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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.

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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. HETRICK: 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. HETRICK: 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. HETTRICK: 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.

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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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