



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

Karen Ross, Secretary

October 7, 2013

Referendum To Consider The Continuation of The California Milk Processor Board

Voting Deadline: November 6, 2013

TO ALL FLUID MILK PROCESSORS IN CALIFORNIA:

As required by law, the California Department of Food and Agriculture (CDFA) is currently conducting a vote to determine if California fluid milk processors favor the continuation of the Marketing Order for Advertising, Promotion, Research, and Education Relating to Fluid Milk Products in California (the California Milk Processor Board) for another three years. The California Milk Processor Board is a processor-funded state fluid milk promotion program that was initiated in 1993. Since then, it has been approved for continuation five times via industry votes.

REFERENDUM CONSIDERATIONS

Following are some important details to consider for this referendum.

1. **Authorization to Operate for Another Three Years:** This referendum is required to be held every 3 years. Therefore, if this referendum passes, the California Milk Processor Board would be authorized to operate for another 3 years ending January 30, 2017. Another referendum would need to be conducted some time during 2016 to determine if the program should continue beyond January 30, 2017.
2. **Maintenance of the 3-Cent-Per-Gallon Assessment Rate:** The assessment rate for the California Milk Processor Board will remain at 3 cents per gallon. The California Milk Processor Board cannot increase the assessment rate above 3 cents without another industry vote approving the increase.
3. **Maintenance of Credit for Assessments Paid To National Fluid Milk Promotion Program:** The Marketing Order for the California Milk Processor Board has a provision by which the assessment obligation of California milk processors for the California Milk Processor Board is reduced if they pay an assessment to the National Fluid Milk Promotion Program, i.e., California processors that are obligated to pay the 1.7 cents per gallon assessment to the National Fluid Milk Program only pay 1.3 cents to the California Milk Processor Board so that their cumulative assessment obligation remains 3 cents per gallon. This provision will remain in effect. In addition, currently 80% of the assessments paid by California processors to the national program are refunded back to the California Milk Processor Board for its use.
4. **National Assessment Will Remain In Effect:** Regardless of the outcome of this referendum, the National Fluid Milk Program assessment rate of 1.7 cents per gallon will remain in effect.

Over



VOTING PROCEDURE

Enclosed with this letter are the following items:

- **Referendum Ballot**
- **Postage Paid Return Envelope**

Each California fluid milk processing facility operating as a separate business entity and having its own unique federal tax identification number is eligible to participate in this referendum. All sections of the ballot must be completed in order for the ballot to be considered valid. The ballot should be mailed to the Department of Food and Agriculture in the return envelope provided. **The ballot must be received by this office or postmarked no later than November 6, 2013 in order to be counted.** Ballots will be kept strictly confidential.

The Department will tally the ballots and announce the results of the voting after the referendum has been completed. In order for the Milk Processor Board to be continued, a majority of the handlers voting, accounting for a majority of the voted volume, must vote in favor of continuation.

Please call Dennis Manderfield of this office at (916) 900-5018 if you have any questions about this referendum. If you have questions concerning the operations of the California Milk Processor Board, please call Steve James, the Board's Executive Director, at (949) 481-6620.

Sincerely,



Robert Maxie, Chief
Marketing Branch

Enclosures