

Montana Board of Milk Control
Meeting Minutes – Time Stamp Record to Accompany Meeting Recording

June 25, 2018 9:30 a.m.

Montana State Capitol Building - Room 102, 1301 E. 6th Avenue, Helena, Montana

PUBLIC MEETING

Call to Order

Chairperson Scott Mitchell called the meeting to order at 9:30 a.m. in Room 102 at the Montana State Capitol Building; 1301 E. 6th Avenue; Helena, Montana.

Attendance

Board Members:

	Present	Absent
W. Scott Mitchell, Chair	X	
Jerrold A. Weissman, Vice Chair	X	
Brian Beerman	X	
R. James Parker	X	
Erik Somerfeld	X	

Montana Department of Livestock Staff:

Chad Lee, Bureau Chief, Milk Control Bureau

Mark Curtis, Dairy Accountant, Milk Control Bureau

Rob Stutz, Montana Department of Justice, Agency Legal Services (attorney representing the Montana Department of Livestock)

Guests:

Rob Adamson, Meadow Gold

Wilmer Amstutz, Wilmer Amstutz Dairy

Greg Braaksma, B-3 Dairy

Sue Brown, Board of Livestock

Dan Daugherty, Triple D Dairy

Krista Lee Evans, Montana Milk Producers Association

Tim Huls, Huls Dairy Inc. / Producer Committee

Joseph Hofer, Springdale Colony

Mike Honeycutt, Department of Livestock

Sam Hofer, Surprise Creek Colony / Producer Committee

Scott Langford, Meadow Gold

David Lewis, Big Creek Dairy / Northwest Dairy Association

Dave Miller, Montana Correctional Enterprises Dairy / Producer Committee

Mike Ragsdale, Northwest Dairy Association / Darigold

Ken Rowley, Rowley Trucking

Judi Rowley, Rowley Trucking

Ed Waldner, Riverview Colony / Board of Livestock

Ruben A. Wurz, Big Stone Colony / Producer Committee

AGENDA ITEM	TIME STAMP
ROLL CALL & INTRODUCTIONS	0:00 – 1:46
I. MINUTES Motion: Mr. Parker moved and Mr. Somerfeld seconded a motion to approve the minutes of the April 30, 2018 Board of Milk Control meeting as written. The motion carried. All members voted in favor.	I. 1:46 – 3:20 Motion 3:00 – 3:20
II. UNFINISHED BUSINESS & GENERAL ORDERS	II.
A. Montana Milk Market Regulation Study Final Report	II.A.
1. Dairy Technomics In-Person Presentation	II.A.1. 5:01 – 1:15:58
BREAK	1:16:11 – 1:29:01
2. Board Comments & Questions	II.A.2. 1:29:01 – 2:08:56 2:32:45 – 2:33:30
3. Public Comment & Questions The following individuals made public comment. Rob Adamson David Lewis Krista Lee Evans Ruben Wurz Ed Waldner Mike Ragsdale Chad Lee	II.A.3. 2:08:56 – 2:33:51 2:09:28- 2:10:13 2:11:00 – 2:18:21 2:18:28 – 2:21:21 2:21:41 – 2:27:15 2:27:22 – 2:28:43 2:30:04 – 2:30:40 2:28:56 – 2:29:44 2:31:08 – 2:32:44
LUNCH BREAK	2:33:51 – 3:46:00
B. Overview of Legal Processes Required for Implementation of Rule or Statutory Changes Resulting from Board Action Arising from Study Report	II.B. 3:46:00 – 3:51:20
III. NEW BUSINESS	III.
A. Proposal to Amend ARM 32.24.480 Producer Pricing Rules (MAR Notice 32-18-290)	III.A. 3:51:28 – 5:17:56
1. Discussion of Alternatives	III.A.1. 3:51:28 – 4:22:23
2. Board Comments & Questions	III.A.2. 4:22:23 – 4:26:30 4:54:27 – 5:11:49

