



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

Karen Ross, Secretary

March 8, 2012

The Department has recognized the petition submitted by California Dairies, Inc., the Dairy Farmers of America-Western Council, Land O'Lakes, Inc., the Security Milk Producers Association, the Milk Producers Council, the California Dairy Campaign, and the Alliance of Western Milk Producers (collectively the "Coalition") on March 2, 2012 as a valid petition. This petition is being treated as a petition from interested parties in accordance with 3 CCR 2080.2. The Secretary therefore has until March 16th to order a hearing on the merits or deny the petition.



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March 2, 2012

78977.00002

VIA COURIER AND FACSIMILE (916) 654-0403

Ms. Karen Ross
Secretary of Agriculture
California Department of Food & Agriculture
Executive Office
1220 N Street, Suite 400
Sacramento, CA 95814

Re: **Petition for Hearing Regarding California's Class 4b Milk Pricing Formula**

Dear Secretary Ross:

We submit this Petition for hearing on behalf of California Dairies, Inc., the Dairy Farmers of America – Western Area Council, Land O'Lakes, Inc., the Security Milk Producers Association, the Milk Producers Council, the California Dairy Campaign, and the Alliance of Western Milk Producers (collectively, the "Coalition"). Based on January 2012 data, the Coalition represents about 64 percent of the state's eligible milk producers and approximately 78 percent of the state's total milk production—far in excess of 55 percent of the total number of all producers and total production in California.¹ See Cal. Food & Agric. Code § 62032. This Petition requests a hearing at which the Coalition will ask the California Department of Food & Agriculture ("CDFA") to replace the current Class 4b milk pricing formula with a formula that results in prices that meet the statutory requirement of a reasonable and sound economic relationship to the national value of manufactured milk products. As described below, the Coalition families have suffered material losses and irreparable harm caused as a result of the inequity in pricing, specifically regarding the valuation of whey solids. The need for the requested hearing—and for a new milk pricing formula—is urgent.

I. **EXECUTIVE SUMMARY**

The Coalition requests a public hearing to amend the Class 4b milk pricing formula in California. The basis for the request is:

1. The current Class 4b milk pricing formula violates the law because it results in prices that have no reasonable or sound economic relationship with the national value of manufactured milk products. See Cal. Food & Agric. Code § 62062 ("Each stabilization and marketing plan shall contain provisions whereby the director establishes minimum prices to be paid by handlers to producers

¹ California Food & Agricultural Code Section 62032 provides that a hearing "shall be held upon receipt of a petition which is signed by producers" and which represents not less than "55 percent of the total number of all producers and not less than 55 percent of the total production of all producers that are eligible to petition the director for the formulation of such a plan." Based on January 2012 data, the Coalition represents about 1,087 of the state's nearly 1,700 dairies (approximately 64%) and about 2.812 billion of the state's roughly 3.615 billion pounds of milk produced (approximately 78%).

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for market milk in the various classes. The director shall establish the prices by designating them in the plan, or by adopting methods or formulas in the plan whereby the prices can be determined, or any combination of the foregoing. ...If the director adopts methods or formulas in the plan for designation of prices, the methods or formulas shall be reasonably calculated to result in prices that are in a reasonable and sound economic relationship with the national value of manufactured milk products.”);

2. The current Class 4b milk pricing formula results in prices that significantly undervalue the milk produced by dairies and have caused the Coalition families to collectively lose approximately \$300 million in 2011 alone; and
3. The current formula addressing the whey solids factor has resulted in Coalition families being undercompensated, expending capital and equity, increasing debt burdens, and, in some cases, losing family dairy operations or currently facing bankruptcy. The economic hardships caused by the improper valuation have caused financial instability for many of the Coalition member families.

