



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

Karen Ross, Secretary

September 8, 2016

Referendum Regarding Continuation of the California Milk Processor Board for Another Three Years

Voting Deadline: September 30, 2016

TO ALL FLUID MILK PROCESSORS IN CALIFORNIA:

As required by law, the California Department of Food and Agriculture (CDFA) is 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 six 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 three years. Should this referendum pass, the Board would be authorized to operate for another three years through January 31, 2020. Another referendum would need to be conducted some time during 2020 to determine if the program should continue beyond January 31, 2020.
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 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 California Milk Processor Board's marketing order 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.



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 *September 30, 2016* 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 Amy Uber 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