

**Meeting - 9/17/2014**  
**Nevada State Dairy Commission**

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STATE OF NEVADA

DEPARTMENT OF AGRICULTURE

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NOTICE OF PUBLIC MEETING  
OF THE NEVADA DAIRY COMMISSION

TRANSCRIPT OF PROCEEDINGS

September 17, 2014

Sparks, Nevada

Reported by: Karen Bryson  
Certified Court Reporter #120

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APPEARANCES

CHRISTOPHER COOK, Chairman  
LYNN HETTRICK, Deputy Director/Dept of Agriculture  
JOHN COLLIER, Commission Member  
TROY CROWTHER, Commission Member (via videoconference)

ALSO PRESENT:

DENNIS L. BELCOURT, Deputy Attorney General  
KATHY EASLY  
ANNA VICKERY  
KIMBERLY WHITFIELD (via videoconference)  
RON MARTIN (via videoconference)  
DAMON HERNANDEZ (via videoconference)

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1 SPARKS, NEVADA, WEDNESDAY, SEPTEMBER 17, 2014, 9:00 A.M.  
2 ---o0o---

3 MR. COOK: Okay. Let us now convene the  
4 September meeting of the Nevada State Dairy Commission.

5 Mr. Hettrick, would you go through the  
6 formalities and open the meeting, please.

7 MR. HETTRICK: I would, Mr. Chairman. Thank  
8 you.

9 This is the time and place set for the  
10 regularly scheduled meeting of the Nevada State Dairy  
11 Commission for the month of September 2014. This meeting  
12 is being scheduled and noticed in compliance with  
13 pertinent statutes, including the open meeting law.

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

17 My name is Lynn Hettrick, deputy director for  
18 the Department of Agriculture. Present today are  
19 Mr. Chris Cook, chairman of the Dairy Commission; Mr. Troy  
20 Crowther, member of the Dairy Commission; Mr. John  
21 Collier, member of the Dairy Commission.

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

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1 MR. COOK: Thank you.

2 Would you proceed to the first agenda item.

3 MR. HETTRICK: First item on the agenda,  
4 Mr. Chairman, is public comment. I don't think -- do we  
5 have members of the public in the south?

6 MR. COOK: I don't see anyone.

7 MR. CROWTHER: No comment.

8 MR. HETTRICK: Okay. No one wishing to make  
9 public comment?

10 MS. EASLY: No.

11 MR. CROWTHER: Not here.

12 MR. HETTRICK: All right.

13 MR. COOK: Press on. Number two, please.

14 MR. HETTRICK: Number two, possible action,  
15 license application. Retail store importing from out of  
16 state. An application from Albertsons Distribution,  
17 number 8220, Tolleson, Arizona. Gina Woodgerd is the  
18 licensing associate.

19 The applicant seeks a license to distribute a  
20 full line of dairy products with the exception of mixes in  
21 northern and southern Nevada marketing areas.

22 The prices and costs have been reviewed by  
23 members of the Dairy Commission staff. They're in  
24 compliance with the agency's laws and regulations. The  
25 applicant will be responsible for assessments.

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1           MR. COOK: Do we have a representative of this  
2 applicant present?

3           MR. CROWTHER: Not here.

4           MR. COOK: Not to be the case.

5           So is there anything else the staff can add to  
6 this?

7           MR. HETTRICK: No. Pretty straightforward.

8           MR. COOK: Confused, because of all of the Save  
9 Mart, Albertsons, Lucky split-up of several years ago I  
10 thought Albertsons went away. I guess not.

11           MR. HETTRICK: Apparently not out of Arizona,  
12 and I don't -- maybe they're coming back and I --

13           MR. COOK: Okay.

14           MR. HETTRICK: I'm surprised they would have --  
15 if they're coming out of Arizona they want to --

16           MR. CROWTHER: We have --

17           MR. HETTRICK: -- be this far north.

18           MR. CROWTHER: Albertsons has a large presence  
19 here.

20           MR. COOK: Okay. Their presence in the north  
21 disappeared a few years ago. Or changed its appearance.

22           Okay. Are there any questions or comments from  
23 the commissioners?

24           MR. COLLIER: Can you give me an example of  
25 what a dairy mix would be?

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1                   MR. HETTRICK:  It's a -- it's a product that --  
2   basically what it sounds like, it's a blend of something  
3   you can mix with -- to make a dairy drink, or that kind of  
4   a thing.

5                   And apparently they don't want to distribute  
6   mixes, but it's a part of our normal license.  We're just  
7   making the exception that they didn't include that.

8                   MR. COLLIER:  Okay.

9                   MR. COOK:  Mixes also include ice cream.

10                  MR. HETTRICK:  It can include ice cream or  
11   frozen yogurt mixes, and some of those things as well.

12                  MR. COLLIER:  Okay.  Thank you.

13                  MR. HETTRICK:  Yeah.

14                  MR. COOK:  Okay.  Any questions from staff?  
15   Comments?  Questions or comments from non-existent public?

16                  Seeing none, I'll entertain a motion.

17                  MR. COLLIER:  Mr. Chairman, I move that we  
18   accept the retail store importing from out of state  
19   application from Albertsons Distributorship, number 8220,  
20   in Tolleson, Arizona, who seeks a license to distribute a  
21   full line of dairy products with the exception of mixes in  
22   the northern and southern Nevada marketing areas.

23                  MR. CROWTHER:  Second.

24                  MR. COOK:  Having a motion and a second and no  
25   dissenting votes, the motion is passed.  And the license

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1 is granted.

2 MR. HETTRICK: Next on the agenda,  
3 Mr. Chairman, is approval of the minutes for August 27.  
4 There is in your packet a description of some minor  
5 changes that were noted and will be made to those minutes.

6 And if you would wish to approve the minutes,  
7 if you make a motion to approve them with the amended  
8 changes, please.

9 MR. COOK: Okay. I will entertain such a  
10 motion.

11 MR. CROWTHER: I will make a motion to approve  
12 the minutes of the August 27th, 2014, State Dairy  
13 Commission meeting with the changes as indicated -- with  
14 the corrections as indicated.

15 MR. COLLIER: Mr. Chairman, I will second that.

16 MR. COOK: Motion is made and seconded and no  
17 dissenting votes. Motion carried. Minutes are adopted.

18 MR. HETTRICK: Next, Mr. Chairman, on the  
19 agenda, staff reports. You have in your packet the  
20 current dairy pricing anticipated and fluid milk prices.  
21 Nothing really to report on that.

22 MR. CROWTHER: I don't have that, the pricing  
23 report?

24 MS. EASLY: Kimberly, did you run off -- do  
25 a -- run it off the website?

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1 MS. WHITFIELD: Did you fax them this morning?

2 MS. EASLY: No. We just talked about --  
3 because you reminded me about it. And I said just run it  
4 off the website?

