

DRAFT MINUTES
State Milk Commission
Oliver Hill Building, Richmond, VA
September 18, 2014

Kenneth Smith called the State Milk Commission meeting to order on Thursday, September 18, 2014 at 10:30 a.m., at the Oliver Hill Building, 102 Governor Street Richmond, Virginia in Room 232, Richmond, VA.

THE COMMISSION:

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

Absent:
Robb Watters, Commissioner

Kenneth Smith asked for a motion to accept the minutes from the previous meeting. Gerald Heatwole so moved and Jessica Jones seconded the motion. The minutes were accepted as written.

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

Upon further review by the previous Administrator, Rodney Phillips of factors relative to the establishment of the 2014 base allotments it was determined that adjustments and/or corrections were necessary. Having considered all factors relative to the adjustments and corrections of the 2014 base allotments, upon a motion by Gerald Heatwole and seconded by Jessica Jones the adjustments and /or corrections were accepted. The adjustments and/or corrections were made and management agreed to update the Commission during the year regarding base and sales. the Commission approved that the corrected established bases for 2014 would be 76,040,860 pounds (in accordance with 2 VAC 15-20-40. A1-5), in that the 2014 bases do not exceed 1.08% of the average monthly pounds of Class I sales, with the exception of those producers who lost base or recovered base during the base-adjusting period of September, October and November 2013. The bases of existing producers will be adjusted on March 1, 2014 to include base loss and base recovered. The total base recovered from the 2012 base adjusting period was 145,787 and the total base loss due to failure to produce sufficient production during 2014 base-adjusting period was 176,109 pounds. The base recovered and base loss will bring the total established 2014 base to 106.770210% of the preceding year's average 9 month Class I sales, in the amount of 71,227,367 pounds. The amount of base for the months of June, July and August shall be equal to 92% of the established base for the remaining months of the year. The corrected 2014 base allotments, in total by

cooperatives, as listed below, are therefore, established for the existing baseholding producers, effective March 1, 2014:

	<u>2014 Base 9 Month</u>
Cooperative Milk Producers Association	16, 798,643
Cumberland Valley M.P.A.	180,900
Dairy Farmers of America, Inc., Southeast	30,818,423
Dairy Farmers of America, Inc., Northeast	234,786
Independent	255,736
Land O'Lakes, Incorporated	1,036,677
Maryland & Virginia Milk Producers Association	26,597,526
Mount Joy Farmers Cooperative	<u>118,169</u>
Total:	<u>76,040,860</u>

(See pages)

Commission staff held technical hearings and/or tele-conference interviews with various firms applying for distributor licenses on all Virginia markets. The applicant 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, of the license as indicated below. Gerald Heatwole made a motion to accept the following change, seconded by Patrick Crawford, effective October 1, 2014. Motion carried.

The Administrator gave a review of Class I sales summary and adjacent market prices.
 (See pages)

Licenses Issue/Cancel/Re-issue:

Issue:

<u>License No.</u>	<u>Type of License</u>	<u>Distributor</u>	<u>Company Rep.</u>	
	PGD	Fairlife, LLC 999 West Randal Coopersville, MI 49404	Tim Doelman	All

<u>License No.</u> <u>Markets</u>	<u>Type of License</u>	<u>Distributor</u>	<u>Company Rep.</u>	
	NPGD	Nash Finch Company #922 6304 Sheriff Rd. Landover, MD 20785	Jamie Fischer	All

<u>License No.</u> <u>Markets</u>	<u>Type of License</u>	<u>Distributor</u>	<u>Company Rep.</u>	
	NPGD	Laurel Grocery Co., LLC 129 Barbourville Rd. London, KY 40744	Jamie Fischer	All

<u>License No.</u> <u>Markets</u>	<u>Type of License</u>	<u>Distributor</u>	<u>Company Rep.</u>	
331.002.3B	NPGD	Core-Mark Midcontinent, Inc. T/A Core-Mark Midcontinent, Inc. 2300 San Souci Parkway Hanover Township, PA 18706	Jamie Fischer	All

Cancel:

<u>License No.</u> <u>Markets</u>	<u>Type of License</u>	<u>Distributor</u>	<u>Company Rep.</u>	
209.001.2	NPGD	GFA Brands, Inc T/A Smart Balance 115 W. Century Road Suite 260 Paramus, JN 07652	Christine Martin	All
255.002.3	NPGD	Chetak New York, LLC 351 Mill Road Edison, NJ 08837.	Apurva Patel	All
231.002.2	NPGD	Moseley & Reece, Inc. P.O. Box 1208 Mount Airy, NC 27030	John Moseley	All

Cancel:

<u>License No.</u>	<u>Type of License</u>	<u>Distributor</u>	<u>Company Rep.</u>	<u>Markets</u>
260.001.3	NPGD	Natural Dairy Products Corp., T/A Natural By Nature 316 Markus Court Newark, DE 19713	Dawn Fenstermacher	All

Re-issue:

<u>License No.</u>	<u>Type of License</u>	<u>Distributor</u>	<u>Company Rep.</u>	<u>Market</u>
	PGD	Natural Dairy Products Corp., T/A Natural By Nature 316 Markus Court Newark, DE 19713	Dawn Fenstermacher	All

Amend:

<u>License No.</u>	<u>Type of License</u>	<u>Distributor</u>	<u>Contact</u>	<u>Markets</u>
231.003.3	NPGD	From: Reinhart Foodservice, L.L.C. 11777 Balls Ford Road Manassas, VA 20109	Sharon Karlman	All
		To: Reinhart Foodservice, L.L.C. 100 Harborview Plaza #200 La Crosse, WI 54601	Sharon Karlman	All

The Administrator reviewed the 2014-15 fiscal year budget, expenditures, and cash balance. Due to current fiscal projections, he recommended an increase in the assessment rate to \$0.0395/cwt effective November 1, 2014. Kenneth Smith asked for a motion to accept the action. Gerald Heathwole moved, and Jessica Jones seconded the motion. The motion was accepted.

(See pages

Kenneth Smith asked if there was any comment from the Commissioner's present. There was no comment.

Kenneth Smith asked if there was any comment from the public present. There was no public comment.

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The next Commission meeting will be December 11, 2014, at 10:30 a.m., location TBD.

Chairperson

Administrator