

Montana Department of Livestock

MILK & EGG BUREAU

FY 2019 ANNUAL REPORT



Figure 1: Dairy cows feeding in northwest Montana, MDOL Staff photo

Mission Statement

To protect the egg and dairy consumers of Montana from potentially harmful egg and dairy products by site inspections and product sampling ensuring that all products meet or exceed strict federal and state regulations and standards.

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MILK & EGG PROGRAM

OVERVIEW

The Milk and Egg Bureau's primary function is to insure milk, milk products, and eggs that are produced, sold or manufactured in Montana meet the appropriate safety requirements and grade quality. The prevention of food borne illnesses and diseases transmitted by milk and eggs to the consuming public are of the utmost importance. These functions are accomplished through on-site inspections done in cooperation with other State and Federal agencies, sampling, laboratory testing, and licensing. The program supervises the enforcement of associated regulations regarding milk and egg safety.



Figure 2: layers of a Montana producer, MDOL staff photo

AUTHORIZATION

This program's statutory functions are provided for under Montana Code Annotated, Title 81, Chapters 20, 21, and 22. Chapter 20 provides for poultry and egg inspection and licensing, Chapter 21 provides for dairy products regulation and licensing, and Chapter 22 provides for regulation, inspection, and licensing requirements of manufactured dairy products. In addition, the Administrative Rules of Montana, Title 32, provides the Department supplementary regulation authority. Chapters 2 and 12 provide milk and egg rules and procedures.

Furthermore, the Department has adopted the following:

- Pasteurized Milk Ordinance (PMO)
- Methods of Making Sanitation Ratings
- Single Service Container Standards
- Evaluation of Milk Laboratories
- Grade A Condensed and Dry Milk Products and Condensed and Dry Whey
- USDA Egg Grading Manual
- USDA Milk for Manufacturing Purposes and its Production and Processing (guidance document)



Figure 3: milking sheep in northwest Montana, MDOL staff photo

MILK PROGRAM

The Milk and Egg Bureau licenses and monitors Montana's dairy producers, dairy processing plants, and bulk milk tankers and haulers that transport, sample and grade fluid milk for quality and safety. The Bureau also licenses laboratories and the people who sample, test, and distribute dairy products before they reach the consumer.



Figure 4: Stamped milk carton; stock photo

Legal Happenings

A longstanding lawsuit regarding Montana's "12 day rule" (ARM 32.8.202), has been settled. While the court ruled in favor of the Department's right to establish and keep the 12 day rule, it also ruled that distributors have a First Amendment Right to use additional dates on their products so as to make distributing product lots to multiple states easier. The Department adopted ARM 32.8.205 to allow for dual dating on milk products in April.

National Conference of Interstate Milk Shippers - NCIMS

Montana is a member of the National Conference of Interstate Milk Shippers (NCIMS). Participation is voluntary by member states and members must meet minimum compliance requirements. Members in good standing with the Conference may engage in interstate sales of dairy products unhindered by individual state's regulations. Compliance is verified by monitoring conducted by the U.S. Food and Drug Administration (FDA). Currently, all 50 states, US Territories, and several foreign countries participate in the NCIMS program. The NCIMS members meet every two years and are a combination of Federal and State milk regulatory officials as well as dairy industry representatives. The following inspection and sampling requirements are performed to meet NCIMS standards:

GRADE A PLANTS (7 total)

Test or inspection	Number of tests or samples	Frequency	Total number of tests or inspections performed
Milk samples of each product type	4 samples	every 6 months	Varies depending on # of products
Plant inspection	One	quarterly	14 yearly
Pasteurizer equipment tests	Oce	quarterly	14 yearly
Vitamin analysis of each product type	1 sample	annually	45 yearly
Water and coolant	1 sample	every 6 months	14 yearly
Single service containers	4 samples	every 6 months	Varies depending on # of molds

MANUFACTURING PLANTS (GRADE B PLANTS - 12 total)

Samples or Inspection	Number or tests or samples	Frequency	Total number of samples or inspections performed
Each product type sampled	4 samples	every 6 months	Varies depending on # of products
Plant inspection	one	every 6 months	24 yearly
Water sample	1 sample	every 6 months	24 yearly

