



Feed Services Co.
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Hearing Officer
Dept of Food & Agriculture
P.O. Box 942872
Sacramento, CA 94271

November 11/2009

Dear Sir:

I am writing to you at this time to register my concern regarding the dairy situation here in California. I have carried a Feed Dealer's license for 38 years. My small company with three employees has an annual booking of in excess of fifteen million dollars. Many truckers and rail service employees support our efforts. I have seen many changes in the feed and dairy industries come and go in that time. However, I have never witnessed the industry in such a dire state as it is in today.

Milk prices are approximately 50% of the cost of production. This has been the case for twelve long months. There is no measurable decline in feed costs expected in the next three months. Feed costs are the largest part of the operational cost of running a dairy. In all my years in this industry I have never seen a generation of equity wiped out so quickly. Dairymen and women have watched the future of their families wiped out so as to continue in business.

It seems to me that everyone involved in the business of making milk is being protected from this unprecedented downturn except the dairyman and his feed supplier. Feed suppliers are unsecured creditors of the dairyman. The Bank who provides long term financing is secured, the creamery is protected by a "make allowance" but the feed supplier and the dairyman are "on their own". The continued disaster in the dairy industry has had and will continue to have wide ranging consequences for the entire economy of California. I notice that the retail price of milk is the same as when dairymen received \$19 per cwt!

The dairymen are asking for temporary measures to be taken to help them survive, not a handout or compensation for past losses. They simply ask for a rethinking of how milk is produced and paid for. California has the best system in the country to process and regulate the safe and efficient distribution of milk products. All dairymen ask is to have a system where they are fairly reimbursed for their investment and efforts.

Sincerely Yours,