

DEPARTMENT OF FOOD AND AGRICULTURE

Division of Marketing Services

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January 3, 2006

Alliance of Western Milk Producers

Mr. James Tillison, CEO

1225 H Street, Suite 102

Sacramento, CA 95814

Fax: (916) 447-9942

Western United Dairymen

Mr. Michael Marsh, CEO

1315 K Street

Modesto, CA 95354-0917

Fax: (209) 527-0630

Dear Mr. Marsh and Mr. Tillison:

The Department has reviewed your letter of December 16, 2005, requesting a Class 1 Hearing to consider raising the Class 1 price level. The Department's review found the California Class 1 differences from Class I prices cited in your letter were accurate. In addition, the Department observed that the California average regulated Class 1 price exceeded the Southern Nevada Class I price by 7 cents per hundredweight for 2005.

After careful consideration of all factors, the Department has determined that there is an insufficient basis to change the current Class 1 pricing formula at this time.

Sincerely,

A handwritten signature in cursive script that reads "Kelly Krug".

Kelly Krug
Director

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