



Los Altos Food Products Inc.



www.losaltosfoods.com

August 16, 2012

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

Conrad

Dear Secretary Karen Ross:

On behalf of Los Altos Food Products, Inc. (Los Altos), I am writing to you to urge the CDFA to deny the August 6, 2012 petition submitted by Western United Dairymen (WUD) to once again raise the whey value portion of the Class 4b pricing formula.

The WUD petition comes a week after the effective date of your determination on July 20th to adjust upward the whey factor contained in the 4b pricing formula. This issue was thoroughly debated for two days on May 31st and June 1st and carefully considered by the Department. More significant is the fact the most recent whey factor increase followed a previous increase on September 1, 2011. To date, WUD and the dairy interests have requested hearings in May 2011, December 2011, March 2012 and now August 2012. This serial tactic is counter-productive, creates market uncertainty and inhibits investment by smaller cheese manufacturers.

Contrary to the position stated in the WUD petition, there is no emergency. There is, however, a need for a thoughtful, systemic approach to milk pricing that balances all interests within the larger economic picture. Towards this end, we look forward to the convening of the Department's California Dairy Future Task Force.

Instead of rehashing the hearing from a mere month ago, we urge the Department to deny the petition and move forward with the Task Force's evaluation of California's dairy future.

Respectfully submitted,

Los Altos Food Products, Inc.

By: _____

Corin Andrade
Corin Andrade
Chief Financial Officer