

## The Alliance of Western Milk Producers

1225 H Street  
Sacramento, CA 95814

September 25, 2008

Kelly Krug  
Director of Marketing Services Branch  
California Department of Food and Agriculture  
1220 N Street, Sacramento, CA 95814

Re: Technical Adjustment to August 4, 2008 Petition  
Pertaining to the Oct 30 and 31, 2008 Class 1, 2 and 3 hearing

Dear Mr. Krug,

We are submitting the attached new proposed language intended to accomplish the objective of our hearing request. This language provides several advantages over our previous proposal which we believe makes it superior:

- It is much less complex.
- It operates as a true surcharge.
- It does not impact the operation of pricing formulas.
- This section has been used in the past for temporary adjustments to component prices.
- Provides the mechanism for a start and stop date.

It is our intent to have the attached proposal replace the language proposed in our petition letter of August 4, 2008.

Sincerely,

William C. Van Dam  
Alliance of Western Milk Producers  
Executive Vice President

Attached: Language Proposal  
CC: David Ikari, Tom Gossard

Regarding Class 1 price hearing called for Oct 30 and 31, 2008.

Amended language to August 4, 2008 hearing petition made by The Alliance of Western Milk Producers regarding suggested changes to the relevant Stabilization and Marketing Plans.

Strike the proposed language changes in the August 4<sup>th</sup> letter and replace it in each plan with the following:

Section 300.0

(H) The minimum price for components used for Class 1, *Class 2 and Class 3* as set forth in Paragraphs (A), (B) and (C) of this Section, shall be modified only for the period ~~April and May, 1997~~ *January through June, 2009* and shall be:

(1) ~~The fat component price shall be \$1.0054 per pound.~~ *The amount of 4 cents (\$0.04) per pound shall be added to the fat component price.*

(2) ~~The solids-not-fat component prices shall be \$0.9575 per pound.~~ *The amount of 10 cents (\$0.10) per pound shall be added to the solids-not-fat price.*

(3) ~~The fluid-carrier component price shall be \$0.0312 per pound.~~