



California Dairy Campaign

"Dairymen Working For Dairymen"

June 12, 2006

Hearing Officer
The Dairy Marketing Branch
CDFA
1220 N Street
Sacramento, CA 95814
Email: dairy@cdfa.ca.gov
Fax: 916-654-0867

Dear Mr. Hearing Officer:

The following is a post-hearing brief from the June 1, 2006, CDFA hearing submitted by the California Dairy Campaign.

Producers Support Price Floor

At the start of CDC's testimony, we mentioned that our organization collected petition signatures from dairy producers throughout the state in support of a price floor at the federal purchase support price. Please find signatures attached.

Processing Plant Expansions Occurring

CDC passed out information about the ongoing and future expansions of dairy processing facilities in Lemoore and Hanford, CA to the CDFA panel. Plants are investing money today to expand their processing capacity in California. Plants would not take steps to increase the size of their operations unless it was deemed profitable. The ongoing plant expansions indicate that the current make allowance rate is sufficient to foster plant expansion.

City of Hanford Application for Site Plan Review NO. 06-015

This document states that the Marquez Brothers request, "An addition to the cheese plant under construction to allow production of yogurt also."

City of Lemoore Application for Site Plan Review

Leprino Foods has applied for a "process building expansion for Cheesemaking." On January 30, the City of Lemoore approved the Site Plan Review. As a result, Leprino will add a "12,500 square foot processing building to the existing 489,000 square foot

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California Dairy Campaign

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plant."

Additionally please find a Report to City of Visalia Planning Commission the documents that California Dairies, Inc. has requested a conditional use permit to add "one 140-foot tall milk evaporator/dryer tower, a butter churn, and packaging operation." Additionally, CDI is requesting a "second 140-foot tower. Each phase will add approximately 5000 square feet to the existing building."

The Dairy Institute and other processing interests repeatedly claim that the make allowance should be increased to enable processing facilities in California to remain competitive with those in other states. However, it is evident from the multiple Site Plan Reviews that processors are able to expand their operations under the current make allowance rate.

CDC Testimony from June 1 Hearing on processing plant expansions:

CDC stands today in strong opposition to the proposal put forward by the Dairy Institute. The Dairy Institute claims increases in the make allowances and other changes are necessary because the prospects for new plant investment have "dimmed" due to rising costs. I would like to point out that in two towns near my dairy, Hanford and Lemoore, significant plant expansion is occurring. The expansion suggests that current make allowance rates and pricing formulas continue to attract plant investment. Attached please find documentation of plant expansion in my area.

Variable Manufacturing Cost Allowance

Several questions were asked regarding the relationship between plant processing capacity and milk production throughout the state. Under the CDC proposal, the manufacturing cost allowance would vary based on prevailing market conditions to ensure that production is in line with market demand. A variable make allowance would send a signal to both producer and processor when changes in market demand occur.

We appreciate the opportunity to submit a post hearing brief and look forward to working with CDFA on these and other issues affecting dairy producers throughout the state.

Thank you,

Joe Augusto
California Dairy Campaign
2081 Geer Road, Suite D
Turlock, CA 95381
Phone: 209-632-0885



REPORT TO CITY OF VISALIA PLANNING COMMISSION

HEARING DATE: July 25, 2005

PROJECT PLANNER: Trish Garrett (713-44002)

SUBJECT: Conditional Use Permit No. 2005-20 is a request by California Dairies, Inc. to allow a milk processing facility in the IH Zone. (Amendment to CUP NO. 1015) The site is located at 2000 North Plaza Drive (APN: 077-111-030).

STAFF RECOMMENDATION

Staff recommends approval of the Conditional Use Permit, based on the findings and conditions in Resolution No. 2005-73. Staff's recommendation is based on the following:

- The request is consistent with the General Plan and Zoning Ordinance.
- The request is a minor amendment to CUP No. 1015

RECOMMENDED MOTION

I move to approve Conditional Use Permit 2005-20 based on the findings and conditions in Resolution No. 2005-73.

