



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

A. G. Kawamura, Secretary

December 17, 2008

TO ALL INTERESTED PARTIES:

On October 30 and 31, 2008, the Department held a public hearing to consider amendments to the Northern and Southern California Stabilization and Marketing Plans for Market Milk (Stab Plans). The amendments under consideration regarded changes to the Class 1, 2, and 3 pricing formulas.

Having carefully weighed the contents of the hearing records, the Department has decided to implement the following amendments:

Decrease the Class 1 price approximately \$0.35/cwt. by changing:

- the Butter Adjuster from \$0.1180 to \$0.1315 and changing the CRP Adjuster from \$0.147 to -\$0.203.

Decrease the class 2 and 3 prices approximately \$0.26/cwt. by changing:

- the Southern California Class 2 and 3 fat differentials from \$0.0393 to \$0.00,
- the Northern California Class 2 and 3 fat differentials from \$0.0370 to \$0.00,
- the Southern California Class 2 SNF differential from \$0.0901 to \$0.0757,
- the Northern California Class 2 SNF differential from \$0.0643 to \$0.0490, and
- the Southern and Northern California Class 3 SNF differentials from \$0.0586 to \$0.0433.

The changes to the Class 1, 2, and 3 price formulas will be reflected in the amendments to the Stab Plans, Order Numbers 53 and 68, respectively, for the Northern California Marketing Area and the Southern California Marketing Area. The adjustments to the Stab Plans will take effect for milk delivered to processing plants on or after January 1, 2009.

The Hearing Determinations, Panel Report, Stab Plans and more detailed explanation of the Department's decision can be obtained on the Department dairy home page at www.cdfa.ca.gov/dairy by clicking on [Hearing Matrix]. To access the Stab Plans, click on [Dairy Marketing], located in the middle of the dairy home page and then on [Stabilization Plans].

Should you have any questions or desire further information, please contact Annie Pelletier or Hyrum Eastman at (916) 341-5988.





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Media contacts and publication staff are asked to contact the Department's Public Affairs Office by e-mail at officeofpublicaffairs@cdfa.ca.gov or by phone at (916) 654-0462.

Sincerely,

David K. Ikari, Chief
Dairy Marketing Branch