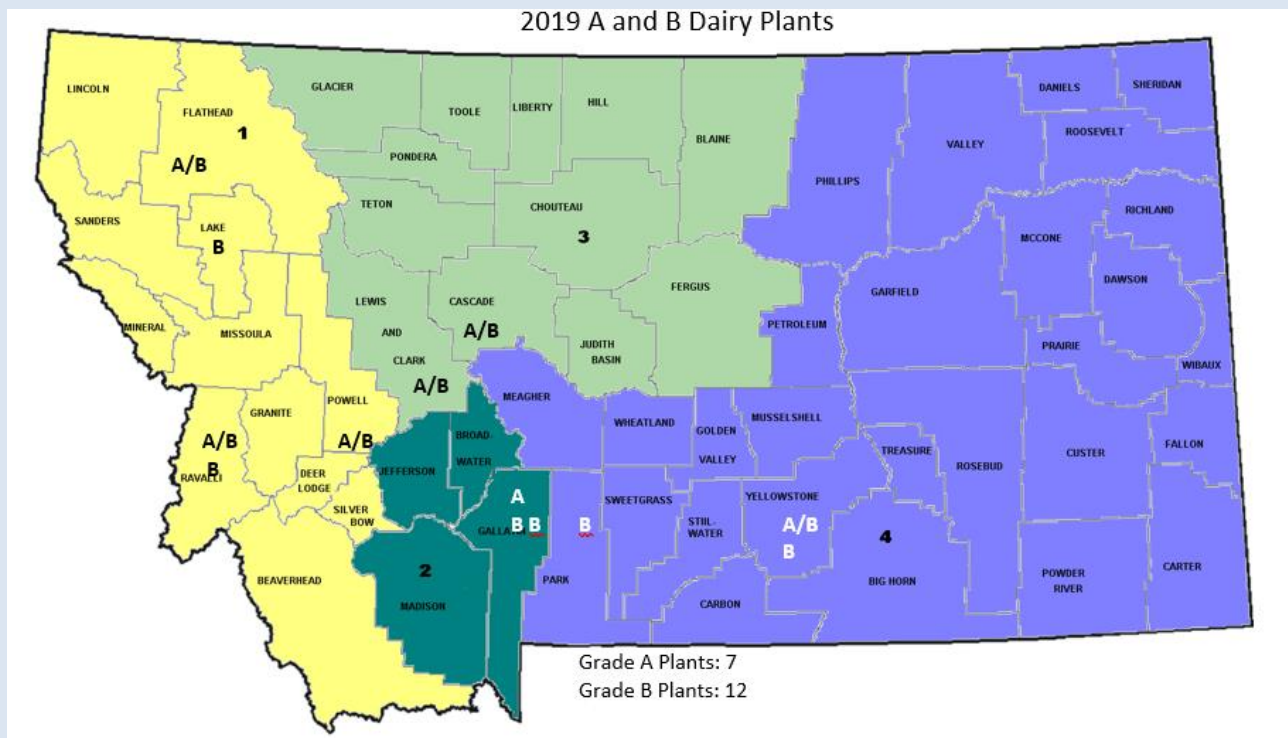


Figure5: MT Dairy plant locations provided by MDOL staff

GRADE A PRODUCERS (57 total: 53 cow dairies, 3 sheep dairies, 1 goat dairy)

Samples or Inspection	Number of tests or samples	Frequency	Total number of samples or inspections performed
Dairy inspection	one	every 6 months	114 yearly
Follow-up inspection for violations	as needed	as needed	Varies
Milk sample	4 samples	every 6 months	456 yearly
Pesticide milk sample	1 samples	annually	57 yearly
Well water sample	1 sample	every 3 years	24 yearly (staggered)
Brucellosis Ring Test – cow only	1 sample*	Quarterly*	248 yearly*

*The five (5) dairies located in the Designated Surveillance Area (DSA) for brucellosis are tested at least twice each quarter.