5 Troy, I'll send it to you.

6 MR. CROWTHER: Okay. Thank you.

7 MR. HETTRICK: It's -- based on what I see, the  
8 current rate northern price has changed very slightly from  
9 25.28 to 25.39. And the southern price changed from 25.27  
10 to 25.03.

11 MR. COOK: Are you hearing anything from the  
12 producers on what their margins are doing?

13 MR. HETTRICK: You know, I don't know.

14 Have you?

15 I've not heard anything specific. There for a  
16 while -- and Anna may be able to answer the question  
17 better than I -- but there for a while the class four  
18 price was actually higher than the class one price.

19 MS. VICKREY: And that happens quite a lot  
20 actually.

21 MR. HETTRICK: So they're actually doing quite  
22 well.

23 MR. COOK: Is that as a result of the DFA plan?

24 MS. VICKREY: No.

25 MR. HETTRICK: Just fluctuation and demand.

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1                   MR. COOK:   Wow.

2                   MR. HETTRICK:  Yeah.  So it's been very  
3 interesting.  And -- and I would report as a part of  
4 the -- not to change the subject, Mr. Chairman -- but I  
5 did attend the grand opening of the DFA plant and got to  
6 tour with probably -- must have had about 150 people  
7 there.

8                   They brought the entire DFA board from all over  
9 the country.  They held their board meeting in Reno the  
10 morning of the event, or the night before, and then they  
11 also followed it up with an afternoon meeting after going  
12 out there.

13                  The plant is spectacular.  Truly.  I mean,  
14 the -- Anna gets to go in there regularly and see it.  But  
15 when you walk through there and look at what they're  
16 doing -- and, of course, there -- they were actually  
17 packaging materials while we were there.

18                  They had shut down the dryer because of the  
19 noise and some of the other things, but they were actually  
20 running packaging materials, loading materials.

21                  Just very briefly, as soon as we walked through  
22 the door you can look through a glass partition into the  
23 packaging area.  All sealed off, of course.  And then they  
24 said, well, we're going to give you a tour.  And they  
25 walked you immediately into the locker rooms.

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1           We all had to put on suits, hair nets, beard  
2 covers, booties. You had to literally step over a bench.  
3 When you put on a bootie you put a bootie on, you put your  
4 foot over the bench, and you're on the other side with  
5 that foot.

6           You put on the other one, you step over. You  
7 can't go back and forth. If you want to come out for any  
8 reason the whole suit has to come off. You have to go out  
9 of the facility and re-suit to go back into the facility.

10           MR. COOK: Wow.

11           MR. HETTRICK: You walk around inside, you get  
12 to a second level. The floors are all painted yellow.  
13 You wear yellow booties. You get to a place where the  
14 floor is gray, immediately there's another stand with gray  
15 booties. You have to put on the gray booties. You have  
16 to step over the exact same way. Contamination can't be  
17 carried across into the other part of the facility.

18           It's fascinating. I mean, it's really  
19 impressive. They talked a lot about the fact that so much  
20 of it is automated. They bring a truck in. They pull a  
21 sample. The guy -- the truck driver pulls a sample out  
22 with a load.

23           He walks in through a foot bath -- can't go  
24 into the place without having everything sanitized --  
25 through a foot bath, hands the sample to somebody. They

1 check it in what's called a Charm?

2 MS. VICKREY: Charm machine.

3 MR. HETTRICK: Yeah. Instantly tells them  
4 whether or not it has antibiotics about -- I guess it  
5 takes about a minute. If it's clear they unload that  
6 truck, 40 some thousand pounds of milk in 22 minutes.

7 Then an automated robot comes down. They open  
8 the top of the truck. It sticks a washing device into the  
9 top of the truck. It totally sanitizes that truck, washes  
10 it, rinses it, sprays it with acid, and all kinds of  
11 things to clean the inside out.

12 Make it absolutely sanitary. And drain it all  
13 out and rinse it. And that takes 25 minutes. And the  
14 truck goes out of there in 47 minutes. Completely done.  
15 It's an amazing process.

16 Goes into the facility and the piping is all --  
17 lot of it's dual. So they'll be running milk in one pipe,  
18 and then the other pipes they're running cleaning agents  
19 at the same time.

20 As soon as it's cleaned and rinsed that part of  
21 the piping that does -- where they do the dual, it flips  
22 over, and the part of the piping that was running milk now  
23 gets cleaning agent. The other pipe that's all rinsed and  
24 cleaned automatically gets milk. And it's going back and  
25 forth continuously all the time.

1                   It's truly fascinating to walk through the  
2 place and look at it, and the technology that's in there  
3 and everything that's in there, it's really impressive.  
4 And it really shows well.

5                   And, of course, get to the -- with  
6 the cleanliness that's required, the thing is absolutely  
7 spotless inside. It's just -- it's -- I mean, you love to  
8 see a restaurant you eat in as nice as that place. It is  
9 beautiful.

10                  So that was very impressive and fun to do. And  
11 they're excited about the potential -- and they're there  
12 actually looking already at some expansion.

13                  MR. COOK: Have they started shipping product  
14 yet?

15                  MR. HETTRICK: Oh, yeah, they're shipping  
16 product. That's the other thing I was going to tell you a  
17 little about.

18                  They -- China doesn't care whether or not the  
19 product arrives on pallets. And pallet -- these pallets  
20 are eight foot wide and like six foot deep. So they're  
21 probably 50-dollar pallets, you know. So they don't want  
22 to ship all these pallets.

23                  So they have a device where a forklift goes,  
24 picks up a pallet, it's got a set of teeth on the back of  
25 the forklift, and it reaches down and it grabs a cardboard

1 sheet that's underneath the product.

2 And a guy pulls the handle and it slides the --  
3 all of the stuff off the pallet and onto a steel plate.  
4 It's on the forklift. He then takes -- turns it around,  
5 he drives it into the container.

6 The pallet is made to fit the container  
7 perfectly. There's about an inch of clearance on both  
8 sides and the top. He drives it into the container. Gets  
9 it perfectly situated where he wants it and pulls the  
10 handle -- he drives it in over where he wants it to be and  
11 then he pulls the handle.

12 And when he does it pushes the load out of  
13 the -- the loaded bags on the cardboard and he backs the  
14 steel plate out from under it and drops the whole load  
15 right there in place. So they don't ship any pallets.

16 That -- that would -- the shipping of the  
17 pallets would involve, I don't know, ten, 12 pallets or  
18 more per load, probably \$50 each. They're shipping six  
19 loads a day right now. They're loading them.

20 So it -- over the year -- and the fact that  
21 they're running 24/7, it's a lot of pallets. The pallet  
22 money alone is significant. But the technology is really  
23 impressive to see.

24 And -- and when the guy gets done driving that  
25 forklift in there and placing that so beautifully he

1 actually got applause from the people standing there. I  
2 mean, it's pretty impressive the way -- the way it works.  
3 Very interesting.

