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PUBLIC MEETING OF THE
NEVADA DAIRY COMMISSION
TRANSCRIPT OF PROCEEDINGS
Thursday, February 16, 2017
Reno, Nevada

Reported by: DIANNE M. BRUMLEY, NV CCR #205
California CSR #6796

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APPEARANCES

COMMISSIONERS:

Christopher Cook - Chairman
Troy G. Crowther (via videoconference)
John Collier

Yong Inouye - Secretary
Derek Allbee
Gary Reck
Lynn Hettrick
Erica Ryan (via videoconference)
Kimberly Whitfield (via videoconference)
Isabell Isota (via videoconference)

Dennis Belcourt
Deputy Attorney General

Public Meeting - 2/16/2017
Nevada Dairy Commission

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2 RENO, NEVADA, THURSDAY, FEBRUARY 16, 2017, 9:00 A.M.

3 ***

4 CHAIRMAN COOK: Let's convene the February 16,
5 2017 meeting of the Nevada State Dairy Commission. Mr.
6 Hettrick, would you do the formalities, please?

7 MR. HETTRICK: Yes. Mr. Chairman, this is the
8 time and place set for a regularly scheduled meeting of
9 the Nevada State Dairy Commission for the month of
10 February, 2017. This meeting has been scheduled and
11 noticed in compliance with pertinent statutes, including
12 the open meeting law.

13 A copy of the agenda has been handed to the
14 court reporter with the request that it be a part of the
15 official transcript of these proceedings.

16 My name is Lynn Hettrick, deputy director for
17 the Department of Agriculture. Present today are Mr.
18 Christopher Cook, Chairman, Mr. Troy Crowther, member of
19 the Commission, Mr. John Collier, member of the
20 Commission.

21 Those who present statements or evidence to the
22 Commission during this meeting are requested to first be
23 acknowledged by the Chairman and to identify themselves
24 for the record.

25 CHAIRMAN COOK: Thank you. Would you proceed

1 to the first agenda item?

2 MR. HETTRICK: First item on the agenda is
3 public comment and discussion.

4 CHAIRMAN COOK: Anybody from the public here to
5 throw anything out on the table for discussion at this
6 point? Keeping in mind we'll have another one of these
7 segments at the end of the meeting.

8 Seeing nothing, let's move on to the next one,
9 please.

10 MR. HETTRICK: Number two, Mr. Chairman, is for
11 possible action, a license application for Nicholas and
12 Company on Sugar Pine Court, Reno, Nevada. Nick Fuoco
13 is the contact person. This is new owners. Nicholas
14 and Company Reno bought out C & M Food Distributors, so
15 it's really just a rename of an existing license.
16 However, that's the procedure so they're applying for a
17 license.

18 The applicant seeks to distribute various dairy
19 products in the Northern Nevada Marketing Area. The
20 prices and costs have been reviewed by members of the
21 Dairy Commission staff and they're in compliance with
22 the agency's laws and regulations. The applicant will
23 be responsible for the assessments.

24 CHAIRMAN COOK: Do we know whose products
25 they're distributing?

1 MR. HETTRICK: I might be able to tell you.

2 MR. RECK: Gary Reck, Model Dairy. As far as I
3 know, and I've been told by our sister company in Salt
4 Lake City, their parent location, it's Dairy Gold out of
5 Boise.

6 MR. HETTRICK: The application is for sour
7 cream, labeled Dairy Star. It doesn't indicate any
8 other products on this sheet, on the application sheet.

9 CHAIRMAN COOK: Okay. Well, I don't have any
10 further questions. Troy, John, any questions?

11 MR. COLLIER: I have none.

12 CHAIRMAN COOK: Observations? Questions or
13 comments from staff? Questions or comments from any
14 members of the public? Other than Gary.

15 Seeing none, I will entertain a motion.

16 MR. COLLIER: Mr. Chairman, I move that the
17 application -- the license application for Nicholas and
18 Company in Reno, Nevada who has applied to distribute
19 various dairy products in the Northern Nevada Marketing
20 Area be accepted.

21 MR. CROWTHER: Second.

22 CHAIRMAN COOK: Having a motion and a second
23 and no dissenting votes, the motion carries and the
24 license is granted.

25 MR. HETTRICK: Number three for possible

1 action, Mr. Chairman, is approval of the minutes from
2 the January 19th, 2017 Dairy Commission meeting. There
3 are four minor corrections, so an appropriate motion
4 would be to approve the minutes with the noted
5 corrections.

