering the state is priced no lower than $16.50 per cwt.

The dairy industry generates $63 billion in economic activity and 443,000 jobs statewide, but the continuing crisis is costing jobs and damaging our already struggling state economy. Money is being made in the dairy sector, but dairy producers are shut out of the profit opportunity under the current dairy pricing system. Last year, consumers paid between $30 and $50 a hundredweight for milk and dairy products while dairy producers were paid just $10 a hundredweight. Until the problems plaguing the dairy pricing can be fixed, it is imperative that CDFA establish an emergency price floor so that dairies across the state can remain in business.

We look forward to continuing to work with you and your staff to take additional steps to improve the outlook for California dairy producers in the future.

Sincerely,

Joe Augusto
California Dairy Campaign President

Joaquin Contente
California Farmers Union President

2881 Geer Road, Suite D
Turlock, CA 95392
Phone: (209)632-0885 Fax: (209)632-0706
www.californiadairycampaign.com

To: Western United Dairyman
"Request for Support"
From: John Rossi June 11, 2010

Ladies and Gentlemen, I am real happy to write to you today, and explain the dairy situation. Unfortunately my hay company has seen better days that is for sure.

Were we are right now with the petition drive, were rounding right about 400 plus petitions, about 300 from dairymen, and included in these, would be names like Sipe Vander Dussen, Doug Maddox, Joaquin Contente, Joe Augusto, Mario Simoes, Tony De Groot, Frank Borba, Caser Anker, Loren Lopes, Penney Newman Grain Company, Kruse Grain Company, Hunt & Berhens Company, Barlas Feed, A. L. Gilbert Company.

What we are trying to accomplish here is put a floor, as you know on our milk price, so we can all do business fairly safely. The damage has been done last year. And I cannot justify letting it happen again.

The industry somehow has accumulated the power and the right to stick their hands through the dairymen's pockets and into the banks pockets, through their pockets and into the grain man's pockets and then into the hay man's pockets, were they don't belong. And that's the reason I am working to floor this price. They will not give me a hearing as of right yet, and that tells me one thing, it can be done. If they wouldn't be so against it, then we might have a problem. But when their against it, that means were doing something right.

In the wake of everything I've heard coming from DC now, I see our secretary of Ag wants to resign. When they do replace him, their gonna have a hand picked person from the creameries, which means we don't have a chance.

Today, we need to get everybody on one page, in order to succeed in what we are doing here. Were trying to floor the milk price in California. Now, we have our own system here, so we can do this. It will be something like what happened in Arizona. When they did their immigration law, that caused all the raucous, it made DC, and California focus on the problem. It worked perfectly.

Well, when we floor the milk price here, believe me it is gonna be the same thing here, and it is gonna force Washington to address our problem that should have been corrected in 1998. If we would have floored the price then, this dairy farm catastrophe would not have happened. There is no reason to run people out of business with low price, we had nothing to do with the housing meltdown, the stock market crashing or this depression we are in. All our people connected with us have houses and were doing fairly well, until we took away their ability to cash flow. To run people out of business that have been in business for generations, and do it all in 1 or 2 years is wrong. And it has to be met with some sort of retribution or change to our system. And I feel very confident in what I am doing that I will succeed. Of course, I would like to have your blessings as well and your petitions, because it is all the more weight we need. I don't know if $14.50 is going to help you guys out, but it is gonna help everyone that I know, and I have never seen a business that turns down money, especially with all the environmental requirements.

Now if your asking me how to run these creameries and market their milk, if I could tell you that right now, I would buy a creamery, because I'd be ahead of everybody, because it would be no sweat to do what we are trying to do. But those are things right there, that need to be figured out by them.

If you want a supply management system, that is great, that will go on top, but we need a floor, so we can get guys financed. Nobody will finance anyone out here, because they can't show they can pay back the money. The processing now has the power and reputation of again, and again putting their hands in pockets they don't belong. For that I'm asking for your endorsement on this before the collapse of the California dairy system accelerates.

