

# **DETERMINATIONS, FINDINGS, CONCLUSIONS AND ORDER OF THE SECRETARY OF FOOD AND AGRICULTURE**

*In Regard to the Public Hearing Held on July 1, 2008*

## **DETERMINATIONS**

A duly noticed public hearing was held by the Department of Food and Agriculture (Department) on July 1, 2008, to consider amendments to the Pooling Plan for Market Milk (Pool Plan) and to the Milk Stabilization and Marketing Plans for Market Milk for Northern California and for Southern California (Stab Plans). The amendments under consideration regarded both technical changes to the Pool Plan, and changes to milk movement incentives, namely, transportation allowances (Pool Plan) and transportation credits (Stab Plans). The Department called the hearing on its own motion to implement technical changes to the Pool Plan. The Department issued an amended hearing notice after receiving a petition from California Dairies, Inc, a dairy cooperative with multiple processing plants in central and southern California.

Testimony and evidence pertinent to proposed changes were received into the hearing record; additional material was submitted by means of post-hearing briefs following the close of the hearing. The Secretary's decision is based on both the hearing record and on the Panel Report to the Secretary of Food and Agriculture (Attachment A). In weighing all available information, the Department has determined that changes to the current Pool Plan and Stab Plans are warranted and necessary to continue to effectuate the declared purposes of the Food and Agricultural Code.

The Secretary continues to support three objectives on which stakeholder support has been unwavering since the 2000 Milk Movement workshops:

- (1) closest milk serves the Class 1, 2 and 3 markets;
- (2) minimizing the cost to the pool; and
- (3) "incentivize" those producers who are serving Class 1, 2 and 3 markets.

The Secretary agrees with and adopts the Hearing Panel recommendations regarding:

- Adoption of the three technical amendments to the Pool Plan;
- Amendments to the Pool Plan regarding transportation allowances; and
- Amendments to the Stab Plans regarding transportation credits

## **FINDINGS AND CONCLUSIONS**

The Department has considered all relevant information, including, but not limited to, testimony and items of evidence submitted by all parties to these proceedings, whether or not specifically mentioned herein, in rendering these findings. The Department has considered all provisions set forth in Chapters 2, 3 and 3.5, Part 3, Division 21 of the Food and Agricultural Code, whether or not specifically mentioned herein, in rendering these findings.

These include, without exception, all provisions and declarations regarding public interest considerations. It is hereby found and concluded that: the current Milk Pooling Plan and Stabilization and Marketing Plans for Market Milk now in effect no longer conform to the standards prescribed in nor tend to effectuate the purposes of said Chapters 2 and 3 and that the proposed changes in the Panel Report (Attachment A) conform to the standards prescribed in and tend to effectuate the purposes of said Chapters 2, 3 and 3.5.

## **ORDER**

It is hereby ordered that the Pooling Plan for Market Milk Order Number 108, the Stabilization and Marketing Plan for Market Milk for Northern California Order Number 52 and the Stabilization and Marketing Plans for Market Milk for Southern California Order Number 67 shall become effective at 12:01 a.m., September 1, 2008.

*Original signed by:*

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A. G. Kawamura, Secretary  
California Department of Food and Agriculture  
Signed and entered in  
the Office of the Secretary  
of Food and Agriculture at  
Sacramento, California,  
On August 20, 2008