6 CHAIRMAN COOK: I'll entertain a motion from
7 one of the other Commissioners.

8 MR. CROWTHER: I will make a motion to approve
9 the minutes from the January 19th, 2016 -- I'm sorry, it
10 should be 2017 Dairy Commission meeting with the
11 indicated changes.

12 MR. COLLIER: I'll second that, Mr. Chairman.

13 CHAIRMAN COOK: Having a motion and a second on
14 the adoption of the minutes from the January meeting,
15 motion is approved with no dissenting votes and carries.

16 MR. HETTRICK: Thank you, Mr. Chairman. Item
17 number four is staff report. I don't think we have
18 much. We pretty much made it before we started the
19 meeting where at the World Ag Expo, we've got I think
20 four people down there, at least three, I think four,
21 and obviously promoting the dairy industry in the State
22 of Nevada along with agriculture in general. Excited
23 about that.

24 Within your packet, you have the fluid milk
25 prices and the milk prices that we typically give you,

1 and in addition to that there's not any significant
2 change.

3 We also have the budget summary that you see
4 each time which is running as we anticipate. No issues
5 there that I'm aware of, unless Kimberly has anything
6 that she wants to bring up.

7 CHAIRMAN COOK: Are we only \$4000 into our bird
8 abatement program?

9 MR. HETTRICK: Have we even had a claim?

10 MS. INOUYE: No.

11 MR. HETTRICK: We haven't even had anybody file
12 with us for the bird abatement amount. We have \$2000
13 approved to pay for the bird abatement program, but no
14 one has submitted a reimbursement request at this time.

15 CHAIRMAN COOK: Year-to-date actual of \$4000
16 showing in the expenditures. This shows year-to-date.

17 MR. HETTRICK: I'm not sure when that billing
18 occurred. It may be back -- the fiscal year runs July
19 to July, so it may have been from something submitted
20 last July that was actually done prior and didn't get
21 submitted to us. I don't know that for a fact, I'd have
22 to go back, but for this year we have had no request for
23 reimbursement.

24 CHAIRMAN COOK: Any inquiries?

25 MR. HETTRICK: We had five or six who said they

1 intended to use the program.

2 MS. INOUYE: We have ten on the list right now.
3 None of them --

4 CHAIRMAN COOK: But none of them submitted for
5 partial reimbursement?

6 MS. INOUYE: No.

7 MR. CROWTHER: Is it due to weather issues so
8 far this year?

9 MR. HETTRICK: Say that again if you would,
10 Troy.

11 MR. CROWTHER: Is that because of the weather
12 issues up there that they're not taking advantage of
13 that yet?

14 MR. HETTRICK: That's a really good question.
15 When we started getting all the applications and you
16 folks approved the extra 10,000, it was really cold
17 here. That's normally when the birds are the worst and
18 we would have anticipated they would have done it in
19 January when we really had cold weather, and whether or
20 not it's going to happen now given it's starting to warm
21 up, it's about 56 today or supposed to be, that's
22 relatively warm for us, so I can't tell you.

23 I don't know why we haven't seen a bill yet.
24 We may get bills, they may have just not submitted the
25 reimbursements yet.

1 CHAIRMAN COOK: I'm wondering if all of the
2 rain and predominant areas that are going to use it are
3 to the east where they don't get as much snow. I'm
4 wondering if the rain doesn't create a problem with
5 trying to put out baited food.

6 MR. HETTRICK: It's possible. I don't know,
7 but we're ready and willing if they submit reimbursement
8 requests. Obviously the money is there and we'll
9 reimburse, but other than that, we've heard nothing and
10 don't know anything about it.

11 CHAIRMAN COOK: Any other questions, John?

12 MR. COLLIER: I have none.

13 CHAIRMAN COOK: Troy?

14 MR. CROWTHER: No.

15 CHAIRMAN COOK: Okay. I guess we can press on
16 then.

17 MR. HETTRICK: The only other thing we have is
18 consideration of any other matters relating to the dairy
19 industry.

20 CHAIRMAN COOK: Just curious if we have any hot
21 prospected or leads at this ag fair in Tulare.

22 MR. HETTRICK: I haven't heard anything back
23 from them at this point. I don't know what kind of
24 interest they're getting.

25 The articles that I've seen recently in some of

1 the dairy magazines still indicate that regulation and
2 the rest in California is extremely burdensome and there
3 are lots of people willing to get out, but the problem
4 is nobody will buy a dairy.

