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### **California milk processors urge “careful review” of new economic analysis of state FMMO**

SACRAMENTO — The Dairy Institute of California, which represents the state’s dairy processors, issued the following response to the United States Department of Agriculture’s (USDA’s) new “Preliminary Regulatory Impact Analysis,” which projects the impact of the four proposals currently before the Department for structuring a Federal Milk Marketing Order (FMMO) for the state’s dairy industry.

In response to the analysis, Rachel Kaldor, the Dairy Institute’s Executive Director, said:

“We are reviewing the Department’s analysis, which examines the myriad revenue and market impacts of the four very distinct proposals under consideration — particularly as the industry prepares for the first public hearing on the state FMMO next month.

“USDA’s examination reveals long-term consequences for both California and farmers and processors nationwide. These impacts — including reductions in average milk prices for farmers in other regions of the U.S. — should not be brushed aside. One thing is clear: adding over 20 percent more milk to the FMMO system is certain to trigger change that will ripple across the country.

“In addition, when we consider the impact of higher California prices on our own milk production and the historic challenges of balancing milk supply and plant capacity, USDA’s analysis offers even more valuable insights.

“We urge all dairy industry stakeholders and media to give the USDA’s analysis the careful review and attention that it deserves.”

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