



August 10, 2012

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

Dear Secretary Ross:

On behalf of the dairy producer members of the California Dairy Campaign (CDC), I write in support of the petition put forward by Western United Dairymen (WUD) to call for an emergency hearing to raise the price paid to producers for all classes of milk and increase the whey value in the 4b formula.

The decision that resulted from the 4b hearing this spring failed to restore equity to our dairy pricing system. California dairy producers continue to be paid significantly less than dairy producers in surrounding states. The fact that the 4b formula undervalues milk has led to a loss in revenue of more than \$200,000 for the average 1,000 head dairy in our state over the last 12 months. To restore equity to our dairy pricing system, our dairy producer members believe California should join the federal milk marketing order (FMMO) system. To address the inequity in our state dairy pricing system, we believe it is imperative that CDFA remove the cap on the whey value in the 4b formula as called for in the petition.

Already this year, more than 65 dairies have closed their doors due to the fact that dairy producer prices do not cover historically high production costs. In 2009, the worst year many can recall, 100 dairies closed their doors. If closures continue at this rapid pace, 2012 will take an even greater toll on dairy producers if action is not taken by CDFA to restore fairness and equity to our dairy pricing system. Dairy producers are unable to pass on the record high feed costs that have resulted from the nationwide drought so it is critical that CDFA take emergency action to raise the price of all classes of milk to prevent more dairies from closing.

Again we write in support of the petition put forward by WUD to increase all class prices and raise the whey value in the 4b formula. We greatly appreciate your attention in this regard.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Augusto", written in a cursive style.

Joe Augusto
President

cc: Sandra Schubert, Undersecretary
Kevin Masuhara, Director Dairy Marketing Division
Candace Gates, Dairy Marketing Branch Chief

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