CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE
Karen Ross, Secretary

December 15, 2011

Michael L. H. Marsh
Chief Executive Officer
Western United Dairymen
1315 K Street
Modesto, CA 95354

Dear Mr. ~~Marsh~~ Mike:

This letter is in response to the petition for a public hearing submitted to the Department on December 2, 2011 by Western United Dairymen. The petition proposes modifying the current sliding scale for dry whey in the Class 4b pricing formula to more closely reflect the whey value generated by the Federal Order Class III formula. After careful consideration of this issue and the input received from industry stakeholders, the Department has decided not to call a hearing at this time.

The current dry whey sliding scale in the Class 4b formula has been in effect since September 1, 2011, which provides the Department with only three months of observed data under the current pricing formula. This data does not provide the Department with enough additional information following the conclusion of the previous hearing to determine how the current formula will perform. However, the Department will review this issue and data available in mid-2012 and determine if a hearing is necessary.

Sincerely,

Kevin Masuhara

Kevin Masuhara, Director
Division of Marketing Services