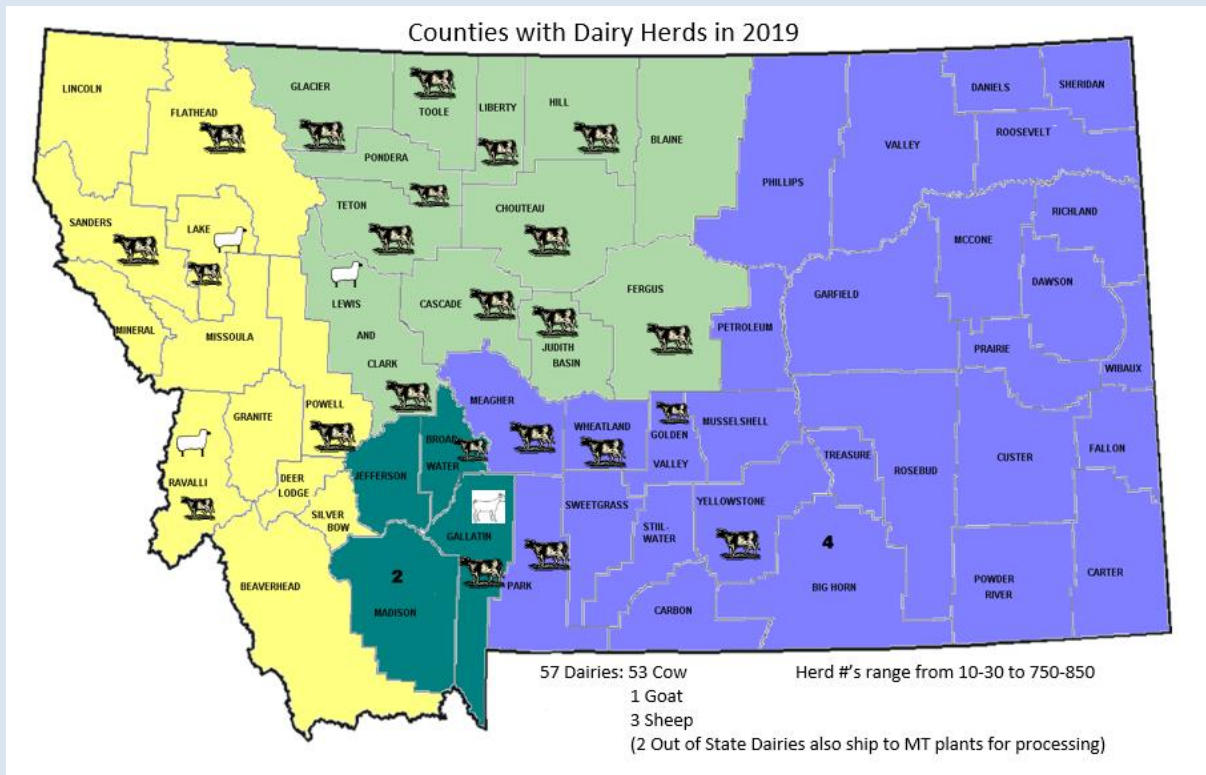


Figure 6: Producer counties and species provided by MDOL staff

GRADE B PRODUCERS: Montana has no Grade B Producers currently in operation.

MILK HAULER AND SAMPLER LICENSES ISSUED (103 total)

Type of license	Test or inspection frequency	Renewal basis
Milk and Cream Grader/Weigher/Sampler & Hauler (test)	1 initially	once/year
Milk & Cream Tester (test)	1 initially	once/year
Dairy Plant Samplers (test)	1 initially	once/year
Bulk Milk Tank Trucks (inspection)	1 initially	once/year
Milk Distributor (inspection)	1 initially	once/year

GRADE A (Fluid Milk) GRADE B (Manufacturing Milk) Differences

PRODUCTS:

Grade A products are fluid milk products. This includes not only different varieties of milk (whole, skim, buttermilk, cream, flavored, etc.) but also yogurt, sour cream, and cottage cheese.

Grade B products are manufactured from milk such as butter, cheeses, condensed or evaporated milks, and ice cream products.

Grade A products must be strictly made from milk produced at Grade A licensed producers. Grade B products are also often made from Grade A milk or a combination of Grade A and Grade B milk.

PRODUCERS:

Grade A (Fluid Milk) producers must meet stringent standards for health and sanitation if their milk is to be consumed as a fluid or other Grade A product. Grade A producer facilities are tested and inspected frequently to PMO standards to ensure their production meets all requirements.

Grade B (milk for manufacturing) producers have less stringent quality standards for the milk they produce and their facilities and can only be utilized to make Grade B products. There are currently no Grade B producers licensed by Montana. Milk for manufacturing dairy products is provided from Grade A licensed dairies.