5 Who is going to buy a dairy in California if
6 the guy leaving is saying I can't operate it because
7 it's so overbearing that I can't make a profit, so what
8 do you do with that facility so you can move? It's very
9 difficult, so I think that's part of the hang-up of why
10 we're not getting people.

11 We have people all the time who are interested,
12 but they look at the reality of selling their dairy in
13 California. Unless they're in a neighborhood that could
14 be converted over to residential subdivision type
15 properties, the value of that dairy is minimal, so it's
16 very difficult to move.

17 CHAIRMAN COOK: Not exactly a facility that can
18 be converted to an alternate use, either.

19 MR. HETTRICK: No.

20 CHAIRMAN COOK: You can't make microbreweries
21 out of dairy farms.

22 MR. HETTRICK: I don't know, we're trying to in
23 Douglas County. In Minden, Bentley is converting that
24 old grainery and stuff over to a mini brewery and
25 distillery and they're going to have a retail shop.

1 It's going to be quite nice. That goes clear back into,
2 I think, the 1800's.

3 CHAIRMAN COOK: That old brick building?

4 MR. HETTRICK: Yeah, with the four steel silos
5 next to it. They're converting all those over and it's
6 all going to be part of that complex. It should be
7 really nice when they're done.

8 MR. CROWTHER: Is there any issues with the
9 legislature going on that affect the dairy industry
10 other than the big one, the Dairy Commission?

11 MR. HETTRICK: We received a request from the
12 Chair of the committee, Natural Resources committee to
13 explain about each of the boards and commissions that
14 were submitted that we have anything to do with, which
15 we submitted back to them. We have heard nothing in
16 that regard.

17 The one other committee that's in the bill is,
18 I don't even know what it is, called M-O-A-C and it's in
19 the Department of Taxation. They asked about it, too.
20 We knew nothing about that. I've heard nothing up, down
21 or sideways in regard to the bill or what's going on.
22 Don't know.

23 Whether or not the minimum wage issue that's
24 being pushed will have an impact on the dairies, I don't
25 know. I suppose it might have some, but I don't think

1 it will be huge.

2 MR. CROWTHER: Is the travel ban having an
3 impact on our dairies?

4 MR. HETTRICK: Not that I'm aware of. We've
5 not heard anything about it, not that I'm aware of.

6 CHAIRMAN COOK: Yeah, that's very specific.

7 MR. HETTRICK: I haven't heard anything from
8 anybody, and I don't know that we would actually, but --

9 MR. CROWTHER: Not the travel ban, but rather
10 the stepped up enforcement of the --

11 CHAIRMAN COOK: The deportations?

12 MR. HETTRICK: And Visa requirements and the
13 rest, we've not heard anything.

14 CHAIRMAN COOK: What was the timing of that
15 minimum wage increase that roll out was supposed to
16 take?

17 MR. HETTRICK: It's a dollar and a quarter a
18 year over five years until they reach \$15 an hour, and I
19 think it goes to \$14 an hour if you offer health
20 insurance and it goes to 15 if you don't.

21 MR. COLLIER: That has not passed, though?

22 MR. HETTRICK: No. The first hearing was, as I
23 recall, yesterday if I'm not mistaken and there was a
24 lot of -- there's a lot of controversy back and forth
25 about it.

1 I guess somebody came in and testified to the
2 fact that the current minimum wage with the dollar
3 difference for health insurance was passed by initiative
4 petition by a vote of the people, and if that's true,
5 that can't be altered for at least three years by State
6 law if it's an initiative petition.

7 I don't know whether that's true or not. I
8 didn't go look it up, but I know one of the people who
9 testified in the committee hearing I heard on the radio
10 made the assertion that it was. If it was, then they
11 can't change the law. If it wasn't, then they're free
12 to change it any way they want.

13 CHAIRMAN COOK: So it wasn't an amendment to
14 the constitution, the State constitution. I thought I
15 remembered that it was an amendment that said we would
16 always be a dollar above the federal minimum, but I'm
17 certainly known to have faulty memory.

18 MR. HETTRICK: You may be correct, I don't
19 know. All I know is they claimed it was set by
20 initiative petition and the rule on that is -- the only
21 reason I know is it's the same for the recreational
22 marijuana which we unfortunately get to deal with and
23 that's done by initiative petitions, and because of
24 that, it cannot be changed by the legislature for three
25 years. Whether they like it or not, they're stuck with

1 it.

