

**John Machado Dairy
22495 W China Camp Rd.
Los Banos CA 93635**

**A.G. Kawamura
Secretary
California Dept. Of Food and Agriculture
1220 N St. Suite 409
Sacramento, CA 95714**

My name is John Machado; I have been in the dairy business for the past 40 years. My son David runs the dairy and farming, my daughter does the bookkeeping. We are a family business, and I have eight employees. I am writing in regards to establishing a floor milk price in California.

It is imperative that the milk price never goes as low as it did in 2009. A floor price of \$14.50 will help so we can make a budget and plan our income and expenses. That is of course if the grains, commodities and hay prices do not go up as well, as they tend to do, whenever we get an increase in our milk price.

As I previously stated I have been in the dairy business for over 40 years, and have NEVER in my life seen things this bad. The price we were getting was not even enough to cover ¼ of our expenses, (grain, utilities, workers comp., employee's wages, hay, etc.) We had to keep taking money from our credit line to cover expenses. I now owe more money to the bank than I did when I first built my facility; I have used up all my equity. What took so many years to establish could all be lost in such a short period. It will take me years to pay off the debt that I have accumulated due to the dramatic milk drop in 2009. If we ever have another year like 2009, I am afraid I will not be able to hang on to my business.

So many fellow dairymen, (friends and neighbors) have gone out of business this past year. The banks would not lend them any more money, the milk prices were so low, and they ran out of equity so they were forced, to sell to pay off their debt.

Please consider all this and grant us a hearing that we desperately need in order to continue with our business with confidence knowing that the disaster of 2009 will never happen again.

Sincerely,

A handwritten signature in cursive script that reads "John J. Machado". The signature is written in black ink and is positioned below the word "Sincerely,".