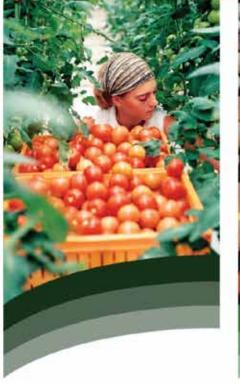
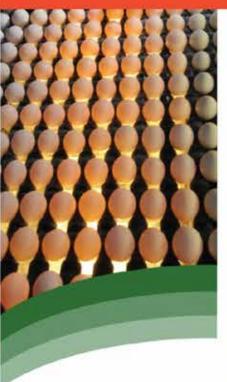
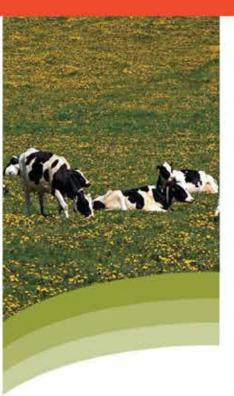


Creating Opportunities for American Farmers and Businesses









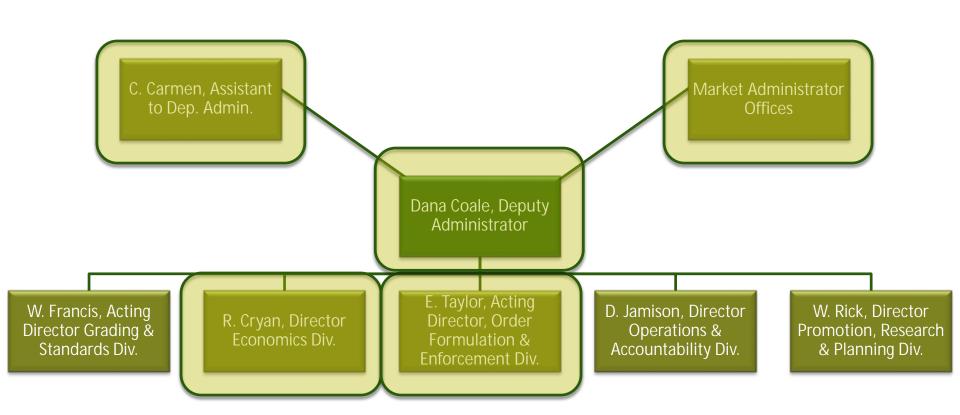
Creating Opportunities for American Farmers and Businesses

Chris Thompson

USDA Update on California Milk Marketing
Order Rulemaking

Dairy Practices Council Lansing, MI

East November 11, 2016

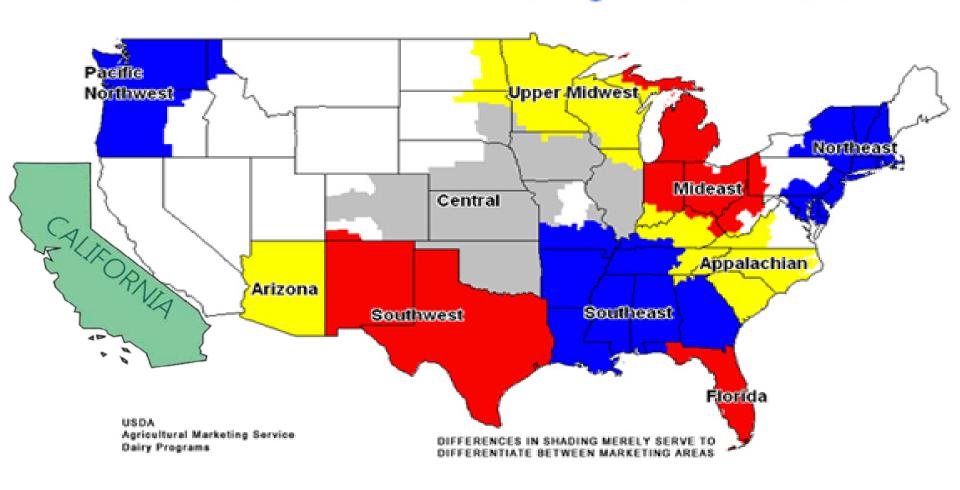


Ex Parte Communications

üDuring rulemaking process, USDA employees involved in the decision making process are prohibited from discussing the merits of issues under consideration with any person having an interest in the proceeding.

üProcedural matters are not subject to ex parte restrictions.

Federal Milk Marketing Order Areas



Background

- February 25, 2015 Formal Proposal received on behalf of California Dairies, Inc., Dairy Farmers of America and Land O'Lakes to establish a California FMMO
- Additional proposals were requested and due April 10, 2015
- Additional proposals were received:
 - § Dairy Institute of California
 - § California Producer Handler Association
 - § Ponderosa Dairy

Background

- May 2015 Outreach meetings
 - § May 5, 2015, Chico, CA
 - § May 6, 2015, Fresno, CA
 - § May 7, 2015, Palmdale, CA

- July 27, 2015 Announced Hearing to be held
 - § Ex Parte initiated
 - § In place until Final Decision



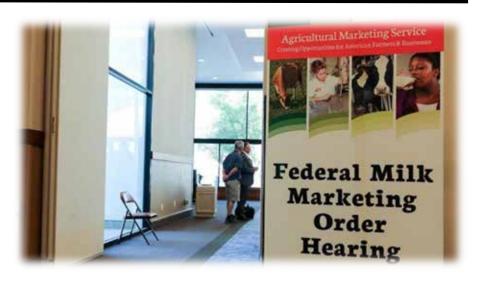
California Hearing Process

- September 22 through November 16, 2015
 - Clovis, CA
 - Audio live webcast
- Opening statements, justification, scope and purpose
- Definitions & pooling standards
- Rules of practice, procedures governing MAs & order provisions
- Rules of practice and procedure governing handlers
- Classification of milk

- Class Prices
- Marketwide service payments
- Producer prices & payments for milk
- Administrative assessment, marketing service deduction & misc. provisions

California Hearing Process

- 40 Days of testimony
- 98 witnesses
- 198 exhibits
- Hearing transcript: 8,143 pages
- 15 Post Hearing Briefs





www.ams.usda.gov/caorder



Current Status

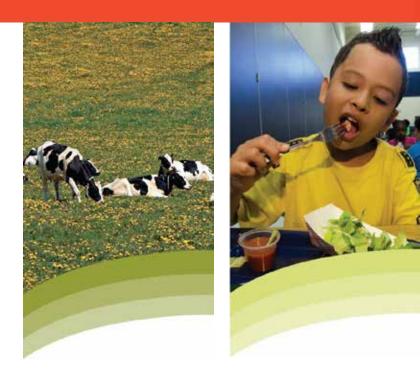
- USDA is reviewing the record and writing a Recommended Decision
- The Recommended Decision will be published in the Federal Register and public comments will be requested
- USDA will review all public comments received and issue a Final Decision
- If USDA recommends a California FMMO, a producer referendum will be held

Producer Approval Process

- All producers that could have their milk pooled on the order would vote on whether to adopt the Final Decision.
- They vote on the entire order; not by parts.
- Cooperative may bloc-vote on behalf of members.
- 2/3 of voting producers or 2/3 of voting milk volume are needed for the order to be approved.



More Information:



Order Formulation and Enforcement Division Acting Director Erin Taylor

Erin.Taylor@ams.usda.gov

Thank you!

Questions?