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June 15, 2007

The Honorable A.G. Kawamura, Secretary
California Department of Food and Agriculture
1220 N Street
Sacramento, CA 95814

Re: Petition for a change to the weekly and monthly Nonfat Dry Milk Sales Report

Dear Mr. Secretary:

Western United Dairymen respectfully requests the call of a hearing to consider revisions to the Weekly and Monthly Nonfat Dry Milk Sales Reports. While we understand revisions can be done administratively, we believe a formal hearing process is needed in order to have full disclosure of all implications of change. The Department has already held two meetings (May 16, 2007 and the DAC meeting May 31, 2007) to discuss this issue in attempts to foster discussion and glean information. The information offered at these meetings has been minimal and falls short of the specifics needed to determine the best resolution.

Our members are concerned about the large discrepancy between California's weighted average price (CWAP) and the nonfat dry milk prices reported by NASS. We understand NASS is in the process of reviewing their procedures. Our suggested changes will more closely align our current procedures with those employed by NASS. In the meantime, we encourage CDFA to work with NASS and/or AMS towards better alignment. Though the current discrepancies may resolve shortly, any future divergence of the CWAP and NASS will surely foster disorderly marketing practices and should be avoided.

Our proposed changes to the Weekly and Monthly Nonfat Dry Milk Sales Report are attached. Specifically, we ask that only those contracted sales that are delivered within 90 days of contract execution shall be included in the weekly and monthly CWAP prices. We anticipate that the proposed changes would result in reported CWAP prices that more accurately reflect current market conditions for the month reported.

We thank you for consideration of this petition and look forward to your response.

Very truly yours,

Michael L. H. Marsh, CPA
Chief Executive Officer

cc: Kelly Krug, Director, Marketing Services
David Ikari, Dairy Marketing Branch Chief
Board of Directors, Western United Dairymen