**DRAFT MINUTES**

Milk Commission Meeting Held December 11, 2014

Minutes of the meeting of the Milk Commission, held at the Virginia Department of Agriculture and Consumer Services, Oliver Hill Building, 102 Governor Street, Richmond, Virginia in room 232.

THE COMMISSION:

PRESENT: Kenneth Smith, Chairperson; Crafton Wilkes, Administrator; Gerald Heatwole, Commissioner; Patrick Crawford, Commissioner; Dirk Holcomb, Dairy Auditor II; Robert Farrier Jr., Dairy Auditor II; and Shella Tillery, Administrative Assistant.

ABSENT: Jessica Jones, Commissioner; Robb Watters; Commissioner

Kenneth Smith called the meeting to order at 10:30 a.m. Kenneth Smith asked for a motion to accept the minutes from the previous meeting. Patrick Crawford so moved and Gerald Heatwole seconded the motion. The minutes were accepted as written. Administrator, Crafton Wilkes introduced Kate Blair Farmer and Bruce E. Mayer as newly appointed members of the Commission.

The Administrator gave a review of Class I sales summary and adjacent market prices.

(See pages

Commission staff held technical hearings and/or tele-conference interviews with various firms applying for distributor licenses on all Virginia markets. The applicants all agreed to comply with the Rules and Regulations of the Commission and there being no other evidence to the contrary. The Administrator recommended the granting, canceling &/or issuing of licenses as indicated below. Patrick Crawford abstained and Bruce E. Mayer made a motion to accept all the following changes, seconded by Gerald Heatwole, effective January 1, 2015. Motion carried.

Licenses Issue/Amend:

Issue:

| License No. | Type of License | Distributor | Contact | Markets |
|---|---|---|---|---|
| 203.003.3 | NPGD | Dutt & Wagner of Virginia, Inc.<br>P.O. Box 518<br>Abingdon, VA 24212<br>(Under: Broughton Foods Company, Marietta, OH) | Jon Surber | All |

Amend From:

| License No. | Type of License | Distributor | Contact | Markets |
|---|---|---|---|---|
| 318.000.1 | PGD | Saputo Dairy Foods USA, T/A Ultra Dairy<br>40236 State Highway<br>Delhi, NY 13753 | Ghislaine Dufour Fraser | All |

Amend To:

| License No. | Type of License | Distributor | Contact | Markets |
|---|---|---|---|---|
| 318.000.1 | PGD | Saputo Dairy Foods USA, LLC<br>40236 State Highway<br>Delhi, NY 13753 | Ghislaine Dufour | All |

Read certain aggregate base transfers which resulted in the following base assignment, effective October 1, 2014. (See pages

Read and considered a letter under the date of November 8, 2014 from Ms. Becky Privett, Customer Balancing, Maryland & Virginia Milk Producers and approved the transfer as follows, effective October 1, 2014.

1. Cancel the following license:

| Producer | 9 Month Base | 3 Month Base | Cooperative |
|---|---|---|---|
| Lloyd E., Betty J., Ardell J. & MPA | 9,788 | 9,005 | Maryland & Virginia |

Julie A. Horst
15986 Hollowell Church
Waynesboro, PA 17268
License No. 2129

2. Increase the following base:

| Producer | 9 Month Base | 3 Month Base | Cooperative |
|---|---|---|---|
| Eugene Z. & Elsie N. Stauffer MPA | 17,864 | 16,435 | Maryland & Virginia |

1635 Henrietta Road
Martinsburg, PA 16662
License No. 4728

Read and considered an amend request under the date of October 14, 2014 and approved the amendment as follows, effective October 16, 2014 (Received October 10, 2014).

1. Amend the following license:

| FROM: | TO: |
|---|---|
| Basil/C. Dale Boitnott | Bow-Knott Dairy LLC |
| 2721 Taylor's Road | 2361 Taylor's Road |
| Boones Mill, VA 24065 | Boones Mill, VA 24065 |
| License No. 1659 | (Farm Add: 2721 Taylor's Road) |
| | License No. 1659 |

Read letter to amend your license under the date of October 27, 2014 and approved the request as follows, approving move of farm and herd effective October 29, 2014 (Received October 27, 2014).

1. Amend the following license:

| FROM: | TO: |
|---|---|
| Edward Horst | Edward Horst |
| T/A Ottobine Dairy | T/A Mountain River Dairy |
| 8381 Waggy's Creek Road | 173 Lee Roy Road |
| Dayton, VA 22821 | Grottoes, VA 24441 |
| License No. 3773 | License No. 3773 |

Read certain aggregate base transfers which resulted in the following base assignment, effective November 1, 2014. (See pages

Read and considered a base transfer request under the date of November 5, 2014 and approved the transfer as follows, effective November 1, 2014 (Received October 28, 2014).

1. Cancel the following license and base:

| Producer | 9 Month Base | 3 Month Base | Cooperative |
|---|---|---|---|
| Brookside Farm Inc<br>DFA, SE Division<br>569 Brookside Road<br>Dry Fork, VA 24549<br>License No. 0630 | 140,128 | 128,918 | |

2. Increase the following bases:

| Producer | 9 Month Base | 3 Month Base | Cooperative |
|---|---|---|---|
| Windcrest Holsteins Inc.<br>DFA,SE Division<br>15638 Spar Inc Mine Road<br>Timberville, VA 22853<br>License No. 4473 | 54,214 | 49,877 | |
| Cub Run Dairy LC<br>DFA, SE Division<br>3806 Lawyer Road<br>McGaheysville VA 22840<br>License No. 3397 | 798,822 | 734,916 | |
| Homestead Valley Farm LLC<br>DFA, SE Division<br>4908 Swope Road<br>Dayton, VA 22821<br>(Farm Add: 6401 Wright Lane<br>Bridgewater VA 22812)<br>License No. 4939 | 150,563 | 138,518 | |
| West-Rock Dairy, LLC<br>DFA, SE Division<br>5262 Rawley Pike<br>Harrisonburg, VA 22802<br>License No. 0794 | 74,979 | 68,981 | |
| Brian W & Karen F. Rhodes<br>DFA, SE Division<br>5457 Swope Road<br>Dayton, VA 22821<br>License No. 5015 | 64,148 | 59,016 | |
| Dwayne & Anna Good<br>DFA, SE Division<br>4541 West Dry River Road<br>Dayton VA 22821<br>License No. 4961 | 65,790 | 60,527 | |

(See pages)

The Administrator reviewed the wholesale delivery percentages. After discussion of an increase in the percentage requirement, it was agreed by the Commissioner's to increase the wholesale delivery percentages effective January 1, 2015. Patrick Crawford made a motion to accept all the following changes, seconded by Gerald Heatwole, effective January 1, 2015. Motion carried.

Kenneth Smith thanked the new Commissioners for accepting their appointments. The meeting opened for public comment. There was no public comment.

The next Commission meeting date was scheduled for February 12, 2015 at 10:30 a.m., in Conference Room 232 at the Virginia Department of Agriculture and Consumer Services, Oliver Hill Building, 102 Governor Street, Richmond, Virginia.

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Chairperson

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Administrator