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December 13, 2011

Karen Ross, Secretary
California Department of Food and Agriculture
1220 N Street
Sacramento, CA 95814

RE: Support of Petition for Class 4b Hearing

Dear Secretary Ross:

We are writing on behalf of the producer-owners of Land O'Lakes, Inc. to strongly encourage the Department of Food and Agriculture (Department) to call a public hearing to consider changes to the Class 4b formula specifically as it relates to the whey factor of the formula. We support the petition requesting the Department to call for a hearing on the Class 4b formula submitted by the Western United Dairymen.

We recognize that the Department's recent decision (effective September 1, 2011) made changes to the Class 4b whey factor. Despite those changes, the Class 4b price has remained well below the Class III price, the comparable price in the Federal Orders. This widening price disparity resulting from the 4b whey factor severely hinders a California dairy farmer's ability to make effective use of dairy futures to hedge their milk and help to protect themselves from the negative impacts of volatile milk prices and rising feed costs. Clearly, alternatives to the current whey factor that could serve to narrow this wide disparity in pricing need to be fully considered.

By calling for a public hearing, the Department will provide the California dairy industry the opportunity to fully discuss alternatives to the current Class 4b whey factor.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads 'Jim Fife'. The signature is written in a cursive, flowing style.

Jim Fife
Senior Vice President, Member Affairs and Western Region Liaison

cc: Sandra Schubert, Undersecretary
Candace Gates
Hyrum Eastman