

Meeting - 11/19/2014
Nevada State Dairy Commission

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PUBLIC MEETING OF THE
NEVADA DAIRY COMMISSION
TRANSCRIPT OF PROCEEDINGS

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Wednesday, November 19, 2014

Sparks, Nevada

REPORTED BY: MICHELLE BLAZER
CCR #469 (NV) - CSR #3361 (CA)

Meeting - 11/19/2014
Nevada State Dairy Commission

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APPEARANCES

COMMISSION MEMBERS

Christopher Cook - Chairman

John Collier - Commissioner

Troy G. Crowther - Commissioner (Via Videoconference)

Lynn Hettrick - Deputy Director, Department of Agriculture

Kathy Easley - AA3

Dennis Belcourt - Deputy Attorney General

Damon Hernandez - (Via Videoconference)

Kimberly Hernandez - (Via Videoconference)

Jack Spencer, USDA

Melissa Hartig, USDA

Flint Wright, NDA

Neil Olsen, Hillside Dairy

David Perazzo, Perazzo Brothers Dairy

Rob Sorensen, Cottonwood Dairies I and II

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Meeting - 11/19/2014
Nevada State Dairy Commission

1 Sparks, Nevada, Thursday, November 19, 2014

2 9:01 o'clock, p.m.

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4 CHAIRMAN COOK: Okay. It's time for us to
5 convene the November meeting of the Nevada State Dairy
6 Commission.

7 Mr. Hettrick, would you conduct the formalities,
8 please.

9 MR. HETTRICK: Yes, sir. Mr. Chairman, this is
10 the time and place set for the regularly scheduled
11 meeting of the Nevada State Dairy Commission for the
12 month of November 2014.

13 This meeting has been scheduled and noticed in
14 compliance with the pertinent statutes including the open
15 meeting law.

16 A copy of the agenda has been handed to the
17 court reporter with a request that it be part of the
18 official transcript of these proceedings.

19 My name is Lynn Hettrick, Deputy Director of
20 Department of Agriculture. Present today is Mr.
21 Christopher Cook, Chairman of the commission, Mr. Troy
22 Crowther in Southern Nevada, a member of the commission,
23 and Mr. John Collier up here, member of the commission.

24 Those to present statements or evidence to the
25 commission during this meet are requested to first be

Meeting - 11/19/2014
Nevada State Dairy Commission

1 acknowledged by the chairman and to identify themselves
2 for the record.

3 CHAIRMAN COOK: Thank you. Would you proceed to
4 the first agenda item?

5 MR. HETTRICK: First agenda item, Mr. Chairman,
6 is public comment and discussion.

7 CHAIRMAN COOK: Anybody have any comments to
8 offer up at this point in time?

9 Seeing none, let's move on to the next one.

10 MR. HETTRICK: All right. Item number two for
11 possible action is a license application for a
12 peddler-distributor license, and the request is from Food
13 Services of America out of Scottsdale, Arizona. The
14 applicant seeks to license and distribute a full line of
15 dairy products in the Northern Nevada marketing area.
16 The applicant's prices and costs have been reviewed by
17 members of the Dairy Commission and compliance with the
18 agency's laws and regulations, and the applicant will be
19 responsible for the assessments.

20 CHAIRMAN COOK: Do we have anybody here
21 representing this applicant? Okay. Is there anything
22 that the staff would care to add to this?

23 MS. EASLY: The woman called me, I can't
24 remember her name at the moment, and said that someone
25 had asked her where they were getting their milk from and

Meeting - 11/19/2014
Nevada State Dairy Commission

1 she's told me they are coming -- they are getting their
2 milk from Darigold and from Auburn Dairies in Auburn,
3 Washington. She wanted to make sure everybody knew that.

4 CHAIRMAN COOK: And they are a Scottsdale-based
5 company importing milk from Washington to Nevada.

6 MR. HETTRICK: So it sounds like they are in the
7 northern market. So rather than ship from Arizona, they
8 have bought milk in Washington State and are going to
9 ship it into Northern Nevada from there.

10 CHAIRMAN COOK: Are they new to the area? Food
11 Services of America is not a familiar sounding name.

12 MR. HETTRICK: I don't know the name.

13 MS. EASLY: I think they are new, yeah.

14 MR. COLLIER: What brand are they marketing
15 here?

16 MR. HETTRICK: The packet's in here. I can
17 look. Get this out of the way.

18 Brand label, various. Columbia Valley Farms,
19 Darigold. Looks like those two are the -- are the major
20 ones. Columbia Valley Farms and Darigold. They do have
21 Chef's Choice and some Blue Bunny. Blue Bunny ice cream.

22 CHAIRMAN COOK: Do you have any idea who their
23 customers are? Who they are distributing to?

24 MR. HETTRICK: No. No.

25 CHAIRMAN COOK: Well --

Meeting - 11/19/2014
Nevada State Dairy Commission

1 MR. HETTRICK: No idea.

2 CHAIRMAN COOK: They must feel there is a
3 potential --

4 MR. HETTRICK: A market, yeah.

5 CHAIRMAN COOK: -- to distribute in this area.

6 Do you have any questions, John?

7 MR. COLLIER: I have none.

8 CHAIRMAN COOK: Troy, any questions?

9 MR. CROWTHER: No questions.

10 CHAIRMAN COOK: Okay. Anymore questions or
11 comments from the staff? Questions or comments from any
12 members of the audience? Seeing none, I will entertain a
13 motion.

14 MR. COLLIER: Mr. Chairman, I move that we
15 accept the application for a peddler-distributor license
16 from Food Services of America, headquartered in
17 Scottsdale, Arizona, to distribute a full line of dairy
18 products in the Northern Nevada marketing area.