4 MR. COOK: And they're unloading directly into  
5 the cargo containers?

6 MR. HETTRICK: Exactly. And it goes over on  
7 the containers, and they get loaded directly onto the --  
8 onto the container ships.

9 MR. COLLIER: Do they have -- do they have  
10 enough milk being processed locally?

11 MR. HETTRICK: They're pulling -- no, they're  
12 getting about one million pounds or a little more a day  
13 out of the local market. They definitely have a lot of  
14 interest in people now who actually see a plant and  
15 believe it, finally.

16 They've actually got interest in multiple  
17 dairies. I know Anna and Lisa have been looking at some  
18 of the older dairies. People are now looking and saying,  
19 how much will it take me to bring this up to snuff to  
20 satisfy the Dairy Commission and the environmental  
21 requirements for cleanliness, and all those things.

22 So Anna and Lisa have been actually going out  
23 and checking out dairies for people who are literally  
24 interested in them.

25 We just recently had a meeting with NV Energy

1 last week. And one of the things that's holding up some  
2 of the expansions is that today all the dairies want to  
3 run on three-phase power because it's much more efficient  
4 and uses less electricity to accomplish the same end.

5 All the dairies that are out there right now --  
6 not all -- a lot of the dairies that are available out  
7 there right now are on single-phase power. Nobody wants  
8 to go into single phase and upgrade on single phase  
9 because it's not cost effective.

10 So we had a sit-down meeting with NV Energy and  
11 said, how can you get three-phase power to the rest of  
12 these facilities? Or to some of the new acreages that are  
13 suitable for dairy use so we can expand this.

14 And they're -- they are working with DFA and  
15 others right now to determine where they can go, how  
16 quickly they can go, what the costs will be, how they will  
17 allocate the cost and give credits back. They're really  
18 trying to be helpful.

19 So I think we're going to see some expansion  
20 soon. And -- and DFA told us that they were still looking  
21 for at least 15,000 dairy cows right now. So -- and  
22 potentially more.

23 MR. COLLIER: In addition to what's there now?

24 MR. HETTRICK: In addition to what they have --

25 MR. COLLIER: What's there now? How many are

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1     there now?

2                   MR. HETTRICK:  Twenty-eight thousand.  They're  
3     going into the plant approximately.

4                   MR. COLLIER:  Wow.

5                   MR. HETTRICK:  So, yeah, about a 50, 55 percent  
6     increase in the number of dairy cows in the area.  The --  
7     we were told that the Lott dairy, and it's under  
8     construction and really going quite well, I believe, total  
9     investment in the dairy buildings, grounds, that kind of  
10    thing, about ten million dollars.

11                   And by the time they finish adding cows and the  
12    rest of what they have to finish up, the total investment  
13    is going to be about 20 million.  That's 3,000 cows.  We  
14    need another --

15                   MR. COLLIER:  Is this --

16                   MR. HETTRICK:  -- 12,000.

17                   MR. COOK:  Smith Valley?

18                   MR. HETTRICK:  Smith Valley dairy.

19                   MR. COOK:  Wow.

20                   MR. HETTRICK:  We need another 12,000 or four  
21    times that.  And that's a 20 million investment.  So we're  
22    looking at big money, huge economic impact.  It's -- it's  
23    a good thing.  It's really great for northern Nevada, and  
24    Nevada in general.  So, excited about it.

25                   MR. COOK:  What stage in the process do they

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1 add the melamine?

2 MR. HETTRICK: In China.

3 MS. VICKREY: In China.

4 MR. COOK: That was a joke.

5 MR. HETTRICK: Yeah. Okay.

6 So we have down here discussion of budget  
7 review. And the way this worked out this time with the  
8 delay and the fact that we're changed around a bit, I  
9 don't have a budget report for you this time.

10 I talked with Damon this morning, and Damon's  
11 going to be producing a report for you monthly from now on  
12 that will show you basically what we had before the  
13 printout of the budget and the reserves.

14 And it's just a general discussion of where  
15 we're headed on budget. So you'll have that. But that'll  
16 be -- it's going to start next time. And it'll be  
17 running -- it'll go -- be monthly after that.

18 MR. COOK: Good.

19 MR. HETTRICK: Just so you know what's going  
20 on. So that's the budget for the moment.

21 Then a discussion of the strategic -- that's  
22 number -- what is it -- the budget, I'm sorry,  
23 Mr. Chairman, was number five.

24 Number six is the discussion of the strategic  
25 plan. And you folks had asked last meeting about where

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1 we're headed and what the plans are and what we're doing.

2           And so, you should have, Troy, I hope, a copy  
3 of that.

4           MR. CROWTHER: I do.

5           MR. HETTRICK: And you can see what our plans  
6 are. Just very quickly. Obviously we still want that  
7 additional 15,000 cows, and so we're working hard with the  
8 DFA and everybody else to promote the 15,000 cows.

9           We have already booked -- in the past we've  
10 done a ten by about 12 booth at the World Ag Expo? This  
11 time we have booked a booth that is actually 20-by-40, and  
12 we are going to go down and have -- it will be outdoors.  
13 It will be much bigger than what we have now.

14           We are sharing that booth with Churchill  
15 County. They have come back and said we want to go, too.  
16 We want these dairy cows. So we want to be there  
17 representing Churchill County and saying to a potential  
18 dairyman, yes, the county is supportive of this. Yes,  
19 come talk to us, we will help you, so on.

20           So we said, okay, share the booth with us,  
21 which they have done. I think they're going to pay for  
22 the electricity, which is very expensive. We paid for the  
23 booth. And we'll have our full setup there. We'll  
24 obviously take our cow. They're going to take some of  
25 their stuff. So that's the primary short-term what we are

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1 going to do now to try to expand and get more cows.

2 Long-term, obviously we're interested in the  
3 value that these new dairies, new cows, and the plant  
4 itself are bringing to Nevada. And we want to get that  
5 recognized throughout the state.

6 You're probably aware that the governor  
7 scheduled his first ag conference ever coming up this  
8 year, later this year. So agriculture is actually getting  
9 back on the map and we're actually getting some  
10 recognition from the governor's office, which is nice, and  
11 we're going to participate in that.

12 You can see then on that list, on the long-term  
13 list, we're doing ag day at the legislature. We're now  
14 planning an ag celebration day that will be probably -- we  
15 have booked the Livestock Event Center and we hope to have  
16 a large event over there.

17 We'll be doing county fairs as we have in the  
18 past where they -- people are having fairs, and so on.  
19 We're talking about combining farmers markets and to go to  
20 some farmers markets as well for some of what we do.

21 And then we will participate in this -- this  
22 Saturday is the field station day up here, the main  
23 station field day. We're going to be out there with a  
24 complete host of everybody from the Department of Ag  
25 including the Dairy Commission and our cow to participate

1 in that.

