

Humboldt

CREAMERY

Your Source For Natural Dairy Products

June 2, 2008

Mr. David Ikari
 Chief, Dairy Marketing Branch
 California Department of Food and Agriculture
 1220 N Street
 Sacramento, CA 95814

Dear Mr. Ikari:

Humboldt Creamery is a producer owned dairy cooperative and processes and markets Powdered Milk, Ice Cream and Fluid Milk Products in the State of California. In addition, we supply tankers of organic milk throughout the State of California.

Our creamery is requesting that the California Department of Food and Agriculture consider this alternative proposal at its July 1, 2008 public hearing to increase the number of designated supply counties to include *Humboldt County* pursuant to section 300.2 of the Stabilization and Marketing Plan for Market Milk and also that it designate specific allowances for Humboldt County Producers under Section 921.2 of the Pooling Plan. A key customer of ours operates a bottling plant in Orange County in the southern portion of our state, which is already a designated deficit county under the plan. As a major supplier of organic milk to California, and indeed the entire U.S., we are currently at a disadvantage due to the lack of designation by the CDFA as a supply county even though Orange County is designated a deficit county. We have a long term commitment to supply organic milk to our customers but rising fuel costs are putting us at a further disadvantage with each passing day. Our customer in Orange County needs our supply and is willing to make a long term commitment to us as well but needs this credit in order to compete effectively with out of state milk.

Humboldt Creamery is requesting the following additions in italics and highlighted below to Section 300.2 of the Stabilization and Marketing Plan in regards to transportation credits:

<u>Designated Supply County</u>	<u>Maximum Deduction Per CWT</u>	<u>Designated Deficit Counties</u>
<i>Humboldt</i>	<i>\$3.50</i>	<i>Orange, Riverside, Los Angeles, San Bernardino, and Ventura</i>

Additionally, Humboldt Creamery requests that the following changes in italics and highlighted below be made to Section 921.2 of the Pooling Plan in regards to allowances:

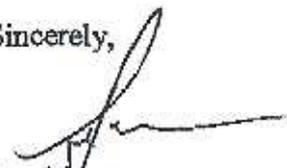
(e) For plants located in the Southern California receiving area, which shall consist of the counties of Los Angeles, Orange, San Bernardino and Ventura:

(2) From California's 54 other counties:

(3) *From Humboldt and Del Norte Counties* *\$3.50 per CWT*

In conclusion, the 50 family farms, and the Board of Directors of Humboldt Creamery Association encourage the Department to accept our alternative proposal related to transportation credits and allowances as outlined above. If you have any questions about our request, please feel free to contact me at any time.

Sincerely,



Len Mayer
Chief Operating Officer
Humboldt Creamery Association