



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

Karen Ross, Secretary

March 4, 2021

REFERENDUM NOTICE

To Consider Proposed Amendments to the Quota Implementation Plan Voting Deadline: June 1, 2021

To the California Market Milk Producer Addressed:

The California Department of Food and Agriculture (Department) is conducting a referendum vote among California Market Milk Producers to consider whether the Quota Implementation Plan (QIP) effective November 1, 2018, should equalize regional quota adjusters such that the quota premium in all counties equal \$1.43/cwt. and terminate the QIP effective March 1, 2025. The referendum is called as a result of a petition submitted by United Dairy Families (a copy of the petition may be viewed here: http://www.cdfa.ca.gov/dairy/pdf/hearings/UDF_Petition.pdf) and an Order of Decision issued by the Department Secretary, Karen Ross, on January 25, 2021. A copy of the Order of Decision can be viewed here:

https://www.cdfa.ca.gov/dairy/pdf/hearings/OAH2020080708_SIGNED_Decision_from_OAH_1-2_ADA.pdf

Proposed Amendments: The proposed changes to the QIP are included in the “Extracts From The Quota Implementation Plan With Proposed Amendments.” A “yes” vote to the referendum would amend the regional quota adjusters under Article 8, Section 800 of the QIP and add to Article 11 a new Section 1104 which would terminate the QIP effective March 1, 2025. A “no” vote will result in no change to the existing QIP adopted on November 1, 2018. The current QIP can be viewed here: <http://www.cdfa.ca.gov/dairy/pdf/QuotaImplementationPlan.pdf>. If you would like a copy please contact the program at the phone number or E-mail address listed below.

Voting Period: California Food and Agricultural Code (FAC) Section 62716 specifies the voting period shall be set forth for 60 days and the Secretary may extend the referendum for a period not to exceed 30 days. In order to provide ample consideration of the proposed amendments, CDFA will conduct the referendum for a full 90 days starting March 4, 2021 and ending June 1, 2021. No extensions will be available past the 90 day voting period.

Voting Materials & Criteria: Enclosed with this mailing are a ballot and postage-paid return envelope for your use in the referendum. The ballot contains instructions on how to properly certify your voting eligibility and how to cast your vote. January 2021 production volume information is included on the ballot and will be used when determining whether the requirements set forth in FAC Section 62717 to amend the QIP have been met (see Approval Requirements below). In order for your ballot to be counted, properly date and sign the certification section, and indicate a yes or no vote and return to the Department in the postage



page return envelope, postmarked no later than June 1, 2021. Please review each section of your ballot before returning.

Voter Eligibility: Each producer entity is entitled to ONE vote. Those named on the ballot are on record as authorized signatories. If you have ownership changes or are affiliated with a separate legal entity that did not receive a ballot, please contact Steven Donaldson in the Department's Quota Administration Program at (916) 900-5012 to establish eligibility and obtain an official ballot for that entity. Pursuant to the following definitions within the QIP, eligible producers meets the following definitions within the voting period:

- "Producer" means any person that produces market milk in the State of California from five or more cows and includes members of cooperative associations.
- "Market milk" means milk, cream, or skim milk that is produced in conformity with applicable regulations of the appropriate public regulatory or health authority for disposition as market milk.

Approval Requirements: For the referendum to pass FAC Section 62717 specifies that not less than 51 percent of the total number of eligible market milk producers in the State must vote and one of the following occur:

- (a) Sixty-five percent (65%) or more of the total number of eligible producers who voted in the referendum who produced fifty-one percent (51%) or more of the total amount of milk produced in the state during the calendar month next preceding the month commencement of the referendum period (January 2021) by all producers who voted in the referendum approve the amendments, or
- (b) Fifty-one percent (51%) or more of the total number of eligible producers who voted in the referendum who produced sixty-five percent (65%) or more of the total amount of fluid milk produced in the state during the calendar month next preceding the month commencement of the referendum period (January 2021) by all producers who voted in the referendum, approve the amendments.

Voting Results: The Department will announce and notify all Market Milk producers of the referendum results following tabulation of the ballots. All individual votes will be kept confidential.

If you have questions regarding the referendum, please contact Steven Donaldson with the Quota Administration Program at (916) 900-5012 or steven.donaldson@cdfa.ca.gov.

