



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

November 14, 2012

Dear Secretary Ross,

In no uncertain terms, this current petitioned-for hearing request **should be denied**.

As we see it:

1. The only thing that has changed since the May 31 – June 1 hearing is that market forces have raised revenues to the dairy farmers significantly. How can it be justifiable for the producer community to come back now and ask for an even greater whey value than was adjudicated just five months ago?
2. Where the impetus for this petition focuses on increased costs-of-production, primarily in the area of feed, how can anyone agree that cheese-milk should be the only source for any kind of relief. One must presume that cows eat, pretty much, the same thing regardless of how their milk is utilized.
3. If deemed warranted, any “temporary” relief based on the industry’s current economic model’s systemic correction (being characterized as a “crisis”) cannot be for more than six months. A longer period may as well be called permanent, considering how frequently we are having hearings of late.
4. The gross over-simplification of merely jamming the FMMO Class III whey value calculation into the California Class 4b formula is inappropriate in any competent economic analysis of California’s milk pricing system.

Orderly marketing (market clearing) is the greater imperative to the health of California’s dairy industry. Inappropriate focus on the subjective term “reasonable” (alignment) is disorderly. Please deny this petition for a hearing. Please allow the Dairy Future Task Force to fully accomplish its intended goals.

Respectfully,

Michael W. Shotts
President

Scott Hofferber MBA CPA CGMA
Controller

cc: Sandra Schubert, Undersecretary
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