



MILK & EGG BUREAU

FY 2017

ANNUAL REPORT

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.

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 1: chicken barn, stock 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 2: milking sheep, stock 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 3: Dairy barn, MDOL Staff photo

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 (6 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	twice	every 6 months	12 yearly
Pasteurizer equipment tests	twice	every 6 months	12 yearly
Vitamin analysis of each product type	1 sample	annually	45 yearly
Water and coolant	1 sample	every 6 months	12 yearly
Single service containers	4 samples	every 6 months	16 yearly

GRADE B PLANTS (11 total)

Test or inspection	Number or tests or samples	Frequency	Total number of tests or inspections performed
Each product type sampled	4 samples	every 6 months	Varies depending on # of products
Plant inspection	once	every 6 months	22 yearly
Water sample	1 sample	every 6 months	22 yearly

2017 A and B Dairy Plants

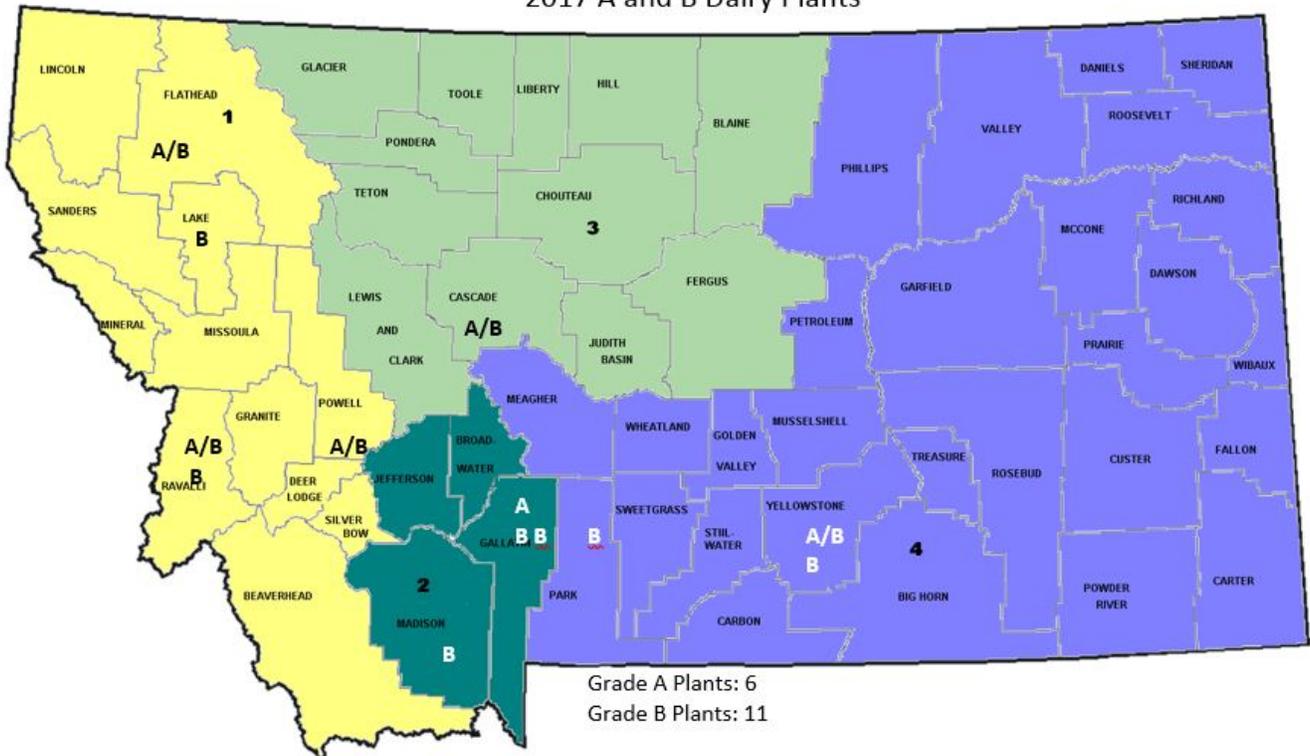


Figure4: MT Dairy plant locations provided by MDOL staff

GRADE A PRODUCERS (61 cow dairies, 3 sheep dairies, 1 goat dairy)