19 MR. CROWTHER: Second.

20 CHAIRMAN COOK: Okay, having a motion and a
21 second and no dissenting votes, the motion carries and
22 the license is granted.

23 MR. HETTRICK: All right. Mr. Chairman, next we
24 have a item number three for possible action, license
25 amendment for a processing-distributor. It's Darigold,

Meeting - 11/19/2014
Nevada State Dairy Commission

1 Inc., out of Boise, Idaho. The applicant seeks a license
2 amendment to add mixes and the Southern Nevada marketing
3 area to their current license. The prices and costs have
4 been reviewed by members of the Dairy Commission staff
5 and they are in compliance with the agency's laws and
6 regulations. And the applicant is responsible for the
7 assessments.

8 CHAIRMAN COOK: Okay. Then I am assuming we
9 have nobody representing this applicant present?

10 MR. HETTRICK: No, we don't have anybody on the
11 license today.

12 CHAIRMAN COOK: So they want to add mixes to the
13 existing license?

14 MR. HETTRICK: Correct.

15 CHAIRMAN COOK: And then they want to add the
16 Southern Nevada marketing area to their current license?

17 MR. HETTRICK: As well, yes.

18 CHAIRMAN COOK: All right. Questions, John?

19 MR. COLLIER: I have none.

20 CHAIRMAN COOK: Questions, Troy?

21 MR. CROWTHER: Just does this mean they are
22 already licensed for Northern Nevada area?

23 MR. HETTRICK: Correct.

24 MR. CROWTHER: Okay. No, I have no further
25 questions.

Meeting - 11/19/2014
Nevada State Dairy Commission

1 MR. HETTRICK: Thank you.

2 CHAIRMAN COOK: Thank you. Questions or
3 comments from the staff? Questions or comments from the
4 members of the audience? Seeing none, I will entertain a
5 motion.

6 MR. CROWTHER: Mr. Chairman, I will make a
7 motion to approve the processing-distributor license
8 application by Darigold, Inc., Boise, Idaho, to add --
9 the amendment to add mixes and the Southern Nevada
10 marketing area to the current license.

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

12 CHAIRMAN COOK: Okay. Having a motion and a
13 second and no dissenting votes, the motion carries and
14 the license is granted.

15 MR. HETTRICK: Next on the agenda, Mr. Chairman,
16 is a retail store importing from out of state. This is a
17 request by El Super of Paramount, California. The
18 applicant seeks a license amendment. They are already
19 licensed in the State of Nevada. They wish to add fluid
20 milk, fluid cream and cottage cheese to the Southern
21 Nevada marketing area. Their prices and costs have been
22 reviewed by the staff and they are in compliance with the
23 laws and regulations.

24 The applicant will be responsible for the
25 assessments.

Meeting - 11/19/2014
Nevada State Dairy Commission

1 CHAIRMAN COOK: Anybody representing this
2 applicant? They are amending license to add fluid milk,
3 cream, and cottage cheese. What were they doing under
4 the previous license?

5 MR. HETTRICK: The list, I see a list here of
6 their entire product line and they were handling yogurt
7 and Go-Gurt, Danimals, Activia. Looks like they are big
8 in yogurt and they are adding fluid milk to supply some
9 of the people they sell to at this time.

10 MS. EASLY: They were only licensed for yogurts.

11 CHAIRMAN COOK: Yogurts. And I am assuming this
12 sounds like it is a Hispanic market.

13 MR. HETTRICK: Yes.

14 CHAIRMAN COOK: So are -- are they bringing the
15 product in from --

16 MR. HETTRICK: Paramount, California.
17 Whether -- I don't know if it's imported to there or not.
18 These names are all like Yoplait, Danimals, Activia.
19 These are local, more brands, you know, created in the
20 United States, to my knowledge. Yoplait is French or
21 whatever.

22 CHAIRMAN COOK: Right, right.

23 MR. HETTRICK: But it is made here. So --

24 CHAIRMAN COOK: Okay. But I am assuming the
25 rest of the product will also be coming in from

Meeting - 11/19/2014
Nevada State Dairy Commission

1 California?

2 MR. HETTRICK: Yes. Paramount, California is
3 where they are based.

4 CHAIRMAN COOK: Okay. All right. Any other
5 questions or comments from staff? Commissioners?

6 MR. COLLIER: I have none.

7 CHAIRMAN COOK: Troy?

8 MR. CROWTHER: None. None.

9 CHAIRMAN COOK: Members of the audience,
10 questions or comments?

11 Seeing none, I will entertain a motion on this
12 applicant.

13 MR. COLLIER: Mr. Chairman, I move that we
14 accept the peddler-distributor application for El Super
15 headquartered out of Paramount, California who seeks a
16 license amendment to add fluid milk, fluid cream, cottage
17 cheese in the Southern Nevada marketing area.

18 MR. CROWTHER: Second.

19 CHAIRMAN COOK: Okay. Having a motion and a
20 second and no dissenting votes, this applicant request is
21 granted.

22 MR. HETTRICK: Next, Mr. Chairman, for action is
23 approval of the minutes. There are no corrections to the
24 minutes so we just need a motion to approve the minutes
25 as written. Oh, I'm sorry. You have got a -- not in my

Meeting - 11/19/2014
Nevada State Dairy Commission

1 packet.

2 MS. EASLY: I'm sorry, I forgot to give it to
3 you.

4 MR. HETTRICK: There are actually corrections.
5 Not a problem. That's not a problem. The Chairman
6 caught it and that's all that counts.

7 So we will please make the amended motion that
8 the -- we will approve the minutes as corrected.

9 CHAIRMAN COOK: Okay. Can I have a motion from
10 one of the other two commissioners, please?

11 MR. CROWTHER: Mr. Chairman, I will make the
12 motion to approve the minutes as corrected of the
13 October 22nd, 2014 Dairy Commission meeting.

