



December 21, 2005

Mr. David Ikari, Chief
Dairy Marketing Branch
California Department of
Food and Agriculture
1220 N Street
Sacramento, CA 95814

Dear Mr. Ikari:

We are submitting this alternate proposal to our original proposal for the scheduled State public hearing on January 31, 2006, addressing transportation credits and allowances. We have been experiencing lower diesel fuel costs and correspondingly have reduced most of the rate requests of our original petition.

Pursuant to our Board of Directors approval on December 20, 2005, we are therefore submitting the following changes only and not recommending any other changes unless requested below:

I Section 300.2 of the Stabilization and Marketing Plan

<u>Designated Supply County</u>	<u>Maximum Deduction Per CWT.</u>	<u>Designated Deficit Counties</u>
Los Angeles County	\$0.36	Orange, Riverside, San Diego or Ventura Counties
Tulare County	\$0.68	Los Angeles, Orange, or Ventura Counties
Tulare County	\$0.76	Riverside or San Diego Counties

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Mr. David Ikari
Page 2

<u>Designated Supply County</u>	<u>Maximum Deduction Per CWT.</u>	<u>Designated Deficit Counties</u>
Fresno and Kings Counties	\$0.70	Los Angeles, Orange or Ventura Counties
Fresno and Kings Counties	\$0.78	Riverside or San Diego Counties

II Section 921.2 of the Milk Pooling Plan

- (a) For plants located in the Bay Area receiving area, which shall consist of the counties of Alameda, Contra Costa, Santa Clara, Santa Cruz, San Francisco, and San Mateo:
- | | | |
|-----|---------------------------------|----------------|
| (1) | From zero through 99 miles | \$0.27 per CWT |
| | Over 99 miles through 199 miles | \$0.31 per CWT |
| | Over 199 miles | \$0.32 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) | For milk shipments from Santa Barbara, San Diego, Imperial, Kern, Tulare, Kings and Fresno Counties: | |
| a. | From zero through 89 miles | \$0.11 per CWT |
| | Over 89 miles through 109 miles | \$0.31 per CWT |
| | Over 109 through 139 miles | \$0.52 per CWT |
| | Over 139 miles | \$0.68 per CWT |
| (2) | For milk shipments from all other areas: | |
| a. | From zero through 89 miles | \$0.11 per CWT |
| b. | Over 89 Miles | \$0.31 per CWT |

Mr. David Ikari
Page 3

- (f) **For plants located in the San Diego receiving area, which consist of the County of San Diego:**
- | | | |
|-----|----------------------------|----------------|
| (1) | From zero through 89 miles | \$0.11 per CWT |
| | Over 89 miles | \$0.31 per CWT |

We would like to thank the California Department of Food and Agriculture for granting our hearing request and look forward to presenting our testimony on January 31, 2006.

Sincerely,

CALIFORNIA DAIRIES, INC.



Gary L. Korsmeier
Chief Executive Officer

GLK:mp