AGENDA ITEM	TIME STAMP	
<p>3. Public Comment</p> <p>The following individuals made public comment.</p> <p>Greg Braaksma</p> <p>David Lewis</p> <p>Tim Huls</p> <p>Dan Daugherty</p> <p>Krista Lee Evans</p> <p>Mike Ragsdale</p> <p>Rob Adamson</p>	III.A.3.	<p>4:26:30 – 4:54:27</p> <p>4:26:46 – 4:28:38</p> <p>4:29:01 – 4:29:39</p> <p>4:29:55 – 4:34:35</p> <p>4:34:54 – 4:37:07</p> <p>4:37:26 – 4:38:20</p> <p>4:38:49 – 4:48:13</p> <p>4:48:22 – 4:54:14</p>
<p>4. Board Action</p> <p>Motion: Mr. Somerfeld moved and Mr. Weismann seconded a motion that the board order a revision to the milk pricing formulas that reflect the revised pricing formulas presented in MAR Notice 32-18-290, Alternative 2, at this meeting with the following modifications: the language of the proposed ARM 32.24.480(4)(b)(i)(A) be modified for the Montana Class III Butterfat Price Differential to be \$0.20/lb. upon passage for utilization before January 1, 2019; the language of the proposed ARM 32.24.480(4)(b)(i)(B) be modified for the Montana Class III Butterfat Price Differential to be \$0.15/lb. from January 1, 2019 to June 30, 2019; and the language of the proposed ARM 32.24.480(4)(b)(i)(C), be modified for the Montana Class III Butterfat Price Differential to be \$0.10/lb. from July 1, 2019 onward, with the language proposed in Alternative 2 for ARM 32.24.480(4)(b)(i)(D) and ARM 32.24.480(4)(b)(i)(E) to be stricken. The order must include written findings reflecting the facts presented to the board in support of the revised pricing formulas. The order must also include conclusions that the board has the authority to revise the pricing formulas and that the revised pricing formulas are reasonably necessary and in the public interest. The order would be effective only after being fixed by rule after notice and public comment.</p> <p>The motion carried. All members voted in favor.</p> <p>Motion: Mr. Somerfeld moved and Mr. Beerman seconded a motion to initiate the rulemaking set forth in the draft MAR Notice 32-18-290 presented in Alternative 2, with the substantive modifications recorded in the prior motion, otherwise approving the substantive language as presented and allowing for nonsubstantive modifications.</p> <p>The motion carried. All members voted in favor.</p>	III.A.4.	<p>5:11:49 – 5:17:56</p> <p>5:11:49 – 5:16:52</p> <p>5:17:01 – 5:17:56</p>

AGENDA ITEM	TIME STAMP
B. Legal Analysis of 81-23-302(11), MCA and Associated Administrative Rules	III.B. 5:17:56 – 5:21:30
C. Discussion of Future Consideration of Study Recommendations	III.C. 5:21:30 – 5:28:03
D. Milk Control Bureau Report (Chad Lee)	III.D. 5:28:03 – 5:32:55
IV. OTHER NEW BUSINESS	IV. 5:32:55 – 5:33:02 NO OTHER NEW BUSINESS
V. PUBLIC COMMENT	V. 5:44:28 – 5:44:40 NO PUBLIC COMMENT RECEIVED
VI. ADJOURNMENT Chair Scott Mitchell and the board tentatively scheduled the next board meeting as a teleconference meeting to be held on August 22, 2018 at 8:00 a.m. Motion: Mr. Parker moved and Mr. Weissman seconded a motion to adjourn. The motion carried. All members voted in favor. Mr. Mitchell adjourned the meeting at 3:15 p.m.	VI. 5:33:02 – 5:44:19 Motion 5:44:40 – 5:44:52

Time stamps were recorded during the meeting and reviewed and adjusted by bureau staff.

REVIEWED BY
(Initials):

MC Mark Curtis, Dairy Accountant, Milk Control Bureau

CPL Chad Lee, Bureau Chief, Milk Control Bureau

**Montana Board of Milk Control
Meeting Agenda**

June 25, 2018 9:30 a.m.

Montana State Capitol Building - Room 102

1301 E. 6th Avenue, Helena, Montana

Agenda may change up to 48 hours prior to the meeting.

Latest version of agenda will be posted at

<http://liv.mt.gov/Attached-Agency-Boards/Milk-Control/Public-Notices>

WELCOME

ROLL CALL & INTRODUCTIONS

W. Scott Mitchell, Chair

Jerrold A. Weissman, Vice-Chairperson

Brian Beerman

Jim Parker

Erik Somerfeld

Montana Department of Livestock Staff

Guests

I. MINUTES

II. UNFINISHED BUSINESS & GENERAL ORDERS

- A. Montana Milk Market Regulation Study Final Report
 - 1. Dairy Technomics In-Person Presentation
 - 2. Board Comments & Questions
 - 3. Public Comment & Questions
- B. Overview of Legal Processes Required for Implementation of Rule or Statutory Changes Resulting from Board Action Arising from Study Report

LUNCH BREAK

III. NEW BUSINESS

- A. Proposal to Amend ARM 32.24.480 Producer Pricing Rules (MAR Notice 32-18-290)
 - 1. Discussion of Alternatives
 - 2. Board Comments & Questions
 - 3. Public Comment
 - 4. Board Action
- B. Legal Analysis of 81-23-302(11), MCA and Associated Administrative Rules
- C. Discussion of Future Consideration of Study Recommendations
- D. Milk Control Bureau Report (Chad Lee)

IV. OTHER NEW BUSINESS

V. PUBLIC COMMENT

VI. ADJOURNMENT