



February 13, 2015

TO ALL INTERESTED PARTIES:

The California Food and Agricultural Code (Code) authorizes the Secretary of Food and Agriculture to establish an assessment of Milk Stabilization Administrative Fees (Fees) on Grade A market milk and Grade B manufacturing milk sold in commercial trade channels to fund the operations of the Dairy Marketing Branch (Branch).

Milk Stabilization Administrative Assessments

Assessments	Market Grade A	Manufacturing Grade B
Maximum Assessments	0.024/cwt.	0.018/cwt.
Current Assessments	0.012/cwt.	0.018/cwt.
Producer Share	0.008/cwt.	0.012/cwt.
Processor Share	0.004/cwt.	0.006/cwt.

In July 2014, the Branch determined that it had sufficient funds to administer the program without continuing to collect the Fees. As such, the Fees were suspended as of September 1, 2014 and have remained in suspension for the past several months. At the October 2014 meeting of the Dairy Advisory Committee, the Branch provided budget projections of the cash balance justifying the suspension of the Fees and reaffirmed their monitoring of the balance until it reaches the recommended six-month reserve level.

After careful monitoring and review of the cash balance of the Milk Stabilization Fund, it is projected that the balance will soon reach the recommended six-month reserve level; therefore, the Secretary has determined that collection of the Fees be reinstated for milk produced on or after April 1, 2015.

A copy of the Departmental invoice statement reflecting the reinstated fees is included on the reverse side of this notice. The notice, invoice statement, and Order of the Secretary are posted to the website at: <http://www.cdfa.ca.gov/dairy/notices.html>.

Sincerely,

Candace Gates, Chief
Dairy Marketing Branch

(See Reverse Side)



**State of California
Department of Food and Agriculture
Milk Pooling Branch**

Assessment Invoice for April 1, 2015

Assessment	Pounds	Rate	Dollars	Total
Milk Pooling Administration Fee		0.000120	\$	
Dairy Marketing Administration				
Market Milk Producer		0.000080		
Market Milk Handler	Product Received from Producers / OS	0.000040		
	Product Received from COOPS	0.000040		
	Less Bulk Product Shipped Out	0.000040		
	Net Handler Fee	0.000040		
Manufacturing Milk Producer		0.000120		
Manufacturing Milk Handler	Product Received from Producers	0.000060		
	Product Received from COOPS	0.000060		
	Less Bulk Product Shipped Out	0.000060		
	Net Handler Fee	0.000060		
Total Dairy Marketing Administration			\$	
Milk and Dairy Foods Safety				
Producer		0.000010		
Handler	Product Received from Producers / OS	0.000005		
	Product Received from COOPS	0.000005		
	Less Bulk Product Shipped Out	0.000005		
	Net Handler Fee			
Total Milk and Dairy Foods Safety			\$	
Dairy Council of CA				
Producer	Class 1 Receipts	0.000150		
	Other Receipts	0.000060		
	Manufacturing Receipts	0.000060		
	Net Producer Fee			
Handler	Class 1 Milk Processed	0.000150		
	Other Milk Processed	0.000060		
	Net Handler Fee			
Total Dairy Council of CA			\$	
CA Milk Producers Advisory Board		0.001000	\$	
CA Manufacturing Milk Producers Advisory Board		0.001000	\$	
Producer Security Trust Fund		0.000000		
Total PSTF Fee			\$	
CA Milk Processor Board	-Low	0.001488		
	-High	0.003488		
Total Current Charges for all Assessments			\$	

ORDER OF THE SECRETARY OF FOOD AND AGRICULTURE
ESTABLISHING THE RATE OF ASSESSMENTS AND FEES TO
BE PAID UNDER CHAPTERS 1 AND 2, PART 3, DIVISION 21 OF THE
FOOD AND AGRICULTURAL CODE OF THE STATE OF CALIFORNIA

WHEREAS, Section 62211 of Division 21, Part 3, Chapter 2 of the Food and Agricultural Code of the State of California requires every handler in the State of California who purchases or handles market milk from producers, including the handler's own production, to pay the Secretary of Food and Agriculture a fee of eight-tenths of one cent (\$0.008) per hundredweight of market milk, and to deduct as an assessment from payments made to producers for such market milk, including the handler's own production, the sum of one and six-tenths cents (\$0.016) per hundredweight of market milk and to remit the amount of such assessments to the Secretary of Food and Agriculture; and

WHEREAS, Section 61412 of Division 21, Part 3, Chapter 1 of the Food and Agricultural Code of the State of California requires every handler in the State of California who purchases or handles manufacturing milk from producers to pay to the Secretary of Food and Agriculture a fee of six-tenths of one cent (\$0.006) per hundredweight of manufacturing milk and to deduct as an assessment from payments made to producers for such manufacturing milk the sum of one and two-tenth cents (\$0.012) per hundredweight of manufacturing milk and to remit the amount of such assessments to the Secretary of Food and Agriculture; and

WHEREAS, the revenues derived from such fees and assessments are to be used for the purpose of defraying the costs incurred in administering the provisions of Chapters 1, 2, and 2.5 of said Division 21, Part 3; and

WHEREAS, Sections 61413 and 62212 of said Chapters 1 and 2 provide that the Secretary of Food and Agriculture may fix the rates of assessments or fees required by Sections 61412 and 62211 at lesser amounts or may adjust such rates of assessments or fees from time to time, whenever he finds that the cost of administering the provisions of said Chapters 1 and 2 can be defrayed from revenue derived from such lower rates, provided that the adjusted rate of assessments deducted from payments to producers and the rate of fees paid by handlers shall at all times be in the ratio of 2 to 1; and

WHEREAS, such Market Milk assessments were suspended effective September 1, 2014 through March 31, 2015; and

WHEREAS, the Department hereby finds that it is necessary to reestablish the Market Milk assessments in order to defray Departmental expenses to administer the provisions of said Chapters 1, 2, and 2.5.

NOW, THEREFORE, I, Candace Gates, Branch Chief of the Dairy Marketing Branch of the California Department of Food and Agriculture, acting pursuant to and by virtue of the authority vested in me by Chapters 2 and 2.5, Part 3, Division 21 of the Food and Agricultural Code, do hereby establish the assessments or fees required to be paid to the Department of Food and Agriculture, effective July 1, 2012 and thereafter until further notice:

Grade A or Market Milk

- (1) Every handler in the State of California who purchases or handles market milk from producers, including the handler's own production, if any, shall remit an assessment of four-tenths of one cent (\$0.004) per hundredweight of market milk levied against handlers; and
- (2) Every handler shall deduct and remit an assessment from payments made to producers of market milk, including the handler's own production, eight-tenths of one cent (\$0.008) per hundredweight of market milk.

Grade B or Manufacturing Milk

- (1) Every handler in the State of California who purchases or handles manufacturing milk from producers, including the handler's own production, if any, shall remit an assessment of six-tenths of one cent (\$0.006) per hundredweight of manufacturing milk levied against handlers; and
- (2) Every handler shall deduct and remit an assessment from payments made to producers of manufacturing milk, including the handler's own production, one and two-tenths cents (\$0.012) per hundredweight.

It shall be the responsibility of every handler to remit both the producer and handler assessments to the Department in accordance with Section 62211 of said Chapter 2.

By:



Candace Gates, Branch Chief
Dairy Marketing Branch

Date: 2-17-15