

Frequently Asked Questions related to the Quota Implementation Plan Amendment Referendum

Voting Period: October 11, 2024 to January 9, 2025

Last updated October 11, 2024

What is being asked by the referendum? The California Department of Food and Agriculture (CDFA) is conducting a referendum among Market Milk producers to determine if the Quota Implementation Plan (QIP) should be modified to:

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 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. A copy of the Findings can be viewed here:

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

Where can I see the changes being proposed? The full text of the proposed changes is included with the referendum notice and may be viewed at the following link:

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

Who can vote in the referendum? Pursuant to the following definitions within the QIP, eligible producers must 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.

How long is the voting period? Statute states a minimum 60 days with an extension not to exceed 30 days. CDFA has established the voting period to include the maximum amount of time, 90 days: starting October 11, 2024 through January 9, 2025. Because the extension is built into the original voting period, there will be no additional extension available after January 9, 2025.

For the vote to be valid, 51% of producer must cast valid ballots. Will CDFA monitor if the 51% minimum participation is met during the voting period? Since the voting period will be the full 90 days allowed, CDFA will not monitor if the 51% minimum participation requirement is met during the voting period. Ballots will remain sealed and will not be tallied until after the close of the voting period.

How is the producer list derived and updated? To be eligible to vote, a producer must have a Market Milk permit. CDFA will combine multiple Market Milk dairies under same/exact ownership and count as one eligible producer. CDFA uses the following sources to update our list and are as follows:

- State inspectors that issue market milk permits
- Authorized county inspectors that issue market milk permits
- The cooperative a producer belongs to
- A plant a producer ships milk to or has a contract with
- A broker a producer markets milk through
- Pool quota transfer applications
- Secretary of State

Can you provide an outline for the process of validating the ballots? CDFA is using the August 2024 Market Milk producer list to verify production numbers and to verify ballots received for tallying purposes. CDFA obtains individual producer monthly production information from cooperatives, handlers/plants, and brokers. The ballots issued included the names of the authorized Market Milk producers on record for the dairy (or dairies under same ownership) and the respective mailing address; they also included production information. Ballots received by CDFA will remain sealed and will not be opened until ten days after the close of the voting period which is January 9, 2025. This allows time for USPS to deliver those ballots mailed and postmarked January 9, 2025. A ballot will be deemed invalid for any of the following reasons:

- Failure to sign and certify the ballot
- Un-authorized signature on the ballot
- No indication of a “yes” or “no” vote
- Was not received or has a postmark date that is after the January 9, 2025 voting deadline

There will be no curing of ballots after the close of the voting period.

What should a producer do if names on the ballot are not correct? Each ballot will include an identification number, producer number (or numbers), names of individuals on title for the dairy or dairies and mailing address. Names on the ballot are those individuals that are considered authorized to sign the ballot on behalf of the producer. If the individuals listed on the ballot has changed (such as additions or deletions), the producer should contact CDFA at (916) 900-5012 to make corrections and receive a revised duplicate ballot.

It is important that producers know the correct production information used to tally. Will a producer's production be included on the ballot? CDFA will include the August 2024 volume on each ballot. Note that in the event there is more than one dairy associated with the ballot, the August 2024 production amount listed will be the combined total for all dairies under the same ownership.

What if the production information on the ballot appears incorrect? Each month CDFA collects the producer production reports from cooperatives, handlers, plants, and brokers. That information is the basis for our monthly assessments; each dairy's information is tracked using a unique identifier (producer number). If there is a question about accuracy of the production information on the ballot the producer should contact CDFA at (916) 900-5012 for a review of the information and to make any necessary changes.

Can a producer contact CDFA to determine if their ballot was received? Yes. Producers are encouraged to return the ballots in the postage paid return envelope provided with the ballot. The reverse side of the envelope includes the identification and producer numbers associated with the ballot and will allow CDFA to monitor whether a ballot was received, without opening the envelope.

What if I did not receive a ballot or the ballot is damaged or lost? A producer should contact CDFA at (916) 900-5012 to obtain a duplicate ballot. In the event CDFA receives both the original ballot and the duplicate ballot, CDFA will only use the duplicate ballot for tallying purposes.

What if the dairy had August production, but went out of business before the voting period started? CDFA would only count the ballot if the dairy was operating during the entire voting period.

What if the dairy started operating on or after September 1, 2024? CDFA would allow the producer to vote by number only. However, the dairy's production would not be used in the production tally.

Will the final referendum tally be posted online? After the referendum is finalized, votes have been tallied and audited, and results have been announced, CDFA may post on its website a list of the ballot identification numbers so producers will be able to verify that their vote was received and counted.

What if I have other questions? Contact CDFA at (916) 900-5012. *Please continue to check this page frequently as it will be updated as additional inquiries are received.*