

COMMISSION MEETING HELD February 16, 2006

Minutes of the meeting of the Commission held at the Department of Forestry, Room 2063, Charlottesville, Virginia.

THE COMMISSION:

PRESENT: Kimberly Bridges, Commissioner; John Cutler, Commissioner; Edward Titmus, Commissioner; Mr. Edward C. Wilson, Jr., Deputy Administrator; Mr. Rodney L. Phillips, Administrator, Vanessa Jeffries, Administrative & Office Specialist III; Michael Myatt, Cooperative Milk Producers Association; and Larry Seamans, Maryland & Virginia Milk Producers Association. Absent, Judy Barnard, Lowell Fulk, John Gillam and Yolanda Macklin.

Rodney Phillips called the meeting to order at 10:45 a.m.

The Administrator introduced a new Commissioner Mr. John A. Cutler. Mr. Cutler was appointed to replace Lora Daniels as a consumer member.

Rodney Phillips asked for a motion to accept the minutes from the previous meeting Edward Titmus so moved and Kimberly Bridges seconded the motion. The minutes were accepted as written.

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

The Administrator presented and discussed the 2006 base allotments. Having considered all factors relative to the establishment of the 2006 base allotments, upon a motion by Edward Titmus and seconded by Kimberly Bridges the Commission approved all established bases for 2006 would be 75,880,578 pounds (in accordance with 2 VAC 15-20-40. A1-5), in that the 2006 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 2005. The bases of existing producers will be adjusted on March 1, 2006, to include base loss and base recovered. The total base recovered from the 2004 base adjusting period was 240,050 and the total base loss due to failure to produce sufficient production during 2005 base-adjusting period was 210,509 pounds. The base recovered and base loss will bring the total established 2006 base to 104.795545% of the preceding year's average 9 month Class I sales, in the amount of 72,408,210 pounds. The amount of base for the months of June, July and August shall be equal to 93.00% of the established base for the remaining months of the year. The 2006 base allotments, in total by cooperatives, as listed below, are therefore established for the existing baseholding producers, effective March 1, 2006:

	<u>2006 Base</u>
	<u>9 Month</u>
Cooperative Milk Producers Association	14,620,545
Cumberland Valley M.P.A.	180,900
Dairy Farmers of America, Inc., Southeast	36,043,372
Dairy Farmers of America, Inc., Northeast	550,843
Independent	70,924
Land O'Lakes, Inc.	818,387
Maryland & Virginia Milk Producers Association	23,477,438
Mount Joy Farmers Cooperative	<u>118,169</u>
	75,880,578

(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. Edward Titmus made a motion to accept all the following changes, seconded by Kimberly Bridges, effective March 1, 2006. Motion carried.

Licenses Issue/Cancel/Re-issue:

AMEND:

<u>License No.</u>	<u>Type of License</u>		<u>Distributor</u>	<u>Company Rep.</u>	<u>Markets</u>
231.003.2	SD	From:	PYA Monach LLC 1265 Diamond Springs Rd Virginia Beach, VA 23455-3740	Jennifer Wilson	All
		To:	U.S. Foodservice Inc. 1265 Diamond Springs Rd Virginia Beach, VA 23455-3740		
291.001.3	NPGD	From:	J P Foodservice 8024 Telegraph Rd Severn, MD 21144	Janice Pevo	All
		To:	U.S. Foodservice Inc. 8024 Telegraph Rd Severn, MD 21144		
291.002.3	NPGD	From:	Alliant/Atlantic Food Service Inc. d/b/a U.S. Foodservice 1 3000 Livingston Road Manassas, VA 20109	Daniel Watson	All
		To:	U.S. Foodservice Inc. 13000 Livingston Road Manassas, VA 20109		
289.001.3	NPGD	From:	Horizon Organic Dairy Inc. 6311 Horizon Lane Longmont, CO 80503	Roger Theodoredis	All
		To:	Horizon Organic Holding Corporation 6311 Horizon Lane Longmont, CO 80503		
283.000.1	PGD	From:	Morningstar Foods/ Dean Foods Inc. 920 Sextonville, Road Richland Center, WI 53581	Darryl Ten Pas	All
		To:	Morningstar Foods LLC 920 Sextonville, Road		

Richland Center, WI 53581

CANCEL:

<u>License No.</u>	<u>Type of License</u>	<u>Distributor</u>	<u>Company Rep.</u>	<u>Markets</u>
314.000.1	PGD	Coburg Dairy 5001 Lacross Road North Charleston, SC 29406	Michael Watson	All

The Administrator advised that Maryland and Virginia Milk Producers Association has chosen to pursue another method of relief in the Winn-Dixie bankruptcy. Funds collected pursuant to 2 VAC 15-20-81 D have been returned to parties paying into the producer loss recovery fund.

The Administrator reviewed legislation and advised there were no bills that would affect the Milk Commission. He did review two bills introduced in the 2006 General Assembly to allow the sale of raw milk in Virginia, both bills were defeated.

The Administrator and the Deputy Administrator provided an overview to the Commissioners on the Code of Virginia laws of the Commission, provisions of the Administrative Code, functions and activities of the Commission, assessments, meetings, regulatory promulgation, the Virginia Freedom of Information Act, and the Virginia Conflicts of Interest Act.

The Administrator:

There was no public comment.

The next Commission meeting will be held at the Department of Mines, Minerals and Energy at the Department of Forestry Building, 900 Natural Resources Drive, Charlottesville, Virginia in Room 2054 on May 17, 2006 starting at 10:45 a.m.

Chairperson

Administrator