

**BEFORE THE UNITED STATES DEPARTMENT
OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE**

**In the Matter of Milk in California;
Notice of Hearing on a Proposal to
Establish a Federal Milk Marketing
Order**

**7 CFR Part 1051
Docket No.: AO-15-0071;
AMS-DA-14-0095**

Fresno, California, November 18, 2015

Testimony of Elvin Hollon

(Eighth statement)

(Rebuttal)

**In Support of Proposal 1 of California Dairies, Inc.,
Dairy Farmers of America, Inc., and Land O'Lakes, Inc.**

**Proposal to Establish a Federal Milk Marketing Order for the
State of California**

Cooperatives' Exhibit 14

Transportation Credit Testimony

The Cooperatives amend our proposal with regard to transportation credits to allow milk from farms located inside or outside of the marketing area to receive transportation credits. At the same time we support reducing the limit for applying a payment to a maximum of 175 miles. As we have further analyzed the milk supply available, 175 miles is a sufficient area to attract necessary supplies. The language supporting this change follows:

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§1051.55 *Transportation credits.*

...

(b) *Transportation credits shall apply to the following:*

(1) *Bulk milk delivered directly from dairy farms to pool plants described in (b)(2) in the following Transportation Zones:*

(i) *Transportation Zone 1 – deliveries to plants located in the counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego and Ventura originating from dairy farms located in the counties of Riverside, ~~San Diego~~, or San Bernardino;*

(ii) *Transportation Zone 2 – deliveries to plants located in the counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego and Ventura originating from dairy farms located in all counties within the marketing area except Riverside, ~~San Diego~~, and San Bernardino;*

(iii) *Transportation Zone 3 - deliveries to plants located in the counties of Alameda, Contra Costa, Marin, Napa, Santa Clara, San Francisco, Santa Cruz, San Mateo, Sacramento, Solano and Sonoma Counties originating from dairy farms located in all counties within the marketing area;*

(2) *Pool plant(s) which for the month have utilization of greater than 50 percent in Classes I and/or II. The utilization requirement may be met for the current month or it may be met on the basis of utilization during the preceding 12-month period ending with the current month.*

(c) Transportation credits shall be calculated at the following rates:

(1) With respect to each delivery described in paragraph (b) (1) of this section, the market administrator shall:

(i) Determine the shortest hard-surface highway mileage between the shipping farm and the receiving plant. The mileage determined by this calculation shall not be ~~great~~ ^{greater} than ~~175~~ ²²⁵;

...

This concludes the Cooperatives' proposed transportation credit language amendments.