Figure 7: Milking goats Stock Photo

TOTAL MILKING COWS IN MONTANA*

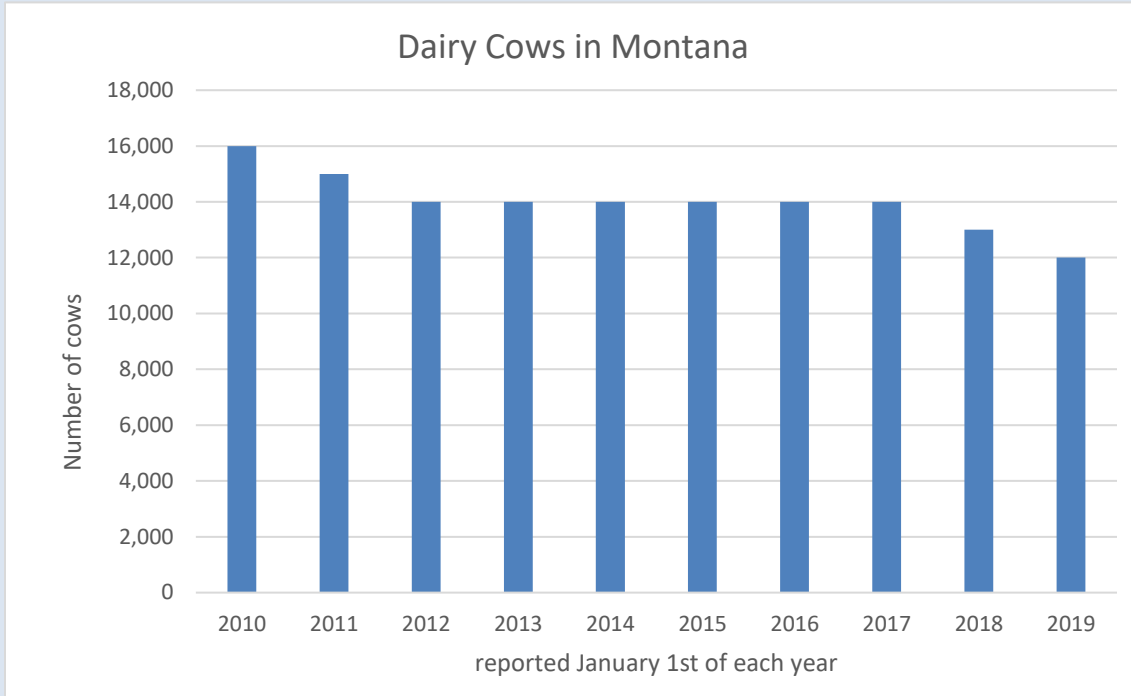


Figure 8: Number of dairy cows in Montana

*Data provided by USDA National Agriculture Statistics Service

TOTAL MILK VOLUME IN MONTANA*

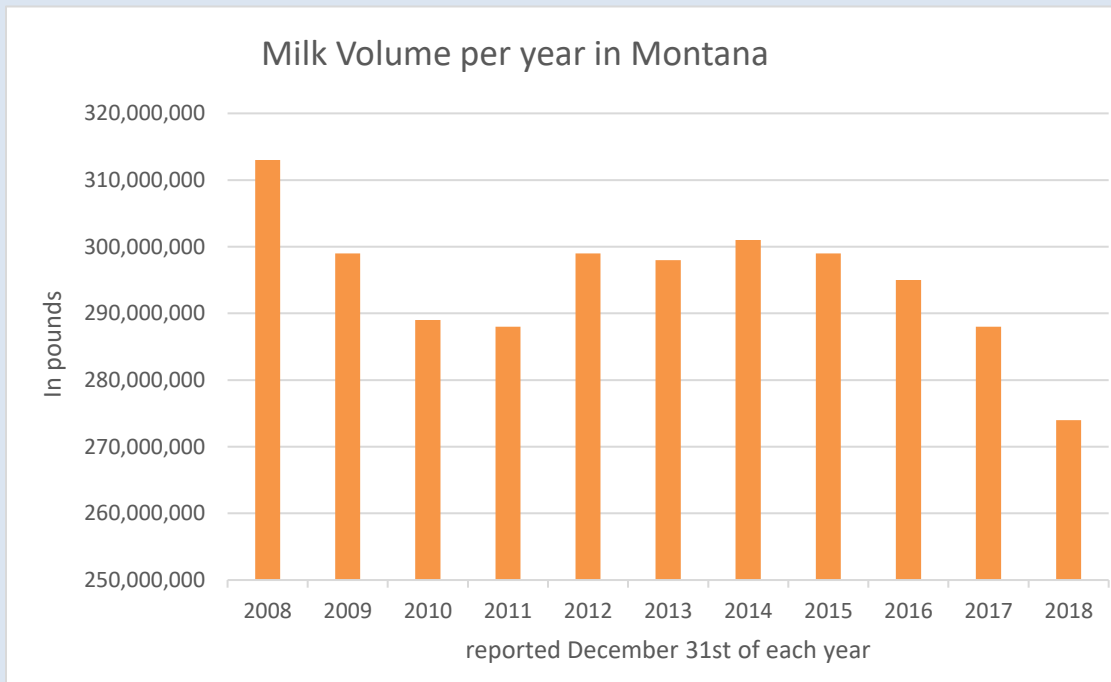


Figure 9: Milk Volume per year in Montana

*Data provided by USDA national Agriculture Statistics Service

DRUG RESIDUE VIOLATIONS

One (1) Grade A Milk Producer tested positive twice for drug residue during the 2019 fiscal year which resulted in 75,444 pounds of milk disposed of (land applied) to prevent human/animal consumption.

Milk is sampled by a licensed sampler/hauler at each dairy as they collect the milk for transport to a dairy plant for processing. One of the tests run on each sample is for drug residue from antibiotics used to treat routine veterinary concerns. Producers are very careful not to include a drug treated cow in the regular milking but occasionally one slips through. This is usually the cause of adulterated milk.

As required by the Pasteurized Milk Ordinance (PMO), the violator of the positive drug residue test has the monetary responsibility for all adulterated milk caused by the violator's positive drug residue. This requires the violating producer to reimburse all non-violating producers for their milk, hauling costs and disposal expenses.

The violating producer's Grade A license is suspended, and no milk sales are allowed until an investigation as to the cause of the violation is completed by a dairy sanitarian and official sample of their milk demonstrates the milk safe and is free of drug residue.

Follow-up investigations and sampling are collected as soon as possible after the violation, to minimize the time of the dairy license suspension. Multiple residue violations within 12 months may result in a permanent license revocation.



Figure 10: Stock photo

ADDITIONAL REQUIREMENTS OF THE DAIRY PROGRAM:

- To maintain at least two survey officers for compliance with NCIMS