II. AUTHORITY TO SUPPORT THIS PETITION FOR HEARING

The California Food and Agricultural Code (the “Code”) provides that a hearing “shall be held upon receipt of a petition which is signed by producers” and which represents not less than “55 percent of the total number of all producers and not less than 55 percent of the total production of all producers that are eligible to petition the director for the formulation of such a plan.” Cal. Food & Agric. Code § 62032. In this case, the Coalition believes that a hearing is required because it represents well in excess of 55 percent of all milk producers and eligible milk production. Alternatively, the Coalition requests a hearing pursuant to the California Code of Regulations, which provides that “any interested person may petition the secretary requesting the adoption, amendment or termination of a stabilization or marketing plan or the milk pooling plan.” 3 Cal. Code Regs. § 2080.2(a).

III. AMENDMENT OF THE CLASS 4B MILK PRICING FORMULA IS NECESSARY BECAUSE THE CURRENT WHEY SOLIDS FACTOR SIGNIFICANTLY UNDERVALUES WHEY

A. Overview of the Significant Code Provisions

The Code authorizes the CDFA to regulate the price of milk sold in California pursuant to “Stabilization and Marketing Plans.” See Cal. Food & Agric. Code § 61801 *et seq.* The CDFA has implemented a Stabilization and Marketing Plan to establish prices for the various classes of milk, and the CDFA determines a value for raw milk produced by California’s milk producers based on the end-uses for that milk. See Cal. Food & Agric. Code § 61838. The overriding imperative for the end-product pricing system was to “[e]nable the dairy industry, with the aid of the state, to develop and maintain satisfactory market conditions, bring about and maintain a reasonable amount of stability and prosperity in the production of milk, and provide means for carrying on essential educational activities.” Cal. Food & Agric. Code § 61805(d).

However, the establishment of milk prices for the various classes of milk does not occur in a vacuum; in fact, the CDFA is obligated to set minimum prices within certain parameters. Notably, the Code requires the CDFA to determine prices that bear some reasonable nexus to the national value of milk products. See Cal. Food & Agric. Code § 62062 (“[T]he methods or formulas shall be reasonably calculated to

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result in prices that are in a reasonable and sound economic relationship with the national value of manufactured milk products."). Moreover, the CDFA must consider the income derived from the milk prices "in relation to the cost of producing and marketing market milk for all purposes" as well as "the cost of management and a reasonable return on necessary capital investment." Cal. Food & Agric. Code § 62062(a).

B. Variation Between the FMMO and the Class 4b Milk Pricing Formula

The Coalition proposes the Federal Milk Marketing Order ("FMMO") Class III minimum price as a reasonable and sound basis for evaluating California's Class 4b milk pricing formula. The FMMO provides the best measure of the national value of milk products. The FMMO regulates approximately 65 percent of the national milk supply and 82 percent of the milk produced outside of California. Under the FMMO, milk is regulated by class as it is in California (e.g., fluid drinking milk, soft products, cheese, butter, powder, etc.).

Notably, the approaches of the FMMO and California differ materially with respect to how the formulas account for whey solids. First, the two formulas use different price indexes for dry whey. California uses the weekly report from the USDA's Agricultural Marketing Services, while the FMMO pricing formula is based on a weighted average price of dry whey as reported by manufacturers around the country. Second, the formulas have different approaches for valuing the whey solids portion of the end-product formula. Specifically, California's whey solids portion is capped and floored, while the FMMO whey solids portion is not, meaning that the FMMO formula has greater flexibility to adjust to market trends.

C. Previous Efforts to Address the Price Discrepancy

An adjustment to the Class 4b milk pricing formula is necessary because, as whey markets have escalated from the spring of 2009 to the present, the Class 4b milk pricing formula has not been adjusted to ensure a reasonable and sound economic relationship with the FMMO Class III price. Despite the CDFA's adoption of a "sliding scale" approach in 2011, the Class 4b milk pricing formula no longer bears a reasonable and sound relationship with national values. In fact, under the CDFA's current approach, the Coalition has been, and will continue to be, precluded from participating in the escalation of the whey markets—to the Coalition's detriment.

1. April 2003 through November 2007

Historically, the federal and California state formulas differ with respect to how whey solids are valued. From April 2003 through November 2007, the California Class 4b minimum pricing formula included a variable "dry whey factor" that adjusted the minimum price each month as the market for dry whey products fluctuated. In 2007, the CDFA removed the variable dry whey factor and replaced it with a fixed factor of \$0.25/hundredweight (as of December 1, 2007). During the same timeframe, the FMMO Class III formula included a variable "other solids" factor that was similar in structure to the dry whey factor that existed in California from April 2003 through November 2007.