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

16 CHAIRMAN COOK: Okay. Motion and a second with
17 no dissenting votes, the minutes are accepted and
18 approved.

19 MR. HETTRICK: All right. The next item on the
20 agenda, Mr. Chairman, is to approve the pest abatement
21 program that we set up for starling control. I know we
22 have some producers here today that want to be put onto
23 that list, and I don't know if you would like to go
24 through the program, you would like me to go through the
25 program the way we are going to handle it.

Meeting - 11/19/2014
Nevada State Dairy Commission

1 CHAIRMAN COOK: You are probably better equipped
2 to explain it than I am.

3 MR. HETTRICK: Okay. The way we are going to
4 work this is the Dairy Commission will pay 80/20 of your
5 bill up to \$2,000. Which means if you had a \$2,500 bill
6 you would pay \$500 of it, we will pay 2000 of it on the
7 starling control.

8 We would expect the way we will handle this is
9 you folks will contact Jack. Jack will go out. Jack
10 Spencer is with park, and one of our employees, he would
11 go out, work with you to determine what you need to be
12 done, take care of applying it, because it has to be
13 applied by a licensed applicator. You probably all know
14 this, but just for those that might not, and to deal with
15 the Starlicide.

16 And then at that point the intent now is we'll
17 get, whatever your total bill is, we will get a bill for
18 80 percent of it, we will pay it, you will get a bill for
19 the balance, the 20 percent remainder, up to \$2,500
20 total.

21 If there is money left over late in the program,
22 as of right now we have had four dairies, there are three
23 here today, and we had one at the first meeting after we
24 approved this.

25 If there is money left as the year goes on and

Meeting - 11/19/2014
Nevada State Dairy Commission

1 people want to come back, you are welcome to come back
2 and ask us for additional money. But we want to go in
3 steps so we can provide service to everybody who wants
4 service. And then if you know there is money left at the
5 end, we have approved the money for Starlicide control,
6 and if you need that control you are welcome to come back
7 and request more money.

8 We just need to have you come back so we can
9 keep track and don't overspend but what we have got
10 budgeted, because they yell at us if we do that.

11 Any questions from anybody about how we are
12 going to do that? Or --

13 MR. PERAZZO: Can we get Jack Spencer's numbers,
14 please?

15 MR. SPENCER: Oh, no, I know you boys.

16 That's why we don't do bird work, by the way,
17 because they are not wildlife. For lot of years, that's
18 why it is always at the end.

19 So we are trying to work, you know, I have been
20 pestering you guys for 20 years, both of you, and I know
21 we done the Olsen place out there, too.

22 But yeah, my number at the office is 851-4848.

23 MR. PERAZZO: 48 --

24 MR. SPENCER: 48. I'm sorry, David Perazzo.

25 MR. HETTRICK: And we should go ahead and have

Meeting - 11/19/2014
Nevada State Dairy Commission

1 each of you two identify yourselves for the record as
2 well so we know you are on the record as being here for
3 approval of the Starlicide abatement program.

4 MR. SORENSEN: I am Rob Sorensen, I am from
5 Cottonwood Dairies I and II.

6 MR. OLSEN: Neil Olsen from Hillside Dairy.

7 MR. HETTRICK: Just wanted to get that on the
8 record.

9 MR. SPENCER: I got a question for you real
10 quick.

11 MR. OLSEN: Also representing Laca's Vaca's and
12 Sage Hill as well, too.

13 MR. HETTRICK: We need to get those names
14 written down so -- and we will mark those on our list.
15 That's what Kathy is doing now. And we will do both the
16 Cottonside -- or Cottonwood.

17 MS. EASLY: Laca's Vaca's and --

18 MR. OLSEN: Sage Hill.

19 MS. EASLY: -- sage Hill.

20 MR. SPENCER: Your place three years ago you had
21 about 40,000 birds.

22 MR. OLSEN: At least.

23 MR. SPENCER: At least your milk production --
24 this is one of the neat things, that's why I have been
25 pushing for this. I am not -- I am -- I just want to

1 solve problems.

2 MR. HETTRICK: Yeah.

3 MR. SPENCER: But if I remember right, when we
4 go through pounds to those cows, it was pretty
5 significant before, during and after, and the success of
6 the project. And I know we don't do enough of these.

7 MR. OLSEN: None of the feed that's leaving,
8 people don't realize, and they only take the best feed,
9 it's the most expensive feed is what they eat and then
10 they contaminate.

11 We -- we have our calves on three different
12 salmonella vaccines just because of the birds. I mean,
13 it is a, a major disease control plus cost benefit just
14 keeping them out of the feed and keeping their numbers
15 down.

16 They, they come in such swarms, you just -- it
17 looks like the whole sky is rolling in front of you.
18 There is a huge, a huge benefit.

19 MR. SPENCER: Why I said about that one,
20 something to keep in mind, because when you start doing
21 these you get very popular very fast, you know, and we
22 are directed to do other things. And you got a little
23 bit of money here doing this, that's why I have been
24 saying you guys need a person, because back in the day
25 when I got in here we'd go hit these places twice a year.

Meeting - 11/19/2014
Nevada State Dairy Commission

1 We'd come in there, and we are already in November, I
2 mean, I don't see anything happening for another month
3 easily, but we'd hit these in the fall and it's
4 imperative to hit them in the fall and come back in
5 there, hit them in January and February, and we can
6 reduce them down there.

