

**Transcript of Proceeding - January 11, 2012
Public Meeting**

Page 1

THE STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
BEFORE THE NEVADA STATE DAIRY COMMISSION

-oOo-

TRANSCRIPT OF PROCEEDINGS
PUBLIC MEETING
VIDEO CONFERENCE

9:00 A.M., WEDNESDAY, JANUARY 11, 2012

NEVADA STATE DAIRY COMMISSION

KIETZKE PLAZA

4600 KIETZKE LANE, A-107

RENO, NEVADA

APPEARANCES:

COMMISSIONERS PRESENT: CHRISTOPHER COOK, Chairman

ROBERT R. FLETCHER, Commissioner

TROY G. CROWTHER, Commissioner

LYNN HETTRICK, Executive Director

WARREN GOEDERT, Legal Counsel

REPORTED BY: SHANNON L. TAYLOR, CCR, RMR

Nevada CCR #322

Page:

**Transcript of Proceeding - January 11, 2012
Public Meeting**

1	INDEX	
2		PAGE
3	LYNN HETTRICK.....	3
4	TOM ORZECH.....	9
5	WARREN GOEDERT.....	19
6	JIM BENTLEY.....	21
7	DAVE COON.....	21

8

9

10

11

12

EXHIBITS

13

14	1 - MEETING AGENDA.....	3
----	-------------------------	---

15	CORRECTIONS (NONE).....	12
----	-------------------------	----

16

17

18

19

20

21

22

23

24

25

Page:

**Transcript of Proceeding - January 11, 2012
Public Meeting**

Page 4

1 Commission during the meeting are requested to first be
2 acknowledged by the chairman and to identify themselves
3 for the record. And if Mr. Goedert comes in and joins
4 us, please mark him as being present as well.

5 CHAIRMAN COOK: Okay. Would you proceed with
6 the first agenda item, please.

7 MR. HETTRICK: Yes, sir, Mr. Chairman.

8 The first item on the agenda is a -- is public
9 comment and discussion, if any.

10 I don't see anybody at either location.

11 CHAIRMAN COOK: There is no public here.

12 MR. HETTRICK: All right. So then we're -- we
13 did our duty.

14 Number two, possible action, license
15 applications, peddler distributor application for
16 National DCP, LLC, from Bellingham, Mass.? Yes, I
17 guess. Thomas Jensen, senior vice president of the
18 operations, is the applicant.

19 They seek a license to distribute fluid milk,
20 fluid cream, and butter in the Southern Nevada Marketing
21 Area. Fluid milk label will be Dean's Country Fresh
22 Dairy.

23 The prices and costs have been reviewed by
24 members of the Dairy Commission staff and are in
25 compliance with this agency's laws and regulations.

Page:

**Transcript of Proceeding - January 11, 2012
Public Meeting**

Page 5

1 The applicant will be responsible for the
2 assessments.

3 CHAIRMAN COOK: Okay. Is there anyone
4 representing this applicant present, here or in Reno?

5 (Mr. Goedert arrived.)

6 CHAIRMAN COOK: It does not appear so.

7 Is there any comments or questions from the
8 staff regarding this?

9 I'm assuming that the Dean's Country Fresh
10 Dairy is unrelated to Dean Foods?

11 MR. HETTRICK: I believe, it is. It says that
12 they did look -- it says they did not supply product
13 locally, and they're importing this. So I don't think
14 they're related.

15 CHAIRMAN COOK: And do you know where they came
16 from?

17 MR. HETTRICK: I do not.

18 CHAIRMAN COOK: There is a Bellingham,
19 Massachusetts, company that's distributing product in
20 this area.

21 Okay. Well, is there any questions or comments
22 from the Commissioners?

23 Questions or comments from the staff?

24 Questions or comments from the nonexistent
25 public?

Page:

**Transcript of Proceeding - January 11, 2012
Public Meeting**

Page 6

1 Seeing none, I will entertain a motion.

2 COMMISSIONER CROWTHER: Okay. I'll make a
3 motion to approve the peddler distributor license
4 application by National DCP, LLC, Bellingham,
5 Massachusetts, to distribute fluid milk, fluid cream,
6 and butter in the Southern Nevada Marketing Area, fluid
7 milk label to be Dean's Country Fresh Dairy.