2. 2008 and the Establishment of the Whey Review Committee

In 2008, the CDFA established a Whey Review Committee, the purpose of which was to evaluate how the Class 4b minimum pricing formula accounts for the value of whey. While the establishment of such

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Committee may have been useful to study the impact of whey on the Class 4b minimum pricing formula, the CDFA did not grant a hearing at which it could amend the Class 4b milk pricing formula. The Coalition now requests such hearing.

3. October through November 2009

In October through November 2009, the CDFA conducted a public hearing to consider, among other things, adjustments to the milk pricing formulas. One organization, the Milk Producers Council, submitted a proposal to the CDFA regarding the Class 4b milk pricing formula's inability to capture the escalation in the whey markets. That proposal would have maintained a \$0.25/hundredweight dry whey factor, but it would have permitted the dry whey factor to increase when dry whey markets increased. The CDFA did not adjust the dry whey factor, noting that an increase would "create long term financial issues for small cheese processors."²

4. June and July 2011

In June and July 2011, the CDFA conducted another public hearing to consider adjustments to the Class 4b minimum pricing formula. In the six months leading up to the hearing (January-June 2011), the California Class 4b minimum price averaged \$1.42/hundredweight below the FMMO Class III minimum price (\$1.29/hundredweight of which represented the variation as to how the two formulas accounted for dry whey solids). At the hearing, three core proposals were offered, each of which purported to modify the then-fixed dry whey factor by instituting a variable dry whey factor. One proposal, offered by the Western United Dairymen, expressly tied the California Class 4b formula to the FMMO Class III formula and included an 80% adjuster (*e.g.*, the California Class 4b formula would have included a dry whey factor that equals 80% of the "other solids" factor in the FMMO Class III formula). Ultimately, the CDFA chose to replace the fixed dry whey factor with a "sliding scale" dry whey factor that has both a floor and a cap. The modified formula, effective as of September 1, 2011, resulted in a \$0.40/hundredweight increase in the Class 4b minimum price

5. Following the June and July 2011 Hearing

Since the hearing in June and July 2011, the disparity between the Class 4b minimum price and the FMMO Class III minimum price has continued to grow. For that reason, on December 2, 2011, the Western United Dairymen petitioned the CDFA to hold a hearing to remedy the disparity. The petition asked the CDFA to modify the Class 4b formula to include a whey solids factor that more closely resembles the FMMO Class III formula. On December 15, 2011, the CDFA denied the request for a hearing, claiming that the "data does not provide the Department with enough additional information following the conclusion of the previous hearing to determine how the current formula will perform." The CDFA vowed to review the "issue and data available in mid-2012 and determine if a hearing is necessary." Respectfully, the Coalition contends sufficient data has been gathered to warrant such a hearing (and, indeed, to amend the Class 4b milk pricing formula).

² The Coalition notes that small cheese processors in other parts of the country (outside of California) are faced with adjustments to the dry whey factor under the FMMO.

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D. Impact of the Discrepancy Between the FMMO and Class 4b Milk Pricing Formula

In 2008 and 2009, the variation between the two formulas was approximately \$0.31-\$0.58/hundredweight. In 2010, the discrepancy grew to \$1.24/hundredweight, and in 2011, the variation jumped to \$2.00/hundredweight. In fact, over the past two years, the California Class 4b milk pricing formula price has averaged \$1.62/hundredweight less than the comparable FMMO Class III price per hundredweight. The difference between these two pricing formulas creates a significant gap in an industry that is known for operating on extremely tight margins.³ For example, in 2011 alone, more than 1.3 billion pounds of milk were sold to California's milk processors and cheese manufacturers per month, and given the \$2.00/hundredweight disparity, the Coalition lost about \$26 million per month—which is nearly \$300 million for the year.

