



BEFORE THE UNITED STATES DEPARTMENT
OF AGRICULTURE
AGRICULTURE 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

Clovis, California, November 2015

Testimony of Alan Zolin

Part 7

Introduction

My name is Alan Zolin. I have been retained by Hilmar Cheese Company to work with Dairy Institute of California (DIC) to develop an alternative proposal to Cooperative Proposal 1. I have worked with a task force made up of a number of representatives from DIC member companies in order to develop and submit Proposal 2.

Description of Proposal 2 Modification of Shipping Requirements

DIC wants to modify Proposal 2, specifically in Section 7(c). ^{DIC} ~~DCI~~ would like to eliminate Paragraph 7(c)(3) in its entirety. DIC requests a renumbering of Paragraph 4 to be Paragraph 3 and paragraph 5 would be the new paragraph 4. DIC would also modify the new Paragraph 7(c)(3) to operate as a call provision. DIC has decided to adopt the call provisions from Order 68 into Proposal 2. The call provisions that were in Order 68 had the following provisions:

- 1) The Market Administer (MA) will designate a "Call Area" which will include pool supply plants and distributing plants.
- 2) The MA will make an announcement about what the minimum level of shipments is needed to meet Class 1 needs within the call area
- 3) The MA may investigate supply and demand conditions on his own initiative or by a request of an interested party.
- 4) Qualifying shipments to a pool distributing plant in the call area must be in addition to any shipments the handler is already making to distributing plants.
- 5) Credit is given to a supplier for performance to distributing plants outside of the call area if the supply plant notifies the MA prior to any call announcement.
- 6) Penalty provision for any supply plant that doesn't comply with a call shipping requirement is the loss of pool status for one year.

DIC believes the call provision proposed, in conjunction with the shipping requirements discussed earlier, will insure an adequate supply of milk to be provided to the fluid market.

This concludes my testimony on this issue.