7 But when you start taking these birds that eat,
8 you know, up to four ounces a day, and 50,000 birds --

9 MR. HETTRICK: Yeah, thousands of birds.

10 MR. SPENCER: Then when we got done.

11 MR. OLSEN: That's 50,000. That's way
12 underestimate, I'd say a couple hundred thousand.

13 MR. SPENCER: Not, again, the details, but again
14 there is another component of this that I want to throw
15 out there is we start doing this, there's been numerous
16 articles in the Fallon paper as you well know about birds
17 falling out of the skies. When you let that population
18 of birds get that high and then you decide to remove
19 50,000, you have to have people available.

20 I mean, sometimes we have to have up to a dozen
21 people picking up birds through these cities because they
22 go 15, 20 miles out and a lot of them, for some reason in
23 Fallon, they love to be in some of those places.

24 So I know when we did your places we found them
25 at the -- at an army facility, I won't mention which one,

1 but an army facility, you know, quite a number.

2 So -- and when you let it go this long, you
3 know, it's kind of a trigger mechanism that we are going
4 to have a lot of press over that. So that's why birds
5 have always been on the back. One, because they are not
6 wildlife and we are directed to do wildlife non-native
7 invasive species, but we are trying to work with you
8 guys, trying to get some of this stuff done. Because I
9 know they are suffering.

10 And it is not just these, there's been lots and
11 lots and lots of dairies.

12 MR. HETTRICK: Yeah. I expect we will see more
13 of the dairies come in. As they have the opportunity
14 coming in, they realize the program's out there and
15 they -- and also as they start seeing the birds.

16 MR. SPENCER: Well, and so that it works. You
17 know, that's the thing. Some of the years in the past
18 they just come in, and we might get you, it's too late.
19 You know, this year there is no snow, so we still have
20 migratory birds in there. But it takes a little bit more
21 to, you know, basically --

22 MR. OLSEN: It was very effective when we did
23 it, it was really effective. That was a huge help.

24 MR. SPENCER: Yeah. When I did that one, I
25 think when we did that one we came back and it was -- and

Meeting - 11/19/2014
Nevada State Dairy Commission

1 I remember it was over 40,000, but we'd come back like
2 two days later, there was like 200 birds.

3 MR. HETTRICK: Yeah, huge difference.

4 MR. SPENCER: So again, when we say success, you
5 know, I would say if we usually get 80 percent or more of
6 the birds we have had, you know, that might be something
7 that might be defined in here, what is success? Because
8 they come back the next day, say geez, there is another
9 bird, I don't have to pay. You should do something.

10 But I -- I have done enough of these that I can
11 tell you this, that this one's got, or that will come
12 back and do some --

13 CHAIRMAN COOK: I have a couple questions for
14 you. What is the time from when they ingest the
15 Starlicide until they drop dead?

16 MR. SPENCER: It's a -- the chemical makeup is a
17 P2 dihydrochloride chemical. It comes in -- basically,
18 the birds die of renal failure. It can be one to
19 three days. But predominantly, as you have well seen,
20 the next day. It's usually mixed right.

21 Bait acceptance is the big one. If a producer
22 does not bait these birds, they just -- it is hard for me
23 to get it through. It's like you need to put 500 pounds
24 of your best feed out there a day. That's right. And
25 you need to do it for seven days. And if you don't do it

1 for seven days, don't expect success. And that's where a
2 lot of people have that.

3 But if they take that bait acceptance and they
4 eat the best stuff, then when they come out there you can
5 pour it out, before daylight, we get out there, pour it
6 out. And then they will be out there flying around all
7 day. But once they go to roost that's when they die of
8 renal failure.

9 But now one of the big things is, what I am
10 telling a lot of these folks, is I did another project
11 where it was literally every bird was gone, is these hog
12 pellets. And again, I'd have to get with Dave Sticks,
13 Jr., and he is buying these pellets. It's better bait
14 acceptance. But I don't know the cost within those.

15 But it works terrific.

16 MR. COLLIER: What do you mean by a hog pellet?
17 Is that a hog feed?

18 MR. SPENCER: That, I am not sure, but it looks
19 just like a -- it's got a waxy layer of a fatty material
20 over this pellet. It's a really -- it's really high in
21 protein food. They sell them in 50-pound sacks. Easier
22 to handle, bait acceptance, and you don't have to go
23 seven days of your best feed.

24 MR. COLLIER: Is that feed compatible with what
25 a dairyman is feeding?

Meeting - 11/19/2014
Nevada State Dairy Commission

1 MR. SPENCER: I don't think so. But it doesn't
2 matter. Because the bird tells you what they are going
3 to eat.

4 MR. COLLIER: That's correct. That's correct.

5 MR. SPENCER: So if you put, like Neil said, if
6 you put your best feed out there they are not going to
7 eat this cottonseed in the silo stuff. They are eating
8 your highest protein.

9 MR. OLSEN: They go and they get like soybean
10 meal, corn, and the, the brewer's grain. That was the
11 things that they love. If you would kill a few of them
12 and you look and see what they are eating, that's
13 generally what they have got in them is the soy meal and
14 other stuff that's -- it's usually your most expensive
15 feed.

16 MR. SPENCER: And it's your most expensive
17 because it's usually your highest fat content.

18 CHAIRMAN COOK: Now, the other question I have
19 is the timing of this for each of the individual dairies.
20 If they all did it at the same time.

21 MR. SPENCER: Which you can't. Can't be at ten
22 places at one day.

23 CHAIRMAN COOK: I understand that, but -- but
24 if -- I mean, if you are killing one big flock of 50,000
25 here, is there another big flock of 50,000 on the other

1 side of the valley feeding on some other guy's grain and
2 are you just chasing them around?

3 MR. SPENCER: That's a good point. Because --
4 that is true. Because when we come over and did, what,
5 we did five places there? I think we did five places.
6 And that's good for a localized area.