- Inspect, license and conduct testing of products from Single Service Container Plants (makers of milk jugs and cartons). Review raw material applications for safety.
- Monitor dairy sell-by dates in plants or retail locations
- Monitor retail sales for dairy products offered for sale
- Maintain annual license program for producers, dairy plants, milk graders, milk weighers, milk haulers, milk samplers and dairy distributors.
- Conduct construction plan reviews for new/remodeling of dairy processing or production facilities.
- Perform water and coolant system construction reviews, collect and sample these systems for safety.
- USDA School Lunch Commodity Inspection Program (discontinued August 25, 2017)

DAIRY INSPECTORS

- Inspectors must have a minimum of a Bachelor of Science degree and maintain current Montana Sanitarian Registration
- State Survey Rating Officers for Interstate Milk Shipping (IMS) must maintain FDA certification for rating dairy farms, dairy processing plants, single service manufacturing, and bulk milk haulers.
- Inspectors also participate in the FDA Dairy Equipment Review Committee to accept new dairy equipment

EGG INSPECTON PROGRAM

USDA Shield Egg Grading

Since 2011, the Department has operated under an agreement with USDA to conduct egg grading services in the State under USDA authority. This allows State employees, certified as USDA egg graders, to apply the USDA grade shield. This certifies that eggs are processed and packaged to meet USDA Standards in in-state plants.

Resident USDA Egg Grading is performed at the Montana Egg Inc. Plant located in Great Falls for those producers who choose to sell their eggs through that facility, or for a fee, (Fee Grading), producers can also request USDA Fee egg grading at their private facility.



Figure 11: Candling an egg during grading, MDOL staff photo

The ability to provide USDA grading services in Montana has opened national markets for eggs produced in the State, plus ongoing exports to Canada. This program is fully funded with industry user fees.