2 We're in the governor's business conference and  
3 will be in the new conference on agriculture. So those  
4 will be ongoing. And we are trying again, the -- probably  
5 the goal is to continue to promote the economic value of  
6 dairy and agriculture in general to the State of Nevada so  
7 our --

8 MR. CROWTHER: What -- what -- I'm sorry, when  
9 and where is the governor's conference on agriculture?

10 MR. HETTRICK: It's going to be up here, I  
11 think it's at the Atlantis, if I'm not mistaken -- I don't  
12 have that in front of me -- and I think it's November 13.

13 And if you go to our website, Troy, you'll see  
14 it I think on our website. I think it's up there already  
15 as listed. But I don't -- I don't have it. I didn't  
16 bring that with me. But if you look at it I believe  
17 that -- those are right.

18 MR. COOK: Can I diverge for a second and go  
19 back to the -- to the short-term?

20 MR. HETTRICK: Yes.

21 MR. COOK: It seems like most of the herd  
22 expansion efforts are targeted towards Churchill County.

23 MR. HETTRICK: Uh-huh.

24 MR. COOK: What about -- and obviously we've  
25 got the one in Lyon County. What about Pershing County?

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1     What about some of the surrounding counties?  Is there any  
2     effort on their economic development?

3             MR. CROWTHER:  How about Clark County?

4             MR. COOK:  A long way to ship milk.

5             MR. HETTRICK:  Well, and -- and you're  
6     hitting -- you've hit the nail on the head.  They all  
7     would -- I mean, all the counties are more than happy --  
8     Clark and everybody else -- are happy to have dairy  
9     expansion.

10            The issue is the freight.  And everybody wants  
11    to be as close as they can possibly be because it's ton  
12    miles.  I know every time you ship a ton of milk you pay  
13    by the mile.  So they're all wanting to be as close as  
14    they can possibly be.

15            So Churchill is going to get the first of it if  
16    people have choices.  If you can show a low enough price  
17    for land and the dairy facility in some other county to  
18    offset the long-term cost of shipping milk you might see  
19    somebody go to Pershing or some of the other --

20            MR. COOK:  Well, then, that begs the question,  
21    why did this outfit go to Smith Valley as opposed to --

22            MR. HETTRICK:  I think available alfalfa land.  
23    They were -- I think their primary interest was we don't  
24    want to be having to buy alfalfa hay and -- we want to  
25    grow as much as what we feed cows as we can possibly grow.

1           And they felt that that access was better in  
2 Smith Valley, which is -- and they were willing to pay a  
3 little more. They felt they would offset their shipping  
4 costs by their feed of cost savings.

5           So -- but how far out that will go, I don't  
6 know what that bring is. I mean, it's obviously --

7           MR. COOK: Which really is what the  
8 underpinning reason for the question about Pershing,  
9 because there is -- you know, thinking of the former  
10 chairman, Tom Moore's, business of growing alfalfa and  
11 raising --

12          MR. HETTRICK: No question --

13          MR. COOK: -- cattle.

14          MR. HETTRICK: -- they can grow the alfalfa.

15                 It's just a matter of somebody sitting down and  
16 doing the math and deciding what the offset is and  
17 whether in -- you know, for the foreseeable future -- oop,  
18 we've lost our connection.

19                 Can you guys hear us? Yep. You're all right.

20          MR. CROWTHER: Yes.

21          MR. HETTRICK: We're all right.

22          MS. EASLY: I just didn't wiggle the mic.

23          MR. HETTRICK: Yeah.

24          MR. CROWTHER: It's really choppy, the video  
25 feed. Sound is fine. But the video feed, you all look

1 like claymation characters.

2 MR. COOK: Because we've had too much coffee  
3 this morning.

4 MR. HETTRICK: So, anyway, that's -- that's the  
5 best answer I can give you. I mean, I think as expansion  
6 goes on, Churchill knows they have a finite capability to  
7 accept more dairy cows.

8 Sooner or later it's going -- they're going to  
9 reach saturation. And when they do, people are going to  
10 start looking at the outlying counties. But I don't think  
11 that's going to occur until Churchill says, enough, we  
12 can't do --

13 MR. COOK: Which begs the question, has anybody  
14 put a number on that?

15 MR. HETTRICK: I heard a number but it was off  
16 the cuff. I don't know if you have a -- I mean, I heard a  
17 number of 44,000 dairy cows. So that leaves a lot of  
18 room. That's the whole 15,000 more if we wanted to put  
19 them there.

20 So I think -- and obviously, Lott went into  
21 Lyon, so -- I don't -- or, is it Lyon? I think it is Lyon  
22 or -- yeah, I think it is.

23 MS. VICKREY: Lyon.

24 MR. HETTRICK: Lyon.

25 So -- so that leaves some room, yeah, in

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1 Churchill. So I think, you know, we are going to see  
2 another 14, 15,000 cows in Churchill before we see  
3 significant movement outside.

4 MR. COOK: Now, the plant is taking two million  
5 pounds a day or --

6 MR. HETRICK: Their capacity is two million,  
7 give or take a little bit a day, yes. And they're  
8 shipping milk in now from somewhere else. They're running  
9 it near capacity.

10 MR. COOK: So roughly half of it's being  
11 provided by local cows?

12 MR. HETRICK: Correct.

13 MR. COOK: The other half coming from over the  
14 mountains or --

15 MR. HETRICK: Either Idaho or California or  
16 both.

17 MS. VICKREY: Mostly California.

18 MR. COOK: That's an interesting --

19 MR. HETRICK: Yeah.

20 MR. COOK: Hundred and eighty degrees --

21 MR. HETRICK: Yeah.

22 MR. COOK: -- from where it was a few years  
23 ago.

24 MR. HETRICK: Yeah. So California's got to  
25 love us right now. They -- they --

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1           MR. CROWTHER: How far can they bring it and  
2 still be cost effective, I guess? Do we know?

3           MR. HETTRICK: The straight-up answer is no. I  
4 think they want to run the plant at capacity and satisfy  
5 their Chinese customers, so I don't know whether they're  
6 actually making money on that milk coming out of  
7 California or not.

8           But I think they want to run it at capacity and  
9 satisfy their customers either way. And they have enough  
10 DFA members in California that they're probably happy  
11 enough to support them. They supported building the plant  
12 and helped finance a part of it. So I think they're  
13 willing to pay whatever they have to pay.

14          MR. COOK: Okay. I'm sorry.

15          MR. HETTRICK: No, no, I'm perfectly fine.

16          So -- so then moving on, Dairy Commission  
17 expansion opportunities. I think we've had a little  
18 discussion about this in the past. But DFA presently  
19 pulls samples every day of a lot of their products at  
20 various stages, and they're shipping those samples off to  
21 Utah, as I understand it.

