

STIEFEL DAIRY

3/11/12

**Ms. Karen Ross
Secretary of Agriculture
California Department of Food & Agriculture
Executive Office
1220 N Street, Suite 400
Sacramento, CA 95814**

Dear Secretary Ross,

I have a dairy in Southern California and I am requesting that the hearing on the California Class 4b Pricing Formula, which was submitted by the Coalition that represents nearly 80% of the raw milk produced in California, is not denied. I know you have received many letters from cheese makers urging you to deny the hearing stating that dairies here in California have lower milk production costs than producers through the rest of the country, no risk of loss, no marketing expenses and so forth. These are preposterous statements: California dairy producers have one of the highest costs of production in the country; we generally pay more for feed, fuel, have more costly regulations bestowed on us and the list goes on. Marketing costs are taken right out of our milk checks as well as a Make Allowance. We have not been able to recover from the devastation of 2009 with the extremely low milk prices we received, coming right off of exceedingly high feed and fuel costs in 2008 that we have no way to recoup from the consumers as do just about every other industry in the country.

California's Class 4b price has been around \$2.00 per hundredweight less than the FMMO Class 111 price for months now. California dairies have lost millions of greatly needed revenue due to this disparity in the pricing formulas.

We are simply asking you to have a hearing to change the California Class 4b pricing formula to be more closely correlated to the FMMO formula so that our milk in California is priced fairly. The law should be upheld as stated in the California Food & Agriculture Code that milk in California be priced to have reasonable or sound economic relationship with the national value of manufactured milk products.

Sincerely,

Marcia Crouse