

Minutes of the Milk Sanitation Board
August 5, 2010

The meeting of the Milk Sanitation Board was called to order at 10:00 A.M. on August 5, 2010 by Mr. Robert Boggs, Director of ODA, in the FFA building at the Ohio State Fairgrounds. The following board members were present at roll call:

Mr. William Ellis	Mr. Thomas Fleming
Mr. Chad Hollon	Mr. Amos Miller
Mr. Tim Shipley	Mr. Gene Phillips

Also in attendance were: Frank Danalewich, OSU/FIC; Ken Fagan, dairy producer; Nevin R. Byler, Middlefield Original Cheese; Will Moore, DFA; Sandy Kuhn, OFBF; Jim Patterson, Ohio Attorney General's Office; Marvin Gutter, Mike Eckhardt, Mike Bailey, Lewis Jones, Roger Tedrick, David Mengel, Brian Wise and Diane Schorr of the Ohio Dept. of Agriculture.

Approval of Minutes of the Last Meeting

When Director Boggs asked for a motion of approval for the minutes of the previous meeting, Mr. Ellis asked that a correction be made to those minutes before they were approved. It had been recorded in the 4/15/ 2010 meeting minutes that "through the work of the American Dairy Association, the Kroger Co. will market the Grand Champion Swiss Cheese from the Ohio State Fair. They have agreed to purchase \$35,000 worth of the cheese and market it in Ohio Kroger stores." The minutes should have reported that they were purchasing 35,000 **pounds** of cheese. The correction was approved and Mr. Hollon made the motion to accept those minutes with Mr. Shipley seconding the motion.

Annual Expenditure Report

Mr. Lewis Jones, Chief of the Dairy Division, stated that by statute the division is required to present the expenditure report of the past fiscal year to the Milk Sanitation Board at least 90 days after the end of the fiscal year. Chief Jones' hand-out showed a comparison of the just ended fiscal year's expenditures to the expenditures from the previous year. This year's payroll expenses were reduced from last year due to early retirement buy-outs last year and the fact that some of those who retired were not replaced. He pointed out that there were reductions in costs in almost all categories. Mr. Marvin Gutter, Chief Financial Officer of ODA was introduced for an explanation of some of the other budget line items. Mr. Gutter explained that he has changed the way the administrative costs of ODA are paid by the divisions. Previously the administration costs were paid by an administrative fund from the general revenue received from the state. These overhead costs are now paid by taking the equivalent of 25% of the division's total payroll from both Dairy's general revenue and industry funds. With all divisions of ODA paying the same percent, it should be a more equitable way of funding the administrative costs. The Director added that they are presently working on the budget of the next biennium and have been asked to prepare two budgets; one using the same amount of general revenue funds as they are now receiving and one with a 10% reduction.

Livestock Care Standards Board

Mr. Mike Bailey of ODA reported on the work to date of the Livestock Care Standards Board. When the board first met at the end of April, they realized they needed to hear from more Ohioans before they could decide what their priorities for standards should be. Through the month of May they conducted six listening sessions across the entire state. The first standard to be addressed by the board will be animal euthanasia. The OSU college of veterinary medicine and animal sciences departments are providing a technical research and advisory committee. They are hoping to gather information and research that is already available regarding standards of euthanasia. Species specific committees will also meet, to include swine, veal, chickens, etc. All meetings of the Standards Board are open to the public and include a public comments period. Mr. Bailey related to the MSB that members of species subcommittees will be chosen from names provided by all the different agriculture organizations and will be comprised of mainly producers and veterinarians to give their industry's perspective on the topics before the board. There are currently two dairy producers on the LCSB. Director Boggs is chairman of the Livestock Care Standards Board.

Mr. Ellis asked if the LCSB will have any regulatory authority. Mr. Bailey responded that, with the help of the legal department, the standards that are developed by the board will become a part of the administrative code (put into law). He continued that then the Ohio Dept. of Agriculture will be responsible for enforcing those codes through the divisions of Animal Industry and Enforcement. While Dairy Division personnel will continue with their current inspections, they will not be responsible for the enforcement of any new rules. Director Boggs added that he expects the enforcement to be done with current Animal Industry, veterinary and enforcement inspectors unless there happens to be a large increase in complaints. He emphasized that these will be rule violations and not criminal violations, resulting in hearings similar to what is now in place with current laws. Animal cruelty violations will still remain with the humane societies.

Labeling Update

Mr. Jim Patterson of the Ohio Attorney General's Office discussed the ongoing case before the Court of Appeals in Cincinnati. He stated that in June they had oral argument before a three judge panel and that they are waiting for their decision. The hope is to get a decision by the end of this year. If there is a ruling by the next MSB meeting, Mr. Patterson stated that he would have copies of the decision for the board and would be prepared to discuss it with them.

NADRO

Chief Jones reported on his trip to the annual meeting the National Association of Dairy Regulatory Organizations. One of the important issues discussed that has affected all of the states was the raw milk issue and trying to get FDA to establish national regulatory rules. Livestock care was another issue discussed. The group also added action items in support of the IMS and to have a determination made as to what products are Grade A. These will be forwarded to NASDA for consideration. Next year's conference will be in South Dakota.

Director Boggs stated that NADRO, NASDA and other national agricultural organizations are gearing up for the new farm bill. They are hoping to get an early start to avoid the possibility of the old bill expiring before the new one is finished. During the hearings that are now going on some items related to Dairy prices may get passed, after the congressional election but before the new congress takes over in January.