8 COMMISSIONER FLETCHER: Second.

9 CHAIRMAN COOK: Having a motion and a second,
10 and no dissenting votes, the motion carries. The
11 application's granted.

12 MR. HETTRICK: Okay. Mr. Chairman, next on the
13 agenda is a retail store importing from out of state.
14 It's El Super, from Paramount, California. Jack Hook is
15 the CFO.

16 The applicant seeks a license to distribute
17 yogurt in the Southern Nevada Marketing Area.

18 Prices and costs have been reviewed by members
19 of the Dairy Commission staff and are in compliance with
20 the agency's laws and regulations.

21 And the applicant will be responsible for the
22 assessments.

23 CHAIRMAN COOK: Okay. Just a clarification.

24 Is that El Super, or is that E-One Super?

25 MR. HETTRICK: I think, it's El Super.

Page:

**Transcript of Proceeding - January 11, 2012
Public Meeting**

Page 7

1 We lost our video. Can you guys see us?

2 MR. ORZECH: Oh, yeah. We got you.

3 MR. HETTRICK: Okay.

4 (There was a period off the record while the
5 video feed was reestablished, 9:07 to 9:09 a.m.)

6 CHAIRMAN COOK: Okay. Are we -- we're back on
7 the video.

8 MR. HETTRICK: All right.

9 CHAIRMAN COOK: Okay. So did we determine that
10 that is E-L super or E-One Super?

11 MR. HETTRICK: It's El Super.

12 CHAIRMAN COOK: El Super.

13 MR. HETTRICK: I'm looking at their actual
14 application.

15 CHAIRMAN COOK: Okay. Is there anyone
16 representing this applicant present?

17 Doesn't look like it.

18 Any comments or questions from staff members
19 regarding this application?

20 COMMISSIONER CROWTHER: They did check to see
21 if product was available locally; but apparently not.
22 So they are supporting -- I don't know where they're
23 going to -- they are getting it locally. It doesn't say
24 it's Nevada. So, you know, it's -- that's Yoplait. So
25 I don't know where they get it.

Page:

**Transcript of Proceeding - January 11, 2012
Public Meeting**

Page 8

1 CHAIRMAN COOK: Okay. Any questions of the
2 staff from Commissioners?

3 COMMISSIONER CROWTHER: I would. So this is a
4 retail store here in southern Nevada, importing?

5 MR. HETTRICK: It should, it should be, yes.

6 COMMISSIONER CROWTHER: Okay.

7 MR. HETTRICK: Yeah.

8 COMMISSIONER CROWTHER: But --

9 MR. HETTRICK: It should be.

10 COMMISSIONER CROWTHER: -- where's the -- which
11 retail store is it? Is it El Super?

12 MR. HETTRICK: It says, it says -- well, yeah,
13 it's -- El Super is the store. But they're based out of
14 Paramount, California. But, obviously, they're
15 retailing here. But it says the products -- it says
16 "What's the source of the products you're going to
17 sell" --

18 MS. KATHY EASLY: Lynn?

19 MR. HETTRICK: Yes?

20 MS. KATHY EASLY: You're mumbling into the
21 table, and she's having trouble hearing you.

22 MR. HETTRICK: Okay. I'll try not to mumble
23 into the thing here.

24 We're discussing here the -- where they're
25 getting the product from. And the application shows

Page:

**Transcript of Proceeding - January 11, 2012
Public Meeting**

Page 9

1 they're getting it from various Nevada and California
2 distributors.

3 MR. ORZECH: And, Lynn, I can probably answer
4 the questions on it.

5 This, this company has stores down in
6 Las Vegas. And they buy locally most of their dairy
7 products from, I believe, Meadow Gold. The problem was
8 they needed some items from -- they have stores in
9 California. And they needed some items in their stores
10 here that they couldn't get locally. So they talked to
11 us. And, actually, Meadow Gold worked with them and us
12 to get -- to get them so that they get their own license
13 and they can bring their own product in that can't be
14 supplied locally. So they're -- it's a very simple
15 thing. They're just looking to bring in, bring in
16 yogurt that they can't, they can't obtain locally.