What is happening right now with the floor price petitions, we will be submitting these to the California Dept of Food & Ag, to request our hearing. Now, at that time they will have 15 days, to give us our hearing. So, if we haven't heard back by the 16th day, then we will be setting up a floor price rally in Sacramento, right on the steps of the Capital, right outside Schwarzenegger's Office.

We will be getting our permit for that, and we will be asking if we can bring the cows to Sacramento, because this is a major adjustment of dairy pricing here in California. What we need to do here, is we need to seal ourselves off in some fashion from the rest of the country, and when I was in DC a couple months ago, I told those people in the House, we've done given up on you guys over here, we don't think you can do anything to help. And probably they can't, because they have so many influences coming from so many directions. Along with this being a depression and not normal times.

But anyway along with trying to get our rally, our petitions and information will be going to every newspaper in the state as well. So from this point on, Ladies and Gentlemen, we need your help, and with your help, I believe we can succeed.

Question? What about the tariff?

Yes, that is the other half of it, and I put it on there to protect our quota system. And I gave another 30 cents, just to have a cushion, because we need it for all the milk coming into our state. And yes, I have checked this out, and this can be done, and the flooring of the milk, I went through all the regulations and codes that they have in Sacramento, and this can be done, it has already been done before.

This $16.50, I don't think is unfair, but see, when you have most of the milk running through the co-ops, sitting on top of $14.50, then we can look at the market for any additional. And also, that $16.50, would include on any imports we have coming north - south -east or west. Which every direction if comes from, and with that if these two things are implemented I do believe we will have your bankers at your door steps, the minute it is done and we have the floor into place.

And listen now, on the day of our rally up there in Sacramento, when it happens, we have a meeting room donated by the US Bank, directly across from the Capital, this board room will come in handy for any press conferences and negotiations on how to accomplish this. Now, this is just the structure, the frame work of it and as you know there can be ways of modifying it to satisfy everyone. But that has to happen once we get it and then we can talk about those things there. But as of right now, we need it floored. We need it floored immediately.

I know there are a lot of dairymen who have other avenues of income other than dairy milk, some have almonds, some have walnuts, pistachios and what have you, well with our dollar getting stronger in the world, that is gonna shut down exports, and those commodities prices are gonna crash, like our milk had done last year. And it will happen again, as far as I can see.

Now without those incomes for a lot of dairies, I mean their losing a lot of money on their trees, along with their dairy. Our backs are against the wall here, We need relief and we need it now.

I commend Western United Dairymen for all their efforts, and accomplishments helping the California dairymen. Unfortunately, today the dairymen of California have 4 different government agencies working against each other. The results of this have been devastating to the dairy producer and his creditors. First, you have the USDA, with the support price at $9.90, which in turn pulls our price toward it. Then the dairymen must have operating loan and the bankers would like to cooperate, but they have criteria mandated by the government. #1 you must pay it back, #2 your must have clear means (a bankable price) of paying it back. #3 Are you in an environmental compliance with your dairy? This is another requirement to get a loan. For some reason, the government is hindering compliance by requiring immediate compliance. Few have the immediate resources to do this today. The dairymen are taking feed dollars to pay for this. The environmentalist should be spending their time and resources, helping to floor the milk price for California dairyman. So we will have the means to comply, and be good stewards of the land.

This year, because of the weather, hay prices will be getting stronger this summer. We also have the CWT buying out dairies, trying to short the market and drive milk prices up. Then on the other hand, we have no restrictions on imported dairy cattle, and they are crossing our borders daily backfilling our herds. We also have imports of milk products being purchased at below cost of productions prices, which increase demand for them. Then we export most of our dairy products at a loss to the producers.

Last question, What's the little dairy producer going to do about all this?

"It is time to floor the price!"

I'm looking forward to working with you to bring success.

Awaiting a written reply.

John Rossi
Chairman, Director, Floor Price Committee

As of today, if milk were floored, this means app. $1.20 average per cow per day increase. This small raise is equal to app. $800 million dollars per year increase, to all California Dairies, and their Creditors.

