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January 3, 2005

The Honorable A.G. Kawamura
Secretary
California Department of Food and Agriculture
1220 N Street
Sacramento, California 95814

In re: Alternative Proposal for February 1, 2005 Dairy Marketing Hearing

Dear Mr. Secretary:

The Board of Directors of Western United Dairymen approved the filing of the following alternative proposal at its December 17, 2004 meeting.

Change the 4a formula to reflect updated California butter price data. The data used was published by the Department on February 3, 2004.

Section 300.0 (D)

- (1) For all milk fat, not less than the price per pound computed by the formula using the butter price less an f.o.b. California price adjuster of three and one-half cents (**\$0.035**) less a manufacturing cost allowance of thirteen and two tenths cents (\$0.132), and the result multiplied by a yield factor of one and two-tenths (1.2).

Change the 4b formula to reflect updated California cheddar cheese price data. The data used was published by the Department on February 3, 2004.

Section 300.0 (E)

- (1) (a) The price per hundredweight computed by the formula using the cheddar cheese price, less an f.o.b. California price adjuster of one and eighty-five hundredths cents (**\$0.0185**), less a cheddar cheese manufacturing cost allowance of seventeen and five tenths cents (\$0.175), all multiplied by a yield factor of ten and two-tenths (10.2).

The February 2004 f.o.b. data was the latest data available to our Board of Directors at its December meeting.

Thank you for the opportunity to submit an alternative proposal at this hearing.

A.G. Kawamura
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Very truly yours,

Michael L. H. Marsh, CPA
Chief Executive Officer
Western United Dairymen

cc: Kelly Krug, Director, Division of Marketing Services, CDFA
David Ikari, Branch Chief, Division of Marketing Services, CDFA