



November 7, 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 California Dairies, Inc. (CDI), Dairy Farmers of America – Western Area Council and Land O'Lakes, Inc. (LOL) calling for an emergency hearing to increase the whey value in the 4b formula. We urge that the hearing to be granted as soon as possible to correct the inequity in the 4b formula which is costing California dairy producers a significant loss in revenue.

The petition would correct the egregious inequity in our system which has led to a loss in revenue of more than \$200,000 for the average 1,000 head California dairy over the last year. 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 so that California dairy producers are paid the same whey value as producers in the federal milk marketing order (FMMO) system.

It is expected that more than 100 California dairies will go out of operation this year due to the fact that dairy producer prices do not cover record high production costs. Under the current system, dairy producers are unable to pass on record high feed and other costs. It is critical that CDFA take emergency action to raise the 4b producer price as called for in the CDI, DFA and LOL petition so that producers will be paid a fair whey value.

We support the petition put forward by CDI, DFA, and LOL to increase the whey value in the 4b formula. We urge CDFA to call a hearing as soon as possible to end the inequity in our 4b formula which is costing already struggling dairy producers significant and much-needed revenue.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Augusto", is written over a light blue horizontal line.

Joe Augusto  
President

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

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