



SECURITY MILK PRODUCERS ASSOCIATION

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June 12, 2008

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

Dear Mr. Ikari:

Security Milk Producers Association is submitting this letter in response to the public hearing called by the Department to consider changes to the transportation allowances and credits scheduled for July 1, 2008.

As CDI pointed out in their original petition, diesel fuel costs have increased by 47% over the past 12 months, and continued to rise since CDI's submission May 1st. As of June 1, our cost of hauling milk from Wasco to Los Angeles was \$1.21 per hundredweight and from Tulare it was \$1.28. These amounts include a fuel surcharge paid to our haulers based on the price of diesel fuel as posted on the DOE website. The rapid rise in transportation costs makes these proposed changes necessary.

The alternative proposal submitted by DFA more accurately reflects our current costs and therefore on behalf of our Board of Directors and Members, we respectfully urge the Department to adopt these adjustments expeditiously.

Sincerely,

F.A. Douma
President

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