



Economic Affairs Interim Committee

63rd Montana Legislature

SENATE MEMBERS

BRUCE TUTVEDT--Chair
ELSIE ARNTZEN
DICK BARRETT
TOM FACEY

HOUSE MEMBERS

RYAN LYNCH--Vice Chair
TOM BERRY
GREG HERTZ
LEA WHITFORD

COMMITTEE STAFF

PATRICIA MURDO, Lead Staff
BART CAMPBELL, Staff Attorney
KRISTINA LIMING, Secretary

MINUTES LOG

Economic Affairs Interim Committee
12-Day Milk Rule Sell By Date Subcommittee
March 27, 2014
RM 317 , Capitol Building

Please note: These minutes provide abbreviated information about committee discussion, public testimony, action taken, and other activities. To the left of each section in these minutes is a time designation indicating the approximate amount of time in hours, minutes, and seconds that has elapsed since the start of the meeting. This time designation may be used to locate the referenced discussion on the audio or video recording of this meeting.

Access to an electronic copy of these minutes and the audio or video recording is provided from the Legislative Branch home page at <http://leg.mt.gov>. On the left-side menu of the home page, select *Committees*, then *Interim*. Once on the page for *Interim Committees*, scroll down to the appropriate committee. The written minutes summary, along with the audio and video recordings, are listed by meeting date on the interim committee's web page.

Hard copies of the exhibits for this meeting are available upon request. Legislative Council policy requires a charge of 15 cents a page for copies of the document.

COMMITTEE MEMBERS PRESENT

REP. GREG HERTZ
SEN. TOM FACEY

STAFF PRESENT

PATRICIA MURDO, Lead Staff
BART CAMPBELL, Staff Attorney
KRISTINA LIMING, Secretary

AGENDA & VISITORS' LIST

Agenda, [Attachment #1](#).
Visitors' list, [Attachment #2](#).

COMMITTEE ACTION

The Subcommittee requested more information on milk sales in states surrounding Montana and suggested that a white paper may be necessary to summarize information provided.

AGENDA

00:00:00 Roll Call ([Attachment #3](#)) – Reason for the subcommittee meeting

00:05:09 Introductions by Stakeholders

Viewpoints of Proponents of 12-day rule

00:09:06 David Lewis, Big Creek Dairy

00:10:39 Elias Wipf, Member of Montana Milk Producers Association

00:12:33 Dave Miller, Deer Lodge, Montana Correctional Enterprise - Dairy

00:14:53 John Youngberg, Montana Farm Bureau

00:15:30 Rep. Tom Berry

00:15:49 Ken Bryan, Cargill Animal Nutrition Services

00:16:55 Amy Angel, Roundup, independent dairy and meat distributor

00:22:27 Ron Kummerfeldt, Arlee hoof trimmer

00:23:06 Bud Rowley, Consumer and dairy hauler for Meadowgold

00:24:29 Mark Meyer, Montana Milk Producers Association

00:28:40 Rob Adamson, Meadow Gold Dairy

00:29:32 Tana Oyler, Phillips County

00:31:24 Christian Mackay, Department of Livestock

00:32:58 Rob Adamson, Meadow Gold Dairy

Viewpoints of Opponents of 12-day rule

00:33:41 Larry Grosulak, Billings Retailer

00:41:48 Mark Olson, Missoula Retailer

00:47:03 Mark Huelskamp, Core-Mark

00:53:51 Tom Bears, Core-Mark

01:01:59 Ronna Alexander, Montana Convenience Store Association

01:04:48 Pat Roylance, Retailer

01:08:03 REP. HERTZ noted a public comment packet sent to the committee prior to March 27, 2014. (EXHIBIT 1)

Discussion of statutory language from other states (EXHIBIT 2) and comments by both sides.

01:09:05 SEN. FACEY asked to hear Mr. Campbell's legal explanation regarding a current court case related to the 12-Day Milk rule. (DA 13-0595)

01:09:21 Bart Campbell

01:11:29 SEN. FACEY reminded the public that change to the current law will not occur immediately and that the purpose of the subcommittee is to obtain public opinion and concerns regarding the current milk law.

01:12:26 REP. HERTZ commented in reference to the legislative brief providing other state milk policies.

01:13:09 SEN. FACEY asked about the legality of providing information about where the milk originates on milk packaging.

01:14:28 Mr. Mackay provided his understanding about information provided on milk packaging.

