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CDC Commends USDA for Granting California Federal Order Hearing

TURLOCK, CA (August 5, 2015) — California Dairy Campaign (CDC) President Joe Augusto today commended the United States Department of Agriculture (USDA) for granting a hearing to consider a federal order for California. CDC strongly supports the federal order proposal put forward by California's three major dairy cooperatives including California Dairies Inc. (CDI), Dairy Farmers of America (DFA) and Land O'Lakes (LOL). The federal order hearing will convene at 9 a.m. on September 22, at the Clovis Veterans Memorial District Building in Clovis, California.

"We commend USDA for beginning the hearing process to establish a federal order for California," stated CDC President Augusto. "Since our organization was founded we have called for California to join the federal order system so that dairy producer prices and the process for calculating prices are in line with the rest of the country," he added. "The importance of joining the federal order became even greater over the last five years due to the fact that prices paid to California dairy farmers were well below prices in the federal order system," Augusto explained.

Due to the fact that the California Department of Food and Agriculture (CDFA) capped the value of whey in the cheese milk formula, California dairy producer prices did not reflect the growing value of whey in the marketplace. The difference between the cheese milk or 4b price formula set by CDFA and the equivalent federal order Class III formula led to the loss of more than \$1.8 billion statewide since 2010.

"A fundamental difference between the federal order system and our state system is that California dairy producers themselves are able to vote for the final proposal," explained CDC Executive Director Lynne McBride. "Our state system has failed to consider the impact of pricing policy on dairy farmers, but the federal order hearing process will ensure that all dairy farmers have the right to vote on the final federal order proposal for our state," she said.

"With dairy producer income well below production costs and California milk production in decline, the decision by USDA to grant a hearing on a federal order for our state greatly improves the outlook for dairy farmers here," McBride added. "Now dairy farmers will have the opportunity to participate in the hearing process to formulate a federal order proposal that will restore equity so that California producer prices are in line with prices in the federal order."

California Dairy Campaign (CDC) is a grassroots organization of dairy farmers who are working to encourage lawmakers and the dairy industry to be more responsive to the needs of the family dairy farm in California. CDC is a member organization of California Farmers Union (CFU). California Farmers Union advocates policies to lawmakers at the state and national levels on behalf of its membership throughout California. CFU is a state chapter of National Farmers Union (NFU), which represents more than 200,000 members nationwide.

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