

**DETERMINATIONS, FINDINGS, CONCLUSIONS AND ORDER OF THE  
SECRETARY OF FOOD AND AGRICULTURE**

*Public Hearing to Consider Amendments to the Stabilization and Marketing Plans for  
Market Milk for the Northern California and Southern California Marketing Areas*

*October 22, 2013*

**PROCEDURAL HISTORY**

On September 12, 2013, the Department conducted a public hearing to consider proposed amendments to the Class 1, 2, 3, 4a and 4b pricing formulas to be implemented through corresponding adjustments to the Stabilization and Marketing Plans for Market Milk for the Northern California and Southern California Marketing Areas (hereinafter “Stabilization Plans”). More specifically, it conducted the hearing for the purpose of considering adjustments to the temporary price relief, in effect for the period of July 1, 2013 to December 31, 2013, and the whey factor in the Class 4b pricing formula. The Department called this hearing in response to a petition received on July 22, 2013 by a group of producer organizations, California Dairies, Inc., Milk Producers Council, California Dairy Campaign, and Western United Dairymen. The hearing was conducted in accordance with the procedures prescribed in Title 3, California Code of Regulations section 2080.4.

The Department entered testimony, documentary evidence, and written correspondence pertinent to matters at issue into the record.

Pursuant to Food and Agricultural Code sections 62031 through 62079 (hereinafter “the Code”), the Secretary has broad discretion in deciding milk pricing issues. This decision is based upon the hearing record and the Panel Report to the Secretary (Attachment A). The Secretary may adopt, deny, or alter the Panel’s recommendations based upon her independent assessment of the testimony and documentation entered into the record.

**DETERMINATIONS**

In weighing all available information, the Department has determined that changes to the current Stabilization Plans are necessary to effectuate their declared purpose as set forth in the Code. It continues the following temporary amendments to the Stabilization Plans in effect since July 1, 2013 through June 30, 2014:

- Increasing the Class 1 milk fat price by \$0.0003 per pound
- Increasing the Class 1 milk solids-not-fat price by \$0.0023 per pound
- Increasing the Class 1 milk fluid carrier price by \$0.0001 per pound

- Increasing the Class 2 and 3 milk fat and milk solids-not-fat price by \$0.0041 per pound
- Increasing the Class 4a and 4b milk fat and milk solids-not-fat price by \$0.0123 per pound

### **FINDINGS AND CONCLUSIONS**

The Department has considered all provisions set forth in Chapter 2 and 3, Part 3, Division 21 of the Code in rendering these findings. These include, without exception, all provisions and declarations regarding public interest considerations. The Department has also considered all relevant information, including, but not limited to, testimony and items of evidence submitted by all parties to these proceedings, whether specifically mentioned herein.

The Department declines to accept the recommendations set forth in the Panel Report and finds that:

- The proposed changes to the formulas for Class 1, 2, 3, 4a and 4b will tend to effectuate the purposes of said Chapter 2.
- The new Stabilization Plans for Northern California (Attachment B) and Southern California (Attachment C) conform to Chapter 2.

The Department has decided to continue the temporary price increase through June 30, 2014 in order to provide additional income to producers. The outlook into 2014 appears to be favorable but is still uncertain.

### **ORDER**

It is hereby ordered that the revised Stabilization Plans for Northern California (Order Number 60) and for Southern California (Order Number 75) shall become effective on or after November 1, 2013.



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Karen Ross, Secretary  
California Department of Food and Agriculture

Signed and entered in the Office of the Secretary  
of Food and Agriculture at Sacramento, California,  
On October 22, 2013