



**LEAP/CARPENTER/KEMPS**  
**Insurance Agency**

November 11, 2009

The Honorable A.G. Kawamura, Secretary  
California Department of Food and Agriculture  
1220 N Street  
Sacramento, CA 95814

Dear Mr. Secretary,

I am writing to you today in support of an increase in the per cwt price for all classes of milk.

Although not a member of the dairy industry myself, I attended the Emergency Hearing to Consider Uniform Price Increases on November 9 in Sacramento. My interest was driven by the fact that my in-laws are dairy owners as are many of my friends and customers.

From the perspective of someone outside the industry, the market forces and formulas used to determine milk pricing are extraordinarily complex and not easily understood. It is also clear that there is disagreement among some within the industry on how pricing stability at adequate levels for all involved can be achieved and maintained.

One thing is certain. Current market conditions are having a devastating effect on dairy operators that we know and work with. Dairy owners have always accepted the risks inherent in their business. Price volatility in feed, fuel, labor and the pressures of environmental regulation have forced all who survive to be more efficient than ever.

The significance of dairies to the health of our state's economy cannot be over emphasized. Not only do they produce a key input for healthy food products, they provide dairy owners and their employees with a livelihood. Their need for products and services to sustain their operation also adds value to the economy beyond the boundaries of their industry.

Financial pressures brought on by this crisis have made increasingly difficult for every operator to meet their obligations and have pushed them to the brink. The pricing increase that you are currently being asked to consider will not solve the entire problem but every little bit will help. Please act now.

Thank you for your department's willingness to hear the matter and for your consideration of the request before you.

Sincerely,

Mike Carpenter  
Vice President

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