The loss is damaging the Coalition families and the financial stability of California's dairy farms. Whereas the national value of milk increases and decreases in response to national supply and demand, in California, the minimum price set by the CDFA does not bear a reasonable relationship to the nationwide value of milk products. This has caused ripple effects across California's dairy industry, costing dairy farmers more than \$26 million each month.

IV. THE PROPOSED AMENDMENT TO THE CLASS 4B MILK PRICING FORMULA

The Coalition seeks a hearing to address the following proposal:

1. The CDFA's current "sliding scale" approach should be replaced with a new "sliding scale" approach that results in a whey value that tracks the market direction followed by the FMMO Class III whey value;
2. The CDFA shall use a simple average of the Dairy Market News "West" (the "Western Mostly") price range⁴ for dry whey,⁵ and
3. The CDFA should institute a floor of \$0.00/hundredweight and a cap of \$4.00/hundredweight.

Moreover, attached to this Petition as Exhibit A is a copy of the suggested language to amend the plan and a table (incorporated herein by reference) reflecting the proposed adjustment to the whey solids factor and the affect on the Class 4b milk pricing formula.

³ The purported recovery of dairy prices during summer 2011 was short-lived. The Coalition's margins are pressured due to, for example, high feed prices and significantly lower milk prices.

⁴ The Coalition understands that the CDFA prefers to use the Dairy Market News price range (an unaudited report) in lieu of the National Agricultural Statistics Service ("NASS") price range. To the extent the Dairy Market News price demonstrates a significant variation from national pricing information, the Coalition reserves its right to object to the Dairy Market News price.

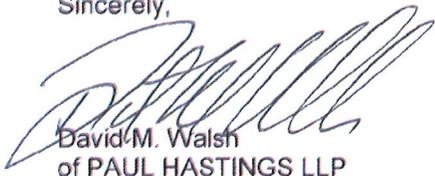
⁵ The "sliding scale" is based on a calculation of 95 percent of the FMMO Class III dry whey factor. This adjustment was necessary to account for the trend that the Dairy Market News "West" (the "Western Mostly") price range has generally been slightly higher than the NASS price, which is used in the FMMO system.

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V. CONCLUSION

The Coalition respectfully requests that a hearing to consider the proposed amendments be scheduled at the earliest available date. Absent needed amendments to the Class 4b milk pricing formula, the Coalition families will continue to incur significant losses (nearly \$26 million per month), more dairies will shut down, and dairy farms will be forced to incur even greater debt. We thank you for your consideration of this Petition.

Sincerely,



David M. Walsh
of PAUL HASTINGS LLP



Donna M. Melby
of PAUL HASTINGS LLP

Enclosure

Cc:

Ms. Sandra Schubert
Undersecretary of Agriculture
California Department of Food & Agriculture
Executive Office
1220 N Street, Suite 400
Sacramento, CA 95814

Ms. Candace Gates
Chief, Dairy Marketing Branch
California Department of Food & Agriculture
1220 N Street
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Mr. Kevin Masuhara
Director, Division of Marketing Services
California Department of Food & Agriculture
1220 N Street
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**Exhibit A
Petition for Hearing**

Proposed Change to Stabilization Plans:

Article III – Class Prices

Section 300 (E) The minimum prices to be paid for components used for Class 4b shall be computed as follows, except as such formulas and procedures may be modified by Paragraph (H) of this Section:

- (1) The Cheese hundredweight price shall be the price per hundredweight computed by the sum of the following:
 - a. The price per hundredweight computed by the formula using the Cheddar cheese price, less an f.o.b. California price adjuster of two and fifty-two hundredths cents (\$0.0252), less a Cheddar cheese manufacturing cost allowance of nineteen and eighty-eight hundredths cents (\$0.1988), all multiplied by a yield factor of ten and two-tenths (10.2).
 - b. The price per hundredweight computed by the formula using the butter price, less a manufacturing cost allowance of sixteen and thirty-five hundredths cents (\$0.1635), less ten cents (\$0.10), all multiplied by a yield factor of twenty-seven-hundredths (0.27).
 - c. The price per hundredweight for the whey factor value, corresponding to the monthly average dry whey price, based on the following schedule:

Average Monthly Western Dry Whey per lb	Whey Value per cwt
Less than \$0.2000	\$0.0000
\$0.2000 to \$0.2099	\$0.0329
\$0.2100 to \$0.2199	\$0.0886
\$0.2200 to \$0.2299	\$0.1443
\$0.2300 to \$0.2399	\$0.2000
\$0.2400 to \$0.2499	\$0.2557
\$0.2500 to \$0.2599	\$0.3114
\$0.2600 to \$0.2699	\$0.3671
\$0.2700 to \$0.2799	\$0.4228
\$0.2800 to \$0.2899	\$0.4786
\$0.2900 to \$0.2999	\$0.5343
\$0.3000 to \$0.3099	\$0.5900
\$0.3100 to \$0.3199	\$0.6457
\$0.3200 to \$0.3299	\$0.7014
\$0.3300 to \$0.3399	\$0.7571
\$0.3400 to \$0.3499	\$0.8128
\$0.3500 to \$0.3599	\$0.8685
\$0.3600 to \$0.3699	\$0.9242
\$0.3700 to \$0.3799	\$0.9800
\$0.3800 to \$0.3899	\$1.0357
\$0.3900 to \$0.3999	\$1.0914
\$0.4000 to \$0.4099	\$1.1471

Average Monthly Western Dry Whey per lb	Whey Value per cwt
\$0.5600 to \$0.5699	\$2.0385
\$0.5700 to \$0.5799	\$2.0942
\$0.5800 to \$0.5899	\$2.1499
\$0.5900 to \$0.5999	\$2.2056
\$0.6000 to \$0.6099	\$2.2613
\$0.6100 to \$0.6199	\$2.3170
\$0.6200 to \$0.6299	\$2.3727
\$0.6300 to \$0.6399	\$2.4284
\$0.6400 to \$0.6499	\$2.4841
\$0.6500 to \$0.6599	\$2.5399
\$0.6600 to \$0.6699	\$2.5956
\$0.6700 to \$0.6799	\$2.6513
\$0.6800 to \$0.6899	\$2.7070
\$0.6900 to \$0.6999	\$2.7627
\$0.7000 to \$0.7099	\$2.8184
\$0.7100 to \$0.7199	\$2.8741
\$0.7200 to \$0.7299	\$2.9298
\$0.7300 to \$0.7399	\$2.9855
\$0.7400 to \$0.7499	\$3.0413
\$0.7500 to \$0.7599	\$3.0970
\$0.7600 to \$0.7699	\$3.1527
\$0.7700 to \$0.7799	\$3.2084

**Exhibit A
Petition for Hearing**

\$0.4100 to \$0.4199	\$1.2028	\$0.7800 to \$0.7899	\$3.2641
\$0.4200 to \$0.4299	\$1.2585	\$0.7900 to \$0.7999	\$3.3198
\$0.4300 to \$0.4399	\$1.3142	\$0.8000 to \$0.8099	\$3.3755
\$0.4400 to \$0.4499	\$1.3699	\$0.8100 to \$0.8199	\$3.4312
\$0.4500 to \$0.4599	\$1.4256	\$0.8200 to \$0.8299	\$3.4869
\$0.4600 to \$0.4699	\$1.4814	\$0.8300 to \$0.8399	\$3.5427
\$0.4700 to \$0.4799	\$1.5371	\$0.8400 to \$0.8499	\$3.5984
\$0.4800 to \$0.4899	\$1.5928	\$0.8500 to \$0.8599	\$3.6541
\$0.4900 to \$0.4999	\$1.6485	\$0.8600 to \$0.8699	\$3.7098
\$0.5000 to \$0.5099	\$1.7042	\$0.8700 to \$0.8799	\$3.7655
\$0.5100 to \$0.5199	\$1.7599	\$0.8800 to \$0.8899	\$3.8212
\$0.5200 to \$0.5299	\$1.8156	\$0.8900 to \$0.8999	\$3.8769
\$0.5300 to \$0.5399	\$1.8713	\$0.9000 to \$0.9099	\$3.9326
\$0.5400 to \$0.5499	\$1.9270	\$0.9100 to \$0.9199	\$3.9883
\$0.5500 to \$0.5599	\$1.9828	More than \$.9200	\$4.0000