17 COMMISSIONER CROWTHER: Is this a Hispanic, an
18 ethnic retail store?

19 MR. JIM BENTLEY: Yes.

20 COMMISSIONER CROWTHER: Okay.

21 CHAIRMAN COOK: Staff says yes down here.

22 COMMISSIONER CROWTHER: Those are all my
23 questions.

24 CHAIRMAN COOK: Any other questions?

25 COMMISSIONER CROWTHER: No questions.

Page:

Transcript of Proceeding - January 11, 2012
Public Meeting

Page 10

1 COMMISSIONER FLETCHER: No.

2 CHAIRMAN COOK: Any questions from staff?

3 Any questions from members of the audience?

4 Seeing none, I'll entertain a motion.

5 COMMISSIONER FLETCHER: I move the Commission
6 approve the license application for El Super as
7 submitted and reviewed by the staff in compliance with
8 this agency's laws and regulations.

9 COMMISSIONER CROWTHER: Second.

10 CHAIRMAN COOK: We have a motion and a second
11 on the table. And there being no dissenting votes, the
12 motion carries. The license is granted.

13 MR. HETTRICK: Item number three on the agenda,
14 Mr. Chairman, is a license amendment application. The
15 peddler distributor is Core-Mark International,
16 Las Vegas, Nevada. Jenifer Noble is the controller.

17 The applicant seeks a license amendment to
18 distribute the Crave label of fluid milk in the Southern
19 Nevada Marketing Area. Temporary approval was granted
20 by the Executive Director on December 29, 2011.

21 The prices and costs have been reviewed by
22 members of the Dairy Commission staff and are in
23 compliance with the agency's laws and regulations.

24 The applicant will be responsible for the
25 assessments.

Page:

**Transcript of Proceeding - January 11, 2012
Public Meeting**

Page 11

1 CHAIRMAN COOK: Okay. Thank you.

2 I don't see that we have any representation
3 from Core-Mark in Las Vegas. And I sure don't see
4 anybody in Reno. So I'm guessing we don't have anybody
5 here.

6 Any questions or comments from the staff on
7 this application?

8 COMMISSIONER CROWTHER: Do we know where Crave
9 comes from?

10 MR. HETTRICK: Yeah, the letter that I'm
11 looking at says "These dairy products are manufactured
12 by Upstate Niagara Cooperative." And they've attached
13 the worksheet and so on.

14 CHAIRMAN COOK: I'm going to assume that
15 Niagara's in New York?

16 MR. HETTRICK: I am, too.

17 CHAIRMAN COOK: It's New York?

18 MR. HETTRICK: I take it that they are.

19 CHAIRMAN COOK: What is unique about the Crave
20 label? Is that one of those --

21 MR. HETTRICK: It's a license amendment, so we
22 don't get a lot. It just says they're asking for an
23 amendment, and there's a cost price sheet. So that's
24 about all we get.

25 CHAIRMAN COOK: I wonder if that's one of those

Page:

**Transcript of Proceeding - January 11, 2012
Public Meeting**

Page 12

1 milks that has corn oil added to it, you know, to
2 strengthen the fat consistency of it.

3 MR. HETTRICK: Chocolate milk, 12-ounce
4 containers, chocolate, strawberry milk in 12-ounce
5 containers, and ice cream, sherbet from Anderson Dairy,
6 manufacturer of Blue Bunny, are added on the amendment,
7 application amendment.

8 CHAIRMAN COOK: Okay. Well, I have no
9 questions.

10 Any more questions?

11 COMMISSIONER FLETCHER: No questions.

12 COMMISSIONER CROWTHER: No questions.

13 CHAIRMAN COOK: Okay. Seeing none, I'll
14 entertain a motion.

15 COMMISSIONER CROWTHER: I will make a motion to
16 approve the peddler distributor license amendment
17 application by Core-Mark International, Las Vegas,
18 Nevada, to distribute the Crave label of fluid milk in
19 the Southern Nevada Marketing Area.

