



CALIFORNIA DEPARTMENT OF  
FOOD & AGRICULTURE

A. G. Kawamura, Secretary

**NOTICE OF A CONSOLIDATED PUBLIC HEARING  
TO CONSIDER AMENDMENTS TO THE STABILIZATION AND MARKETING PLANS FOR  
MARKET MILK FOR THE NORTHERN AND SOUTHERN CALIFORNIA MARKETING AREAS**

Notice is hereby given that the California Department of Food and Agriculture (Department) is calling a consolidated public hearing to consider amendments to the Stabilization and Marketing Plans for Market Milk for the Northern California and Southern California Marketing Areas (Plans).

**Hearing Date, Place, and Time** - The hearing will be held on October 30 and 31, 2008. The hearing will begin both days at 10:00 a.m. in the Department Auditorium, 1220 N Street, Sacramento.

The hearing is called pursuant to Articles 4 through 9, Chapter 2, Part 3, Division 21 of the Food and Agricultural Code (FAC), as implemented by Title 3, Section 2080.2 of the California Code of Regulations (3 CCR 2080.2). The hearing noticed herein will be conducted in accordance with the procedures prescribed in 3 CCR 2080.4.

**Petition Received by the Department** – On August 4, 2008, the Department received a petition from the Alliance of Western Milk Producers (Alliance), Western United Dairymen (WUD), and the California Dairy Women Association (CDWA) requesting a public hearing to consider amendments to the Plans.

This petition was considered pursuant to FAC Sections 62031 through 62079, and 3 CCR 2080.2. A copy of the petition can be obtained by accessing the Department's web site at [www.cdfa.ca.gov/dairy](http://www.cdfa.ca.gov/dairy) or by contacting the Dairy Marketing Branch at (916) 341-5988. The web site information can be accessed from the dairy home page, by clicking on *Dairy Hearing Matrix*; then go to *Class 1, 2 and 3 Pricing Formulas*.

**Call of Hearing** - The hearing will consider the proposals of the Alliance, WUD, and CDWA for increases in the current Class 1, Class 2, and Class 3 prices, based on increases in the cost of producing milk (FAC Section 62062a). The hearing will also consider any additional Class 1, 2 and 3 pricing formulas, including those raised by alternative proposals received in the time and format specified. Any formulas adopted will be based on consideration of all relevant economic factors; these will include, but will not be limited to, that the resulting prices:

- are in a reasonable economic relationship with national prices (FAC Section 62062);
- shall insure, in relation to demand, an adequate supply of milk to consumers at reasonable prices (FAC Section 62062b);
- are reasonably related among all classes of milk (FAC Section 62062c);
- are, for Class 1 prices, reasonable compared to prices paid in contiguous states (FAC Section 62062.1); and
- maintain, for Class 2 and 3 prices, a reasonable relationship to the value of the products yielded from such milk (FAC Section 62076a).

The hearing will also consider the factual basis, evidence and the legal authority upon which to make any and/or all of the proposed amendments to the Plans. (Reference Article III, Section 300, Paragraphs (A), (B) and (C) of the Plans.)

Interested parties should also refer to the pricing criteria established in FAC Article 9, Chapter 2, of Part 3, Division 21 and the declarations, purposes, goals and requirements of the Milk Stabilization Program as codified in FAC Chapter 2.



**Alternative Proposals** – All interested parties are entitled to submit proposals detailing alternative adjustments in the Class 1, 2 and 3 price formulas. Alternative proposals must be signed by a responsible party and received by the Department's Dairy Marketing Branch no later than 4:00 p.m. on Thursday, September 25, 2008. The Dairy Marketing Branch's office location is the Downtown Plaza, 560 J Street, Suite 150, Sacramento. Alternative proposals may be sent electronically via email to [dairy@cdfa.ca.gov](mailto:dairy@cdfa.ca.gov), faxed to (916) 341-6697, or mailed to Hearing Officer, c/o CDFA Dairy Marketing Branch, 1220 N Street, Sacramento CA 95814.

**Public Workshop** - To assist interested persons in preparing for the hearing, a public workshop will be held on Wednesday, October 15, 2008 beginning at 9:00 a.m. in the Department Auditorium, 1220 N Street, Sacramento. At this workshop, interested persons can review and discuss all proposals submitted with Department staff and other interested parties. The Department will supply background and analysis of the petitions and only those alternative proposals submitted by the September 25 deadline. The workshop will be informal and educational in nature. Discussion during the workshop will not be part of the official hearing record and shall not be considered in rendering a decision.

The Department's entire hearing exhibit for this hearing will be available for public inspection at the Dairy Marketing Branch office on October 23, 2008.

At the hearing, the Department will receive testimony and evidence, both oral and documentary. Interested parties who wish to introduce testimony and/or exhibits shall provide the Hearing Officer at the hearing seven (7) copies of such documents for the official record, as well as one copy for the court reporter.

Copies of the transcripts of testimony received at the hearing will not be available for distribution via the Department, but are available for inspection at the Dairy Marketing Branch. If interested parties wish to purchase copies, arrangements may be made with the reporting service at the hearing.

**Final Decisions Resulting from the Hearing** - The final decisions resulting from this hearing will be issued in accordance with the procedures and criteria contained in Chapter 2 of Division 21 of the FAC, as necessary.

The Department's decision will include consideration of all relevant economic factors including, but not limited to, the following:

- The reasonableness and economic soundness of market milk prices for all classes, giving consideration to combined income from those classes, in relation to cost of production and marketing for all purposes including manufacturing;
- Whether prices will insure an adequate and continuous supply, in relation to demand, of pure, fresh, wholesome market milk for all purposes, including manufacturing purposes, at prices to consumers which, when considered with relevant economic criteria, are fair and reasonable;
- Whether prices, including the prices of components of milk, established by the Secretary for the various classes of market milk bear a reasonable and sound economic relationship to each other; and
- Whether the amendments would be in accord with all the purposes, policies, and standards contained in Sections 61801, 61802, 61805, 61806, 61807, 62062, 62063, 62074.5, 62076 and 62077.

**Ex Parte Communications Prohibited** - From the time that a hearing notice is issued and until the issuance of a final decision in a proceeding, Department employees involved in the decision-making process are prohibited from discussing the merits of the hearing issues with any person having an interest in the proceeding. Procedural matters are not subject to the above prohibition and may be discussed at any time.

If any interested party has questions regarding the call of this hearing please contact Dave Ikari at (916) 341-5988.

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

All interested persons are invited to attend and participate in both the public workshop and the hearing. Interested parties are encouraged to present any data or information that is relevant to the consideration of the issues raised in the call of this hearing.

**Persons with Disabilities** - The Department of Food and Agriculture wishes to ensure that all members of the public have access to all public meetings. If you require a special accommodation, please contact Annie Pelletier at (916) 341-5988 or TDD (800) 735-0193 at least five days before the workshop or hearing date.



Kelly Krug, Director  
Division of Marketing Services

Date 8/19/08