Quality Conference

Brian Wise, ODA, reported that this year's Quality Conference will be held at the Ohio Dept. of Agriculture's Bromfield Building on October 12. Among the topics discussed at this year's conference will be livestock care, milk quality, economics, robotic milkers and other hot topics in the industry.

Public Comment

At the appointed hour, Director Boggs asked if there was anyone who would like to address the Milk Sanitation Board. There were no comments from the public.

Farm Section Update

Brian Wise, Farm Section Head, stated that to date this year there has been a net loss of 19 farms, despite the current economy. Due to the fact that some of those 19 farms were large farms, the cow numbers are down substantially but production is up. Chief Jones commented that this year could be the first year that will average 20,000 lbs. per cow.

Mr. Wise related that there is an ongoing discussion regarding the lowering of Grade A somatic cell counts. Currently Ohio's standard is 750,000 for Grade A and 1,000,000 for manufacture grade milk. If the Grade A counts are lowered, the manufacture grade will also be lowered which could present a challenge for some of Ohio's Grade B producers. Mr. Tedrick added that this subject comes up at every conference and that the number they are looking at is 400,000 for Grade A. In order to export milk, the somatic cell count would have to be lowered to the 400,000 level, which the European Union has adopted now. Before next year's NCIMS convention, the input of Ohio's dairy industry will be sought. Director Boggs asked, if the NCIMS convention adopted the lower count standard, would Ohio have to automatically also adopt that standard. Mr. Hopper of the ODA legal division answered that Ohio would have to vote to accept the new version of the PMO that changes the rule before the rule could be changed in Ohio.

As an unintended consequence of the new manufacture rules that suspend a producer for seven days, ODA's Dairy Division has uncovered some producers adulterating their milk by using hydrogen peroxide to lower the bacterial counts. Mr. Wise stated that they have discovered a test that uses strips to indicate the concentration of the peroxide. ODA is currently taking steps to identify those producers that are using the peroxide. Mr. Nevin Byler of Middlefield Original cheese reported on an incident that he had several years ago with a producer adding peroxide to goat milk and the cheese wouldn't set up. MSB member, Mr. Chuck Ellis of Pearl Valley Cheese reported that H₂O₂ also affects the starter cultures for cheese. Mr. James Patterson of

the Attorney General's office stated that any time a foreign substance is added to a product that changes the composition of the product, it is defined by the revised code to be an adulterated product, regardless of the human health issues. Mr. Hopper of the ODA legal staff stated that any adulteration of milk could be an immediate suspension of a producer's license. Mr. Wise stated that they are just about ready to start the litmus paper testing procedure and any samples found to contain peroxide will be sent on to the lab for further testing. During questioning by some of the board members, Mr. Tedrick stated that at this time the division does not know how wide spread the problem is. He also stated that it was brought to their attention by some of the cheese plants that were having problems with their cheese setting up properly.

Director Boggs brought to the board's attention the fact that there currently is a presence of TB in the state. Once it is discovered in a herd, it has to be traced back to where those animals have been to try to determine the source. Mr. Shipley asked if this will affect the state's TB free status? Director Boggs stated that it would not unless it was detected in other herds across the state.

Mr. Wise brought before the board an additional problem that the farm staff is dealing with. They are discovering that several of the farms with herd share agreements that have up to now been providing only fluid milk are also processing yogurts, soft cheeses and other products. Mr. Tedrick stated that they are exploring what should fall under a herd share agreement and are under the belief that these types of products are manufactured products and should not be outside of the regulatory system of inspection and pasteurization. The division is conferring with the legal department as to how to proceed. Mr. Phillips asked if these products are provided only to members of that farm's herd share group. Mr. Tedrick answered that the department does not know. He also stated that the herd share producers have an unfair advantage over the 20 or so small farmstead processors that are licensed, inspected and producing good products.

Plant Section Update

Mr. Dave Mengel related that there are now 20 small farm processors with the recent addition of a Grade A plant in Holmes County.

Mr. Mengel discussed with the board changes in the definitions of Grade A products that are currently under consideration. They are going through products that have previously been Grade B products and that may now be treated as Grade A products. Many of these definitions have been presented to FDA for their opinions.

The board was updated by Mr. Mengel on new facilities. Graeter's in Cincinnati has opened a new facility. The Dannon Company in Minster is expanding its facility again. Pierre's Ice Cream in Cleveland has broken ground on a new production facility.

Director Boggs asked if there were any further comments. Board member, Mr. Hollon, related that he had been in Canada and that he had observed them using a product called Ozone to wash their tankers. He said he thought it was a similar product to the peroxide that was discussed earlier. Mr. Tedrick stated Ozone was an acceptable water treatment that it could be used for

washing tankers but that it was not a sanitizer. Mr. Hollon stated that in Canada there were no chemicals involved in cleaning the tanks.

Next Milk Sanitation Board Meeting Date

Director Boggs asked Mr. Tedrick to set the next meeting of the Milk Sanitation Board. It was decided that it will be November 18, 2010 at 10:00 A.M. at ODA Bromfield Building.

At the Director's request, Mr. Hollon made a motion to adjourn the meeting and Mr. Fleming seconded the motion. The meeting was adjourned after a voice vote of the members.