



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

A. G. Kawamura, Secretary

September 28, 2006

Milk Producers Council
Mr. Sybrand Vander Dussen, Chairman
Mr. William Van Dam, Executive Director
5370 Schaefer Avenue, Suite A
Chino, CA 91710

Dear Mr. Vander Dussen and Mr. Van Dam:

This letter is in response to the petition received on September 13, 2006 for a public hearing to vacate the Class 4b pricing formula as announced on July 24, 2006. After careful consideration of the merits of the petition, the Department has decided not to grant the petitioner's request.

You base your petition on the just-released Cornell study on the cost to manufacture dairy products. This study was not part of the record in the hearing, upon which the department's decision was based. The Department will not vacate a decision that was based on the record when rendered, even though the department might subsequently modify the formula as the result of a subsequent hearing, effective in accordance with the department's normal procedural rules.

Therefore, the Department will not vacate the manufacturing costs decision based on the new information released by the Cornell study.

Sincerely,

A handwritten signature in black ink that reads "Kelly Krug". The signature is written in a cursive style with a long, sweeping underline.

Kelly Krug, Director
Division of Marketing Services