Yes, this can be done, A.E. 1000 cows = $1200 per day, 36,000 per month or $430,000 per year to break even today. It is my estimation that 60% of all dairies in California are in foreclosure or close to it, and 75% of all dairies are being sued for payment of services.

To: Milk Producers Council
"Request for support"
From: John Rossi May 11, 2010

Gentlemen, I'm really happy to be able to call in here today and explain the situation. Unfortunately, I've seen better days in the hay business, that's for sure. This will be my second day this week. Maybe by this afternoon I can get to put fuel in my trucks, but I had two checks from dairymen bounce on me here on Monday, so it put me on the short side at least until next week. But, I've been in tight spots before, but never one quite as tight as this right here.

Where we are at right now, fellas, on this petition drive, we are rounding right about 450 petitions right now. From dairymen it's close to 400 - pretty close - I think probably 390, somewhere in there, and in there of course you probably know I do have Sypes and I have Doug Maddox here today. I got Joaquin Content's a while back, Joe Augusto's. We just received an endorsement here from Kruse Grain, Penny Newman Grain, Hunt & Baron's Grain, Barless Feed, and A. L. Gilbert Company.

What we're trying to accomplish here is to put a floor, as you know, on our milk price so we can all do business. The damage has been done last year and it cannot be justified to let it happen again. The industry somehow has accumulated the right and the power to stick their hands through the dairymen's pockets and into banks' pockets, through their pockets into the grain man's pockets and into my pockets, where they don't belong. And that's the reason why I'm working on flooring this price. They will not give me a hearing as of right yet and that tells me one thing - it can be done. If they wouldn't be so adamant against it, then we might have a problem, but when they are against it, that means we're doing something right. In the wake of everything that I've heard coming from DC now, I see our Secretary of Ag, what I understand, is resigning. And I know up here someone from Modesto was asked to replace him, but he was denied by some of the creameries, I guess, did not want him in there. So when they do replace Vilsack, they're going to get a handpicked person in there from the creameries, which means, that we don't have a chance.

Today, we need to get everybody on one page in order to succeed in what we're doing here. We're trying to floor the milk price in California.

Now, we have our own system so we can do this. It will be equal to what is happening over there in Arizona, when they did their immigration law that caused all this raucous. It made DC focus on the problem.

Well, when we floor the milk price here, believe me it's going to be the same thing and it's going to force Washington to address our problem, that should have been corrected in 1998. If we would have floored the price then, this dairy farm catastrophy would not have happened.

There is no reason to run people out of business with just low price. We had nothing to do with the housing meltdown or this depression we're in. All our people have houses and are doing fairly well until we took away their ability to cash flow here. To run people out of business that have been in business for generations and do it all it one year is wrong and it has to be met with some sort of retribution, as you might have to say, and I feel very confident in what I'm doing, that I will succeed. Of course, I would like to have your blessings as well, and your petitions, because it's all the more weight we need. I don't know if $14.50 is going to help you guys out, but it's going to help out everybody that I know and I've never seen a business yet that turns down money, especially with all the new environmental requirements.

Now if you're asking me how to run these creameries and market their milk, if I could tell you that right now I'd buy a creamery because I'd be ahead of everybody, because it would be no sweat to do what we're trying to do. But those are things right there that need to be figured out by them and they will be the one to put the pressure on DC to adjust.

Now if you want a supply management system, that's fine, that will go on top, but we need a floor so that we can get guy's financed. Nobody will finance anyone out there because they can't show they can pay back the money. The processing now has the power and reputation of, again, and again, putting their hands in pockets they don't belong, For that I'm asking for your endorsement on this, before the "collapse of California dairy's business accelerates."

What is going to be happening now, just so that you know, and is going to happen with or without anything that we get in endorsements in the future here, by the end of this week this is the end of our petition drive and we're going to go with what I have. We will be submitting these to three different sources here in California, at that time they have forty-eight (48) hours to give us our hearing. Now, if we haven't heard back on the 49th hour, then we will be setting up a Floor Price Rally in Sacramento, right on the steps of the Capital, right outside Schwarzenegger's office.

