



May 20, 2016

TO ALL INTERESTED PARTIES:

Having carefully weighed the contents of the hearing record from the April 11, 2016 milk pricing hearing, the Department has decided to amend the Class 4b pricing formula in the Stabilization and Marketing Plans for Market Milk (Plans).

The Department has decided to:

- Replace the dry whey scale in the Class 4b pricing formula with the following dry whey scale, on a permanent basis (*please note, this is the same dry whey scale that was implemented on a temporary basis following the June 3, 2015 milk pricing hearing*):

Monthly Average Dry Whey Price (\$/lb)	Whey Factor Value (\$/cwt.)
< \$0.21	\$0.0000
≥ \$0.21 and < \$0.24	\$0.2500
≥ \$0.24 and < \$0.27	\$0.3850
≥ \$0.27 and < \$0.30	\$0.5200
≥ \$0.30 and < \$0.33	\$0.6550
≥ \$0.33 and < \$0.36	\$0.7900
≥ \$0.36 and < \$0.39	\$0.9250
≥ \$0.39 and < \$0.42	\$1.0600
≥ \$0.42 and < \$0.45	\$1.1950
≥ \$0.45 and < \$0.48	\$1.3300
≥ \$0.48 and < \$0.51	\$1.4650
≥ \$0.51 and < \$0.54	\$1.6000
≥ \$0.54 and < \$0.57	\$1.7350
≥ \$0.57 and < \$0.60	\$1.8700
≥ \$0.60	\$2.0050

Had this dry whey scale been in effect from March 2011 to February 2016, it would have resulted in a five-year monthly average increase of \$0.96/cwt. in the Class 4b price and in a five-year monthly average increase of \$0.44/cwt. in Quota and Overbase Pool prices.



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Page 2 of 2

The revisions to the Class 4b pricing formula will be reflected in the Plans for the Northern California and Southern California Marketing Areas, Order Numbers 62 and 77, respectively. The amended Plans will take effect for milk processed on or after June 1, 2016.

The Hearing Determinations, Panel Report, Plans and documents related to the hearing can be obtained on the Dairy Marketing home page at www.cdfa.ca.gov/dairy by clicking on [Hearing Matrix]. To access the Plans, click on [Dairy Marketing], located in the middle of the dairy home page and then on [Stabilization Plans].

Should you have any questions or desire further information, please contact Hyrum Eastman or Don Shippelhoute at (916) 900-5014.

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) 654-0462.

Sincerely,

A handwritten signature in blue ink, appearing to read "Don Shippelhoute", with a long horizontal flourish extending to the right.

Don Shippelhoute, Chief
Dairy Marketing Branch