Monthly Average Dry Whey Price (\$/lb)	Whey Factor Value (\$/cwt.)
< \$0.25	\$0.25
≥ \$0.25 and < \$0.30	\$0.30
≥ \$0.30 and < \$0.35	\$0.35
≥ \$0.35 and < \$0.40	\$0.40
≥ \$0.40 and < \$0.45	\$0.45
≥ \$0.45 and < \$0.50	\$0.50
≥ \$0.50 and < \$0.55	\$0.55
≥ \$0.55 and < \$0.60	\$0.60
≥ \$0.60	\$0.65

- (2) For all milk fat, not less than the price per pound computed pursuant to Subparagraph (D)(1) of this Section.
- (3) For all milk solids-not-fat, not less than the price per pound computed by the formula using the Cheese hundredweight price established pursuant to Subparagraph (E)(1) less the product of three and seventy-two hundredths (3.72) multiplied by the Class 4b fat price established pursuant to Subparagraph (E)(2), all divided by eight and eighty hundredths (8.80).
- (4) The Cheddar cheese prices used in calculations pursuant this Paragraph shall be the simple average of the 40 pound block Cheddar cheese price quotations for the last significant trading action for sale, offer or bid at the Chicago Mercantile Exchange falling between the period beginning the 26th day of the previous month and concluding the 25th day of the current month.
- (5) The butter prices used in calculations pursuant this Paragraph shall be the simple average of the Grade AA butter price quotations for the last significant trading action for sale, offer or bid at the Chicago Mercantile Exchange falling between the period beginning the 26th day of the previous month and concluding the 25th day of the current month.
- (6) The dry whey prices used in calculations pursuant to this Paragraph shall be the simple average of the Dry Whey – West Mostly prices as published in Dairy Market News between the period beginning the 26th day of the previous month and concluding the 25th day of the current month.

Exhibit A
Petition for Hearing

- (7) In the event the Chicago Mercantile Exchange 40 pound block Cheddar cheese price is not available to calculate the Cheese hundredweight price, pursuant to Subparagraph (E)(1), then used in its place shall be the cheese price used in the prior month's calculation of the Cheese hundredweight price.
- (8) In the event that the Chicago Mercantile Exchange Grade AA butter price is not available to calculate the Cheese hundredweight price, pursuant to Subparagraph (E)(1), then used in its place shall be the Grade AA butter price used in the prior month's calculation of the Cheese hundredweight price.
- (9) In the event that the Dry Whey – West Mostly price is not available to calculate the Cheese hundredweight price, pursuant to Subparagraph (E)(1), then used in its place shall be the Dry Whey – West Mostly price used in the prior month's calculation of the Cheese hundredweight price.

John Moons
Dairyman and Executive Committee
California Dairies, Inc.
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Visalia, CA 93291

Ronald C. Pietersma
Dairyman and Board Member
Dairy Farmers of America – Western Area
Council
580 N. Wilma Ave., Building B, Suite H
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William Schreiber
Vice President, Milk Supply
Land O'Lakes, Inc.
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Hank Perkins
General Manager
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Chino, CA 91710

Rob Vandenheuvel
General Manager
Milk Producers Council
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Ontario, CA 91762

Joe Augusto
President
California Dairy Campaign
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Tony Mendes
Dairyman and Chairman
Alliance of Western Milk Producers
1225 H Street
Sacramento, CA 95814

March 7, 2012

VIA U.S. MAIL

Ms. Karen Ross
Secretary of Agriculture
California Department of Food & Agriculture
Executive Office
1220 N Street, Suite 400
Sacramento, CA 95814

Re: **Endorsement of Petition for Hearing Regarding California's Class 4b Milk Pricing Formula**

Dear Secretary Ross:

This letter confirms the enthusiastic support of the above-referenced organizations (collectively, the "Coalition") to the filing of the Petition for a hearing regarding California's Class 4b milk pricing formula (filed on March 2, 2012). In addition, based on January 2012 data and as provided in Exhibit A attached hereto, the Coalition represents about 64 percent of the state's eligible milk producers and approximately 78 percent of the state's total milk production—far in excess of 55 percent of the total number of all producers and total production in California.¹ See Cal. Food & Agric. Code § 62032. This information has been verified by the signatories to this endorsement, each of whom has been empowered by his organization and its members to authorize the filing of the Petition.