We will be getting our permit for that. We will be asking if we can bring the cows to Sacramento, because this is a major transformation of the dairy pricing here in California. What we need to do here is, we need to seal ourselves off in some fashion from the rest of the country and when I was in DC, a couple of weeks ago, or a month ago, whenever it was, I told those people in the House "we done gave up on you guys! We don't think you can do anything," And probably they can't because they have so many influences coming from so many different directions. But anyway, along with trying to get our rally, our petitions and all the credits we'll be going to every newspaper in the state as well. So, from this point on ladies and gentlemen, we need your help and with your help I believe we can succeed.

(Question) What about the Tariff?

Yes, yes, that's the other half of it right there and I also put that on there, so it would protect our quota system and I gave an extra 30 cents on there, just so that we had a little bit of a cushion because we need it for milk coming into the state, and yes, I've checked that out and that can be done and the flooring of the milk, I went through all the rules and regulations and codes, that they have up there in Sacramento and yes, this can be done. It had been done already before.

This $16.50, I don't think it's unfair, but see, when you have most of the milk running through the co-op's, you see 55% of the milk is what I understand in this state, maybe it's more. Then you have your co-op's sitting on top of $14.50.

Now gentlemen, when you sit on top of that price, then we get into looking at the market for any additional. And maybe these guys can actually, instead of just taking calls to buy their milk, can get out there and try and sell it. And also, that $16.50, would include on any imports that we have coming in. It is milk coming north, south, east, or west. Whichever direction it comes from, and with that, if these two things are implemented, I do believe we'll have the Banker's at your doorsteps the minute it's done and we have our floor put into place.

And listen now, on the day of our rally up there in Sacramento, when it happens there, we do have our own office. We have been donated one by US Bank and we can use their Board room. It's right directly across from the Capital, for any press conferences and negotiations on how we can accomplish this. Now this is just the structure. This is the framework of it and, as you know, there can be ways of moving it to satisfy everybody, but that has to happen once we get it and then we can talk about those things right there. But as of right now, we need it floored. We need it floored immediately.

The hay situation in the state now up here, we have lost a cutting - a full cutting - and people have plowed out their hay because of last year's low prices and they darn sure with the industry like it is right now, weren't going to plant this year, so you've got, very little went in. So, our hay prices are gonna be strong for the year compared to what they were last year. There's just not gonna be enough to go around. So I'm sure the grain companies are going to start filling in with their grains. But, the way it's going, everybody out here that I'm selling to, is sinking, because they aren't making enough money to keep up with their bills.

Gentlemen, I have my own money invested in this petition. Once I can pay my fuel. Whatever is left, I'm putting it in this deal right here trying to get this done because if we don't get a floor, unfortunately, it's gonna wipe everybody out that we're doing business with. Not everybody, but a good portion of them throughout the state and it's gonna wipe me out too.

Our business started back in 1921, here in Central California, and unfortunately I'm the one destined, I'm possibly on the rocks here and maybe I won't make it like a lot of folks that have written in letters to us. I would end up joining them. There are about 25 dairies out there, that wouldn't be in business today, had I not helped them out last year. I was hoping for financing by this time, but none of it came through.

I know there are a lot of dairymen out there who have other avenues of income other than their dairy milk. Some have almonds and walnuts and what have you? Well, with our dollar getting stronger in the world, that's gonna shut down exports and those prices are going to crash, just like our milk had done last year, and it will happen again as far as I can see.

Now without those incomes for a lot of dairies, I mean, they're losing money on their trees, along with their dairy… Our backs are against the wall here.

I support everything you guys are doing there in trying to get your supply management program through for the United States. I think it's a good thing that you're doing, it's very honorable, but those people back there, we don't have enough money to fight Washington. And even with all you people sitting at your Board room table right there, none of you altogether have enough money to go and fight the influence's that 's up there. They got you outspent, outgunned, and they're there everyday. Follow me, and support flooring the price here in California. I'll do my very best job of getting this price floor, so we can all make a living here in California and get things back in order here. Let's add jobs and grow our dairies.

