



# NEWS SPLASH

DAIRY INSTITUTE OF CALIFORNIA

Contact: Rachel Kaldor  
916-441-6921

FOR IMMEDIATE RELEASE  
November 19, 2015

## **USDA Hearing on FMMO for State Ends After 40-Days**

“California dairy cannot remain a zero sum game, where for one side to win the other side must lose,” argues Dairy Institute

SACRAMENTO — Yesterday marked the close of the USDA’s hearing to consider issuance of a California Federal Milk Marketing Order (FMMO) — a process that lasted 40 days, and included extensive witness testimony and 194 exhibits.

Both the Dairy Institute of California and the co-ops representing dairy farmers submitted proposals on how an FMMO could be structured. The Dairy Institute — proponents of Proposal #2 — presented 23 witnesses over the course of the hearing, several providing testimony up to five separate times.

“From the beginning, our efforts were directed exclusively at building the substantive hearing record necessary for USDA to design a coherent FMMO for California,” said Rachel Kaldor, Executive Director of the Dairy Institute of California.

“Producer representatives have continued to maintain that the prices they receive for their milk here in California are not the same as prices received in the upper Midwest,” said Kaldor. “Dairy Institute members, as well as other expert witnesses, provided solid facts as to the differences in industry structure, competition for milk, and distance from markets that make a simple price comparison inaccurate.

“California is the largest dairy producing state in the U.S., representing 20% of the nation’s milk supply,” said Kaldor. “It’s critical that the hearing record reflect the realities of our state’s milk production, processing and marketing situation.”

Yesterday does not mark the end of the process, however. The FMMO hearing and administrative proceedings will continue — with future filings of briefs, issuance of a recommendation, and then a final decision outlining a proposed FMMO for California. Finally, there will be a vote by California dairy farmers. Kaldor says the full process could take 18 months or longer.

“California dairy cannot remain a zero sum game, where for one side to win the other side must lose. California dairy producers need to understand how important the entire dairy supply chain is to all industry stakeholders,” said Kaldor. “We have to keep and build markets, and producers and processors have to build partnerships so that everyone can be on the winning side. The future of our industry depends on it.”

# # #