cdfa CALIFORNIA DEPARTMENT OF FOOD & AGRICULTURE
Karen Ross, Secretary

July 17, 2015

Dear Dairy Industry Stakeholders:

Today, I have ordered a temporary change to the dry whey scale of the Class 4b pricing formula, effective August 1, 2015 through July 31, 2016. I believe this adjustment will provide a needed increase in revenue to producers to ensure a stable milk supply. I have taken this action even though I believe there are long-term structural challenges within the dairy industry that the Department cannot address through changes in the class pricing formulas.

California's system of regulated milk pricing is antiquated and outdated. Our industry competes within national and international markets that have dramatically changed since our pricing system was established. Our pricing system needs to be updated to provide the opportunity for our dairy families and processors to achieve long-term growth and prosperity.

I believe, as stated in the past, that we must work together to find long-term solutions to address the issues affecting our California dairy industry. Later this year, I will contact members of our industry with the purpose of meeting together to collaboratively work towards implementing appropriate reforms to our pricing system.

Yours truly,

Karen Ross

Karen Ross
Secretary

CDFA Executive Office • 1220 N Street, Suite 400 • Sacramento, CA 95814
Telephone: 916.654.0433 • Fax: 916.654.0403 • www.cdfa.ca.gov