01:15:20 Mr. Adamson commented about codes provided on packaging that explain which plant the milk originated from.

01:16:04 Mr. Campbell provided his legal opinion about requiring the source of milk to be provided on milk packaging.

01:17:53 REP. HERTZ and Mr. Adamson discussed concerns for other dairy product processing and delivery, besides milk. They also discussed the complaints that are seen regarding milk products.

01:24:02 SEN. FACEY asked Mr. Lewis about the decrease in the number of dairies in Montana.

01:24:15 Mr. Lewis

01:24:49 SEN. FACEY asked Mr. Mackay about the Department of Livestock's opinion about providing information to the public to assist in understanding sell-by dates and shelf life.

01:25:10 Mr. Mackay

01:26:30 SEN. FACEY asked Mr. Bears if the system is broken in Montana.

- 01:26:50 Mr. Bears
- 01:31:12 REP. HERTZ noted the information provided from the Department of Livestock (**EXHIBIT 3**). He also asked how the removal of the 12-Day rule would affect consumption and dairy farms.
- 01:33:06 Mr. Lewis provided his opinion on consumption differences throughout the year, the importance of placing a good product on the shelf.
- 01:34:36 SEN. FACEY asked about milk production in different states.
- 01:35:10 Mr. Lewis discussed Idaho production and consumption.
- 01:35:47 Mr. Ragsdale stated his opinion regarding the differences in costs, distribution, and ultra-pasteurized milk, as well as the declining amount of milk consumption and the possible closing of dairies in Montana.

Public Comment

- 01:38:57 Ms. Oyler commented about consumer concerns regarding the care of milk before and after purchase and the shelf life after leaving the store. She also stated the differences in distribution of milk around the state.
- 01:41:08 Mr. Bears commented about the distribution of milk by Core-Mark around not only Montana, but the entire country.
- 01:42:06 REP. HERTZ commented about his thoughts regarding ultra-pasteurized milk and the differences in shelf life.
- 01:42:43 Mr. Adamson commented on the introduction of bugs to the milk after the package is opened and clarification on distribution of milk to Montana stores from Montana dairy farms.
- 01:43:32 REP. HERTZ commented about the requirement to destroy the milk after the sell-by date. He asked for stakeholder opinions on allowing milk to be sold after the sell-by date.
- 01:44:19 Mr. Adamson provided his opinion about allowing retailers to sell milk after the sell-by date.
- 01:46:11 Mr. Huelskamp commented on the dairies testifying about the different testing methods used for insuring milks shelf life.
- 01:58:03 REP. HERTZ asked Mr. Grosulak about the retailers' perspective on shelf life.
- 01:58:15 Mr. Grosulak commented about his experiences with consumers and distributors and the losses sustained from the milk sell-by rule.
- 02:02:30 Krista Lee Evans, Montana Milk Producers Association

Stated her opinion on how the consumer is solely responsible for when milk goes bad and the importance of providing high quality milk to retailers and consumers. She also noted 750 letters from consumers to be provided to the committee and the large level of competition in the milk industry. (EXHIBIT 4)

- 02:08:13 Peter Hofer, Montana Milk Producers Association
Commented about the changes he has seen in the milk industry, and his concerns with letting Montana producers decide what is best for Montana.
- 02:09:49 Pat Bears
Commented about his experience with public confusion regarding how long milk is still good after the listed sell-by date. He also noted his experience with out-of-state milk.
- 02:12:33 Derek Angel, Independent distributor
Commented about the pasteurization date and sell-by date placed on milk packaging, and the confusion about how long a package of milk is good for.
- 02:14:31 Ed Waldner, Board of Livestock member
Referred back to a hearing held by the Board of Livestock and noted that Core-Mark attorneys walked out of the hearing when comments were given by consumers and distributors.
- 02:15:33 Rep. Berry asked about the next steps for the Milk Rule process.

Summary by subcommittee members (and others) of next steps

- 02:16:16 Sen. Arntzen commented about the information already provided and asked what further information will be provided to the committee.
- 02:17:00 Ms. Murdo confirmed information to be provided to the committee.
- 02:17:30 Rep. Lynch commented about the passion behind the milk rule, and asked about information from other states, like Idaho.
- 02:18:27 REP. HERTZ commented about the importance of the process.
- 02:19:25 Ms. Murdo stated the opportunity for further public comment at the full committee meeting to follow.
- 02:19:41 Adjourn