PROJECT DESCRIPTION

Conditional Use Permit No. 2005-20 is a request to amend CUP NO. 1015 to allow a milk processing facility in the IH (Planned Heavy Industry) zone. The proposed project would be at an existing 55 acre industrial site (former Frito-Lay facility), and is in Design District "H" (see Site Plan - Exhibit "A"). Conditional Use Permit No. 1015 was approved in 1986 for Anheuser Busch to allow the development of the existing food processing plant.

California Dairies, Inc. is asking for approval of a two-phase development. The first phase would incorporate one 140-foot tall milk evaporator/dryer tower, a butter churn, and packaging operation. The second phase, which would start between the sixth and ninth year after phase one is near full capacity, will add the second 140-foot tower. Each phase will add approximately 5,000 square feet to the existing building (see Exhibit "B" Exterior Elevations).

The proposed facility would be a 24-hour operation, seven days per week. The milk would be received into the plant on a 24 hour based schedule, and processed into powdered milk and butter. At full operation, the facility will employ approximately 100-180 people on the longest shift. The existing facility has a 336 space parking lot.

The standard building height for Design District H is 75 feet, however, a Variance to building height (Variance No. 2005-07) was approved by the Planning Commission on July 11, 2005, to allow the two required 140-foot tall milk evaporator/dryer towers.

559-713-4812

CITY OF VISALIA

PAGE 01



City of Visalia Community Development
 315 East Adelaide Avenue
 Visalia, California 93291
 (209) 713-4444

**BUILDING PERMIT APPLICATION
 COMMERCIAL**

PLAN CHECK NO.

Bois 1200

Please fill out all of the areas which apply below AND on the reverse side. Plan check fees are to be paid and this form is to be filled out COMPLETELY to begin the plan check process.

PROJECT ADDRESS: 2700 N. Plaza
 Parcel No.: _____
 Subdivision: _____

SITE PLAN NO.: 005-5182
 SQUARE FOOTAGE: _____
 VALUATION: 127,712,000

PROPERTY OWNER: CALIFORNIA PACIFIC
 Address: 2700 N. Plaza
 City, State, Zip: Visalia CA 93291
 Phone: 559 7200

TYPE OF PERMIT: TRMO, COMM, SITE IMP

LIST OF PERMIT TYPES			
ALTCOM	Operational Addition	WFO	Water Supply Extension
CONDOP	Class Development	PATIO	Deck
COM	New Commercial	PLUMB	Plumbing
EMPO	Accessory	POOL	Pool
ELEC	Electrical	REROOF	Roof
ENCR	Encroachment	SEWER	Sanitary Connection
FENCE	Fence	SIGN	Sign
MECH	Mechanical	SITING	Engineering

APPLICANT/CONTACT: F. A. BONTALI
 Address: 2922 W. Main
 City, State, Zip: Visalia CA 93291
 Phone: 559 636 6448

COMPANY/TENANT NAME: CALIFORNIA PACIFIC
 Address: 2700 N. Plaza
 City, State, Zip: Visalia CA 93291
 Phone: 559 675 2700

CONTRACTOR: HARRIS CONSTRUCTION
 License: 113061
 Address: 5085 East McHenry
 City, State, Zip: Fresno CA 93727
 Phone: 559 251 0301

ARCHITECT: SEIRD DACH
 ENGINEER: _____
 DRAFTER/PERSON: _____
 License No.: C-22666
 Address: 2922 W. Main
 City, State, Zip: Visalia CA 93291
 Phone: 559 627 6448

LENDER: _____
 Address: _____
 City, State, Zip: _____
 Phone: _____

DESCRIPTION OF WORK: CONTRACT WITH RECEIVING AREA (MILK)