22          Anna, of course, has set up our lab, our dairy  
23 lab, we're really proud of it. It's doing really nice.  
24 For those of you that haven't seen it yet, I highly  
25 encourage you to come up here and look at it.

1           The opportunity is there for us in the future  
2 to do some of this testing for DFA. They spend a lot of  
3 money just in freight shipping those samples to Utah. And  
4 then they pay for the samples as well.

5           So we could actually create a pay-for business  
6 here, it would save them money and make us money. So  
7 we're interested in -- in somewhere down the road in the  
8 near future hiring a microbiologist to actually work  
9 full-time in the lab.

10           As the number of dairies grow, Anna and her  
11 staff are going to spend more time in the field looking at  
12 dairies making sure all the environmental things that have  
13 to go on at dairies are done.

14           They're going to be able to spend less time in  
15 the lab. So we clearly want to do that. We want to hire  
16 somebody. We want to expand our capability, number two,  
17 to do for fee testing for DFA. And, you know, they're  
18 interested. We're interested. So we want to see how this  
19 blends and when it works and that kind of thing.

20           We want to add some computer equipment within  
21 the dairy lab to scan and store results. Part of that is  
22 I think federally required, and we have to be able to  
23 store some of these things anyway. It would be helpful to  
24 us and speed things up. So we would like to do some of  
25 that as a part of our short-term expansion.

1                   And then we want to go back -- I think the  
2 dairies were very appreciative of the fact that you folks  
3 passed that starling program, and then we ran into issues  
4 with wildlife and animal services and NDA being able to  
5 fund and how we were going to use the money. And it --  
6 nothing ever happened.

7                   We would like to get back to that program. Our  
8 dairymen really need that program. And we would like to  
9 do it fairly soon. We have got to get some -- some  
10 resolution from animal wildlife services to know what we  
11 are doing. Because they normally are -- I mean, they were  
12 the ones who have to do the control.

13                  But that's a January, February program  
14 primarily is when they need the most help. We need to get  
15 this done soon. So we're working on trying to get  
16 something established again with wildlife services so we  
17 can go back and get this started up again and move on with  
18 it. We had it approved once. It should be an ongoing  
19 program. We need to do it again. So we would like to  
20 work on that.

21                  Then you had some questions. And you can see  
22 where we went here. This basically becomes responses to  
23 some of the things that you guys asked at the last  
24 meeting.

25                  So how can we better utilize Moolisa. Moolisa

1 became a bit of an issue with liability and people not  
2 having -- I mean, Kathy was super, volunteered to wear the  
3 thing and liked to do it. And hotter than all get-out and  
4 kids almost knocked her down. They love it so much, they  
5 came running up to her.

6 And actually had -- people had to stand behind  
7 her to make sure she didn't get knocked over and --  
8 because you can't see out of it very well. And it became  
9 concerned with some liability issues and not appropriately  
10 on the job description that -- that the people got hired  
11 for, including Kathy.

12 So it's kind of got put on the back burner  
13 right now. We'd like to get back to using Moolisa. We  
14 think she attracts a lot of attention. We think she does  
15 us a lot of good. But as of right now we're kind of in  
16 limbo with -- with where we can use Moolisa. We are  
17 working on that to see what we can do better with -- with  
18 Moolisa.

19 And then we move on -- unless you have  
20 questions about that -- to the strategic plan. And I  
21 think there have been a lot of questions since the merger  
22 as to where are we going with the Dairy Commission.

23 And so tried to just lay it out there as plain  
24 and simple as I could where we are. And -- and, you know,  
25 I don't need to read all these things to you, but do we

1 have to have a Dairy Commission? No.

2 And the other agencies here, the other  
3 divisions, they're run by an administrator. Most of these  
4 are administrative tasks. Do we want a Dairy Commission?  
5 Yes. We -- right now we're growing in industry. We see  
6 an opportunity to promote the economic value of the dairy  
7 industry in this state.

8 We also think that it provides a great forum  
9 for the dairymen and the -- and the dairy produce -- or  
10 processors like Anderson or Model to come in and express  
11 their concerns, their thoughts, or what they would like to  
12 have done.

13 And, frankly, we like to come in -- you guys  
14 are a great sounding board. And if we are making  
15 proposals to do things we like to come in and throw them  
16 out and let you guys ask the questions first.

17 It's a lot more fun to deal with you than it is  
18 the budget office. So we would rather answer to you than  
19 the budget office. And we end up with -- with a good  
20 program that makes sense that you guys support when we go  
21 to the budget office. So that's where we are headed and  
22 what we're doing.

23 Commented on the fact that, you know, it feels  
24 like you have little control. And the real -- reality is,  
25 it's a state agency, whether we like it. It was created

1 by the state. It's a function of the state. And  
2 ultimately it's responsible to all the state rules, laws,  
3 regulations, everything we have to do. We have to follow  
4 them.

5 So we don't have control over a lot of what we  
6 do. They come in and do the personnel things, the HR  
7 things. We don't even have a full HR staff anymore. We  
8 have one person in this whole department who oversees just  
9 what we turn into HR. And HR does everything as a single  
10 agency out of Carson City.

11 We have to follow that. That's the rules they  
12 set up. They said ag's going to be in that setup and  
13 you're a part of it. Whether you like it or not, that's  
14 the way it works.

15 So -- and these are the kind of things we do on  
16 a regular basis. So you guys have the ability to talk  
17 about policies, changing regulations, approving  
18 regulations. And you have the ability to try to address  
19 concerns of the dairymen or the dairy processes.

20 But day-to-day we're stuck with the rules. The  
21 budget's the budget, whether we like it or not. That's  
22 what the legislature passed. And that's what we are going  
23 to spend one way or the other.

24 And, quite frankly, when they give us budgets,  
25 it's like this trailer we looked at or like buying the

1 cow. When they -- when we went to them and actually got  
2 approved a budget to do some things to promote dairy and  
3 raise the awareness, we also want to make sure we spend  
4 that money.

5 If we don't spend that money -- and I hate  
6 agencies where it's spend it or lose it -- but the reality  
7 is, it's spend it or lose it. And so we -- you know, we  
8 went and did what we thought we could use to best promote  
9 dairy in the state.

10 And it definitely has interest. We have people  
11 who say, can you bring it here. Can you bring it there.  
12 Please come to -- you know, bring it to this function,  
13 bring it to that function. It's creating interest. And  
14 it's raising the awareness. And that's what we are trying  
15 to do.

16 So I just ran through the trailer a little bit  
17 now. We have -- we spent our -- we -- we got a two-year  
18 approval. You guys approved it. We took it to the  
19 legislature and we got it approved for the '13-'14,  
20 '14-'15 budget.

21 We had about \$10,000 a year for promotion. And  
22 we took the 10,000 for '13-'14 and we bought the cow.  
23 And she's sitting out here in the lobby. Creates a lot of  
24 attention every day.

