

Whey Review Committee
March 11, 2008

Whey Review Committee Meeting Notes

March 11, 2008
Sacramento, California

MEMBERS PRESENT

Andrew Branagh
Scott Hofferber
Scott Magneson
Mike McCully
Tony Mendes
Joe Paris
Bill Schiek
Ray Souza
Sue Taylor
Sietse (Sean) Tollenaar
William C. Van Dam
Geoffrey Vanden Heuvel
Tom Wegner
John Jeter
Dr. Jim Morgan – Facilitator

DEPARTMENTAL STAFF PRESENT

George Gomes
John Lee
Dave Ikari
Jeff Cesca
Tom Gossard
Hyrum Eastman
Candace Gates
Annie Pelletier

PUBLIC GUESTS IN ATTENDANCE

Art Marquez
Jim Gruebele
Elvin Hollon
Tiffany La Mendola
Ben Yale
Bill Wise
Ana Dyrland
Rachel Kaldor
Eric Erba
Dominic Carinalli
Rob Vanden Huevel
Kevin Abernathy (after lunch)
Mike Marsh (after lunch)

Opening Remarks / Introductions

Undersecretary George Gomes began the meeting at 9:35 a.m. by welcoming the Whey Review Committee (WRC) members and thanking them for the work so far on the Committee, especially in regards to the various options that were submitted by the group. He then introduced Dr. Jim Morgan.

Mr. Morgan asked all persons in the room to introduce themselves and then reviewed the agenda for the day. All alternatives would be discussed and reviewed ensuring that each WRC member clearly understood each alternative presented.

Alternatives 1-2-3 (Branagh; Paris; Schiek; Souza; Wegner subcommittee)

Various subcommittee members presented these three alternatives. Questions were asked and answers provided. Discussion ensued.

Hyrum Eastman then provided the group with two handouts:

- 1) Price Formula Changes on CA Class and Pool Prices resulting from various alternatives presented to the WRC
- 2) Methodology of Price Impact Estimates

He presented the fiscal impacts of alternatives 1-2-3 and the methodology/assumptions of the calculations. Questions were asked and answers provided by Hyrum. The pros and cons of 1-2-3 were discussed and additions were made to the existing list.

Alternatives 4-5 (Hofferber; Jeter; Tollenaar; Vanden Heuvel subcommittee)

Various subcommittee members presented their alternatives. Questions were asked and answers provided. Discussion ensued.

Hyrum Eastman then discussed the fiscal impacts of alternatives 4-5 and the methodology/assumptions of the calculations. Questions were asked and answers provided.

Lunch

The Committee was released for lunch at 12:10 pm and asked to return in one-half hour.

Alternatives 4-5 continued

The pros and cons of 4-5 were discussed and additions were made to the existing list.

Alternatives 6-7-8 (Magneson; McCully; Taylor; Van Dam; Mendes subcommittee)

Various subcommittee members presented their alternatives. Questions were asked and answers provided. Discussion ensued.

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Hyrum Eastman then discussed the fiscal impacts of alternatives 6-7-8 and the methodology/assumptions of the calculations. Questions were asked and answers provided.

At this time, WRC asked CDFA for additional analysis and information related to the various alternatives discussed thus far. Information requested was as follows:

For alternatives 1, 3 and 8

- present how many times the snubbers would have been in effect
- present the impact that the alternative would have if the snubbers were removed.

See support pieces #1 & 2.

Calculate the impact on the pool of exempting cheese processing plants that process:

- less than 250,000 lbs of milk per month
- less than 1 million lbs of milk per month
- less than 3 million lbs of milk per month
- less than 20 million lbs of milk per month

See support piece #3.

The pros and cons of 6-7-8 were discussed and additions were made to the existing list.

Homework for Next Meeting (March 27th) - Jim Morgan

The WRC was asked to provide any additional pros and cons of each alternative. Jim will then redistribute the updated list.

Each member was asked to priority rank all of the alternatives with the exception of #4. Given that alternative #4 is a major change and very different than the other alternatives, it would still be included in the report on recommendation to the Secretary but not priority ranked. A 'status quo' alternative (#9) can also be included and priority ranked since 'no change' is also an option.

Comments/ Next Meeting

Mr. Morgan asked for any comments and two were received from the public. The next meeting is Thursday, March 27, 2008, 9:30 am – 2:30 pm, @ Farm Bureau (first floor conference room).

The meeting adjourned at 2:30 pm.

Submitted By:

Whey Review Committee
March 11, 2008

Jeff Cesca, Special Assistant
CDFA - Marketing Services

Date