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Brenda Seegars, Acting Hearing Clerk
HAND DELIVERED
U.S. Department of Agriculture
Stop 9203 South Building Room 1031-S
1400 Independence Ave SW
Washington, DC 20250-9203

Re: Milk in California: [AO] Docket No. 15-0071

The Northwest Dairy Association is filing this letter brief in support of the Cooperatives Proposal 1 for a California state Federal Milk Marketing Order.

Northwest Dairy Association is a cooperative, marketing the milk of approximately 460 dairy farm families in Oregon, Washington, Idaho, Montana, Utah and California. Approximately 370 of our producer members are part of the Pacific Northwest Federal Milk Marketing Order (Order 124). Approximately 70 producers are located in the unregulated area of Eastern Oregon and Southwest Idaho. Approximately 20 producers are located in Montana.

The Northwest Dairy Association conducts all processing and marketing operations through a subsidiary, known as Darigold Inc. Darigold is a fluid milk processor in the Northwest region. Darigold operates three Class I processing plants in Order 124 (Seattle and Spokane Washington; and Portland, Oregon) one plant in Boise, Idaho and one plant in Bozeman Montana. Darigold operates five dried milk product plants located at Lynden, Chehalis and Sunnyside, Washington, and Caldwell and Jerome, Idaho. Darigold also operates a cheese/whey plant in Sunnyside, Washington, and a butter plant in Issaquah, Washington.

The Northwest Dairy Association is a strong supporter of Federal Milk Marketing Orders (FMMO). FMMO's create orderly marketing conditions for milk, a highly perishable product. We are also supportive of California producers joining the Federal Order system via a milk marketing order for the state of California. This is important to our members given the proximity of California relative to the Pacific Northwest milk marketing order.

In particular, the Northwest Dairy Association supports two important components of the "Cooperatives" proposal for a California Federal Milk Marketing Order. The first is that the Federal Order system will be strengthened with a California Federal Order. In 2015 California

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produced 40.9 billion pounds of milk, making it the largest state in terms of volume (Source: USDA, NASS, "Milk Production," February 19, 2016). California is also a major producer and marketer of cheese, butter, nonfat dry milk, skim milk powders, and whey products. Those products are sold within the domestic market as well as the global market.

The second issue that the Northwest Dairy Association supports is that producers in California should not be disadvantaged with a lower Federal Order Class III or IV price than exists in similar Western orders such as the Pacific Northwest milk marketing order. Producer prices for Class III and IV should be aligned. That supports producers in California with similar prices, and supports the orderly marketing of milk and dairy products.

Thank you for your consideration.

Sincerely,



Stanley H. Ryan
President & CEO Northwest Dairy Association and Darigold, Inc.