Figure 12: washed eggs in a plant MDOL staff photo

**USDA EGG RESIDENT GRADING VOLUME
(Montana Egg LLC Plant, Great Falls)**

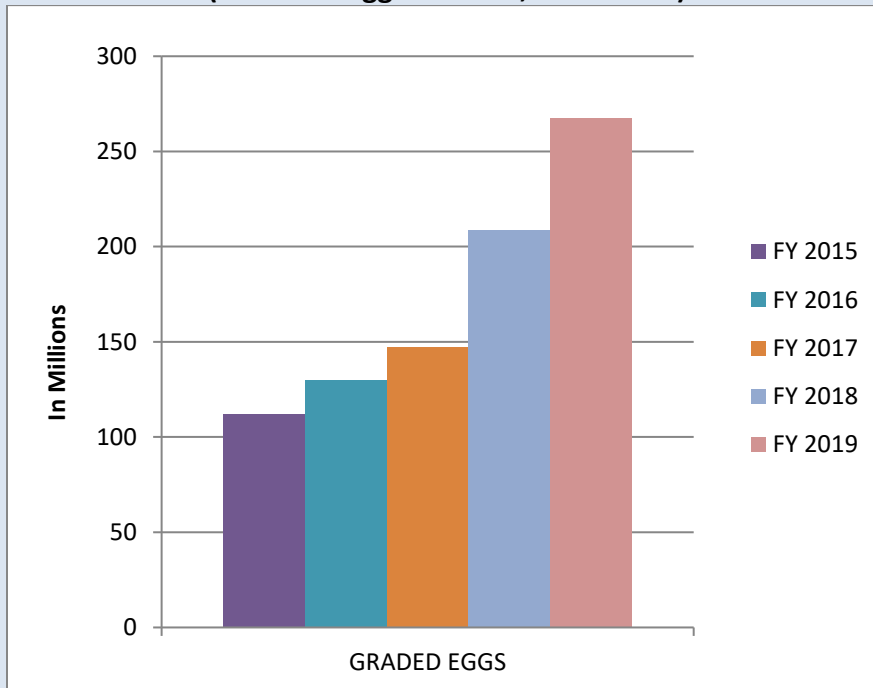


Figure 13: Egg volume from MT Egg Plant provided by MDOL employees

**USDA FEE GRADING
(Eggs for Export from USA inspected at farm of origin)**

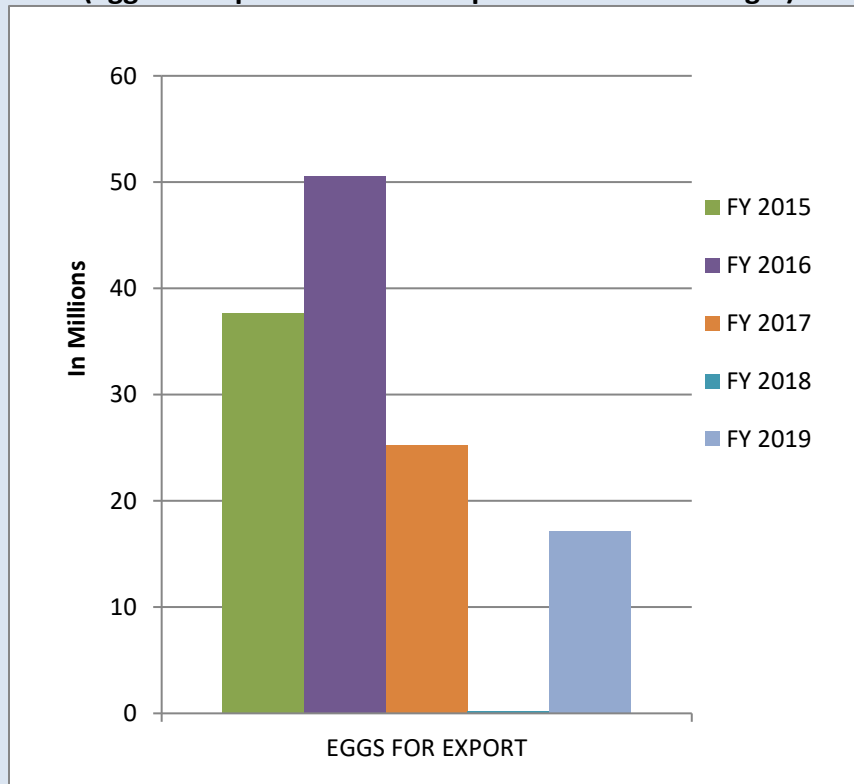
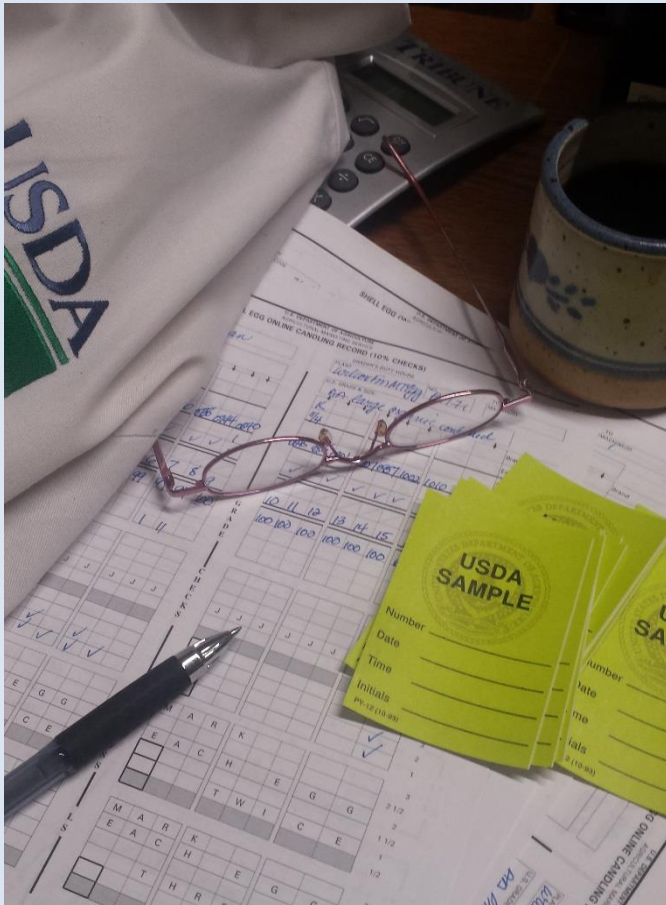