25 And then we now have the '14-'15 budget,

1 another 10,000, and that will buy about 95 percent of the  
2 trailer to haul the cow and do other things. And what we  
3 are -- we are proposing is to go ahead and buy that  
4 trailer and then make it kind of a joint thing for  
5 agriculture in general.

6           They -- when we went and took the cow to the --  
7 to the sesquicentennial -- or whatever -- never say it  
8 right -- in Carson City in July, we didn't have the  
9 equipment to run it. We didn't have a generator in the  
10 Dairy Commission.

11           We didn't have tables and displays and some of  
12 the things that we wanted to have to put up there. We  
13 didn't have a big enough cover to go over it and some  
14 of -- so we borrowed all of that from other parts of  
15 agriculture.

16           And agriculture looks at us the same way. You  
17 guys have a trailer. And it says ag on it and it's got  
18 pictures of dairy cows and whatever. Then we may be able  
19 to borrow that from you and use it as well. And we get  
20 multiple use out of it. Everybody benefits. And we move  
21 forward.

22           So that's kind of what we are interested in  
23 doing right now. We are trying to finalize that. We got  
24 to come up with a little more budget to get it done. We  
25 found a trailer that's awesome that works perfectly for us

1 with the electrical in it and a whole bunch of stuff built  
2 in.

3 And I priced that trailer in Georgia and it  
4 came out \$14,000. I priced it in California and they  
5 wanted \$32,000 for the same trailer. The Georgia one has  
6 \$3,000 of freight on it, however, and we don't have that  
7 in our budget.

8 So we're trying to find a way to get that  
9 trailer here first for less than \$3,000. And second, from  
10 somebody else who will share in the value to pay the  
11 freight to get it here because we don't have it in our  
12 budget. We can't come up with that money.

13 But we have got the ability right now we think  
14 to buy the trailer and get it to here and skim it and  
15 start -- start using it to promote ag and dairy in Nevada.

16 MR. COOK: Where does the money for the Tulare  
17 Ag Expo come out of? The same budget or --

18 MR. HETTRICK: We have that budgeted  
19 specifically for the ag --

20 MR. COOK: It's a separate line item?

21 MR. HETTRICK: Yes.

22 MR. COOK: The trailer and --

23 MR. HETTRICK: Yes. The trailer -- we have a  
24 promotion budget. We're having to push on admin a little  
25 bit on the promotion side to say a trailer promotion.

1 That's why it will have to be skimmed and it'll have to be  
2 about dairy and the Dairy Commission, whatever on the  
3 sides of it, so we're advertising it and promoting ag, and  
4 then it becomes promotion. And we can do that.

5 The other part of it is you literally would  
6 be -- when we went to the sesquicentennial event in Carson  
7 we actually -- I actually loaned the state my horse  
8 trailer, and we hauled everything down there in my horse  
9 trailer.

10 Seemed somewhat fitting to unload the cow out  
11 of a horse trailer, but the trailer we're looking at is  
12 really pretty and would be skimmed and look nice. And it  
13 has places to put inside TV screens and put out brochures,  
14 and it has cabinets and things -- to put things away and  
15 make it look nice. I mean, we had a horse trailer, and,  
16 you know, that was it.

17 So we see this as an opportunity to -- that's  
18 promotion as well -- to get people to come to your trailer  
19 or to see it from across the way and go, oh, Department of  
20 Agriculture. And they understand what's going on. And,  
21 you know, we're promoting dairy. So that's how we are  
22 pushing to get it done.

23 MR. COOK: Two questions come to mind. The  
24 comment in your paragraph about Moolisa about the dairy  
25 council and their fears of competition from us.

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1 MR. HETTRICK: Yes.

2 MR. COOK: Seems to me like that might be a  
3 good place for some cooperation. Might be beneficial  
4 if --

5 MR. HETTRICK: We'd love to do that, if we  
6 could. We've tried multiple times to extend --

7 MR. COLLIER: Who is the dairy council?

8 MR. HETTRICK: It's actually what -- it's  
9 called the Utah/Nevada Dairy Council. It's all the  
10 dairymen in Utah and Nevada. They all have what's called  
11 check-off. They automatically have to contribute, what,  
12 ten cents a hundred?

13 MS. VICKREY: Some -- yeah, around there.

14 MR. HETTRICK: Somewhere near that? Ten cents  
15 per hundred weight of milk. The -- that's mandatory.  
16 They have to do that. That's to promote the sale of milk,  
17 to promote their own business.

18 That goes to the Utah/Nevada Dairy Council in  
19 our state. And the two states combine to work together to  
20 promote milk. We don't get any of that money. We don't  
21 get any -- they do their own thing. They have their own  
22 idea of how to promote, and so on.

23 They were at the fair in Carson, as were we.  
24 They have borrowed a trailer or rented a trailer, I don't  
25 know, from Model Dairy. They had milk they were giving

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1 away. Basically that was what they did.

2 We were handing out lots of brochures and had  
3 our cow there. And it's almost like competition. They  
4 feel like somehow we --

5 MR. COOK: Who is -- who is the executive  
6 director of it?

7 MR. HETTRICK: Her name is Libby Lovig. And  
8 you have the --

9 MR. COOK: Located out of?

10 MR. COLLIER: Reno.

11 MR. HETTRICK: Reno, Sparks. Right here.

12 MR. COOK: Here in Reno?

13 MR. HETTRICK: Yeah, right here.

14 MR. COOK: Even though Utah is a larger --

15 MR. HETTRICK: She is a function of them. Utah  
16 is bigger than we are, but she is a part of them and she's  
17 the local representative for --

18 MR. COOK: Okay. So she's not the overall --

19 MR. HETTRICK: No.

20 MR. COOK: -- for the Utah --

21 MR. HETTRICK: No.

22 MR. COLLIER: Do they have a separate council  
23 in Utah?

24 MR. HETTRICK: They have a separate group that  
25 does the work in Utah but they're theoretically --

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1 MR. COLLIER: Is there an overriding body?

2 MR. HETTRICK: The -- whatever their board is  
3 for the Utah/Nevada dairymen, yes.

4 MR. COLLIER: So there's actually three  
5 organizations?

6 MR. HETTRICK: Yeah, more or less. I mean,  
7 it's one organization with two branches within, yes.

8 MR. COLLIER: And they have executive directors  
9 for each of the branches?

10 MR. HETTRICK: I understand it --

11 MS. VICKREY: That's my understanding.

12 MR. COLLIER: Okay.

13 MR. HETTRICK: And --

14 MR. COOK: Well --

15 MR. HETTRICK: -- Libby feels -- I mean, I  
16 understand a little bit of it. I mean, Libby feels like  
17 we're kind of infringing on her stuff, that she's supposed  
18 to promote dairy.

