



July 24 Update

CDFA Hearing Decision: As a result of last week's decision by CDFA Secretary Karen Ross to increase the whey value in the 4b price, the gap between California prices and federal order prices will decrease in August. In July the gap between the California Overbase price and federal order prices based on California utilization totaled \$1.07 per cwt. In August that gap, again based on California milk utilization, will shrink to 46 cents per cwt. It is important to recognize that the recent decision to increase the whey value in the 4b price will only continue for one year.

In a letter to the industry sent when the hearing decision was announced, Secretary Ross stated, "California's system of regulated milk pricing is antiquated and outdated. Our industry competes within national and international markets that have dramatically changed since our pricing system was established. Our pricing system needs to be updated to provide the opportunity for our dairy families and processors to achieve long-term growth and prosperity. I believe, as stated in the past, that we must work together to find long-term solutions to address the issues affecting our California dairy industry. Later this year I will contact members of our industry with the purpose of meeting together to collaboratively work towards implementing appropriate reforms to our pricing system."

Given the likely push for additional stakeholder meetings to "update" the pricing system it is important to recognize the strong justification for milk regulation in the current California Food and Agriculture Code. Section 62700-6273 states, "...unfair, unjust, destructive and demoralizing trade practices have appeared within this industry and these practices constitute a menace to the health and welfare of the inhabitants of this state by threatening the stability of this industry..." Under federal order regulations, **dairy producers have the right to vote** when changes or "updates" are made to federal milk marketing orders. CDC welcomed the decision to increase the whey value in the 4b formula; however, the only long-term solution to make dairy pricing in California more equitable is by joining the federal milk marketing order system.

EPA Comment Period on RFS Mandate ends 9 p.m. July 27, 2015: The Environmental Protection Agency (EPA) is accepting public comments on the Renewable Fuel Standard (RFS) targets. To comment online go to the [Regulation.gov](http://www.regulation.gov) page for this particular rule and click "Comment Now." A single, well-supported comment may carry more weight than a thousand form letters.

Docket ID: EPA-HQ-OAR-2015-0111 **Agency:** Environmental Protection Agency (EPA)

Summary: Each year EPA must determine and announce the applicable standards that apply to producers and importers of gasoline and diesel for the following calendar year. This docket is for the rulemaking that will set the standards that will apply in 2014, 2015, and 2016. The public can submit comments, identified by Docket ID No. EPA-HQ-OAR-2015-0111, Email: a-and-r-docket@epa.gov. *CDC has called for EPA to lower the corn ethanol mandate and supports legislation to repeal it.*

Country-of-origin labeling (COOL): CDC and California Farmers Union sent letters to Senators Feinstein and Boxer urging their support for mandatory country of origin labeling. This week, Senators Stabenow, D-Mich., and Hoeven, R-N.D., introduced voluntary country of origin labeling legislation and Senator Pat Roberts, R-Kan., introduced legislation for full repeal of meat labeling.

**Please join us Tuesday, July 28, 2015 for our
CDC Board and Membership Meeting & Summer Social at
Joe Vierra's Place-11422 Livingston Cressey Road Livingston, Ca. 95334**