

October 11, 2024

## REFERENDUM NOTICE

### To Consider Proposed Amendments to the Quota Implementation Plan

**Voting Deadline: January 9, 2025**

To the California Market Milk Producer Addressed:

The California Department of Food and Agriculture (Department) is conducting a referendum vote among California Market Milk Producers to consider whether the Quota Implementation Plan (QIP) should:

1. Change 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);
3. change 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 new definition would be: "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."
4. reword the definition of "producer":
  - The current definition of producer is: "any person that produces market milk in the State of California from five or more cows and includes members of cooperative associations". The new definition would be: "any person, including members of cooperative associations, that produces market milk in the State of California from five or more cows."

The complete text of the proposed amendments is included with this mailing in "Exhibit A". A "yes" vote to the referendum would modify the existing QIP with the above amendments. A "no" vote will result in no change to the existing QIP. The current QIP can be viewed here: <https://www.cdfa.ca.gov/dairy/pdf/QuotaImplementationPlan.pdf>. If you would like a copy, please contact the program at the phone number or e-mail address listed below.



The referendum is called as a result of a recommendation made by the Producer Review Board (PRB) to the Secretary to issue an industry referendum to consider the above modifications to the QIP. After due consideration the Secretary concurred with the PRB's recommendation. A copy of the notice to industry regarding the Secretary's decision can be viewed here:

[https://www.cdfa.ca.gov/dairy/pdf/notices/2024\\_06\\_05\\_Notice\\_to\\_Industry-Referendum\\_to\\_Consider\\_Changes\\_to\\_QIP.pdf](https://www.cdfa.ca.gov/dairy/pdf/notices/2024_06_05_Notice_to_Industry-Referendum_to_Consider_Changes_to_QIP.pdf)

**Voting Period:** California Food and Agriculture Code (FAC) Section 62716 specifies the voting period shall be set forth for 60 days and the Secretary may extend the referendum for a period not to exceed 30 days. In order to provide ample consideration of the proposed amendments the Department will conduct the referendum for a full 90 days starting October 11, 2024, and ending January 9, 2025. No extensions will be available past the 90-day voting period.

**Voting Materials & Criteria:** Enclosed with this mailing are a ballot and postage-paid return envelope for your use in the referendum. The ballot contains instructions on how to properly certify your voting eligibility and how to cast your vote. August 2024 production volume information for your voting entity(ies) is included on the ballot and will be used when determining whether the requirements set forth in FAC Section 62717 to amend the QIP have been met (see Approval Requirements below). In order for your ballot to be counted, properly date and sign the certification section, and indicate a "yes" or "no" vote and return to the Department in the postage paid return envelope, postmarked no later than January 9, 2025. Please review each section of your ballot before returning.

**Voter Eligibility:** Each unique producer is entitled to ONE vote. The names on the ballot are on record as authorized signatories for your producer entity. If you have ownership changes or are affiliated with a separate legal entity that did not receive a ballot, please contact David Ko in the Department's Quota Administration Program at (916) 900-5012 to establish eligibility and obtain an official ballot for that entity. Pursuant to the following definitions within the QIP, eligible producers meet the following definitions within the voting period:

- "Producer" means any person that produces market milk in the State of California from five or more cows and includes members of cooperative associations.
- "Market Milk" means milk, cream, or skim milk that is produced in conformity with applicable regulations of the appropriate public regulatory or health authority for disposition as market milk.

**Approval Requirements:** For the referendum to pass FAC Section 62717 specifies that not less than 51 percent of the total number of eligible market milk producers in the State must vote **and** one of the following occur:

- (a) Sixty-five percent (65%) or more of the total number of eligible producers who voted in the referendum who produced fifty-one percent (51%) or more of the total amount of milk produced in the state during the calendar month next preceding the month commencement of the referendum period (in this case August 2024) by all producers who voted in the referendum approve the amendments, or

- (b) Fifty-one percent (51%) or more of the total number of eligible producers who voted in the referendum who produced sixty-five percent (65%) or more of the total amount of fluid milk produced in the state during the calendar month next preceding the month commencement of the referendum period (in this case August 2024) by all producers who voted in the referendum, approve the amendments.

**Voting Results:** The Department will announce and notify all California Market Milk producers of the referendum results following tabulation of the ballots approximately 30 days after the voting period. All individual votes will be kept confidential per FAC Section 62716.

If you have any questions regarding the referendum, please refer to the “Frequently Asked Questions related to the Quota Implementation Plan Amendment Referendum” document posted on the Department’s website at the following link:

<https://www.cdfa.ca.gov/dairy/QIP2024-referendum/>

If you have any other questions regarding the referendum, please contact David Ko with the Quota Administration Program at (916) 900-5012 or [David.Ko@cdfa.ca.gov](mailto:David.Ko@cdfa.ca.gov).

Sincerely,



Kathy Diaz, Director  
Division of Marketing Services

Enclosures: Exhibit A: Extracts from the Quota Implementation Plan with full text of the proposed amendments  
Referendum Ballot  
Postage-Paid Return Envelope