



May 2, 2006

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

Dear Mr. Ikari:

On behalf of California Dairies, Inc., we are submitting this petition to hold another public hearing regarding transportation credits pursuant to Section 300.2 of the Stabilization and Marketing Plan for Market Milk and transportation allowances pursuant to Section 921.2 of the Milk Pooling Plan for Market Milk.

The recent findings of the January 31, 2006, public hearing on this matter resulted in unnecessary milk movement to the Southern California Class I market at the expense of the overall producer pool and created an uncompetitive pricing condition for a large fluid processor in Southern California.

Specifically, we are recommending only the following changes:

**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

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**II Section 921.2 of the Milk Pooling Plan**

**(e) For plants located in the Southern California receiving area, which shall consist of the counties of Los Angeles, Orange, Riverside, San Bernardino and Ventura:**

**(1) For milk shipments from Santa Barbara, San Diego, Imperial, Kern, Tulare, Kings and Fresno Counties:**

From zero through 89 miles	\$0.11 per CWT
Over 89 miles through 109 miles	\$0.32 per CWT
Over 109 through 139 miles	\$0.53 per CWT
Over 139 miles	\$0.70 per CWT

**(2) For milk shipments from San Bernardino and Riverside Counties:**

From zero through 89 miles	\$0.11 per CWT
Over 89 Miles	\$0.32 per CWT

**(3) For milk shipments from all other areas:**

Over 139 miles	\$0.70 per CWT
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**(f) For plants located in the San Diego receiving area, which consist of the County of San Diego:**

From zero through 89 miles	\$0.11 per CWT
Over 89 miles	\$0.32 per CWT

We are requesting no other changes to the Stabilization and Marketing Plan and Milk Pooling Plan than listed above. The lack of a fuel adjustor or indexing could result in a higher per hundredweight request at the time of a hearing if our hearing request is granted.

We ask for an immediate hearing to address the current milk movement inequities. Thank you for considering our request.

Sincerely,

CALIFORNIA DAIRIES, INC.



Gary L. Korsmeier  
Chief Executive Officer

GLK:mp