Sincerely,

Kathy Diaz-Cretu

Digitally signed by Kathy Diaz-Cretu
Date: 2021.03.01 17:44:18 -08'00'

Kathy Diaz-Cretu, Director
Marketing Services Division

Enclosures: Extracts From The Quota Implementation Plan With Proposed Amendments.
Referendum Ballot and Pre-Paid Envelope

EXTRACTS FROM THE QUOTA IMPLEMENTATION PLAN WITH PROPOSED AMENDMENTS
from Petition Submitted by United Dairy Families on June 25, 2020
Subsequent Hearing September 30, 2020
Submitted for Producer Referendum Vote March 4, 2021

The proposed changes to Article 8 and Article 11 are presented below with additions shown in blue italics and deletions are shown in red strikethrough.

Article 8. Regional Quota Adjuster

Section 800. The Secretary shall determine a regional quota adjuster for each market milk producer based on the geographical location of the dairy farm as set forth below:

- (a) A negative **27 14** cents (~~-\$0.27~~ ~~-\$0.14~~) per hundredweight, (~~-\$0.031034~~ ~~-\$0.012644~~) per pound of quota solids not fat, is assigned to dairy farms located within the counties of: Alpine, Amador, Butte, Calaveras, Colusa, El Dorado, Glenn, Lassen, Madera, Mariposa, Merced, Modoc, Monterey, Nevada, Placer, Plumas, Sacramento, San Benito, San Joaquin, Shasta, Sierra, Siskiyou, Solano, Stanislaus, Sutter, Tehama, Trinity, Tuolumne, Yolo, and Yuba.
- (b) A negative **27 5** cents (~~-\$0.27~~ ~~-\$0.05~~) per hundredweight, (~~-\$0.031034~~ ~~-\$0.005747~~) per pound of quota solids not fat, is assigned to dairy farms located within the counties of: Alameda, Contra Costa, Del Norte, Humboldt, Lake, Marin, Mendocino, Napa, San Francisco, San Mateo, Santa Clara, Santa Cruz, and Sonoma.
- (c) A negative 27 cents (-\$0.27) per hundredweight, (-\$.031034) per pound of quota solids not fat, is assigned to dairy farms located within the counties of: Fresno, Kings, and Tulare.
- (d) A negative **27 20.5** cents (~~-\$0.27~~ ~~-\$0.205~~) per hundredweight, (~~-\$0.031034~~ ~~-\$0.023563~~) per pound of quota solids not fat, is assigned to dairy farms located within the counties of: Kern, San Luis Obispo, and Santa Barbara.
- (e) ***A negative 27 cents (-\$0.27) per hundredweight, (-\$.031034) per pound of quota solids not fat*** ~~No regional quota adjuster~~ is assigned to dairy farms located within the counties of: Imperial, Inyo, Los Angeles, Mono, Orange, Riverside, San Bernardino, San Diego, and Ventura.

Section 801. For each producer, who is not a member of a cooperative association, the total pounds of quota solids not fat shall be multiplied by the appropriate per pound of solids not fat regional quota adjuster in effect at the producer's dairy farm where the milk was produced.

Section 802. For each cooperative association, calculate the amount of daily solids not fat quota allocated to producer-members with the same regional quota adjuster and multiply it by the appropriate per pound of solids not fat regional quota adjuster.

Section 803. Adjustments to regional quota adjusters shall be subject to approval by Producer referendum.

(continued on reverse side)

Article 11. Administration

Section 1100. A producer survey shall be conducted by an independent party selected by the Producer Review Board at least every five (5) years. The survey shall evaluate the effectiveness of the Plan.

The results of the review will be provided to the Producer Review Board for its consideration, and recommendation to the Secretary.

Section 1101. Substantive, or significant amendments to this Plan require a producer referendum to be held in the same manner as the referendum approving this plan.

Section 1102. The Secretary, after consultation with the Producer Review Board, may make non- substantive changes to this Plan.

Section 1103. Upon receipt of a petition signed by at least 25 percent of market milk producers regarding the amendment or termination of this Plan, the Secretary shall convene the Producer Review Board to review the merits of the petition and make a recommendation to the Secretary.

If the Secretary finds that the Plan no longer tends to effectuate the purpose intended, termination shall be submitted for referendum in the same manner as provided for its initial approval.

Section 1104. The Plan shall remain in effect until March 1, 2025. Effective March 1, 2025, the Plan shall be terminated.