california legislature—2013–14 regular session

ASSEMBLY BILL No. 31

Introduced by Assembly Member Pan

December 3, 2012

An act to add Section 62076.1 to the Food and Agricultural Code, relating to milk products.

legislative counsel's digest

AB 31, as introduced, Pan. Stabilization and marketing plan for market milk.

Existing law empowers the Secretary of Food and Agriculture to formulate stabilization and marketing plans that establish the prices to be paid by milk handlers for specified classes of market milk. Existing law requires the secretary to take relevant economic factors into consideration in establishing the price to be paid for class 4b market milk, which comprises all market milk, market skim milk, or market cream used in the manufacture of cheese other than cottage cheese.

This bill would provide a specific formula that the secretary would be required to use to establish the price for class 4b market milk that includes a dry whey value factor that is no less than 80 percent of the dry whey value used in federal milk marketing orders in establishing minimum producer prices. The bill would authorize each handler's milk plant that purchases class 4b market milk to deduct a dry whey credit, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 62076.1 is added to the Food and Agricultural Code, to read:

62076.1. (a) In establishing prices to be paid by handlers to producers for class 4b market milk, the calculation shall include a dry whey value factor, computed as the cheese hundredweight price, as established under the applicable stabilization and marketing plan, computed by using the dry whey price defined in the plan, less a manufacturing cost allowance of nineteen and ninety-one hundredths cents ($0.1991), multiplied by a factor of 4.69, provided that the dry whey value factor shall be no less than 80 percent of the dry whey value used in federal milk marketing orders to establish minimum producer prices.

(b) Each handler's plant in California that purchases milk for class 4b utilization may deduct a dry whey credit for quantities of solids-not-fat processed for up to 264,480 pounds solids-not-fat produced per month. The dry whey credit shall be equal to the dry whey factor established under the applicable stabilization and marketing plan, divided by 8.7.

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