



August 8, 2012

Ms. Karen Ross, Secretary
California Department of Food and Agriculture
1220 N Street
Sacramento, California 95814

Dear Secretary Ross:

Please deny the petition filed by Western United Dairymen on August 6, 2012. Most of the issues raised in the petition were debated at length in the hearing just concluded on June 1, 2012. Frequently recurring petitions for hearings are counterproductive. They create uncertainty in the marketplace, dilute industry resources, and challenge the credibility of the Department. Prices are higher in other regions of the country because local market conditions warrant them, not because of government mandates. Prices will also rise in California as market conditions change. Indications are that this may already be occurring. Efforts to manipulate or manage markets often interfere with, delay, or impede their orderly functioning. We believe your conclusion in the most recent hearing decision that the industry should seek structural changes in dairy pricing formulas to establish a more stable foundation for the future was judicious and should be followed through.

Very truly yours,

A handwritten signature in black ink that reads "R. Gregory Dryer".

R. Gregory Dryer
Executive Vice President
Industry and Government Relations

RGD:ba

Enc.

Dairy Products Division (USA)

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