

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

In Regard to the Public Hearing Held on November 9, 2009

PROCEDURAL HISTORY

Pursuant to Food and Agricultural Code (Code) sections 62031 through 62079 and 3 California Code of Regulations 2080.2 the California Department of Food and Agriculture (Department) held a duly noticed public hearing (called on an emergency basis) on November 9, 2009, to consider amendments to the Class 1, 2, 3, 4a and 4b pricing formulas and corresponding adjustments to the Stabilization and Marketing Plans for Market Milk for the Northern California and Southern California Marketing Areas (Stab Plans). The Department called the hearing after receiving two petitions requesting an emergency hearing to consider price relief for dairy producers facing significant financial difficulties caused by production costs in excess of milk prices throughout 2009. The first petition was received on October 5, 2009, from The Alliance of Western Milk Producers. The second petition was received on October 16, 2009, from Western United Dairymen. Five alternative proposals were also submitted to the Department.

At the hearing on November 9, 2009, following procedures established for the conduct of the hearing and noticed on October 19, 2009 to the regulated community, the Department received and entered into the record testimony and documentary evidence pertinent to the matters presented. Subsequent to the close of testimony, the Department further received and entered into the record documents by means of post hearing briefs, holding the record open for three additional days.

Pursuant to Code sections 62031 through 62079, the Secretary has broad discretion in deciding these issues. By custom and practice, the Secretary's decision is based on the hearing record and on the Panel Report to the Secretary of Food and Agriculture (Attachment A). The Secretary may adopt, deny, or alter the Panel's recommendations based upon the Secretary's independent assessment of the testimony and documentations entered into the record.

DETERMINATIONS

In weighing all available information, the Department has determined that changes to the current Stab Plans are warranted and necessary to continue to effectuate the declared purposes of the Code. The Secretary agrees with and adopts the Hearing Panel recommendations in its entirety regarding temporary amendments to the Stab Plans only for the period January 1, 2010 to March 31, 2010:

- Increasing the Class 1 milk fat price by \$0.0035 per pound
- Increasing the Class 1 milk solids-not-fat price by \$0.0298 per pound
- Increasing the Class 1 milk fluid carrier price by \$0.0009 per pound
- Increasing the Class 2 and 3 milk fat and milk solids-not-fat price by \$0.0205 per pound
- Increasing the Class 4a and 4b milk fat and milk solids-not-fat price by \$0.0082 per pound

FINDINGS AND CONCLUSIONS

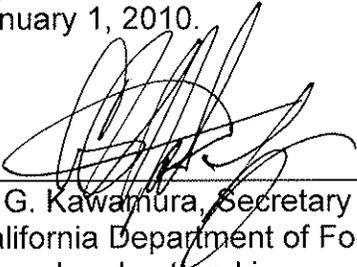
The Department has considered all relevant information, including, but not limited to, testimony and items of evidence submitted by all parties to these proceedings, whether specifically mentioned herein, in rendering these findings. The Department has considered all provisions set forth in Chapter 2, of the Code, whether 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 proposed changes in the Panel Report (Attachment A) to the formulas for Class 1, 2, 3, 4a and 4b will tend to effectuate the purposes of said Chapter 2.
- The new Stab Plans for Northern California (Attachment B) and Southern California (Attachment C) conform to Chapter 2.

ORDER

It is hereby ordered that the revised Stab Plans for Northern California (Order Number 54) and for Southern California (Order Number 69) shall become effective on or after January 1, 2010.



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 December 16, 2009