Test or inspection	Number of tests or samples	Frequency	Total number of tests or inspections performed
Dairy inspection	once	every 6 months	130 yearly
Follow-up inspection for violations	as needed	as needed	Varies
Milk sample	4 samples	every 6 months	520 yearly
Pesticide milk sample	2 samples	every 6 months	260 yearly
Well water sample	1 sample	every 3 years	24 yearly (staggered)
Brucellosis Ring Test – cow only	1 sample*	quarterly	260 yearly*

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

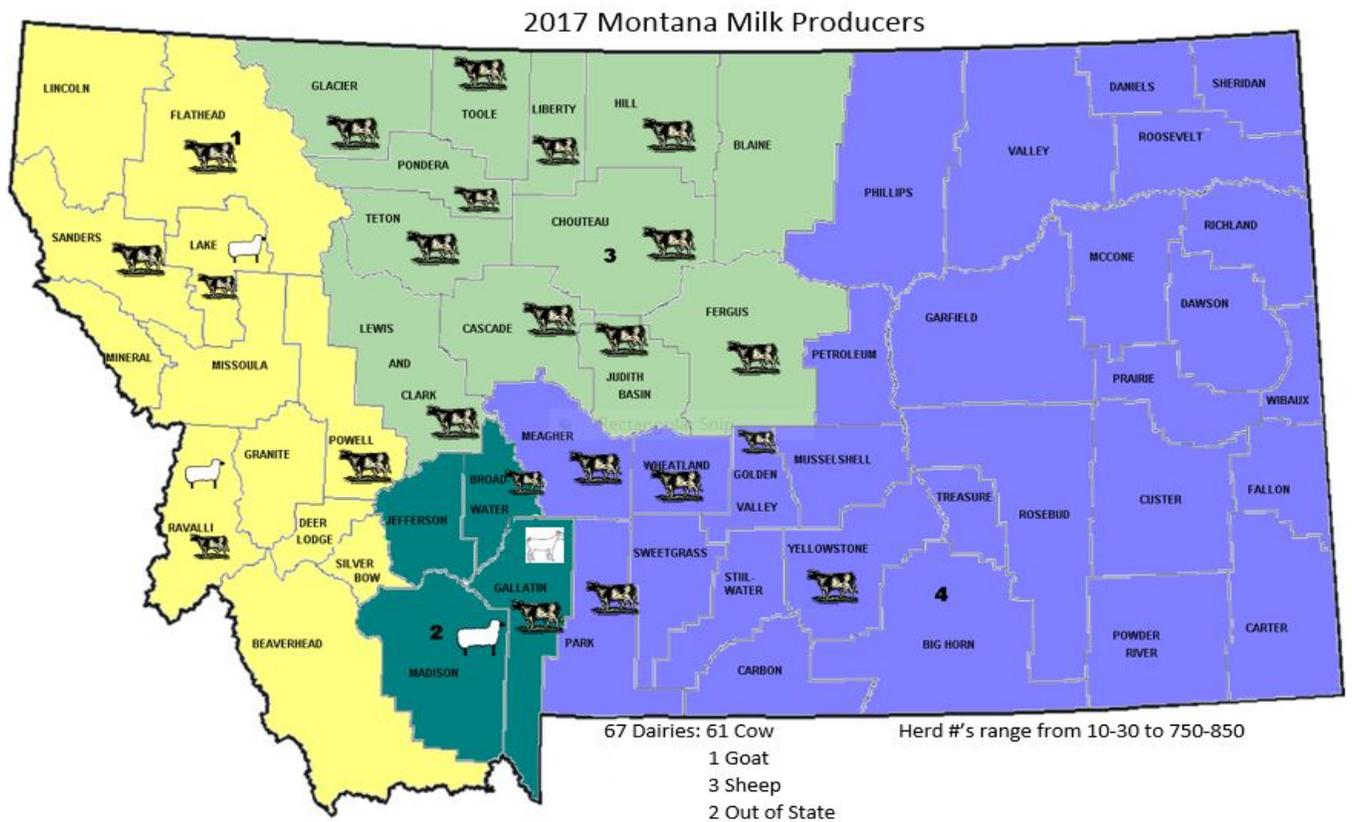


Figure 5: Producer counties and species provided by MDOL staff

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

OTHER MILK LICENSES ISSUED (121 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 6: Montana Dairy, MDOL staff photo