19 We feel like there's plenty of room to promote  
20 dairy regardless. But we also -- I think we approach it  
21 differently. We're not trying to sell milk. We're trying  
22 to promote the value, the economic value, of the dairy  
23 industry in Nevada.

24 And to make sure that people don't go, well,  
25 but dairies smell or they make flies, or, you know,

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1     whatever.  And we're unhappy with them.  We want them to  
2     recognize the positive aspects of the dairy industry.

3             They're more focused on selling milk.  And,  
4     frankly, right now virtually none of the milk -- I mean,  
5     Model Dairy's the only milk in Nevada that's actually sold  
6     for retail fluid milk sales for somebody to drink.  For  
7     them to promote milk they're really promoting California  
8     milk sales.

9             MR. COLLIER:  Well, they're promoting -- they  
10    would be promoting milk sales for all of the licensees.

11            MR. HETTRICK:  They do.  But the milk sales are  
12    for fluid milk consumption to drink milk.  Our guys are  
13    all shipping their milk for powder.  And it's going to  
14    China.  So it's --

15            MR. CROWTHER:  Lynn?

16            MR. HETTRICK:  Yes.

17            MR. CROWTHER:  Lynn?  I'm sorry.  So to the  
18    other comment, I mean, retailers are licensees, aren't  
19    they?  And distributors and -- they're licensees.

20            MR. HETTRICK:  Sure.

21            MR. CROWTHER:  Aren't they benefiting from  
22    these efforts?

23            MR. HETTRICK:  Well, I'm sure they'll be happy  
24    to accept whatever advertising promotes the sale of milk,  
25    yes, on a continuing basis.

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1 I guess I look more at the -- at the actual  
2 dairy producers. They're the one who pay the fee. And it  
3 seems to me that the dairy producers ought to get the  
4 benefit because they're paying the ten cents per hundred.

5 And the retailers are benefiting from the fluid  
6 milk sales. But right now I don't think the dairymen are.  
7 I mean, to -- only to a small extent because --

8 MR. COOK: Because they're paying that  
9 check-off on every hundred weight they sell.

10 MR. HETTRICK: That's right.

11 MR. COOK: But most of it's going now from  
12 Fallon. I mean, most of it's going into powder plant.

13 MR. HETTRICK: Correct.

14 MR. COOK: So, as you say, the -- the check-off  
15 is going to promote sales of -- or purchases of fluid milk  
16 which is largely being supplied by California dairymen.

17 MR. HETTRICK: Exactly. So -- and that's --  
18 that's kind of the --

19 MR. CROWTHER: Well, hang -- hang on. That's  
20 northern Nevada. Not southern Nevada. Southern Nevada is  
21 selling Utah milk.

22 MR. HETTRICK: Selling -- yes, they sell some  
23 Utah milk through Anderson. And they sell some -- our  
24 Nevada milk that is produced down there is actually going  
25 to, what, Rockview Farms and being sold in California.

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1           So -- and we're not -- they're paying the  
2 check-off, too, but they're not getting promotion in  
3 California for it. They're paying the check-off in  
4 Nevada. So it should be getting spent in Nevada.  
5 Benefits -- it does benefit Anderson and Meadow Gold, both  
6 of whom produce milk and distribute it in southern Nevada,  
7 yes.

8           And we're not -- we're not arguing with them,  
9 Troy. So, I mean, the point is simply that, you know, I'm  
10 not sure we're getting a hundred percent of the value for  
11 the money we're spending, but we get it, that we want to  
12 promote fluid milk no matter what.

13           But we would like to work with them. We're not  
14 in competition with them is our point. We're not trying  
15 to do anything to change what they do or -- we -- but we  
16 simply can't seem to get a working relationship started  
17 because somehow they feel that we threaten what they do.  
18 And we don't --

19           MR. CROWTHER: I don't understand how we  
20 threaten them, but --

21           MR. HETTRICK: I don't, either.

22           MR. COOK: Yeah, because we have a little  
23 different orientation. We are trying to promote economic  
24 growth and industry growth --

25           MR. HETTRICK: Yes.

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1           MR. COOK:  -- and not so much, you know,  
2 getting little kids to buy their little half pint of milk  
3 and --

4           MR. COLLIER:  When was the last time you --

5           MR. CROWTHER:  I thought our -- our goal was  
6 really for both, not just -- but, I mean, one leads to the  
7 other.  Getting more milk sold in stores, and more milk  
8 leads to a more healthy dairy industry, environment.  
9 Doesn't that --

10          MR. HETTRICK:  Yes.

11          MR. CROWTHER:  Don't they go hand-in-hand?

12          MR. HETTRICK:  Totally.  And we agree with you.  
13 Again, we're not saying they don't.  What we're saying is  
14 we can't seem to get the two organizations blended  
15 together to promote milk, wherever it is sold.

16                 They seem to feel that we're in competition  
17 with them.  We don't feel like they're in competition with  
18 us in any way.  We -- we -- they're promoting dairy.  And  
19 that's what we want to do.

20                 But whenever we appear they -- I mean, this has  
21 come back to us multiple ways.  This is not some  
22 perception we have in our own mind.  This has come back to  
23 us that they have literally gone to people and said we  
24 don't want you to have the Dairy Commission there.  They  
25 shouldn't be here.  That's our job.

1                   And we don't think that's the way it should be.  
2   We are -- we are promoting the industry.  They are  
3   promoting milk sales in general.  And we should be there  
4   together.  But that's --

5                   MR. CROWTHER:  When you -- I'm sorry, Lynn.  
6   When you made that comment though, that they promote their  
7   sales and we promoted the industry, I -- how can we as a  
8   dairy commission separate the two?  I understand how they  
9   are, but how can we as a dairy commission separate the  
10  two?

11                  MR. HETTRICK:  I -- I don't think we are trying  
12  to, Troy.  I'm just trying to point out --

13                  MR. CROWTHER:  Okay.  I've heard you say that a  
14  couple of times.

15                  MR. HETTRICK:  Well, I understand.  I mean, we  
16  feel like we are trying to promote all of it.  But they  
17  feel like the part that we do competes with them.  So we  
18  don't feel like what -- what they do competes with us, but  
19  they feel the opposite on -- on the part that we do.  For  
20  whatever reason.  I don't know.

21                  So, again, we would love to work with them.  We  
22  would like to work together to do some of this stuff.  We  
23  think we could do a lot more and do it better, but thus  
24  far we've not been able to establish that link.

25                  MR. COLLIER:  When was the last time you tried

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1 to get together with them?

2 MR. HETTRICK: Jim had a meeting -- did you go  
3 to that meeting? Jim had a meeting with Libby probably  
4 six months ago now was the last time we actually had a  
5 sit-down where we tried to communicate with them and sit  
6 down and say how can we work together.