Thank you very much for this opportunity and unfortunately I wish that I was there trying to sell you all hay, rather than trying to lift the whole market up here. But, it's David and Goliath here boys. I've seen tough times before and been in some tough scrapes, that's for sure, and this don't seem that hard to me.

"It's time to Floor the Price".

Awaiting your reply.
John Rossi

MAJOR SUPPORTERS FLOOR MILK PRICES

A.L. Gilbert Company Robert E. Gilbert Oakdale, CA 95361	Grain Co	Kruse Grain Company Kevin Kruse Goshen, CA	Grain Co.
Hunt & Berhens, Inc. 30 Lakeville Hwy Petaluma, CA 94952	Grain Co.	Barlas Feed 909 Petaluma Parkway Petaluma, CA 94952	Grain Co.
Penny Newman Grain, Inc. 2691 Cedar Ave. Fresno, CA 93776-2347	Grain Co.	Boer Commodities 4969 E. Clinton #102 Fresno, CA 93727	Grain Co.
John Rossi Hay Company, Inc. P.O. Box 332 Manteca, CA 95336	Hay Broker	Rossi Finance Company, LLC 511 N. Airport Way Manteca, CA 95337	Banker
Exchange Bank 545 Fourth Street Santa Rosa, CA 95401	Bank	Tri Counties Bank Harold Wiley Visalia, CA 93292	Bank
Sonoma Marin Veterinary Petaluma, CA 94952	Vet	Veterinary Pharmaceutical Hanford, CA 93230	Vet
Doug Maddox 7285 W. Davis Rd. Riverdale, CA 93656	Dairyman President Holstein Assoc.	Mario Simoes 10614 Ave 184 Tulare, CA 93274	Dairyman
Frank Borba, Jr. E. Dodds Rd Escalon, CA	Dairyman	Ralph Fagundes 14141 Hwy 59 Merced, CA	Dairyman
Joaquin Contente 7900 15th Ave Hanford, CA 95230	President CFU	Joe Augusta Visalia, CA 93292	President CDC
Internal Revenue Service Sharon Provost 4643 Quail Lakes Drive Stockton, CA 95207	Tax Services	Kirby Mfg, Inc. P.O. Box 989 Merced, CA 95341	Dairy Equip Mfg
Sipe Vander Dussen 4531 Birdie Circle Corona, CA 92883	Dairyman President MPC	Loren Lopes 619 S. Vincent Rd. Turlock, CA 95380	Dairyman
Tony De Groot 3012 Grangerville Blvd Hanford, CA 93230	Dairyman	Case Anker 17873 Ave 256 Visalia, CA 93292	Dairyman
Mary Cameron 5811 Lacey Blvd Hanford, CA 93230	Dairy Farmer	Bay Meadow Farms Walt Kessler Elk Grove, CA	Dairyman

2010

In order to prevent the collapse of the Dairy business in California, I here by request the CDFA to grant a hearing to Floor the raw milk prices to milk producers of California. (Hearing to be held at the State Capital Building as soon as possible)

AGENDA

BRING THE BANKERS BACK TO OUR DAIRIES

FLOOR ALL MILK PRICE AT $14.50

RAISE TARRIFF ON MILK ENTERING CALIFORNIA TO $16.50 PER HUNDRED WT.

THESE INDUSTRY ADJUSTMENTS WILL ALLOW BANKERS TO ONCE AGAIN FINANCE DAIRIES. TODAY THEY CANNOT BECAUSE OF THE BELOW COST OF PRODUCTION PRICES WHICH PREVENT LOAN PAYBACKS. OUR PRICING SYSTEM IS BROKEN.

Name_____ **Occupation**_____

Address_____ **Number of Employees**_____

_____ **Signature**_____

Phone#_____ **Date**_____

Major endorsements or comments along with this petition and any copies should be addressed to: Floor Price Committee, P.O. Box 332, Manteca, CA 95336

Speaking time at the hearing is recommended, but not required, to be made in advance. Send your request to Floor Price Committee. Comments Welcome.