

COMMISSION MEETING HELD JANUARY 22, 2004

Minutes of the meeting of the Commission held at the Holiday Inn, Staunton, Virginia.

THE COMMISSION:

PRESENT: Ms. Kimberly Bridges, Commissioner; Mr. James Townsend, Chairperson; Ms. Lorna Daniels, Commissioner; Lowell Fulk, Commissioner, Mr. Rodney L. Phillips, Administrator, Carolyn Wells, Agency Administrative Assistant; Michael Myatt, Cooperative Milk Producers Association; Mike Todd & Bobby Shipley Dairy Farmers of America, Allen O'Hara, Maryland Virginia Milk Producers and an undetermined number of producers were in attendance.

James Townsend, Chairperson called the meeting to order at 11:00 a.m.

Mr. Townsend asked for a motion to accept the minutes from the previous meeting. Lorna Daniels made a motion and Kimberly Bridges 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

The Commission had instructed staff to prepare an analysis of the current Class price mechanisms and to explain the procedures at this meeting. The Administrator presented the Commission with the report and engaged the Commission in a discussion about the process; it's merits, and limitations within the Law.

The Administrator presented and discussed the 2004 base allotments. Having considered all factors relative to the establishment of the 2004 base allotments, upon a motion by Lorna Daniels and seconded by Lowell Fulk the Commission approved all established bases for 2004 would be 75,895,960 pounds (in accordance with 2 VAC 15-20-40. A1-5), in that the 2004 bases do not exceed 1.08% of the average monthly pounds of Class I sales, with the exception of those producers who loss base or recovered base during the base-adjusting period of September, October and November 2003. The bases of existing producers will be adjusted on March 1, 2004, to include base loss and base recovered. The total base recovered from the 2003 base adjusting period was 337,578 and the total base loss due to failure to produce sufficient production during 2003 base-adjusting period was 545,152 pounds. The base recovered and base loss will bring the total established 2004 base to 100.882554% of the preceding year's average 9 month Class I sales, in the amount of 75,231,997 pounds. The amount of base for the months of June, July and August shall be equal to 91% of the established base for the remaining months of the year. The 2004 base allotments, in total by cooperatives, as listed below, are therefore established for the existing baseholding producers, effective March 1, 2004:

	<u>2004 Base</u>
	<u>9 Month</u>
Cooperative Milk Producers Association	15,295,383
Cumberland Valley M.P.A.	180,900
Dairy Farmers of America, Inc.-Southeast	36,841,233
Dairy Farmers of America, Inc. – Northeast	548,870
Independent	90,188
Land O'Lakes, Inc.	873,423
Maryland & Virginia Milk Producers Association	21,947,794
Mount Joy	<u>118,169</u>
	75,895,960

The Administrator review a hardship request to hold Park Forest Farm base for another 60 days until he gets his barn rebuilt from a fire. It was recommended to approve the 60 day extension from February 2004 until April 2004. Lorna Daniels made the motion and Lowell Fulk seconded the motion. Motion carried.

The Administrator informed the Commission that no one has contacted the Commission with concerns about BSE.

The Administrator informed the Commission that Legislation has been introduced to modify the merger of the Milk Commission into the Department of Agriculture as Senate Bill 262 and the patron of the bill in the Senate is Senator Hawkins.

The next meeting will be held May 18, 2004 at the Department of Agriculture and Consumer Services 1100 Bank Street, Richmond, Virginia in the second floor board room starting at 10:30 am.