



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

Karen Ross, Secretary

November 24, 2014

**PRODUCER'S ASSESSMENT FEE CHANGE
FOR THE POOLING PLAN FOR MARKET MILK
EFFECTIVE JANUARY 1, 2015**

To All Interested Parties:

Pursuant to Section 62718 of the Food and Agriculture Code, the Department is authorized to assess producers of market milk and pay to the Department the amount necessary to cover the cost of administering the Pooling Plan for Market Milk, but not to exceed two cents (\$0.02) per hundredweight of fluid (market) milk produced.

The Department is authorized to assess a fee at a lesser amount and may adjust such fee from time to time. The current fee of 1.1 cents (\$0.011) per hundredweight of market milk has been in effect since April 2008.

At its meeting on October 1, 2014, the Milk Pooling Producer Review Board (Board) received an update on the Milk Pooling Branch's current fiscal year budget and the proposed 2015-2016 fiscal year budget. The decline of milk production in California over the last several years has had an effect on the Milk Pooling Branch revenues. With that decline, the Branch is now in a situation where there are inadequate fund balances to carry out the ongoing operations and maintain the integrity of the Milk Pooling Program. In order to rectify the funding issue, the Board unanimously voted to recommend that the Department increase the Pool Administrative Fee.

Based upon Board recommendation, the Department has approved effective January 1, 2015, an increase of the Milk Pooling Administrative fee from 1.1 cents (\$0.011) per hundredweight of milk to 1.2 cents (\$0.012) per hundredweight. Handlers will continue to be responsible for making the deductions from producer's payments and for reporting and remitting such deductions to the Department.

A copy of the Order of the Department approving and establishing the rate change is on file at the Milk Pooling Branch and may be obtained upon request.

Please contact us at the telephone number below if you have any questions.

Sincerely,

John Lee, Chief
Milk Pooling Branch