Figure 14: Egg volume from farms for export provided by MDOL employees

Shell Egg Program

The Shell Egg program is a USDA egg grading contract conducted in conjunction with the State egg grading verification inspections. Grading of eggs is checked quarterly at locations with flocks of 3,000 or more hens. The purpose of the inspection service is to ensure that eggs are graded, stored, and packaged properly. This grading ensures that only grade B eggs or better are being marketed to consumers. Montana has a growing number of egg producers with flocks greater than 3,000 hens, including many cage-free and organic egg producers. Each sanitarian must maintain certification by USDA for Shell Egg Surveillance.

Figure 15: USDA egg sampling paperwork, MDOL staff photo



The United Egg Producers (UEP) Audits

The United Egg Producers (UEP) animal welfare audits are a voluntary certification, conducted annually on producers with flocks of 3,000 or more caged hens. The purpose of the audit is to verify conditions used to raise caged hens used for egg production. The conditions must meet specific criteria set up by UEP. The audits are conducted by a USDA certified State sanitarian. User fees for this service fund this program. Providing an in-state auditor allows egg producers the opportunity to economically access this certification. Most large egg producers in Montana maintain UEP certification. Seven (7) inspections were done in the fall of 2018 with all producers passing inspection.

Additional Requirements of the Egg Program

- Shell Egg Surveillance work performed each quarter
- Inspect each wholesale outlet twice per year
- USDA Resident Egg Grader is fully certified by USDA
- Animal welfare audits conducted annually for United Egg Producers (UEP)
- Liaison for egg producers with >3,000 hens for FDA salmonella enteritis monitoring/elimination program
- License Candler for egg grading. Small, independent producers are licensed so they may provide their eggs for retail sale.
- License Egg Dealers (businesses who bring eggs into Montana for retail sale).

- LICENSED EGG GRADER (61 total)

License (requirements)		Inspection frequency	Inspections/year
Grader/Candler (inspection & test)	1 initially	as needed for <3,000 hens	Varies
	1 initially	quarterly for >3,000 hens	16 producers x 4 = 64 yearly

- LICENSED EGG DEALER (44 total)

Egg Dealer (license)	1 initially	as needed	Varies
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Figure 16: Egg transfer equipment in action, MOBA webpage

STAFF AND FUNDING

OVERVIEW

The Milk and Egg Program performs its mission through four full-time Sanitarians stationed throughout the state. The Department has a part-time Bureau Chief who is also a sanitarian/FDA Dairy Survey Officer. Sanitarians are also certified with USDA to conduct shell egg grading and/or shielded egg grading. The Department has one full-time and one part-time USDA certified Resident Grader stationed at the Montana Egg Plant in Great Falls for USDA Resident and Fee grading of shell egg products. These positions are fully funded by user fees. In addition, a part-time office manager is based in the Helena office.