Licenses to encroach are NOT valid without an Underground Service Alert (USA) Number. Call 1-800-277-2800.
 USA No.: _____ Related Building Permit No.: _____

THIS APPLICATION SHALL EXPIRE 180 DAYS FROM DATE RECEIVED UNLESS A BUILDING PERMIT HAS BEEN ISSUED
 APPLICATIONS ARE ACCEPTED AND PERMITS ARE ISSUED BETWEEN 8:00 A.M. AND 5:00 P.M. MONDAY THROUGH FRIDAY, EXCLUDING HOLIDAYS
 IN COMPLETE SUCH THATS WILL NOT BE ACCEPTED

NOTE: THE contractor is required to have a valid City of Visalia Business License, current copies of Certificate of General & Auto Liability Insurance, and Workers Compensation on file with the City of Visalia Community Development Department prior to issuance of permits.

BUSINESS LICENSE EXPIRES: _____ W.C. INS. EXPIRES: _____
 AUTO INSURANCE EXPIRES: _____ GENERAL LIABILITY EXPIRES: _____

APPLICANT'S SIGNATURE: _____ DATE: _____

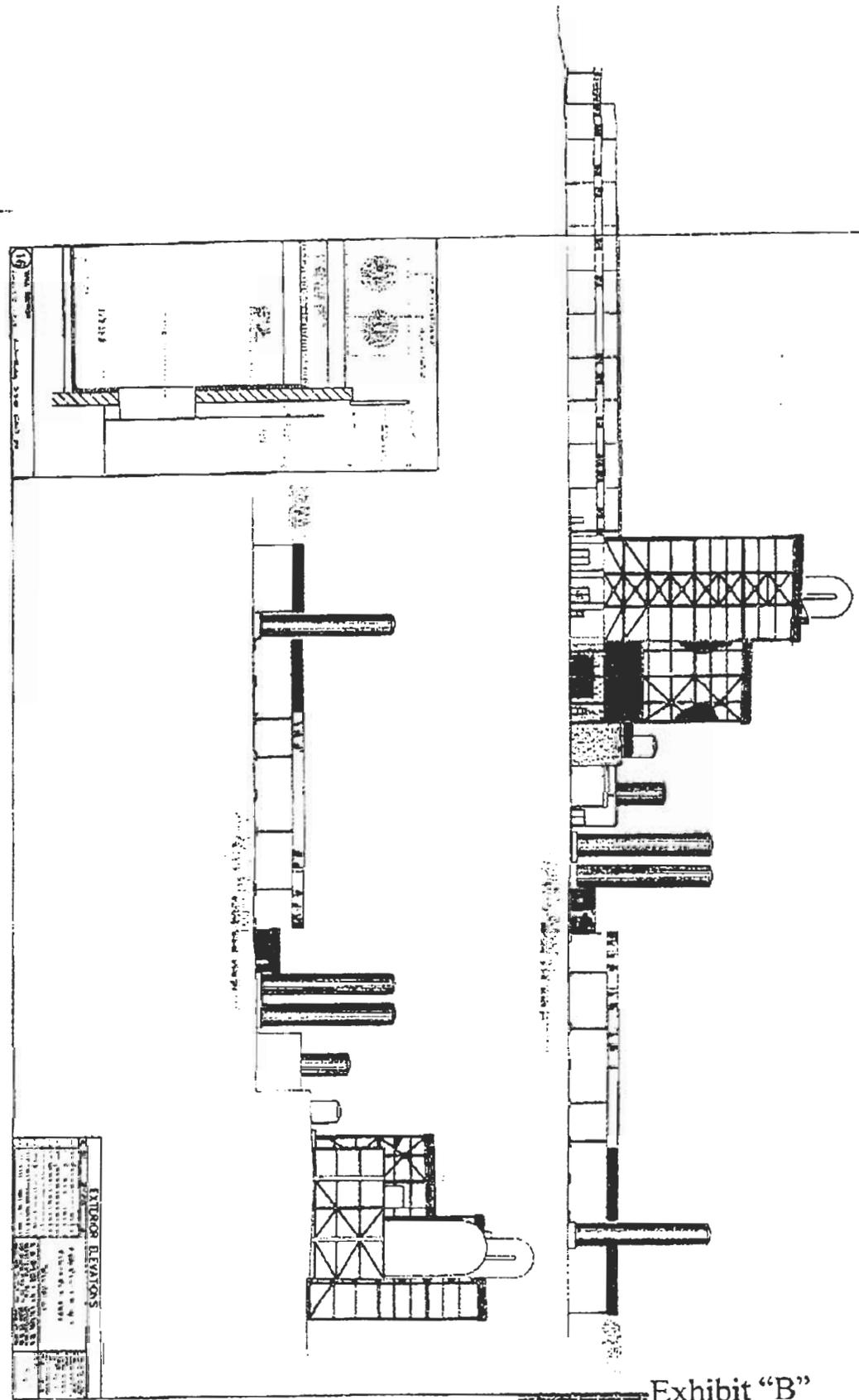


Exhibit "B"

Environmental Review

An Initial Study was prepared for this project, consistent with the California Environmental Quality Act (CEQA). The initial Study disclosed that environmental impacts are determined to be not significant. Therefore, staff recommends that Negative Declaration No. 2005-52 be adopted for this project.

RECOMMENDED FINDINGS

1. That the proposed project will not be detrimental to the public health, safety, or welfare, or materially injurious to properties or improvements in the vicinity.
2. That the proposed conditional use permit is consistent with the policies and intent of the General Plan and Zoning Ordinance. Specifically, the project is consistent with the required findings of Zoning Ordinance Section 17.38.110:
 - The proposed location of the conditional use permit is in accordance with the objectives of the Zoning Ordinance and the purposes of the zone in which the site is located.
 - The proposed location of the conditional use and the conditions under which it would be operated or maintained will not be detrimental to the public health, safety, or welfare, nor materially injurious to properties or improvements in the vicinity.
