



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

Karen Ross, Secretary

June 28, 2022

**QUOTA IMPLEMENTATION PLAN
ASSESSMENT RATE REVISIONS EFFECTIVE
AUGUST 1, 2022 AND MARCH 1, 2023**

TO ALL INTERESTED PARTIES:

The California Food and Agricultural Code (FAC) section 62757 provides that should a federal milk marketing order be established in California; the Secretary of Food and Agriculture is authorized to establish a stand-alone quota program. FAC 62757 further authorizes the program to be funded by an assessment on milk produced in the state.

FAC section 62757 and Article 9, Section 901 of the Quota Implementation Plan (QIP) provides for a quota revenue assessment to fund the quota premiums. Since June 1, 2020, the rate has been set at \$0.0420 per pound of Solids Not Fat (\$0.365 per hundredweight). That rate has generated more reserves than needed to pay quota premiums; accordingly, at its meeting on June 6, 2022, the Producer Review Board (PRB), as an advisory body to the California Department of Food and Agriculture (CDFA), voted to recommend that the assessment rate be decreased to **\$0.0315 per pound of Solids Not Fat (\$0.274 per hundredweight) effective August 1, 2022, through the end of February 2023**. Furthermore, the PRB also recommended that effective **March 1, 2023, the rate be increased to \$0.0391 per pounds of Solids Not Fat (\$0.34 per hundred weight)**.

CDFA has adopted the assessment recommendation. It is anticipated the rate effective August 1, 2023 through end of February 2023 will draw down the fund to adequate cashflow levels. It is further anticipated that the rate change effective March 1, 2023, will generate roughly the same assessment revenue that is paid out. However, during the meeting, CDFA and the PRB agreed to meet as needed to re-evaluate the quota premium assessment levels.

Sincerely,



Kathy Diaz, Director
Marketing Services Division

