



May 15 Update

USDA Federal Order Information: Following last week's informational meetings on a federal order for California, the United States Department of Agriculture (USDA) has posted the presentations from each of the meetings held throughout California. The presentations can be found online at <http://www.ams.usda.gov/AMSV1.o/CAOutreach>. Included is the presentation about the federal order proposal put forward by the three major dairy cooperatives, California Dairies Inc., Dairy Farmers of America, Inc., and Land O' Lakes, Inc. It summarizes the major provisions of the proposal which include: A. California quota preserved and coadministered with CDFA; B. Inclusive pooling to address disorderly marketing conditions; C. Transportation credits to improve efficiency of servicing customers. USDA is expected to make a decision about whether to hold a hearing on a federal order proposal for California by late summer. More information about a California federal order can be found online at <http://www.ams.usda.gov/AMSV1.o/CAOrder>. CDC strongly supports the federal order proposal put forward by the state's dairy cooperatives to bring California dairy producer prices and dairy pricing process in line with the federal order system.

CDFA Hearing June 3 –California Dairy Campaign (CDC) plans to call for CDFA Secretary Karen Ross to increase the whey value in the 4b pricing formula during the upcoming June 3 CDFA hearing in Sacramento. An increase is long overdue given the substantial gap between the California 4b price and the federal order Class III that began to widen more than five years ago. The gap between the 4b and federal order Class III currently totals \$1.59 per cwt. By comparison the 4a price is just 15 cents below the Class IV price. The department is calling a hearing on its own motion to consider short-term adjustments to the 4b formula, specifically proposals for adjustments to the whey factor.

California Farmers Union (CFU) Vice President George Davis Travels to Washington, DC as Country-of-Origin Labeling is Under Attack: This week House Agriculture Committee Chair Conaway of Texas sent out a number of news releases attacking country-of-origin labeling (COOL). The full on assault by the chairman of the agriculture committee on a law so strongly supported by farmers, ranchers and consumers is unprecedented. Opponents of COOL are greatly exaggerating the minimal costs of the program and denying the strong support for COOL among farmers, ranchers and consumers. The assault on COOL by Chair Conaway is in stark contrast to the call for more labeling of food that is sweeping Great Britain and other locations around the world. California Farmers Union Vice President George Davis of Healdsburg is planning to fly out to Washington, DC next week to participate in a national legislative fly-in organized by National Farmers Union to call on Congress to uphold mandatory country-of-origin labeling (COOL). **Contact California's senators and your member of Congress today and urge them to uphold mandatory country-of-origin labeling by phone at 202-225-3121.**

New Study Shows Economic Impact of California's Dairy Industry: California farms sold about \$9.4 billion worth of milk while the dairy industry contributed approximately \$21 billion in value added to the gross state product in 2014, according to a California Milk Advisory Board (CMAB) [study](#) conducted by the University of California Agricultural Issues Center (AIC). Including sales of inputs to dairy farms and milk processors along with raw milk and wholesale milk product sales, the dairy industry contributed \$65 billion in total sales to the California economy in 2014. The growing demand for dairy products like cheese and yogurt as well as strong dairy exports accounted for 189,000 jobs that are dependent on the state's milk production and processing. (Source: CMAB)

<http://www.californiadairycampaign.com/>