

**ORDER REVISING QUOTA PREMIUM ASSESSMENT TO BE PAID
UNDER CHAPTER 3.5, PART 3, DIVISION 21 OF THE
CALIFORNIA FOOD AND AGRICULTURAL CODE**

WHEREAS, Division 21, Part 3, Chapter 3.5, Section 62757 of the Food and Agricultural Code of the State of California allows the Secretary to establish a standalone quota program if a federal milk marketing order (FMMO) is established in California; and,

WHEREAS, California Dairy producers approved an FMMO via referendum as conducted by USDA and confirmed on June 7, 2018, and the FMMO for California became effective November 1, 2018; and

WHEREAS, California Dairy producers approved a stand-alone quota program via referendum conducted in 2017, certified on January 5, 2018, and as a result California's stand-alone quota program became effective November 1, 2018; and

WHEREAS, the stand-alone quota program provides for a quota program administration assessment to cover the cost of managing the Quota Implementation Plan (QIP); and

WHEREAS, the Producers Review Board (PRB) met on July 31, 2023, and based on the proposed 2023/2024 budget, recommended that the administration assessment rate of \$0.0030 per hundredweight of assessable milk that had been in effect since the inception of the program be suspended for 1-year effective September 1, 2023; and

WHEREAS, the Department accepted the recommendation of PRB and suspended the assessment rate effective September 1, 2023 for 1-year which means that unless modified the former assessment rate will be reinstated on September 1, 2024;

WHEREAS, the Department recently determined that reserves for the administration of QIP are higher than anticipated, which is contrary to its desire to align reserves with anticipated expenses; and

NOW THEREFORE, it is hereby ordered that pursuant to Section 902 of the QIP and by virtue of the authority vested in me by Section 62757 of Chapter 3.5, Part 3, Division 21 of the Food and Agriculture Code, effective September 1, 2024, the quota program administration assessment rate will be set to \$0.00 per hundredweight of assessable milk. This assessment rate will remain in effect until modified by the Department.

By:

Kathy Diaz Digitally signed by Kathy Diaz
Date: 2024.08.19 15:47:48 -07'00'

Kathy Diaz, Director
Marketing Services Division

August 19, 2024

Date