

DRAFT MINUTES

Milk Commission

Oliver Hill Building, Richmond, VA

February 15, 2013

Mr. Kenneth Smith called the Milk Commission meeting to order on Friday, February 15, 2013 at 10:30 a.m., at the Virginia Department of Agriculture and Consumer Services, Oliver Hill Building, 102 Governor Street, Conference Room 232, 2nd floor, Richmond, Virginia.

Present: Kenneth Smith, Chairperson; Rodney L. Phillips, Administrator; Jessica Jones, Commissioner; Gerald Heatwole, Commissioner; Patrick Crawford, Commissioner; Zachary Hatcher, Commissioner; Dirk Holcomb, Dairy Auditor II; Theresa Klebert, Contractor; Shella Tillery, Administrative Assistant; Michael Myatt, Cooperative Milk Producers Association; Paula Martin, Maryland & Virginia Milk Producers Association; Crafton Wilkes, and Pam Smith.

Absent: John Beasley, Commissioner, Laura Habr, 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.

The Administrator presented and discussed the 2013 base allotments. Management agreed to update the Commission during the year regarding base and sales. Having considered all factors relative to the establishment of the 2013 base allotments, upon a motion by Jessica Jones and seconded by Patrick Crawford the Commission approved all established bases for 2013 would be 76,071,182 pounds (in accordance with 2 VAC 15-20-40. A1-5), in that the 2013 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 2012. The bases of existing producers will be adjusted on March 1, 2013 to include base loss and base recovered. The total base recovered from the 2011 base adjusting period was 140,576 and the total base loss due to failure to produce sufficient production during 2012 base-adjusting period was 174,442 pounds. The base recovered and base loss will bring the total established 2013 base to 103.432740% of the preceding year's average 9 month Class I sales, in the amount of 73,546,521 pounds. The amount of base for the months of June, July and August shall be equal to 95% of the established base for the remaining months of the year. The 2013 base allotments, in total by cooperatives, as listed below, are therefore, established for the existing baseholding producers, effective March 1, 2013:

2013 Base
9 Month

Cooperative Milk Producers Association	16,764,045
Cumberland Valley M.P.A.	180,900
Dairy Farmers of America, Inc., Southeast	31,067,025
Dairy Farmers of America, Inc., Northeast	296,728
Dairy Farmers of America, Inc., Mideast	13,719
Independent	360,736
Land O'Lakes, Incorporated	1,000,728
Maryland & Virginia Milk Producers Association	26,269,132
Mount Joy Farmers Cooperative	<u>118,169</u>
Total:	<u>76,071,182</u>

(See pages

The Administrator reviewed the wholesale delivery percentages. After much discussion of the impact of an increase in the percentage requirement, it was agreed by the Commissioner's to keep the wholesale delivery percentages the same as effective January 1, 2012.

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, amending &/or re-issuing of licenses as indicated below. Zachary Hatcher made a motion to accept all the following changes, seconded by Gerald Heatwole, effective March 1, 2013. Motion carried.

Licenses Issue/Cancel/Re-issue/Amend:

Issue:

<u>License No.</u>	<u>Type of License</u>	<u>Distributor</u>	<u>Contact</u>	<u>Markets</u>
273.002.3	NPGD	Radlo Foods, LLC 313 Pleasant Street Watertown, MA 02472	Stephanie Norton	All

(Under: Dairy Enterprises Incorporated, Richmond, IN)

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<u>License No.</u>	<u>Type of License</u>	<u>Distributor</u>	<u>Contact</u>	<u>Markets</u>
210.005.3	NPGD	Vernon Family Dairy, LLC T/A Vernon Family Dairy 950 Sandy Cross Road Reidsville, NC 27320 (Under: Dairy Fresh, LLC Winston-Salem, NC)	Todd Vernon	All

Cancel:

<u>License No.</u>	<u>Type of License</u>	<u>Distributor</u>	<u>Contact</u>	<u>Markets</u>
295.001.3	NPGD	Wholesome Foods, Incorporated 986 South Ox Road Edinburg, VA 22824 (Under: Homestead Creamery, Inc. Wirtz, VA)	Pat Moomaw	All

Re-issue:

<u>License No.</u>	<u>Type of License</u>	<u>Distributor</u>	<u>Contact</u>	<u>Markets</u>
245.005.3	NPGD	Wholesome Foods, Incorporated 986 South Ox Road Edinburg, VA 22824 (Under: Shenandoah's Pride LLC, Springfield, VA)	Pat Moomaw	All

Amend:

From:

<u>Amend</u>	<u>Type of License</u>	<u>Distributor</u>	<u>Contact</u>	<u>Markets</u>
273.002.3	NPGD	Radlo Foods, LLC 313 Pleasant Street Watertown, MA 02472 (Under: Dairy Enterprises Incorporated, Richmond, IN)	Stephanie Norton	All

To:

<u>Amend</u>	<u>Type of License</u>	<u>Distributor</u>	<u>Contact</u>	<u>Markets</u>
273.002.3	NPGD	Born Free 313 Pleasant Street Watertown, MA 02472 (Under: Dairy Enterprises Incorporated, Richmond, IN)	Stephanie Norton	All

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The meeting opened for public comment. There was no public comment.

The next Commission meeting date is May 30, 2013 at 10:30 a.m., at the Virginia Department of Forestry Headquarters, 900 Natural Resources Drive, Suite 800, Charlottesville, VA 22903.

Respectfully submitted,

Kenneth Smith, Chairperson

Administrator