20 COMMISSIONER FLETCHER: Second.

21 CHAIRMAN COOK: Having a motion and a second,
22 and there being no dissenting votes, the motion carries.

23 MR. HETTRICK: Next on the agenda,
24 Mr. Chairman, is approval of the minutes. There were no
25 corrections to the minutes. And we simply need a motion

Page:

**Transcript of Proceeding - January 11, 2012
Public Meeting**

Page 13

1 to approve the minutes.

2 COMMISSIONER FLETCHER: I move we approve the
3 minutes of December 14, 2011, State Dairy Commission
4 meeting, as submitted.

5 COMMISSIONER CROWTHER: Second.

6 CHAIRMAN COOK: Having a motion and a second on
7 approval of the minutes, and there's no dissenting
8 votes, it meets our approval. The motions carries.

9 MR. HETTRICK: Next on the agenda is item
10 number five, the staff report.

11 The staff report for January 2012, our balance
12 carry forward at the end of December was \$545,953.
13 That's an increase of \$5,923.50 from November.

14 I would just remind the Commission that our tax
15 holiday, we'll start seeing the impact of that in
16 January, because as they report December sales, they
17 will be taking the credit in January. So we anticipate
18 that next month we'll see a significant decrease in
19 that, which is exactly what we're trying to do, if we
20 reduce the reserve amount, which is higher than the
21 state recommended amount. So. But I just point it out
22 so that -- in advance, so people are aware of it.

23 The milk price report is printed in your
24 packet. Price is going down slightly, but it's not
25 significant in the north. In the south, we -- I don't

Page:

**Transcript of Proceeding - January 11, 2012
Public Meeting**

Page 14

1 think -- we may be up today, but when we printed this,
2 it hadn't gone down on this report. I don't know if
3 there's more on the website now. I know it's current.
4 I just don't know what it is. I need to look at it.

5 Prices are pretty much stable, have been, and
6 they're not -- I mean they fluctuate a little but not
7 very much.

8 And then, finally, I just want to report on
9 northern -- Northern Nevada Development Authority in
10 Carson City has been the lead agency. I'm trying to get
11 these yogurt companies to come into northern Nevada.
12 They've been working with different ones and various
13 others, trying to get the companies there.

14 They were -- in doing some of that research,
15 they've been unhappy with the fact that -- the Governor
16 just commissioned a study of what the economy ought to
17 look like in Nevada and where we ought to be going and
18 all these things we ought to be doing. And it pretty
19 much came back -- it was a Brookings Institution study,
20 pretty much came back typical of what you see of all of
21 them, you know, the future is technology and health
22 care. And, then, so we got to go out and find
23 technology and health care companies. Like every other
24 state in the union, it doesn't have the exact same
25 report and isn't doing the exact same things. And we're
Page:

**Transcript of Proceeding - January 11, 2012
Public Meeting**

Page 15

1 having to compete with them. It's not an easy thing.

2 And NDA went in and looked at the numbers and
3 said, "How is it, Brookings, that you could look at
4 Nevada's economy, and the third largest sector in
5 Nevada's economy is agriculture, and it doesn't even
6 give a word mention, not one word mentioned in the
7 report?"

8 And we are perfectly positioned in Nevada to
9 take advantage of that. The biggest market for
10 agricultural products and -- and the production of
11 agricultural products is, obviously, our neighbors to
12 the west, immediately to the west. We ought to be
13 looked at to have equipment manufacturers and all kinds
14 of processors, and people who do anything that's
15 involved with agriculture ought to be looking at us.
16 We're at lot better base than California. We're a lot
17 easier to get permits, applications to do the building,
18 all of the things that should make us more attractive.

19 So they decided to form an agricultural
20 committee, and they brought people in from all over
21 northern Nevada. The first meeting was last week. I'm
22 sorry. The first meeting was Monday of this week. I
23 lost track of days. And they had about 25 people there,
24 very good representation from Nevada. And I was asked
25 to go and represent the Dairy Commission.

Page:

Transcript of Proceeding - January 11, 2012
Public Meeting

Page 16

1 The committee's going to go forward. They're
2 going to work on trying, first, to publicize the role
3 that agriculture plays. And dairy will be significant
4 in that. The number of jobs, we're going to try to come
5 out with some of the numbers that show what the impacts
6 are for agriculture and their role for the State of
7 Nevada. And then we're going to start working on trying
8 to come up with ways to promote more growth, more
9 opportunity in agricultural industry.

