

— STATEMENT OF DETERMINATIONS AND ORDER —
OF THE
SECRETARY OF FOOD AND AGRICULTURE

*REGARDING PROPOSED AMENDMENTS
TO BOTH THE POOLING PLAN FOR MARKET MILK AND
THE STABILIZATION AND MARKETING PLANS FOR MARKET MILK
THAT ADDRESS MILK MOVEMENT INCENTIVE ISSUES*

BASED UPON A PUBLIC HEARING HELD ON JUNE 28 AND JULY 2, 2001

*Signed in the Office of the Secretary
Wednesday, August 22, 2001*

DETERMINATIONS

Duly noticed public hearing was held by the Department of Food and Agriculture (Department) on June 28 and July 2, 2001, to consider amendments to the milk movement incentives in both the Pooling Plan for Market Milk (Pool Plan) and the Stabilization and Marketing Plans for Market Milk (Stab Plans). At the hearing, testimony and evidence were introduced into the record regarding proposals to make various modifications the Transportation Allowances in the Pool Plan and the Transportation Credits and Milk Movement Requirements in the Stab Plans. Additional testimony was submitted in the form of briefs during a ten-day period following the close of the hearing. A summary of witnesses' testimony and evidence can be found in the two Panel Reports to the Secretary of Food and Agriculture. In weighting all available information, the Department has determined that the current Pool Plan and Stab Plans no longer effectuate the declared purposes of the Food and Agricultural Code; that the Pool Plan and Stab Plans should be amended.

The hearing was called after a series of four public workshops held in 2000. The Department conducted the workshops to review the current milk movement incentives in the Pool Plan and the Stab Plans. The workshops afforded all interested parties an opportunity to review the current Transportation Allowances, Transportation Credits, Milk Movement Requirements and Regional Quota Adjusters. Participants were also able to discuss changes to the current system as well as new approaches to milk movement incentives. While no consensus was reached on specifics, most participants felt the time was appropriate for a formal public on milk movement incentives.

The hearing record reflects a need for changes to the current milk movement incentives. The recommendations in the panel reports do not address every concern raised in the hearing records. However, the recommendations in the panel reports are an improvement over the system currently in place. Thus, in all respects, the Department adopts the panel recommendations as summarized in Attachment A.

FINDINGS OF THE DEPARTMENT OF FOOD AND AGRICULTURE

The Department of Food and Agriculture makes the following findings based upon the testimony and evidence presented at the public hearing held on June 28, 2001 in Ontario, California, and continued on July 2, 2001 in Sacramento, California.

The Department has considered all testimony and items of evidence submitted by all parties to these proceedings, whether specifically mentioned herein, in rendering these findings. The Department has considered all provisions set forth in Chapter 2, Part 3, Division 21 of the Food and Agricultural Code, whether specifically mentioned herein, in rendering these findings. These include, without exception, all provisions and declarations regarding public interest considerations.

It is hereby found and concluded that:

- (1) The current Pooling Plan for Market Milk and the current Stabilization and Marketing Plans for Market Milk now in effect are no longer in conformity with the standards prescribed in, and will not tend to effectuate the purposes of, said Chapters 2 and 3.
- (2) The amendments contained in the Pooling Plan for Market Milk Order Number 99, in Stabilization and Marketing Plan for Market Milk for Northern California Order Number 41 and the Stabilization and Marketing Plan for Market Milk for Southern California Order Number 56 shall become effective as of 12:01 a.m. on September 1, 2001.
- (3) The above referenced changes included in the Pooling Plan for Market Milk and in the Stabilization Plans for Market Milk will tend to accomplish the purposes of said Chapters 2 and 3 within the standards therein prescribed.

ORDER OF THE SECRETARY OF FOOD AND AGRICULTURE

Therefore, I order that the Pooling Plan for Market Milk Order Number 99, the Stabilization and Marketing Plan for Market Milk for Northern California Order Number 41, and the Stabilization and Marketing Plan for Market Milk for Southern California Order Number 56 shall become effective at 12:01 a.m., September 1, 2001.

Original signed by:

Dan Webb, Deputy Secretary
California Department of Food and Agriculture

Signed and entered in
the Office of the Secretary
of Food and Agriculture at
Sacramento, California,
on August 22, 2001