2 MR. COLLIER: Well, hasn't that minimum wage
3 law been enforced longer than three years? It seems to
4 me it has.

5 MR. HETTRICK: It seems to me it has, but I
6 don't --

7 MR. COLLIER: Because I've dealt with it for, I
8 think, the last five or six years.

9 MR. HETTRICK: And it could be. I honestly
10 don't remember. I think the person who testified --
11 when they mentioned it on the radio, they seemed to
12 indicate that the person might not be correct, but that
13 was his assertion was that you couldn't change it
14 because it was done by a vote of the people and it's
15 going to take a vote of the people to fix it or change
16 it. Whether that's true or not, I don't know.

17 MR. COLLIER: So does that imply that for this
18 new law that's being considered to go into place, that
19 it has to be put up to a public vote?

20 MR. HETTRICK: It doesn't have to be if the
21 legislature will enact it or the Governor will approve
22 it.

23 The legislature can put any law they want if
24 the Governor will sign it, other than they can't
25 override an initiative petition that was done by a vote

1 of the people for at least the three years, so we'll
2 see.

3 That argument will go on. I know the Chamber
4 came in -- the Las Vegas Chamber of Commerce came in and
5 argued against it, said it was going to cost jobs and
6 all they were going to do was force automation and that
7 automation is coming rapidly and they're just going to
8 make it come even more rapidly and there's going to be a
9 lot less people making a wage because a lot more jobs
10 are going to be done by robots.

11 CHAIRMAN COOK: I wonder how that's going to
12 impact the producers. We might see a lot of milking
13 carousels coming into the state.

14 MR. HETTRICK: Robot milking parlors are out
15 there right now. They're not cheap, but they are
16 probably the way of the future.

17 MR. COLLIER: Do we have any in the State of
18 Nevada?

19 MR. HETTRICK: Not that I'm aware of.

20 CHAIRMAN COOK: Is the Locks operation --

21 MR. HETTRICK: It's not robotic. It's the
22 latest of the -- I don't know if it's a carousel or the
23 straight barn, but it's the latest of the facilities,
24 but it's not a robotic one.

25 CHAIRMAN COOK: Okay. Well, let's press on to

1 the next item.

2 MR. HETTRICK: The final item on the agenda is
3 another round of public comment and discussion.

4 CHAIRMAN COOK: Gary, Derek?

5 MR. ALLBEE: All good.

6 MR. RECK: All good.

7 MR. ALLBEE: One real quick question if I
8 could. Derek Allbee, Model Dairy. Can you explain what
9 the potential action is with the Dairy Commission and it
10 potentially going away?

11 MR. HETTRICK: Yeah. The Governor's office
12 submitted to multiple State agencies, virtually every
13 State agency and asked do you have any boards,
14 commissions, advisory panels, whatever that could be
15 done by a typical administrative process within your
16 agency.

17 We submitted as the Department of Agriculture
18 back four different boards and advisory boards, an
19 organic board, an onion and garlic board, the alfalfa
20 advisory board, and the Dairy Commission, all of which
21 can be done and are typically done -- those functions
22 are done administratively -- those types of functions
23 are done administratively in other agencies and our
24 agency.

25 The organics board has gone away anyway. It's

1 non-functioning. The onion and garlic board hasn't met
2 for probably two or three years, and one of the members
3 of the onion and garlic board is on our Board of
4 Agriculture, so they're represented directly on the
5 Board of Agriculture.

6 The alfalfa advisory board does meet quarterly
7 and they were -- I would say they weren't receptive to
8 the change. They felt like the rules on how things were
9 going to be done were going to be changed, but in fact
10 we went back and showed them the language within the
11 proposed bill and all it says is that instead of having
12 the advisory board be a formal board where they have to
13 have minutes taken and they have to publish for the open
14 meeting law and all those things, they can meet, they
15 can do all the same things they do right now, but before
16 they can expend money right now, they have to come to
17 the Board of Agriculture and get it all approved anyway,
18 so we just said we're just going to skip the formal
19 step.

20 You can do whatever you want, get together any
21 way you want, come to the Board of Agriculture and get
22 whatever you're going to do approved anyway just like
23 you do right now, and the law remains saying any money
24 that comes in has to be expended for alfalfa advisory
25 board uses. It can't be expended for anything else.

