CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE
Karen Ross, Secretary

May 16, 2013

TO ALL INTERESTED PARTIES:

Having carefully weighed the contents of the hearing record from the April 4, 2013 transportation allowances and credits hearing, the Department has decided to amend the milk movement incentives as provided in the Milk Pooling Plan for Market Milk (Pooling Plan) and Stabilization and Marketing Plans for Market Milk for the Northern California and Southern California Marketing Areas (Stabilization Plans) as follows:

TRANSPORTATION ALLOWANCES

For the Bay Area Receiving Area:

- For 0 to 78 miles, increase the rate from $0.36/cwt. to $0.41/cwt.; no change in the mileage bracket.
- For 78 to 199 miles, increase the rate from $0.45/cwt. to $0.47/cwt.; no change in the mileage bracket.
- Over 199 miles, increase the rate from $0.47/cwt. to $0.65/cwt.; no change in the mileage bracket.

For the North Bay Receiving Area:

- Add Napa County.
- For 0 to 45 miles, no change in rate or mileage bracket.
- For 45 to 96 miles, increase the rate from $0.35/cwt. to $0.37/cwt.; no change in the mileage bracket.
- Over 96 miles, increase the rate from $0.44/cwt. to $0.46/cwt.; no change in the mileage bracket.

For the Sacramento Receiving Area:

- For 0 to 59 miles, increase the rate from $0.15/cwt. to $0.17/cwt.; no change in the mileage bracket.
- Over 59 miles, no change in rate or mileage bracket.

For the Southern California Receiving Area:

From the counties of Riverside and San Bernardino:

- No changes.

From California's 56 Other Counties:

- For 0 to 79 miles, no change in the mileage bracket or rate.
- For 79 to 99 miles, no change in the mileage bracket or rate.
- For 99 to 119 miles, no change in the mileage bracket or rate.
- Eliminate Over 119 miles bracket, establish mileage bracket of 119 to 155 miles, rate remains at $0.84/cwt.
- Establish an Over 155 mileage bracket, with a rate of $0.91/cwt.

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TRANSPORTATION CREDITS

For Southern California

- Increase the transportation credit from the designated supply county of Los Angeles to the deficit counties of Orange, Riverside, San Bernardino, San Diego, and Ventura from $0.45/cwt. to $0.54/cwt.

ESTIMATED FINANCIAL IMPACT TO THE POOL

Based on actual 2012 milk movement, the estimated average monthly cost increase to the Pool for these changes would be $127,937 or $0.004/cwt.

The changes to the transportation allowance system will be reflected in the amendments to the Pool Plan, Order Number 109. The changes to the transportation credit system will be reflected in the amendments to the Stabilization Plans, Order Numbers 58 and 73, respectively, for the Northern California Marketing Area and the Southern California Marketing Area. All changes will be effective June 1, 2013.

The Hearing Determinations, Panel Report, Pooling Plan, Stabilization Plans and more detailed explanation of the Department's decision can be obtained on the Dairy Marketing home page at www.cdfa.ca.gov/dairy by clicking on [Hearing Matrix]. To access the Stabilization Plans, click on [Dairy Marketing], located in the middle of the dairy home page and then on [Stabilization Plans]. To access the Pool Plan, click on [Milk Pooling], located in the middle of the dairy home page and then on [Pooling Plans].

Should you have any questions or desire further information, please contact Donald Shippelhoute with the Milk Pooling Branch at (916) 900-5012.

Media contacts and publication staff are asked to contact the Department's Public Affairs Office by e-mail at officeofpublicaffairs@cdfa.ca.gov or by phone at (916) 403-6732.

Sincerely,

Chief John Lee, Chief
Milk Pooling Branch

Candace Gates, Chief
Dairy Marketing Branch