7 But if you have -- that's why I say if we all
8 work together, if you have one here, and then you have
9 somebody down the road ten miles that says oh, they are
10 not that bad, because they are not feeding these high
11 quality grains, then, yeah, these birds can live over
12 here.

13 And they don't -- they encompass large areas,
14 but they do, sometimes they do rotate around.

15 When we did it here, and that's why I got
16 everybody on board, I said, you need to, you know, one
17 person that says hey, I am losing a pound per cow per
18 day. You know, this is important to me.

19 And then the, you know, another neighbor that
20 says no, you know, it is not important to us.

21 Sometimes you don't know what -- they realize
22 what they are losing because they don't have the
23 mechanisms to weigh that, that measured success and/or
24 failure.

25 So it is. So, for example, if you can go and do

1 your place, we can go down the road five miles and there
2 will be another place. And that is where sometimes you
3 go in, go hey, it looks great. Then a week later you got
4 birds eating.

5 MR. COLLIER: How many -- how many total dairies
6 are in the Fallon area that are affected by this problem?
7 And I am sure if it's -- not only in the Fallon area, but
8 I'm sure it would be down in the Yerington area or it
9 would be anywheres where there is a big feed lot with
10 cattle in it; am I correct on that?

11 MR. SPENCER: It is. It is. And that's the
12 thing, is what we haven't done, we are busy protecting
13 livestock from wildlife, coyotes and lions and all these
14 other things. So the -- to go and do all these other
15 areas, there is -- there's never been enough resources.

16 MR. COLLIER: So let me ask another question.
17 What is your function? I mean, this is the first time I
18 have met you, and I have no knowledge of what you do.

19 Are you an employee of the Department of
20 Agriculture?

21 MR. SPENCER: I am not. I am a -- I work on the
22 Federal side of Wildlife Services. And we do protection
23 of livestock.

24 MR. COLLIER: Are you a Federal Fish and Game
25 guy?

Meeting - 11/19/2014
Nevada State Dairy Commission

1 MR. SPENCER: Yeah, I mean, it's not Fish and
2 Game but we protect --

3 MR. COLLIER: Well, what agency do you
4 represent?

5 MR. SPENCER: USDA.

6 MR. COLLIER: USDA. All right. Okay. I am
7 just trying to find out who is who in the zoo here.

8 CHAIRMAN COOK: Wondering if we can't maybe
9 thinking of some innovative approaches.

10 Obviously, if you can hit these birds hard, all
11 of them simultaneously, you will have a much longer
12 lasting impact than, yeah, you killed this bunch here,
13 but there is another bunch over here that springs back up
14 and repopulates. And two years, three years down the
15 road you have got another problem back at the first
16 dairy. If you can hit them all hard.

17 So what about, I know it takes special training,
18 but what about running classes that could train some of
19 the dairymen to do this on their own so that we don't
20 have to have somebody out there from USDA or from the
21 Department of Agriculture? You know, I am just -- I am
22 just asking because I don't understand all of the
23 subtleties and the --

24 MR. SPENCER: One of the things is with USDA, is
25 why I come on the Federal side here to help USDA, is that

1 toxin is only labeled for wildlife services, you can't
2 give it to other folks. That's the problem we have. You
3 can't just give this to everybody.

4 So even the state guys I have, you know, if we
5 are going to do state employees, they haven't been --
6 they even have to have a license for them. They haven't
7 done birds, they have been out there protecting sheep and
8 cattle.

9 So what we do is, you know, we'd have that,
10 and -- but it is, you are absolutely right. And this is
11 what I have been preaching for 20 years. Finally we are
12 getting a little bit closer, because it takes
13 cooperation.

14 Because if you give me a list of 50 dairies, I
15 only have a short window of time to do this. You know,
16 we have these other duties and things that we need to do.

17 So it's a short period of time. But if we go to
18 Fallon, you know, we could hit several of these areas.
19 And a lot of people, just tell you the truth, they just
20 give up calling.

21 MR. COLLIER: Could you license a private
22 enterprise entity that does pest control to do this
23 particular aspect?

24 MR. SPENCER: I have never heard of that, no.
25 There is a -- you know, because it's so highly regulated,

1 it is the last one we basically have for bird control.
2 And why it is, is because they have given it, in the old
3 days, when Nixon signed a lot of this off, they allowed
4 cooperators and -- ranchers and cooperators to use these
5 chemicals. And as you imagine, more is better. So some
6 of the label was abused. And so then that's why we have
7 only kept it within the agency.

8 And this is only for -- this isn't only just for
9 starlings. This chemical, we use it in eggs to remove
10 ravens to protect sage grouse. It can be used in other
11 applications for it.

12 But yeah, it's -- they keep it pretty close,
13 and -- but again, you know, it is a state problem, you
14 know. If I have, you know we try to work with Flint and
15 these guys and say -- because it's much easier if you
16 hire somebody. They pull up, you know, like we showed up
17 at your place, you pull up with a trailer, you got your
18 mixer right there, you have got your hog pellets, we are
19 mixing this stuff up. We say this is where you go get
20 these pellets, feed them out there. And remove the
21 birds, go to the next place.

22 MR. OLSEN: Most of the dairymen are willing to
23 go and do the baiting. These things are such a problem
24 we are willing to do whatever it takes to get it done.
25 Some, some don't realize the losses that they are

1 incurring and the diseases that are passed by them. But
2 the people that are -- are really paying attention, you
3 know the damage they are doing and the -- what relief we
4 would get if we got rid of these starlings.

5 It -- I think, you know, part -- part of the --
6 the problems we have in our younger calves and stuff
7 would be cured just by getting the numbers down because
8 like the vets tell me, it's all about the challenge.