¹ Based on January 2012 data, the Coalition represents about 1,087 of the state's nearly 1,700 dairies (approximately 64%) and about 2.812 billion of the state's roughly 3.615 billion pounds of milk produced (approximately 78%).

Respectfully submitted,

Dated: 3/2/12

By: 
California Dairies, Inc.

Name: John Moons

Dated: _____

By: _____
Dairy Farmers of America – Western Area
Council

Name: _____

Dated: _____

By: _____
Land O'Lakes, Inc.

Name: _____

Dated: _____

By: _____
Security Milk Producers Association

Name: _____

Dated: _____

By: _____
Milk Producers Council

Name: _____

Respectfully submitted,

Dated: _____

By: _____
California Dairies, Inc.

Name: _____

Dated: March 4, 2012

By:  _____
Dairy Farmers of America - Western Area
Council

Name: Ron C. Pieterma

Dated: _____

By: _____
Land O'Lakes, Inc.

Name: _____

Dated: _____

By: _____
Security Milk Producers Association

Name: _____

Dated: _____

By: _____
Milk Producers Council

Name: _____

Respectfully submitted,

Dated: _____

By: _____
California Dairies, Inc.

Name: _____

Dated: _____

By: _____
Dairy Farmers of America – Western Area
Council

Name: _____

A handwritten signature in black ink, appearing to be 'W. Schreiber', written over a horizontal line.

Dated: 03/05/12

By: _____
Land O'Lakes, Inc.

Name: William Schreiber

Dated: _____

By: _____
Security Milk Producers Association

Name: _____

Dated: _____

By: _____
Milk Producers Council

Respectfully submitted,

Dated: _____

By: _____
California Dairies, Inc.

Name: _____

Dated: _____

By: _____
Dairy Farmers of America – Western Area
Council

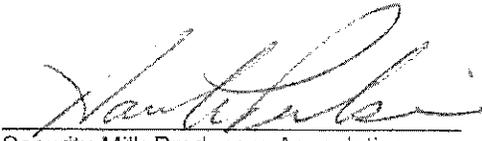
Name: _____

Dated: _____

By: _____
Land O'Lakes, Inc.

Name: _____

Dated: March 5, 2012

By: 
Security Milk Producers Association

Name: Hank Perkins

Dated: _____

By: _____
Milk Producers Council

Name: _____

Respectfully submitted,

Dated: _____

By: _____
California Dairies, Inc.

Name: _____

Dated: _____

By: _____
Dairy Farmers of America – Western Area
Council

Name: _____

Dated: _____

By: _____
Land O'Lakes, Inc.

Name: _____

Dated: _____

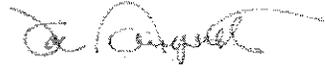
By: _____
Security Milk Producers Association

Name: _____

Dated: 3/5/2007

By: 
Milk Producers Council

Name: Robert Vandenhoevel



Dated: 3/3/12

By: California Dairy Campaign

Name: Joe Augusto

Dated: _____

By: Alliance of Western Milk Producers

Name: _____

Cc:

Ms. Sandra Schubert
Undersecretary of Agriculture
California Department of Food & Agriculture
Executive Office
1220 N Street, Suite 400
Sacramento, CA 95814

Ms. Candace Gates
Chief, Dairy Marketing Branch
California Department of Food & Agriculture
1220 N Street
Sacramento, CA 95814

Mr. Kevin Masuhara
Director, Division of Marketing Services
California Department of Food & Agriculture
1220 N Street
Sacramento, CA 95814

Dated: _____

By: _____
California Dairy Campaign

Name: _____

Dated: March 5, 2012

By: Jonny Mendes (with permission)
Alliance of Western Milk Producers

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