



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

Karen Ross, Secretary

August 19, 2024

**QUOTA IMPLEMENTATION PLAN
QUOTA PROGRAM ADMINISTRATION ASSESSMENT REVISION
EFFECTIVE
SEPTEMBER 1, 2024**

TO ALL INTERESTED PARTIES:

The California Food and Agricultural Code (FAC) section 62757 authorizes the Secretary of the California Department of Food and Agriculture (CDFA or Department) to establish a stand-alone quota program if a federal milk marketing (FMMO) order were to be established in California. An FMMO was issued into effect in California in 2018 which resulted in the implementation, via industry referendum, of the Quota Implementation Plan (QIP). QIP became effective on November 1, 2018.

FAC section 62757 and Article 9 of QIP provide for a *program administration assessment* to cover the cost of managing the QIP. Since the inception of QIP the administration assessment rate had been set at \$0.0030 per hundredweight. In July 31, 2023 the Producer Review Board (PRB or Board) concurred with the Department's determination that the administration assessment rate had generated more reserves than needed to administer the QIP. The PRB, as an advisory body to the CDFA, voted to recommend that the assessment rate be suspended for 1-year effective September 1, 2023; this means that unless a new assessment rate is adopted the old rate will be reinstated. The CDFA accepted and implemented the PRB's recommendation.

Recently CDFA reviewed its projections for 2024 and determined that reserve levels for the administration of QIP will be higher than anticipated. In order to make reserve levels consistent with the Department's goals and the Board's recommendation, CDFA has set QIP's *administration assessment to \$0.00 per hundredweight effective September 1, 2024*. This assessment rate will remain in place until modified by CDFA. The Assessment Order can be found on the back of this letter.

Sincerely,

Kathy Diaz Digitally signed by Kathy Diaz
Date: 2024.08.19 15:45:24 -07'00'
Kathy Diaz, Director
Marketing Services Division