The Milk Program is fully funded by dairy producer fees which are earmarked revenue funds. The Shell Egg program conducts inspections for the DOL program and is fully funded by a contract with USDA-AMS for the Department to perform the quarterly inspections of shell egg producers

MEET OUR STAFF

Dan Turcotte, Bureau Chief, State Rating Officer, Registered Sanitarian, District 4: Dan grew up in Montana and is an MSU graduate with a B.S. in Microbiology. He has worked as a Quality Control Manager in Meat processing, a laboratory chemist and consultant for environmental monitoring and county sanitarian. Dan lives in Billings with his wife, Lugene, and has a grown son and daughter.

Roy Hall, Registered Sanitarian, District 3: Roy is a Montana native who proudly served in the U.S. Marine Corps and is a Vietnam Veteran. He graduated from MSU with a B.S. in Microbiology. Roy currently lives and farms with his wife, Nancy, in the Sun River Valley west of Great Falls, focusing on forage production. He is a 30-year veteran with the Milk & Egg Bureau and MDOL.

Rosemary Hickey, Registered Sanitarian, Districts 1 & 2: Rosemary began her career with the Milk and Egg Bureau in 1997. She grew up in Butte and holds BS degrees in Microbiology and Medical Technology from the University of Montana. She worked in research labs prior to employment with the MDOL. She has two children; her favorite son, Emiliano, a junior at MSU and her favorite daughter, Taleah, a sophomore at Polson High School. Rosemary enjoys reading, walking, dancing, cultural events and mostly, being a mom.

Alex Dachs, Registered Sanitarian and USDA Egg Grader: Alex grew up in the Flathead Valley of Montana and now resides in Great Falls. He graduated from MSU and received a B.S. in Cell Biology and Neuroscience. He worked previously as a Sanitarian and then as a Planner for Cascade County. He loves being outdoors golfing, skiing, hiking, hunting, fishing, relaxing on the lakes and rivers, enjoying the beautiful landscapes and observing the wildlife of Montana.

Elaine Hartman, USDA Shell Egg Grader: Elaine grew up in the Flathead Valley on a dairy farm with all the associated horses, chickens, cats and dogs that a farm dweller gets to have, she started college majoring in Chemistry/Environmental Studies, but halfway through, got homesick for the farm, and switched to Agriculture, graduating from MSU in Agronomy. She has three grown children, and in her spare time likes to ski, hike, and knit. She is an aspiring crazy cat lady.

Terry Cavin, USDA Shell Egg Grader: Terry grew up on a farm in southwest Iowa and moved to Montana in 1978. He started with the USDA Soil Conservation Service in 1980 and worked in Hamilton, Plains, and Great Falls before transferring to the Department of Defense and Missile Engineering in 2002. He retired in 2012 and shortly thereafter joined the Department of Livestock at the Montana Egg, LLC plant in Great Falls.

Darcy Alm, Office Manager: Darcy is a native of Helena and a graduate of Capital High School. She obtained an AAS in Equine Management from Central Wyoming College but went to work in lending. After 14 years it was time for a change of pace and she came to the Department of Livestock in 2013 in the Animal Health

Division and moved to the Milk and Egg Bureau in 2015. Her off duty interests include horseback riding, snowmobiling, and obstacle course races. She lives outside of Helena with her husband, Chris, and two (2) busy boys.

LOOKING FORWARD

As we move into 2020 and beyond, the Milk and Egg Bureau is dedicated to helping our producers provide Montana with the freshest and healthiest milk and egg products available as well as bringing new producers, cheesemakers, and other artisans into the market. Testing and licensing new egg candlers/ graders is a year-round task that ensures our retail outlets have farm fresh eggs available for purchase at their pleasure and we frequently receive calls from goat, sheep and dairy cow owners interested in establishing dairies to sell milk, cheese, and other pasteurized goods. We truly value the friendships and honor the dedication of our Montana milk and egg producers past, present, and future.



Figure 17: Happy Eggs come from Montana Egg LLC, Great Falls, MT, MDOL Staff Photo