

Land O'Lakes, Inc.

Dairy Foods



September 20, 2006

Mr. Honorable A.G. Kawamura
Secretary
Department of Food and Agriculture
1220 N Street Room A-400
Sacramento, California 95814

WESTERN REGION

MAILING ADDRESS:
400 SOUTH M STREET
TULARE, CA 93274-5431

TEL: (559) 687-8287
FAX: (559) 687-6601

Re: Petition for Hearing by MPC

Dear Secretary Kawamura:

Land O' Lakes requests that the hearing petition by Milk Producers Council for a narrowly defined hearing on whey values as part of the Class 4b formula be denied for the following reasons:

1. The decision with respect to the Class 4a/4b hearing held on June 1-2, 2006 has not even been implemented yet.
2. There is no new information from CDFA cost studies to support any changes to the decision made by the Department as a result of the June 1-2, 2006 hearing
3. The Cornell study does not apply to California manufacturing operations. Their study represented a sample of plants outside the state.
4. In addition to hearing testimony, the Department of Food and Agriculture has always used CDFA actual audited costs for manufacturing milk plants in California as supporting evidence to establish make allowances for Class 4a and 4b milk products.
5. As true of other participants at the hearing, Milk Producers Council was given full opportunity to provide evidence to support their position at the June 1-2, 2006 hearing.

Sincerely,

Alan Pierson
Executive Vice President and Chief Operating Officer
Land O'Lakes, Dairy Foods Industrial

Cc:

A.J. Yates, Undersecretary – CDFA
Kelly Krug, Director, Marketing Services – CDFA
David Ikari, Chief, Dairy Marketing Branch - CDFA