10 I have the dubious honor of being elected the
11 chairman of that committee, much to my surprise. I
12 didn't expect that, and as I'm sitting there, they
13 decided to nominate people, and I got nominated, and
14 they closed it before I could say no. So. So I'll be
15 the chair for at least 12 months, maybe a little more.

16 But I think it's an exciting opportunity. I
17 think it's a good group of people who are trying to
18 promote agriculture, at least get a message out there.
19 I think there is some opportunity to at least pro -- or
20 publicize the fact that agriculture is a much bigger
21 player. The average person, if you talk to them about
22 agriculture in Nevada, they think there is none. You
23 know, they think we're just a desert and there is
24 nothing.

25 And then the fact is that behind gaming and

Page:

**Transcript of Proceeding - January 11, 2012
Public Meeting**

Page 17

1 mining, agriculture's the third largest segment of our
2 entire economy. And it's estimated right now to be
3 1.3 billion of a \$20 billion income economy. So it's
4 quite large.

5 So, you know, we just need to get that out
6 there. And I thought I'd give you a little history and
7 background on that. So.

8 That's all I have, then, unless there are
9 questions.

10 CHAIRMAN COOK: Is there any new developments
11 on commonwealth or?

12 MR. HETTRICK: Commonwealth, we have a meeting.
13 I'll be attending the meeting with commonwealth on the
14 18th. They have -- we've seen the agenda for their
15 meetings. The 17th, they're going out to Yerington.
16 They will be meeting with the principals of the existing
17 Western Specialties plant. They're going to go all
18 through that plant. They've got morning meetings with
19 the county manager from Lyon County and afternoon
20 meetings with the utilities managers in regard to water
21 supply and sewage and all of those things that they're
22 going to apply to their plan.

23 Wednesday, they are meeting with three
24 producers. Anna in our office up north got, found three
25 producers who are willing to come in and talk to them.

Page:

Transcript of Proceeding - January 11, 2012
Public Meeting

Page 18

1 And they wanted somebody outside of DFA indirectly
2 representing. They wanted to talk to producers. So
3 Anna found some producers. And I'll be at that meeting
4 as well. And we're going to talk to them about
5 supplying and so on, the capability of being able to
6 supply their needs, which I think we can do quite
7 easily.

8 So. And, then, what I'm told is February 8th,
9 the CFO of the parent company from Germany is coming
10 over to visit northern Nevada.

11 So I think they are pretty serious about coming
12 in. I hate to -- I mean knock on wood and cross our
13 fingers. I won't do anything to, you know, kibosh the
14 deal. But I tell you what, I think it's -- right now, I
15 think it looks quite good. And they're definitely
16 interested in northern Nevada as a site for a yogurt
17 manufacturing facility.

18 CHAIRMAN COOK: That's good news.

19 MR. HETTRICK: So we'd love to see that happen
20 and move forward.

21 CHAIRMAN COOK: Is the powder plant on
22 schedule?

23 MR. HETTRICK: We've not heard more about the
24 powder plant. It's -- it's in escrow. And we've not
25 heard anymore, pro or con. We've heard nothing. But

Page:

**Transcript of Proceeding - January 11, 2012
Public Meeting**

Page 19

1 what we did hear was that they had to finalize or
2 intended to finalize their purchase and plans to move
3 forward in this month, in January.

4 So we fully expect that we'll get word on what
5 they're doing. We've heard no negative, but we've not
6 heard anything else, either, no positive as well. So,
7 you know, it's -- it's just in escrow. That's all,
8 about all we can really say.

9 CHAIRMAN COOK: Okay.

10 MR. HETTRICK: There's new opportunities that
11 are really -- they're huge for the dairy industry in
12 Nevada.

13 CHAIRMAN COOK: Yes. Yes. No question of
14 that. Okay. Thank you.

15 MR. HETTRICK: Yeah.

16 Next on the agenda -- excuse me. Next on the
17 agenda is the legal report presented by Warren Goedert,
18 legal counsel for the Dairy Commission.

19 MR. GOEDERT: There really isn't anything in
20 the way of a legal report at this time. We're still in
21 the same status of not having any legal difficulties.
22 And that's a good thing.

