



June 5, 2024

To PRB Members and Interested Parties:

On May 1, 2024 the Producers Review Board (PRB) recommended to the Department the following changes:

1. Change to the quota differential from \$1.70/cwt (\$0.195/lb. of SNF) to \$1.00/cwt (\$0.115/lb. of SNF);
2. eliminate Regional Quota Adjusters (RQAs); and
3. adding clarifying language about hardships to match what was used in the Pooling Plan:
 - The current hardship definition is: "Hardship means a challenge to the management and operation of a dairy due to the operation of this plan." The proposal would revise the definition to: "Hardship means a challenge to the management and operation of a dairy due to conditions beyond the control of the producer; such as, fire, floods, storms, and other acts of God, or from federal and State eradication programs for disease control."

After due consideration the Secretary has concurred with the PRB's recommendation and decided to issue the matter to an industry vote. Additionally, the Secretary is recommending that the definition of "Producer" in the Plan be reworded to enhance clarity:

- Current language:
 - "Producer" means any person that produces market milk in the State of California from five or more cows and includes members of cooperative associations.
- Proposed Language:
 - "Producer" means any person, including members of cooperative associations, that produces market milk in the State of California from five or more cows.

The Department has determined that most of the proposed changes should be considered substantive and significant amendments to the QIP. Accordingly, per the requirements of Section 1101 of the Plan the producer referendum will be held in the same manner as the referendum conducted to consider the implementation of the Plan.



QIP Notice to Industry
June 5, 2024
Page 2

A series of meetings geared to provide the industry the opportunity to learn about the proposal will be held at different locations in the state beginning in July; producers interested in presenting their perspective about the proposal to their peers will be able to do so at those meetings (pre-registration will be required). It is anticipated that ballots will be mailed in late-August.

Details about the industry meetings and the referendum will be mailed to all dairymen of record in the next few weeks.

If you have any questions or need to update ownership information about your dairy, please contact the Quota Administration Program at pooling@cdfa.ca.gov or call (916) 900-5012. Please include producer number and dairy name in your correspondence.

Sincerely,

Kathy Diaz Digitally signed by Kathy Diaz
Date: 2024.06.05 17:14:13 -07'00'
Kathy Diaz, Director
Division of Marketing Services