7 And, I mean, lot of -- I don't want to be -- I  
8 want to be careful what we say on the record because I'm  
9 not trying to make any waves for the Utah/Nevada Dairy  
10 Council.

11 MR. COLLIER: So there has been -- there has  
12 been some attempt from the Dairy Commission --

13 MR. HETTRICK: Multiple attempts.

14 MR. COLLIER: -- and the Department of  
15 Agriculture --

16 MR. HETTRICK: Also.

17 MR. COLLIER: -- to interface with them?

18 MR. HETTRICK: Yes.

19 MR. COLLIER: That's -- that's what I'm getting  
20 at.

21 MR. HETTRICK: Yes, there have been multiple  
22 attempts.

23 MR. COLLIER: To communicate to them.

24 MR. HETTRICK: Yes.

25 MR. COLLIER: Okay.

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1 MR. COOK: Okay.

2 MR. HETTRICK: So, anyway.

3 MR. COOK: Proceed, please.

4 MR. HETTRICK: So, the -- pretty well covers  
5 everything that I have in the strategic plan part of the  
6 meeting.

7 So unless there are more questions about that,  
8 we're onto number seven, Mr. Chairman?

9 MR. COOK: One of the things I wanted to ask in  
10 conjunction with the strategic plan and the marketing  
11 plan, several years ago I know there had been some  
12 efforts, cooperative efforts, between the commission and  
13 the school of agriculture up at the university about  
14 trying to define what the limits were of where we could  
15 expand to given the water resources and the land and  
16 the -- and all of the governmental land that we were  
17 dealing with in this state.

18 Has that ever gone anywhere? Have we ever been  
19 able to bring that to fruition and -- you know --

20 MR. HETTRICK: I'm not aware of anything that's  
21 come out of it.

22 But maybe you know?

23 MS. VICKREY: No, I don't.

24 MR. COOK: It would seem to me that that would  
25 be a good use of our resources is to sit down and figure

1 out exactly how far can we expand the industry in this  
2 state.

3 You know, because we can go out and throw all  
4 kinds of money against the wall and do all sort of  
5 promotional efforts to try to attract people. If they get  
6 here and they find they can't get the water, what's the  
7 point, you know? Or they find that they can't find enough  
8 land in the areas they want to be in --

9 MR. HETTRICK: There was actually a study done,  
10 not directly what you're talking about, Mr. Chairman, but  
11 a study done -- is it, Mr. Davidson? Is it Davidson? The  
12 guy who is the feed expert at UNR extension service.

13 He went out and actually did a study when the  
14 expansion began. When DFA first came in there were a lot  
15 of questions, basically what you said, well, can there --  
16 is there enough hay to actually support all these cows.  
17 Can we actually do all of this? Is there enough land and  
18 all.

19 And he came back. And I was at a conference  
20 that he did, an extension -- the extensions -- cooperative  
21 extension service did a presentation and I went to that.  
22 And he got up and did a presentation on the available hay.

23 There's more than enough hay, more than enough  
24 water, more than enough land. He came back and said you  
25 can feed all the dairy cows you can bring here and water

1 them and do everything. And you will still ship several  
2 hundred thousand pounds -- or tons a year of alfalfa hay  
3 to China.

4 And China's over here looking to develop 17,000  
5 acres that I know of right now into alfalfa hay of their  
6 own and grow their own alfalfa and ship it to China.

7 I don't think the limitations are there. The  
8 limitations will come at the county level where a county  
9 says 44,000 dairy cows is all we can stand between  
10 environmental concerns and the water usage and -- and all  
11 the rest of the things that we care about, we feel 44,000  
12 is the limit.

13 And when that is reached they're going to move  
14 to the next county if there is expansion opportunity. And  
15 they're going to establish some limit, assuming there is  
16 one, within their county for the number of cows that are  
17 left.

18 I don't think the limit will be is there land,  
19 water, or feed. The limit's going to be environmentally  
20 we have had all we can tolerate in this area. And we are  
21 going to have to move to the next.

22 MR. COOK: Okay.

23 MR. HETTRICK: That's -- that's the limit I see  
24 is environmental. And I think that would hold true for --  
25 for Ponderosa as well. It became environmental concerns

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1 because they're big enough that the environment became a  
2 limiting factor more than can you grow enough feed or is  
3 there enough water or any of those things.

4 MR. COOK: Okay. All right.

5 MR. HETTRICK: All right?

6 MR. COOK: Thank you.

7 Let's proceed.

8 MR. HETTRICK: Consideration of other matters  
9 relating to the dairy industry.

10 MR. COOK: Do we have anything you want to  
11 throw on the table?

12 MR. CROWTHER: Not here.

13 MR. HETTRICK: Number eight, public comment and  
14 discussion.

15 MR. COOK: Okay. No public to comment.

16 MR. HETTRICK: Okay.

17 MR. CROWTHER: We have public but no comment.

18 MR. COOK: Okay. Well, is there anything --

19 MR. HETTRICK: Would you like to put your  
20 public person on the record just so we know that they have  
21 attended the meeting?

22 MR. MARTIN: Ron Martin from Anderson Dairy.

23 MR. HETTRICK: All right. We're glad to have  
24 you here.

25 MR. MARTIN: Well, thank you.

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1 MR. COOK: Give our best to Dave.

2 MR. MARTIN: He's out at the ranch playing a  
3 farmer right now.

4 MR. COOK: Good for him.

5 MR. CROWTHER: They had -- I'm sure you have  
6 seen the news, they had some pretty major flooding out  
7 there.

8 MR. HETTRICK: Yes. Yeah.

9 MR. COOK: And what's your weather like now? I  
10 understand you're going to get hit again.

11 MR. CROWTHER: That's the rumor.

12 MR. COOK: But not yet?

13 MR. CROWTHER: Not when I walked in. It was  
14 bright and sunny when I walked in here.

15 MR. COOK: Well, let's hope it stays that way.

16 Okay. Is there anything else the staff would  
17 like to add? Comments? Observations? Thoughts?

18 All right. Being none, we will adjourn this  
19 September meeting. Thank you.

20 MR. HETTRICK: Thank you.

21 MS. VICKREY: Thank you.

22 (Exhibit 1 marked.)

23

24 (9:51 a.m. proceedings concluded.)

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BOARD SIGNATURE PAGE

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CHRISTOPHER COOK, CHAIRMAN

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TROY CROWTHER, COMMISSION MEMBER

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JOHN COLLIER, COMMISSION MEMBER

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1 STATE OF NEVADA, )  
 ) SS.  
2 COUNTY OF WASHOE. )

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5 I, Karen Bryson, a Certified Court Reporter  
6 and notary public in and for the County of Washoe, State  
7 of Nevada, do hereby certify:

8 That on September 17, 2014, I reported the  
9 proceedings matter entitled herein;

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

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Karen Bryson, CCR #120

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