3. That an Initial Study was prepared for this project, consistent with the California Environmental Quality Act (CEQA). The Initial Study disclosed that environmental impacts are determined to be not significant. Therefore, staff recommends that negative Declaration No. 2005-52 be adopted for this project.
4. That there is no evidence before the Planning Commission that the proposed project will have any potential for adverse effects on wildlife resources, as defined in Section 711.2 of the Department of Fish and Game Code.

RECOMMENDED CONDITIONS OF APPROVAL

1. That the site be developed in substantial compliance with the site plan and elevations shown in Exhibits "A" and "B".
2. That the project be developed consistent with the comments and conditions of Site Plan No. 2005-122.
3. That all other city codes and ordinances be met.
4. That the applicant submit to the City of Visalia a signed receipt and acceptance of conditions from the applicant and property owner, stating that they understand and agree to all the conditions of Conditional Use Permit No. 2005-20, prior to the issuance of any building permits for this project.

APPEAL INFORMATION

According to the City of Visalia Ordinance Section 17.38.120, an appeal to the City Council may be submitted within ten working days following the date of a decision by the Planning Commission on a conditional use permit application. An appeal shall be in writing and shall be filed with the City Clerk at 707 W. Acequia Ave., Visalia, CA 93291. The appeal shall specify errors or abuses of discretion by the Planning Commission, or decisions not supported by the evidence in the record.

BACKGROUND INFORMATION

General Plan Land Use Designation	Heavy Industry
Zoning	IH (Planned Heavy Industry)
Surrounding Zoning and Land Use	North: IH / Sequoia Beverage South: IH / Goshen Avenue, vacant land & Able Industries EAST IH / industrial uses, International Paper West: IH / Plaza Drive, industrial uses and vacant land
Environmental Review:	Negative Declaration No. 2005-52
Special Districts:	Design District "H"
Site Plan Review:	SPR No. 05-122

RELATED PROJECTS

Variance No. 2005-07

CUP NO.1015, approved in 1986, for the construction of a food processing plant (Anheuser – Busch).