9 Disease is always there, but when the birds are
10 there, the challenge goes up by 70, 80 percent. And
11 that's what's causing all our problems.

12 CHAIRMAN COOK: I would think a circulating
13 flock of starlings is spreading disease from your place
14 to your place to your place.

15 MR. COLLIER: No question.

16 MR. SPENCER: And the consumption of it? I
17 haven't even gone there because I am not a disease
18 expert; however, I -- I am just looking at what you lose
19 on your milk production, what you lose on some of the
20 best feed.

21 And that's hard sometimes when you look at
22 producer and say I want you to put 500 pounds of your
23 best feed down these alleyways. And they say why the
24 hell would I do that?

25 I say because they are eating them in there

1 anyway. I said, at least you get them where they are not
2 crapping on your feed that the cow, you know, can
3 consume.

4 MR. COLLIER: Is -- I'm sorry.

5 MR. OLSEN: The other thing is there is diseases
6 that have been passed around. You know, I use Joe Gomes
7 as an example. His herd there has been a closed herd.
8 He's only bought cows from just a few people around the
9 valley, yet he has hoof rot in his herd. He's never had
10 that, the herd's closed.

11 And that hoof rot is passed around the valley.
12 And it's been passed around by the birds. Everybody has
13 got it at their place now. And it's come in from
14 somewhere else.

15 Because when I was a younger man, and I know
16 when he was a younger man we didn't have hoof rot in our
17 valley. We didn't have it in any of our cows. But it is
18 in your cows now.

19 And that's the kind of things that sneak in, and
20 it's major health problems that they pass around.

21 MR. SPENCER: And there's another thing about
22 these birds. You say, well, it takes them that long to
23 reproduce. These are migratory birds. So it depends
24 what dictates up in Washington, Oregon, some of these
25 other states, these birds come in. That's why we do it

1 twice a year.

2 CHAIRMAN COOK: So the starlings aren't a
3 permanent resident?

4 MR. SPENCER: Some of them are a permanent
5 fixture, but I am sure these gentleman will tell you
6 right here, the colder it gets, you get some snow and you
7 get cold weather, you know, these birds have to get
8 calories.

9 We have had some open years here, if we get
10 snow, you know, as you see, some of these cold, cold
11 years, all of a sudden we get a bunch of birds that move
12 from the south down.

13 MR. OLSEN: The perfect time we have had them
14 poisoned is when we have had snow on the ground. That
15 has been absolute annihilation of them. Snow, zero
16 degrees and snow, it works really good. But it is really
17 hard to time, how you time for it.

18 MR. SPENCER: How long did those birds stay out
19 of your place? You are kind of isolated there, and we
20 did all five, but how long, how was the residual effect?

21 MR. OLSEN: You are still, even to this day, you
22 are feeling a little bit of that. Because when you did
23 that, it was, it was awful. They never left. We had --
24 them --

25 MR. SPENCER: Year-round.

Meeting - 11/19/2014
Nevada State Dairy Commission

1 MR. OLSEN: -- year-round, they were staying.
2 And once we poisoned them then you could feel relief.
3 They left. There was a few birds coming back and forth,
4 and it's just slowly building. It slowly builds back up.
5 It's something that I don't think you will ever get
6 annihilation of, but if you could do them every year we'd
7 have pretty darned good control on the birds themselves.

8 MR. SPENCER: Just the -- just the cleanness. I
9 mean, if you just go in there, anything you touch, that's
10 got white wash on it, you know.

11 So it is -- and his is a little bit more
12 isolated so there is always birds there. You can never
13 guarantee they will be gone. But there has to be some
14 acceptable level. I can live with 500 birds, but I can't
15 live with 50,000, you know.

16 Then you go back and you look at the fecal
17 matter, 50,000 birds crapping on you all day, how much is
18 that?

19 MR. HETTRICK: Just think about that.

20 CHAIRMAN COOK: Yeah. 50,000 birds passing
21 disease amongst themselves.

22 MR. SPENCER: Again, like I said, I don't claim
23 to be any expert on the diseases because I don't know
24 what they do.

25 MR. OLSEN: We deal with the diseases, and like

1 they live fairly close to us, and I will bet you they
2 have picked up a lot of these diseases that originated at
3 our place that have moved over to theirs just by the
4 birds themselves.

5 MR. COLLIER: Is the \$2,500 that's allocated
6 here, is that enough money to do this? For an
7 application for a producer?

8 MR. SPENCER: Let me do one thing here, because
9 like I said, I kind of got thrown into this. But I just
10 used your place for -- as an example. To use two pounds
11 of material it's 1339, is \$800 a pound. I'd use two
12 pounds, so there is 1600.

13 The pre-bait, if we are using hog pellets, I
14 don't buy it, but, you know, the cooperative would buy
15 these pellets, and, to make it more effective. I don't
16 know the cost of it, but it may be anywhere between 500
17 and \$1,000. Because they have got to put these pellets
18 out over five to seven days.

19 And, you know, that's what I see. So there is
20 another component here on the Federal side, is that I
21 have to buy the chemical, and I have to use Federal -- I
22 think we have to use our federal authority to buy that
23 chemical and then I have to sign an agreement with you
24 for \$2,600 to buy the chemical and stuff.

25 And that's where it sits at right now. So I

Meeting - 11/19/2014
Nevada State Dairy Commission

1 don't know your ratio.

2 But that's -- that's a pretty good sized dairy,
3 that's probably what it would cost me.

4 You know, somewhere along the line I'd like to
5 get a trailer with a mixer. We can't -- we have been
6 doing a lot of this with buckets and stuff, and we can't
7 use everybody's mixer because you can't use that chemical
8 in your mixer that you feed the cows.

