

FINDINGS AND ORDER OF THE DIRECTOR OF FOOD AND AGRICULTURE  
AMENDING THE STABILIZATION AND MARKETING PLANS FOR MARKET MILK FOR  
DEL NORTE-HUMBOLDT ORDER NUMBER ONE HUNDRED FIVE (105),  
NORTHERN CALIFORNIA ORDER NUMBER FOURTEEN (14),  
SOUTH VALLEY ORDER NUMBER THIRTY-ONE (31), AND  
SOUTHERN CALIFORNIA ORDER NUMBER THIRTY (30)

Pursuant to the provisions of Chapters 2 and 2.5, Part 3, Division 21 of the Food and Agricultural Code, notice of an April 13, 1988 consolidated public hearing was given in accordance with the provisions of Section 61994 of the Food and Agricultural Code.

The hearing was called upon the Director's own motion principally for the purpose of bringing said Milk Stabilization and Marketing Plans into conformity with the January 1988 changes in the California Consumer Price Index as determined by the Division of Labor Statistics and Research, California Department of Industrial Relations.

The director of Food and Agriculture makes the following findings based upon the testimony and evidence presented at the consolidated hearing held in Sacramento, California on April 13. In addition the Director hereby adopts the concurrent Economic Basis for Findings and Conclusions on Material Issues dated May 12, 1988.

FINDINGS

It is hereby found and concluded that:

- (1) The Stabilization and Marketing Plans do not conform to the changes in the California Consumer Price Index as determined by the Department of Industrial Relations.
- (2) 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 2.5.
- (3) The amended Stabilization and Marketing Plans for Market Milk identified as Del Norte-Humboldt Order Number One Hundred Five (105), Northern California Order Number Fourteen (14), South Valley Order Number Thirty-one (31), and Southern California Order Number Thirty (30) will tend to accomplish the purposes of said Chapters 2 and 2.5 within the standards therein prescribed.

ORDER

Therefore, by virtue of the premise aforesaid and the authority vested in me, I do hereby order that the said Stabilization and Marketing Plans for Market Milk shall become effective in each of the above-named marketing

Areas on and after 12:01 a.m., Pacific Daylight Savings Time, June 1, 1988.

Jack C. Parnell  
Director of Food and Agriculture

By David Shari

David K. Ikari, Chief  
Milk Stabilization Branch

Signed and entered in the  
Office of the Director of  
Food and Agriculture at  
Sacramento, California, on  
May 16, 1988.

ECONOMIC BASIS FOR FINDINGS AND CONCLUSIONS ON MATERIAL ISSUES  
PRESENTED FOR CONSIDERATION TO AMEND  
THE STABILIZATION AND MARKETING PLANS FOR MARKET MILK

Effective January 1988, the Bureau of Labor Statistics, U.S. Department of Labor, changed the standard reference base for the Consumer Price Indexes (CPI) for Los Angeles and San Francisco, California. The old base was 1967=100; the new base is 1982-84=100. The Division of Labor Statistics and Research, California Department of Industrial Relations, uses the CPI from these two cities to develop the California Consumer Price Index (C-CPI). The change in the standard reference base required a change in the calculation of the C-CPI.

The existing Stabilization and Marketing Plans for Market Milk are not in conformity with the change in the C-CPI with regard to the formula used to determine Class 1 prices. Therefore, a public hearing, called upon the motion of the Director, was held in Sacramento on April 13, 1988 to consider amendments to the respective plans in order to conform them to the new C-CPI.

In addition, minor, noncontroversial, technical changes which remove obsolete language and improve the clarity of the plans were considered at the hearing.

Three persons testified at the hearing. No witness opposed the proposed amendments. The hearing record and evidence submitted all support the adoption of the proposed amendments.

Jack C. Parnell  
Director of Food and Agriculture

By

*Elton O. Brooks*

Elton O. Brooks  
Senior Agricultural Economist  
Milk Stabilization Branch

Date May 12, 1988

