



United States
Department of
Agriculture

Agricultural
Marketing
Service

1400 Independence Ave., SW
Washington, DC
20250

February 6, 2015

**Invitation to Submit Additional Proposals for a Public Hearing on
Promulgating a California Federal Milk Marketing Order**

California Dairies, Inc., Land O' Lakes, Inc., and Dairy Farmers of America, Inc., have requested the U.S. Department of Agriculture (USDA) hold a public hearing to consider establishing a Federal milk marketing order for California. Federal milk marketing orders are designed to promote orderly marketing conditions for milk and dairy products, and allow dairy farmers to share the value of milk utilized in each regulated marketing area.

Copies of the proposal may be obtained from the Dairy Programs website at:
<http://www.ams.usda.gov/CAOrder>.

USDA has not yet determined whether to conduct a hearing on this matter. Before deciding to conduct a hearing, USDA is providing the opportunity for interested parties to submit additional proposals regarding the provisions of a potential California Federal milk marketing order. Proposals amending existing Federal milk marketing orders will not be accepted in conjunction with this invitation.

To submit an additional proposal, please submit it electronically to AMS Dairy Programs at amsdairycomments@ams.usda.gov or mail it to:

Deputy Administrator
USDA/AMS/Dairy Programs
STOP 0231, Room 2971
1400 Independence Ave. SW
Washington, DC 20250-0225

All submissions must be received by April 10, 2015

Submissions should describe the disorderly marketing conditions the proposal is intended to address and should explain how the proposal would help establish and maintain orderly marketing conditions and be in the public interest. Information about current industry practices and the anticipated effect of the proposal on dairy farmers, handlers, and consumers should be included. This information will be evaluated to determine if the proposal should be considered at a hearing, if one is held.

USDA anticipates holding a series of public outreach sessions in California in May 2015. These sessions will provide interested parties with background on the Federal milk order hearing process, as well as give the original proponents and submitters of additional proposals the opportunity to explain the intent of their proposal(s). The merits of individual proposals will not be discussed at the outreach sessions.

Actions pertaining to Federal milk marketing orders are subject to review under the Regulatory Flexibility Act, which seeks to ensure that the regulatory and informational requirements of proposed programs are tailored to the size and nature of small businesses. For the purposes of the Federal marketing order program, a dairy farm is considered a small business if it has an annual gross revenue of less than \$750,000, and a dairy products manufacturer is a small business if it has fewer than 500 employees. For purposes of determining a handler's size, an individual plant that is part of a larger company operating multiple plants with more than 500 employees collectively will be considered a large business even if it has fewer than 500 employees. Interested persons are encouraged to submit proposals that carry out the intent of the Regulatory Flexibility Act.

If USDA determines a hearing will be held, a Notice of Hearing will be printed in the Federal Register and available on the Dairy Programs website. Proponents of proposals contained in the Notice of Hearing will be expected to testify at the hearing. Other interested parties who desire to present evidence on proposals set forth in the Hearing Notice will have an opportunity to do so at the hearing.

Once a Notice of Hearing is issued and until the issuance of a Final Decision, no USDA employees may discuss the merits of the proceeding on an "*ex parte*" basis. Accordingly, it is suggested that any discussions with USDA personnel, including Market Administrator employees, regarding the merits of any proposal(s) be initiated as soon as possible. Procedural matters may be discussed at any time throughout the proceeding.

Sincerely,

Dana H. Coale /s/
Deputy Administrator
Dairy Programs