



July 6, 2004

Mr. Eric Erba, Acting Chief  
Dairy Marketing Branch  
California Department of Food and Agriculture  
1220 N Street  
Sacramento, CA 95814

Dear Mr. Erba:

California Dairies, Inc. hereby submits this alternate proposal to the public hearing called for August 4, 2004, considering amendments to milk movement incentives.

Our proposal requests the following changes only to both the Pooling Plan and the Stabilization and Marketing Plan.

**POOLING PLAN FOR MARKET MILK – Section 921.2**

- (a) For plants located in the Alameda receiving area, which shall consist of the County of Alameda (eliminate other Bay Area receiving areas)
  - (1) From zero through 99 miles \$0.3475 per CWT
  - Over 99 miles \$0.3875 per CWT
  
- (e) For plants located in the Southern California receiving area, which shall consist of the counties of Los Angeles, Orange, Riverside and Ventura
  - (1) From zero through 89 miles \$0.10 per CWT
  - (2) Over 89 miles through 139 miles \$0.4775 per CWT
  - (3) Over 139 miles \$0.6175 per CWT
  
- (f) For plants located in the San Diego receiving area, which shall consist of the County of San Diego
  - (1) From zero through 89 miles \$0.10 per CWT

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Dairy Marketing Branch

**STABILIZATION AND MARKETING PLAN FOR MARKET MILK – Section 300.2**

<u>Designated Supply County</u>	<u>Maximum Deduction</u>	<u>Designated Deficit Counties</u>
Los Angeles County	\$0.38 per CWT	Los Angeles or Orange Counties
Los Angeles County	\$0.48 per CWT	Riverside, San Diego or Ventura Counties

The above changes to the Pooling Plan and Stabilization and Marketing Plans are cost related milk movement incentives which will be supported at the hearing by independent third party documentation.

We intend to participate in the public workshop on July 20, 2004, to clarify our proposal.

Sincerely,

CALIFORNIA DAIRIES, INC.



Gary L. Korsmeier  
Chief Executive Officer

cc: Kelly Krug, Director  
Division of Marketing Services