TOTAL MILKING COWS IN MONTANA*

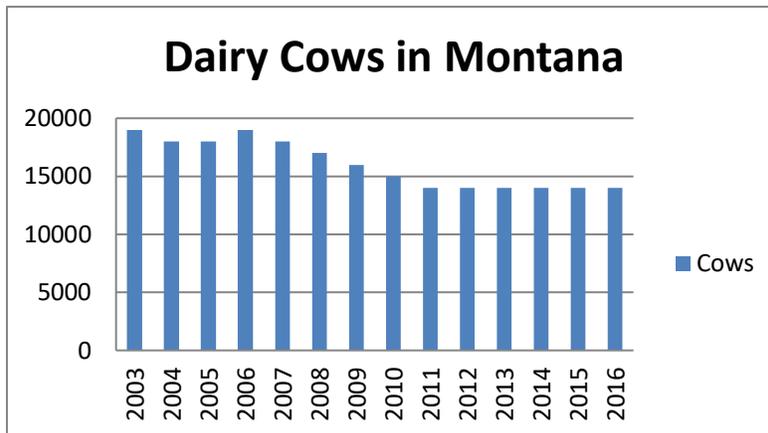


Figure 7: Number of dairy cows in Montana

*Data provided by USDA National Agriculture Statistics Service

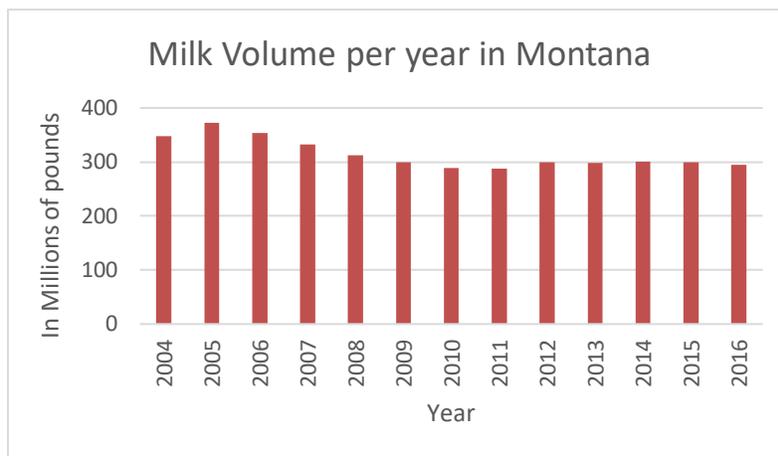


Figure 8: Milk Volume per year in Montana

*Data provided by USDA national Agriculture Statistics Service

MILK DISCARDED DUE TO DRUG RESIDUE

Two (2) Grade A Milk Producers tested positive for drug residue during the 2017 fiscal year which resulted in 111,101 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 generally very careful not to include milk from drug treated cow in the regular milking.

As required by the Pasteurized Milk Ordinance (PMO), the violator of the positive drug residue test has the financial 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 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.

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, graders, weighers, 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 Bachelor of Science degree or higher
- Maintain current Sanitarian Registration with the State Survey Officers for NCIMS must maintain current certification with FDA for rating dairy farms and dairy processing plants

EGG INSPECTON PROGRAM

Overview

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

Grading takes place at the MT Egg Plant in Great Falls for those producers who choose to sell their eggs through that facility, or for a fee, (Fee Grading), producers can request egg graders conduct grading at their private facility. (Fee grading is currently suspended as most producers are moving toward using the MT Egg Plant facilities.)

