



May 24, 2011

Karen Ross, Secretary
California Department of Food and Agriculture
1220 N Street
Sacramento, CA 95814

Dear Secretary Ross:

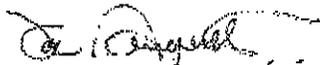
On behalf of the dairy producer members the California Dairy Campaign (CDC) represents, I write to request that if CDFA grants a hearing on Class 4a milk, the scope of the hearing be expanded to include Class 4b milk as well.

Although dairy producer prices have improved since the collapse of 2009, California dairy producers today continue to struggle due to record high feed costs and increases in other input costs. If CDFA decides to grant a hearing to consider the petition put forward by CDI to raise the 4a manufacturing cost allowance and the f.o.b. price adjuster for butter, then changes to the 4b formula should also be considered. The current 4b manufacturing cost allowance is higher than the CDFA 4b cost study and the market value of whey is not currently reflected in the pricing formula.

We believe it is imperative that if CDFA decides to call a hearing on Class 4a, then it also include a hearing on Class 4b to ensure that changes to the dairy pricing formulas are equitable to dairy producers across the state.

We appreciate your attention in this regard.

Sincerely,



Joe Augusto
President

cc: Candace Gates, Dairy Marketing Branch Chief

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