



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

Karen Ross, Secretary

NOTICE OF A CONSOLIDATED PUBLIC HEARING
TO CONSIDER AMENDMENTS TO THE STABILIZATION AND MARKETING PLANS FOR
MARKET MILK FOR THE NORTHERN AND SOUTHERN CALIFORNIA MARKETING AREAS

Notice is hereby given that the California Department of Food and Agriculture (Department) is calling a public hearing, on its own motion, to consider amendments to the Stabilization and Marketing Plans for Market Milk for the Northern California and Southern California Marketing Areas (Plans).

Hearing Date, Place and Time - The hearing will be held on June 3, 2015 in the Department Auditorium, 1220 N Street, Sacramento, California 95814. Beginning at 8:00 a.m. the hearing will remain open until all testimony has been received.

The hearing is called pursuant to Chapter 2, Part 3, Division 21 of the Food and Agricultural Code (FAC). The hearing noticed herein will be conducted in accordance with the procedures prescribed in 3 CCR 2080.4.

Call of Hearing – In 2014 the Department held various meetings with the California Dairy Future Task Force and its work groups to create a 21st century pricing system with the goal of taking advantage of the new global marketplace to create growth and prosperity for California's dairy families and processors. Even though those efforts last year did not result in improvements to our current milk pricing system, I remain committed to finding long-term solutions to the issues affecting the California dairy industry. While the industry must continue to work towards long-term structural reforms to address these issues, I am concerned that the current conditions impacting the production of milk and the marketing of dairy products may warrant short-term adjustments to the current pricing levels. Thus, the Department is calling a hearing on its own motion.

The hearing will consider proposed amendments to the Class 4b pricing formula with a sunset clause having an expiration date not to exceed twenty four months. Specific proposals that would amend or change the provisions contained in Article III, Section 300, subparagraphs (E)(1)(c), (E)(6), and (E)(9) of the Plans will be open for consideration at the hearing. Proponents of any alternative proposal shall address, at a minimum, the economic conditions that would support adjustments to the current Class 4b pricing formula and quantifiable economic data or methodologies that would support adjustments to the whey factor.

Interested parties are encouraged to refer to the pricing criteria established in FAC Article 9, Chapter 2, of Part 3, Division 21 and the declarations, purposes, goals and requirements of the Milk Stabilization Program as codified in FAC Chapter 2 and FAC Sections 62062 and 62076.



Alternative Proposals – All interested parties are entitled to submit alternative proposals detailing adjustments in the whey valuation of the Class 4b pricing formula with a sunset clause having an expiration date not to exceed twenty four months. Alternative proposals must be signed by a responsible party and received by the Department’s Dairy Marketing Branch no later than 4:00 p.m. on May 20, 2015. The Dairy Marketing Branch’s office location is the 2800 Gateway Oaks Drive, Sacramento, California 95833. The Department strongly encourages all alternative proposals to be sent electronically via email to dairy@cdfa.ca.gov or faxed to (916) 900-5341. Alternative proposals may be mailed to Hearing Officer, c/o CDFA Dairy Marketing Branch, 1220 N Street, Sacramento, California 95814. Please allow five (5) business days in addition to normal mailing times if mailed USPS.

At the hearing, the Department will receive testimony and evidence, both oral and documentary. Interested parties who wish to introduce testimony and/or exhibits shall provide the Hearing Officer at the hearing six (6) copies of such documents for the official record.

Copies of the transcripts of testimony received at the hearing will not be available for distribution via the Department, but are available for inspection at the Dairy Marketing Branch. If interested parties wish to purchase copies, arrangements may be made with the reporting service at the hearing.

Final Decisions Resulting from the Hearing - The final decisions resulting from this hearing will be issued in accordance with the procedures and criteria contained in Chapter 2 of Division 21 of the FAC, as necessary.

The Department's decision will include consideration of all relevant legal and economic factors including, but not limited to, the following:

- The reasonableness and economic soundness of market milk prices for all classes, giving consideration to combined income from those classes, in relation to cost of production and marketing for all purposes including manufacturing;
- Whether prices will insure an adequate and continuous supply, in relation to demand, of pure, fresh, wholesome market milk for all purposes, including manufacturing purposes, at prices to consumers which, when considered with relevant economic criteria, are fair and reasonable;
- Whether prices, including the prices of components of milk, established by the Secretary for the various classes of market milk bear a reasonable and sound economic relationship to each other; and
- Whether the amendments would be in accord with all the purposes, policies, and standards contained in Sections 61801, 61802, 61805, 61806, 61807, 62062, 62063, 62074.5, 62076 and 62077.

Ex Parte Communications Prohibited - From the time this Notice is issued until the issuance of a final decision in a proceeding, Department employees involved in the decision-making

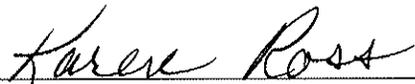
process are prohibited from discussing substantive hearing issues with any person having an interest in the proceeding. Procedural matters are not subject to the above prohibition and may be discussed at any time.

The Department's entire hearing exhibit for this hearing will be available for public inspection at the Dairy Marketing Branch office on May 27, 2015.

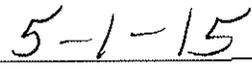
Questions regarding the call of this hearing should be addressed to Hyrum Eastman or Candace Gates at (916) 900-5014.

Media contacts and publication staff are asked to contact the Department's Public Affairs Office by e-mail at cdpublicaffairs@cdfa.ca.gov or by phone at (916) 654-0462.

Persons with Disabilities - The Department of Food and Agriculture wishes to ensure that all members of the public have access to all public meetings. If you require a special accommodation, please contact Candace Gates at (916) 900-5014 or TDD (800) 735-0193 at least five days before the workshop or hearing date.



Karen Ross
Secretary



Date