PROJECT EVALUATION

Zoning and Land Use Compatibility

The site is designated as Heavy Industry on the General Plan Land Use Map. The current zoning is IH (planned heavy industry). Dairy products processing & packaging is a conditional use in the IH zone. The proposed site is an established manufacturing facility (former Frito-Lay property) located in the industrial area. The proposed use meets the intent of the General Plan and Zoning Ordinance for industrial developments.

Access and Circulation

The existing facility has two entrances along Plaza Drive, which are 730 feet apart. Plaza Drive is an arterial roadway between Avenue 320 and Walnut Avenue. The southern entrance is for employees and visitors. There is a turning lane at this entrance for both north and south bound traffic. The northern entrance is for truck traffic. A 400 foot left turn lane is provided for southbound traffic, and there is a turning lane for northbound traffic, to enter the site.

Parking

The existing site has a 336 space parking lot, which exceeds the minimum required parking. Manufacturing and other industrial uses requires one parking space for each employee during the shift of maximum employment, plus one parking space for each vehicle used in conjunction with the use. The proposed facility will have 100-180 employees on the largest shift.

**DAIRY PRODUCER PETITION TO URGE
CDFA TO REINSTATE THE FLOOR PRICE**

We the undersigned urge the California Department of Food and Agriculture (CDFA) to immediately floor the commodity prices for butter, nonfat powder and cheddar cheese used in the milk pricing formulas at the federal support purchase price. Given the precipitous drop in dairy prices that has occurred since last year, and the high input cost, it is vital to the future of our industry for CDFA to immediately reinstate the floor price on Class 4a and 4b. Producers should have a safety-net support price for their milk that is based on the federal support purchase price. Before the department removed the federal support purchase price from the formula, plants had to pay the minimum prices established by USDA and it is time to reinstate that price floor for producers.

Signed,

Name	Address	Phone / Email
<i>[Signature]</i>	<i>[Signature]</i>	209-725-9279
JOE BENTO	95358 7500 MARIE BL	209-456-8943
DAVID MATHEWS	3213 OWNE/WEST Hwy OROVILLE	209-826-0521
<i>[Signature]</i>	4900 Dodds Rd Oroville	209-605-5111
Joe Luis Silva	16880 S. Homestead Del Oroville	604-27889
<i>[Signature]</i>	12700E Louis Ave Manteca	95326 815 5790
<i>[Signature]</i>	24323 E Skiff Rd Escalon	95328
<i>[Signature]</i>	16048 Sexton Rd Escalon, CA	95320
<i>[Signature]</i>	24048 Arthur Rd Escalon CA	95320
<i>[Signature]</i>	11006 Erat Ave Ballis CA	95303
<i>[Signature]</i>	11465 EAST AVE. BALLICO CA.	95303
Car Casals	4519 Berger Rd, Denair Ca.	95316
<i>[Signature]</i>	6401 E Taylor Rd Denair	95316
John B. Silva	5719 MERRIAM RD DENAIR	209-667-1455
Joe W. Marchala	2618 E. Tuolumne Rd Ceres	209-765-4162
John Minto	6654 W. Tuolumne Rd Snelling Ca	209-352-0777
Martin Boer	591 Stacy Rd Turlock	209-668-6879