9 MR. COLLIER: Can you use a cement mixer?

10 MR. OLSEN: That's what we have got. We have
11 got one allocated that that's all we use it for.

12 MR. SPENCER: And I have had a couple of them
13 where we have had that, but it would be nice if we are
14 going to do this in the business. Because like I said,
15 we start this and it gets really good, everybody is on
16 board, and then something happens.

17 CHAIRMAN COOK: And let me -- let me ask another
18 question. You are saying 800 bucks a pound for the
19 chemical, but you are buying it on a case by case basis?

20 MR. SPENCER: Yeah, for each one.

21 CHAIRMAN COOK: What if we were to figure out
22 how many people want to participate, and maybe the
23 dairy -- and I don't know if we can even do this, but if
24 the Dairy Commission could put the money up to buy a
25 bigger quantity, bring the price down, buy a wholesale

Meeting - 11/19/2014
Nevada State Dairy Commission

1 quantity, say, and then I don't know how we'd inventory
2 it, but store it until you need to use it.

3 If we have got ten dairies out there that are
4 signed on, we buy enough to do ten dairies in one
5 purchase.

6 MR. SPENCER: Yeah, and you are right. That's
7 what I said. With 800 pounds, if you buy it by the
8 grams, I think it costs you 3,000 a pound. So --

9 MS. HARTIG: The price goes down when the order
10 quantity goes up.

11 MR. SPENCER: By the pound, up to a pound.

12 MS. HARTIG: Yeah, but it levels out at a pound.
13 If we are going to order a large amount we can contact
14 our distributor and see if they will give us a bigger
15 discount.

16 As far as storing it, I believe we have to store
17 it in our facility because we are not allowed to have it
18 out of our hands, essentially.

19 CHAIRMAN COOK: Right. I understand that.

20 MR. SPENCER: And that's what we used to --

21 MS. HARTIG: But we could look at getting a
22 bigger discount.

23 CHAIRMAN COOK: Is that something that we can --

24 MR. HETTRICK: I think we can certainly talk
25 about doing that, yes. I think if you would, if you

1 would, check on the price on volume purchase, that would
2 be helpful to us.

3 Department of Agriculture does store various
4 chemicals. If we did need storage we probably could do
5 it because we store strychnine, I know now, and it's very
6 heavily regulated. And so -- and we are legal to store
7 that.

8 So we probably, at least, could -- physically,
9 we could do it with safety. I don't know whether legally
10 if we could.

11 MR. SPENCER: I have a big enough storage.
12 20 pounds is an area like this.

13 MR. HETTRICK: Yeah, small area.

14 MR. SPENCER: I have -- that's what we used to
15 do. We used to buy ten pounds at a time and then we go
16 down the list, hit six, seven people in Fallon, four or
17 five people in Yerington, you know. And then -- this is
18 just the dairies.

19 Now, we do feed lots, you know. I don't know if
20 they -- I know we are just talking dairies here, but feed
21 lots, I have one that called in Smith Valley yesterday,
22 we have one in Fernley, we have one in Lovelock. We have
23 a lot of these and the label allows for that.

24 And that's what I, you know, trying to get all
25 these people to piecemeal this together. Be nice to have

1 one person, and you pick up the phone, they go out there
2 and they take care of it anywhere. And that's what I am
3 hoping we can do. Because it just never does work quite
4 right just trying to --

5 MR. HETTRICK: When you are trying to piecemeal.
6 Did you need her to identify herself for the
7 record?

8 MR. HARTIG: I'm Melissa Hartig with USDA.

9 MR. HETTRICK: I just want to make sure we get
10 your name on the record.

11 CHAIRMAN COOK: Seems like that's a role that we
12 could play as a coordinator, if we can go out maybe
13 through the DFA they could -- they could get the word out
14 amongst the dairymen out there that if you buy into this,
15 let us know now, because we are going to try to get the
16 chemicals. And I don't know, maybe even the hog pellets
17 if we can figure out a way to buy those in quantity.

18 MR. COLLIER: Yeah. Yeah. If that's the best
19 bait.

20 MR. SPENCER: It's the best bait. And we have
21 used the mixing and a lot of other stuff, but it just
22 reduces time.

23 When we are out there, we are out there for days
24 making this stuff. Because you just don't go put it out.
25 You have got to go out and, you know, Neil, I need you to

1 pre-bait for five to seven days. Five would be the
2 short, seven would be other. I gotta go in here and mix
3 the stuff. Hours and hours, mixing the chemical, putting
4 it in here. We mix it with oil, we get in there, we let
5 it sit overnight, we put it out.

6 We have to do all these things. Estimation of
7 birds, how much, you know, which baits they are eating,
8 which is pretty easy.

9 And then you have to be there to pick up birds.
10 Now, when you are far enough out of town that's not a big
11 deal. But when they start dying in town, you know, when
12 they are three feet deep under people's trees, you know,
13 then the newspaper. So there is a lot of this press that
14 we shouldn't have to get if we do it annually.

15 But when we wait, we say -- okay, you have
16 got -- how many birds you got now? Sometimes you got a
17 lot, sometimes not? Four or 5,000?

18 MR. PERAZZO: Yeah, at least, at least that
19 many.

20 MR. SPENCER: Four or 5,000.

21 MR. PERAZZO: And we have done it -- David
22 Perazzo. We have done it on and off, and it's mainly our
23 fault. We just don't ever think to call until it's too
24 late. That's -- that's our problem. We just forget.

25 So we appreciated the letter you guys sent out

1 offering this program, we appreciated that. It got us on
2 the -- the forefront to think about it. And we are the
3 only dairy on that side of the valley.

4 The other dairy went out of business, and so we
5 decided we are definitely going to have to participate
6 because we can -- we have seen the benefit. There is no
7 doubt of the benefit.