1 That's essentially the exact same thing with
2 the Dairy Commission. Simply said, they're going to
3 eliminate the need to have a formal meeting like this
4 once a month and go to an administrative process, all of
5 which will ultimately be approved by the Board of
6 Agriculture and Dave Coon of Anderson Dairy is on the
7 Board of Agriculture and represents dairies, so he fully
8 cares about making sure dairies are well represented and
9 all the rest. It really is going to change nothing.

10 Nothing changed within the statutes about how
11 the money gets expended or where it goes or who can use
12 it. None of that is changing. It's simply this has
13 really become an administrative process.

14 As you know, and I've discussed it with all
15 three of the board members, the Commission members,
16 these applications for licenses come in, we actually
17 approve them with staff. They go through everything and
18 make sure it's all right.

19 Essentially what you folks are doing, right now
20 the Commission is doing is certifying what we did as an
21 administrative process. The Commission has been
22 responsible for the money to do like the birds and
23 Moo-lissa and the trailers and all the things that we've
24 done.

25 That really isn't going to change. It's been

1 done through staff and staff recommendations based on
2 need and we're doing the same thing, so as supportive as
3 these members have been and as much as it's been
4 appreciated by the dairy industry and processing
5 industry as well in the State of Nevada, the reality is
6 it's kind of a rubber stamp, and I hate to say it in
7 that term, but it's kind of a rubber stamp and we
8 really -- it just isn't necessary and the Governor's
9 office has looked at this and said we're doing away with
10 all kinds of reports, we're doing away with all kinds of
11 boards, we're doing away with all these things because
12 they're duplicative and they cost money, and these
13 members, when I spoke to them, were all very
14 appreciative of that and said, yeah, we understand,
15 there's really not a need to spend more money and go
16 through this.

17 It's not inexpensive to have people travel, and
18 again, not in a detrimental way, but we have the
19 Attorney General's Office here every time, we have a
20 court reporter here every time, so it's not inexpensive
21 to do what we're doing and it really can be handled
22 administratively.

23 CHAIRMAN COOK: And we'd rather see that money
24 used to promote growth in the industry.

25 MR. HETRICK: And I want to say, this Dairy

1 Commission has been incredible in terms of the support
2 for the industry between doing tax rebates and doing tax
3 cuts, tax elimination, and then things like support for
4 this predator control on the birds and the like, this
5 Dairy Commission has done a tremendous job for the
6 industry.

7 That's not going to change and it's certainly
8 appreciated I know because we get the dairy members who
9 come in here and appreciate what the Dairy Commission
10 has done, but it's just evolution of what's going on and
11 the way things get run.

12 It moved from an individual organization, which
13 was the Dairy Commission all by itself, standalone
14 essentially, to where it is now where it's a part of the
15 Department of Agriculture simply has evolved into
16 something where we don't need a separate Dairy
17 Commission.

18 CHAIRMAN COOK: We did ourselves out of a job.

19 MR. HETTRICK: That's a good job, really,
20 honestly. Much appreciated by the industry, I know.

21 CHAIRMAN COOK: I would have to add
22 parenthetically that it probably couldn't have been done
23 without the input from you and the guidance from you as
24 executive director first and having the vision --

25 MR. HETTRICK: Kind of like you, I feel a

1 little bad about doing a job that eliminates the job,
2 but that's the way it is. Things evolve and they move
3 on.

4 CHAIRMAN COOK: You just have to recognize
5 things change and we're here to serve the industry, not
6 to be a burden on them, so we've succeeded in that I
7 think.

8 MR. HETTRICK: I agree.

9 CHAIRMAN COOK: Anyhow, is there any other
10 comments, observations, questions, input?

11 Seeing none, we'll close this meeting.

12 (The proceedings concluded at 9:25 a.m.)

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16 CHRISTOPHER COOK, CHAIRMAN

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19 JOHN COLLIER, MEMBER

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22 TROY CROWTHER, MEMBER

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Public Meeting - 2/16/2017
Nevada Dairy Commission

1 STATE OF NEVADA)
2 COUNTY OF WASHOE) ss.

3

4 I, DIANNE M. BRUMLEY, a Certified Court Reporter
5 in the State of Nevada, do hereby certify that on

6 _____, the _____ day of _____,

7 2017, I reported the Nevada Dairy Commission meeting;

8 That the foregoing transcript is a true and
9 correct transcript of the stenographic notes of
10 testimony taken by me in the above-captioned matter to
11 the best of my knowledge, skill and ability.

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DIANNE M. BRUMLEY, NEVADA CCR #205

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CALIFORNIA CSR #6796

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