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Signed,

Name	Address	Phone / Email
Felix Echeverria	13441 Eberle Rd.	661-347-0405
Kerri Vander Pool	13714 Shiv Rd.	661-396-9552
Pete De Jesus	18041 Palm Ave	661-746-3950
Derek Barcellos	7705 Flint Ave.	(539) 904-1077
Richard Reynolds	6000 Woodland Ave	661-366-0187
John B. ...	20400 Old River Rd	661-978-2999
Joe Augusto	213 N. Denton Ct Ukiah	559-803-6160
Alex Mendes	11326 Franklin Blvd. Elk Grove	(916) 684-8877
Tami Mendes	11326 Franklin Blvd. Elk Grove, CA	(916) 684-8877
Frank Pires	11390 Franklin Blvd. Elk Grove, CA	(916) 683-2560
Joe Vitoria	13340 Sargent Av. Galt	209-744-9532
ROBERT ERMAN	25873 V. KENNEDY RD GALT CA	209-368-7072
MATT ERMAN	1914 E. POLIER RD ACAMPO CA	9222 (916) 339-4717
JON TOLENAAR	11450 CARROLL RD, ELK GROVE, CA	(916) 684-2389
Mannel Monteiro	2300 West Armstrong Rd Lodi CA	95242
John Nascimento	P.O. Box 202 Lockeford CA	95237
Silvia Bruce Dairy	12997 E. Politzer Rd, Acampo CA	95220
Antonio Silva	Jose M Silva	95220
David Machado	11735 Carroll Rd Elk Grove CA	916 715-9102

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Signed,

Name	Address	Phone / Email
1. John Smith	2613 S. Mitchell	632-7867
2. John Smith	9402 ALVARDO	847-4136
Carl G VanHut	29984 Elroy 120 Elroy	838-3009
Manuel Cruz	2669 Mariposa	838-3761
Charles Beck	23375 E. Dobb's Escalon	838-8369
Rick Stuyf	2200 Mariposa Rd	838-6534
Arthur Oliveira	3991 Lander	632-9091
John A. Santos	4104 WEIR AVE	968-7832
John Morris	3513 Sh. 101 Rd Modesto CA	953-55, 541-002
Joe Bates	7500 MAZG BL MODESTO CA	(209) 456-8943
Joe	Silva 3443 Kansas AL	(209) 549-2162
Frank Frank	7496 combs Rd Merced	209-331-0201
Jonz Garcia	6455 Calif ave Modesto ca	(209) 549-0393
John Baird	9601 milnes Rd Modesto Calif	(209) 534-7955
Neil S	6135 Smith Rd Del Oro Calif	(209) 667-5346
Ernest	17447 E Huena Rd Escalon	952-0266
Christoph	11335 HENRY RD ESCALON	955-2410

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Signed,

Name	Address	Phone / Email
<i>[Signature]</i>	5002 W. Alameda	209-358-9201
<i>[Signature]</i>	15343 TIM BELL rd	209-874-9855
<i>[Signature]</i>	11550 AVARADO Rd.	209-871-0228
<i>[Signature]</i>	11045 Bond Rd	669-0725
<i>[Signature]</i>	555 VILLEREAU	993-2809
<i>[Signature]</i>	15142 South Jackson Rd.	Monterey Ca. 823-2027
<i>[Signature]</i>	3384 Langworth Rd	Modesto ca. 575-9555
<i>[Signature]</i>	1740 Claus Rd.	Modesto ca. 551-76
<i>[Signature]</i>	15649-28-Mil Rd	#847-7848
<i>[Signature]</i>	14691 Brennan Rd	(209) 838-6420
<i>[Signature]</i>	14089 Brennan Rd	Escalon Ca 95320
<i>[Signature]</i>	24666 E Mariposa	Escalon Ca 95320
<i>[Signature]</i>	24263 Dove Rd	Escalon 95320
<i>[Signature]</i>	24592 E Mariposa Rd	Escalon 95320
<i>[Signature]</i>	131825 Robinson Rd.	Escalon Ca. 95320 209-838-2342
<i>[Signature]</i>	8900 W. Blanding Co	Turlock Ca 95380 209-678-2638

TONY F. MELO & SONS, INC.

730 N. Bystrum RD.
Turlock, CA 95380
PH (209) 668-4758
FAX (209) 668-4733