23 If there are any questions or if anybody has
24 any questions of me, I'll certainly try to answer them.

25 CHAIRMAN COOK: Well, I'm just -- what do you

Page:

Transcript of Proceeding - January 11, 2012
Public Meeting

Page 20

1 do that's so effective that you're keeping us out of
2 legal problems?

3 MR. GOEDERT: I'd tell you, but it's illegal.

4 MR. HETTRICK: Warren's just the big dog in the
5 front yard. Everybody's scared of us.

6 CHAIRMAN COOK: Well, thank you, Mr. Goedert.
7 We appreciate your efforts.

8 MR. GOEDERT: Thank you.

9 MR. HETTRICK: Number seven on the agenda,
10 Mr. Chairman, consideration of any other matters
11 relating to the dairy industry.

12 CHAIRMAN COOK: Does anybody have anything they
13 want to throw on the table? Questions, comments? Input
14 of any kind? Or do you all want to go back to work?

15 COMMISSIONER CROWTHER: How about Jim back
16 here?

17 CHAIRMAN COOK: Oh, that's right. This is --
18 is this --

19 COMMISSIONER CROWTHER: This should be his last
20 meeting, I think.

21 CHAIRMAN COOK: This is the last. That's good
22 to --

23 COMMISSIONER CROWTHER: We want to recognize,
24 obviously, and Troy brought it up -- if you guys would
25 like to jump in there, but.

Page:

Transcript of Proceeding - January 11, 2012
Public Meeting

Page 21

1 CHAIRMAN COOK: Oh, I want to thank Jim for his
2 efforts and his excellent tour-guiding when he picks us
3 up at the airport. The running dialogue and commentary
4 we get about the state of the dairy industry in the
5 south on the drive over is --

6 COMMISSIONER FLETCHER: It's pretty dry.

7 CHAIRMAN COOK: You know, it's like good
8 intelligence.

9 Anyhow, thank you for your years of service.

10 MR. BENTLEY: Yeah.

11 CHAIRMAN COOK: The people of the State of
12 Nevada are going to miss you.

13 MR. BENTLEY: They might be looking for me,
14 too.

15 COMMISSIONER FLETCHER: We appreciate your
16 service, Jim, and wish you well. We appreciate your
17 years.

18 CHAIRMAN COOK: Don't be a stranger. You're
19 welcome to come back and be a member of the public.

20 MR. HETRICK: Yeah, you can be the public now.

21 MR. BENTLEY: Maybe you -- maybe inform the
22 public, one of those.

23 MR. COON: Mr. Chairman, or people, if you
24 don't mind, I'd like to just say something, too, in that
25 regard. As a member of the industry, we appreciate

Page:

**Transcript of Proceeding - January 11, 2012
Public Meeting**

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

BOARD SIGNATURE PAGE

CHRISTOPHER COOK, CHAIRMAN

ROBERT R. FLETCHER, MEMBER

TROY G. CROWTHER, MEMBER

Page:

**Transcript of Proceeding - January 11, 2012
Public Meeting**

Page 24

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

REPORTER'S CERTIFICATE

I, SHANNON L. TAYLOR, a Nevada Certified Court Reporter, Nevada CCR #322, do hereby certify:

That I was present at the offices of the Nevada State Dairy Commission, 4600 Kietzke Lane, A-107, Reno, Nevada, on Wednesday, January 11, 2012, at 9:00 a.m., and commencing at 9:01 a.m. took stenotype notes of a meeting of the Nevada State Dairy Commission;

That I thereafter transcribed the aforementioned stenotype notes into typewriting as herein appears, and that the within transcript, consisting of pages 1 through 24, is a full, true, and correct transcription of said stenotype notes of said meeting;

I further certify that I am not an attorney or counsel for any of the parties, not a relative or employee of any attorney or counsel connected with the actions, nor financially interested in the actions.

Page:

**Transcript of Proceeding - January 11, 2012
Public Meeting**

1

2

3 DATED: At Carson City, Nevada, this 17th day of
4 January, 2012.

5

6

7

8 SHANNON L. TAYLOR

9

Nevada CCR #322, RMR

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25