

# Quota Review Committee Meeting Notes

June 7, 2007  
Sacramento, California

## MEMBERS PRESENT

Ann Silva  
Domenic Carinalli  
Ben Curti  
Frank Faria  
Frank Konyon, Jr.  
Steve Maddox  
Brad Scott  
Pete Vander Poel  
Ray Veldhuis  
Dennis Leondardi  
Richard Shehadey

## MEMBERS ABSENT

None

## DEPARTMENTAL STAFF PRESENT

George Gomes, Undersecretary  
Kelly Krug, Director  
John Lee  
Dave Ikari  
Donald Shippelhoute  
Marie R. Caron-Lyles  
  
Jim Morgan, Strategy Dynamics

## PUBLIC GUESTS IN ATTENDANCE

Glenn Gleason  
Bill Van Dam  
Eric Erba  
Tiffany LaMendola  
Jim Greubele  
Larry Serpa  
Francis Pacheco  
David Parrish  
Jim & Sue McIsaac  
Syp Vander Dussen  
George McClelland  
Mike Griffin  
Robert J. Camozzi

Ann Silva opened the meeting at 10:00 a.m. thanking the Committee for their return and welcomed those that were not at the last meeting. Ms. Silva restated the Committee is here for the best interest of the Dairy Industry and briefly reviewed the purpose and the options of the Committee, with regard to Quota and the Pool.

- Option #1 Should the existing quota system continue without change?
- Option #2 Should the quota system be modified?
- Option #3 Should quota be retired?

Ms. Silva acknowledged the public guests and stated the public is welcomed to make brief comments at the end, within the stated timeframe and with any lengthy briefs in writing presented to the Committee. Ms. Silva stated she had requested background information which was handed out to the Committee.

- Pacific Northwest Quota Report – Bill Van Dam

Ms. Silva introduced Jim Morgan as the Committee's facilitator and stated she approached the Department to consider professional facilitation assistance for the Quota Review effort. She also stated this portion of the meeting was for Committee members input only and the public observers would be able to make comment at the end.

Mr. Morgan thanked Ms. Silva, introduced himself, reviewed his expectations with the Committee and requested if there was a target date for this committee. Ms. Silva stated she believed a good target date of 2 ½ months or around August 1<sup>st</sup> would be a reasonable goal.

Mr. Morgan explained the process review set forth for this Committee

Deadline – set decision

Defined QRC deliverables/Outcomes

- Where does our role begin and end
- Need to send Recommendation to Secretary
- Need a plan of action
- Get this out to dairy industry
- What comes out of this Committee
- Need clear cut direction
- Need dairy input
- Realistic goals
- Get buy in from producers
- Legislation tie in
- Need to concur
- Dealing with money of others
- Mission – restated

Ms. Silva restated this Committee needs clear directions on recommendation to the Secretary and then seek additional feedback from dairymen.

Target date agreed for August and introductions of the Committee, Department Staff and public guests were made.

A handout showing this Committee's program expectations was presented by Mr. Morgan (attachment ) and a round table discussion ensued regarding what each Committee member has heard from other dairymen (attachment 1).

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Don Shippelhouse discussed Pool Revenue, calculating the Pool, RQA's and distributed handouts.

- Value of quota Over time – Data Table April 2004 & April 2007
- Comparing 1.70 CWT fix vs. Old Method (variable)
- Pool Price gain/loss – 1994 thru 2007

Comments were requested from each member and interaction was made with each Committee member contributing their ideas of positive and or negative aspects of the Option Guidelines. (Attachments 2 thru 4)

Option 1: leave quota unchanged – the pros & cons.

Option 2: modify quota system

Homework assignments for June 18<sup>th</sup> meeting was assigned regarding the Option 1 and Option 2 discussion (Attachment 5). Summary sheet of assignment (Attachment 6).

A target date of 2 ½ months August was set as a viable goal with the Committee members and reiterated that the scope of this Committee's responsibility was to make a recommendation to the Secretary.

In addition to continuing today's discussion items, Ms. Silva asked and received one additional item for the next meeting.

- Request the Department to update Quota/Overbase data document assuming average production growth for 3- 5 years.

It was agreed that the next meeting would be held on June 18<sup>th</sup> at the California Farm Bureau beginning at 10 a.m. The following meeting would be held July 13<sup>th</sup> beginning at 10 a.m. at a pre-determined location.

An announcement was made regarding the Travel Expense Claim process and to see CDFA staff, Marie Caron-Lyles for assistance. Ann Silva verbalized her appreciation to all for their participation.

The meeting adjourned at 3:15 p.m.

*Original Signed By*

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John Lee, Chief  
Milk Pooling Branch