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

USDA EGG GRADING VOLUME (MT Egg Plant, Great Falls)

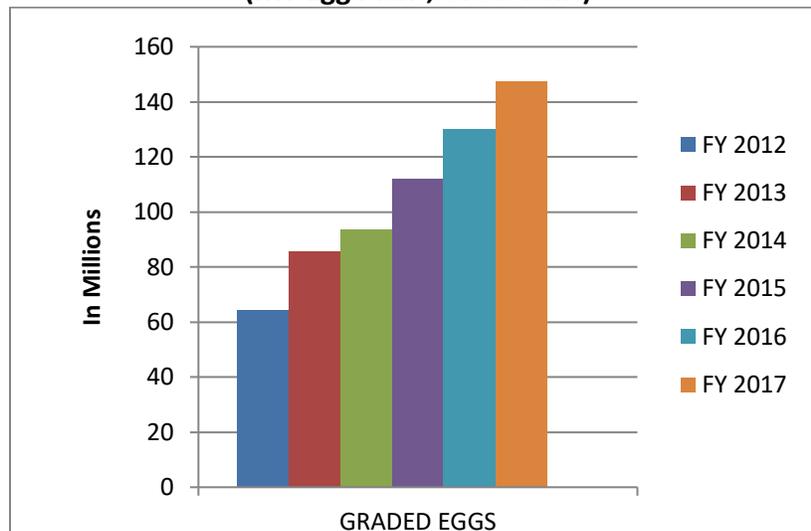


Figure 9: Egg volume from MT Egg Plant provided by MDOL employees

USDA FEE GRADING (Eggs for Export, inspected at farm of origin)

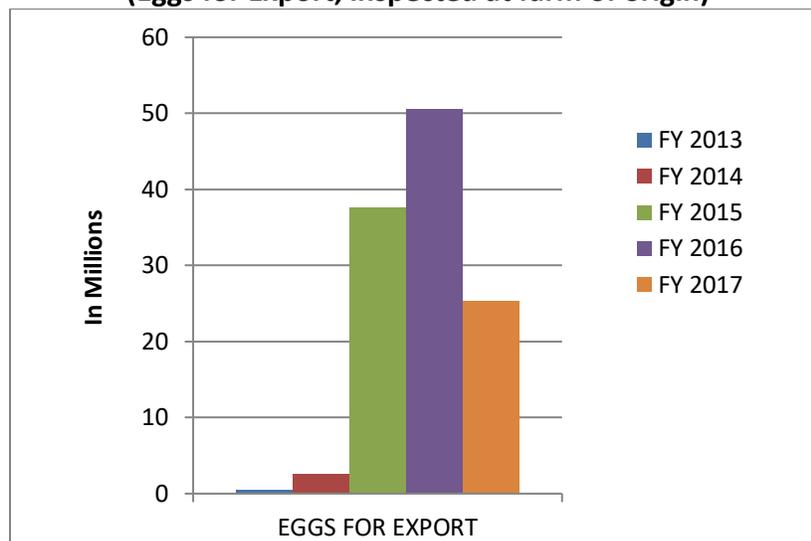


Figure 10: Egg volume from farms for export provided by MDOL employees

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. The majority of large egg producers in Montana maintain UEP certification. Nine (9) inspections were done in the fall of 2017 with all producers passing inspection.

Shell Egg

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.

LICENSED EGG GRADER (74 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	20 producers x 4 = 72 yearly

LICENSED EGG DEALER (46 total)

Egg Dealer (license)	1 initially	as needed	Varies
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Figure 11: Roy Hall candles eggs at the MT Egg Plant, MDOL staff photo

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



Figure 12: MT Egg Plant, Great Falls, MT, staff photo

STAFF AND FUNDING

The Milk and Egg Program performs its mission through three full-time Sanitarians stationed throughout the state (a fourth position is unfilled). 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 Graders stationed at the Great Falls Egg Plant for USDA Resident and Fee grading of shell egg products. These positions are fully funded by user fees. In addition, a part-time administrative assistant is based in the Helena office.

The Milk Program, including the Milk Laboratory at the DOL Diagnostic Laboratory, is fully funded by dairy producer fees. These funds 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.



Figure 13: MDOL Staff Photo MT Egg Plant, Great Falls, MT