



June 1, 2011

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

Re: Denial of request to delay the Class 4a and 4b hearing

Dear Secretary Ross,

I am responding to the letters you received from Western United Dairymen (WUD) and the Dairy Institute of California (DIC), both dated May 27, 2011. At the heart of the issue brought forth by both organizations is the timeline for the public hearing to consider changes to the pricing formulas for Class 4a and 4b. Both WUD and DIC view the timeline as being compressed or expedited. However, it is our view is that the informal prelude to the public hearing process has been drawn out for several months for a variety of reasons. We suggest that every organization with an interest in a hearing to consider changes to the pricing formulas was well advised of the likelihood of a petition being submitted.

The Board of Directors of California Dairies, Inc. discussed the matter at their December 2010 Board meeting. As a follow-up to that discussion, the Alliance of Western Milk Producers discussed a joint petition for a hearing that would cover both Class 4a and Class 4b at its January 2011 meeting. The Board authorized its CEO, Bill Van Dam, to contact other dairy producer organizations, including WUD, to attempt to build a broader consensus. As a matter of courtesy Mr. Van Dam also notified the staff of DIC of the likelihood of a petition being filed soon. All of these contacts were made in January.

In short, the two parties that submitted letters to delay the hearing have had ample time to consider the proposed ideas, conduct analyses and deliberate on the merits of the petitions. Delaying the hearing scheduled for June 30th and July 1st by 15 days is unlikely to make any significant difference in the position adopted by any organization that would participate in the hearing. We urge you to deny the requests of WUD and DIC for a fifteen-day extension of the hearing schedule.

Sincerely,

Dr. Eric Erba
Sr. VP Administrative Affairs

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