

DRAFT MINUTES

Milk Commission

Oliver Hill Building, Richmond, VA

February 20, 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; Rodney L. Phillips, Administrator; Jessica Jones, Commissioner; Gerald Heatwole, Commissioner; Patrick Crawford, Commissioner; John Beasley, Commissioner; Robb Watters, Commissioner; Crafton Wilkes, Audit Supervisor; Dirk Holcomb, Dairy Auditor II; Theresa Klebert, Dairy Auditor II; Robert Farrier, Dairy Auditor II; and Shella Tillery, Administrative Assistant.

Absent:

Zachary Hatcher, 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. Gerald Heatwole so moved and Robb Watters 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 2014 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 2014 base allotments, upon a motion by Robb Watters and seconded by Jessica Jones the Commission approved all established bases for 2014 would be 76,071,182 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, 2013 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 2013 base-adjusting period was 176,109 pounds. The base recovered and base loss will bring the total established 2013 base to 106.757926% of the preceding year's average 9 month Class I sales, in the amount of 76,071,182 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 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, 987,643
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	26,597,668
Mount Joy Farmers Cooperative	<u>118,169</u>
Total:	<u>76,071,182</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 Jessica Jones, effective March 1, 2014. 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>			
341.000.1	PGD	Shenandoah Family Farms Co-op, Inc T/A Shenandoah Family Farms Co-op, Inc 1100Frederick Street Hagerstown, MD 21740	Fred Rodes	All

Milk Commission Draft Minutes
February 20, 2014
Page Three

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

The next Commission meeting date was scheduled for September 18, 2014 at 10:30 a.m., at the Virginia Department of Agriculture and Consumer Services, Richmond, VA 23219.

Chairperson

Administrator