8 It's just the only reason we have never -- we
9 haven't participated on a yearly basis is we just forget
10 to make the phone call. So tell us way too late.

11 MR. WRIGHT: If I might add here, the ultimate
12 goal here is to establish a need great enough that we
13 would have an established position.

14 Now, the oversight and the training is going to
15 be done by Jack no matter what because that's the way we
16 get the starling side, that's how it happens. But we'd
17 like to have one state position who this is his job. At
18 least for the winter and fall months. He may do
19 something else spring and summer.

20 We actually need to do it so that we can
21 establish enough need that we can go to legislature and
22 say there is a great enough need to have one position.

23 Now, the cost and things would still probably
24 come from the Dairy Commission and from yourselves as far
25 as the costs of the actually doing it, but the position

Meeting - 11/19/2014
Nevada State Dairy Commission

1 is what we need.

2 Jack's people are working pretty much constant
3 year-round. So that's the overall goal. And I would
4 just suggest that as far as a contract, Lynn, if we maybe
5 just amended it to say the Dairy Commission is going to
6 see if they can get a lower price to buy bulk Starlicide
7 and do greater application, then we might amend that so
8 that we can use more than \$2500 to buy bulk. Would
9 that --

10 MR. HETTRICK: Yeah. We have \$50,000 allocated,
11 and it is not specific other than per dairy.

12 If we wanted to go out and use \$10,000 to buy
13 Starlicide, we could do that right now. I think we would
14 just have to do -- to go do a work program. Because the
15 money is allocated at the moment to do per dairy.

16 But if we don't get 20 dairies come in and 2500
17 a piece and use the 50,000 up then we can easily go out
18 and buy the material and save some money.

19 MR. WRIGHT: Okay.

20 CHAIRMAN COOK: Does the material have a shelf
21 life?

22 MR. SPENCER: You know, if we buy stuff now it
23 will last for several years. The only thing that
24 destroys is it is basically heat and sunlight. So once
25 we keep it in there -- yeah, and that's what I used to

Meeting - 11/19/2014
Nevada State Dairy Commission

1 do, I'd buy it, we go do ten dairies. It's just the
2 manpower to do all these places.

3 We keep it, if there is leftover, we use it the
4 next year. You know, we just say this is this year, and
5 that year.

6 Because that, yeah, it does last a long time.

7 MS. EASLY: Currently have seven dairies signed
8 up.

9 MR. COLLIER: And how many dairies are there?
10 17 dairies?

11 MR. PERAZZO: 17.

12 MS. EASLY: I am thinking there is 19 up here
13 all together, but that's between Fallon and Yerington.
14 So --

15 MR. COLLIER: That's the total.

16 CHAIRMAN COOK: Are you hearing anything from
17 your fellow dairymen out there about similar problems or
18 is it --

19 MR. OLSEN: I was going to say, like Joe wasn't
20 able to make it here today, he definitely would probably
21 sign up along with us.

22 Yeah, Pete Holman is, you know, he's over on the
23 other side there.

24 And the other one to affect is my nephew runs a
25 sheep dairy and then like Homer runs a goat dairy, and

Meeting - 11/19/2014
Nevada State Dairy Commission

1 Fagundes runs a goat dairy, and these are other people
2 that you might want to contact because I will guarantee
3 you if it's causing us problems it's probably causing
4 those guys problems as well.

5 MS. EASLY: They all got the letter.

6 MR. OLSEN: Most of their grains are set aside
7 inside, but -- and I know like my nephew has dealt with
8 them outside when he's fed grains outside. He's dealt
9 with them, and there are other people that could be
10 brought on board as well.

11 MR. SPENCER: Clark County has been another one,
12 we go down and work Amargosa, some of that country there.
13 Not much on the east side of the state, but over here
14 there is quite a bunch.

15 And again, this is just dairies. And if you are
16 looking for just support, there are some feed lot folks,
17 I just had one called yesterday in Smith that had some
18 outbreak in calves, and we need them done tomorrow, you
19 know.

20 And so here I am today, you know, working with
21 the dairy folks.

22 MR. OLSEN: The diseases they carry, they
23 decimate calves. Anything under two months is really,
24 really susceptible to them. And you can -- you can lose
25 a third of your animals real quick. I mean, it's --

1 it's -- once the salmonella get going, it's lethal.

2 CHAIRMAN COOK: Trying to think of a way to word
3 this that's going to be compatible with being on the
4 public record.

5 Do you have any push back from the
6 environmentalists?

7 MR. SPENCER: We always do. But we always have,
8 you know, these EA's, environmental assessments, you
9 know. We have a Federal authority under the 1931 Animal
10 Damage Control Act that says you will go out there, by
11 Congress, that you will go out there and help, help
12 people.

13 So, yeah, we have that. We always do. But on
14 the other side we know it's important to protect, you
15 know, milk production, livestock. You know, we don't
16 want animals suffering and --

17 MR. HETTRICK: You guys don't see it, but you
18 would be interested in seeing it, you probably can get on
19 the internet and do it.

20 They publish a monthly newsletter and they talk
21 about the animal control that they have done out in the
22 hinterlands of Nevada. And it is quite fascinating. It
23 will list so many calves killed by coyotes or a mountain
24 lion or whatever out in some area, and a rancher will
25 call, these guys go out, they literally go out and hunt

1 down a mountain lion. Or they go out and fly the area in
2 airplanes and shoot the coyotes.

3 And they will have multiple attacks over a week,
4 and they will go out and take care of it and it stops.
5 It's over. And the cost is incredible right now. These
6 animals are worth \$500 a piece. It doesn't take very
7 many animals, and you are talking about a lot of money
8 for some of these guys, they lose big money.

9 CHAIRMAN COOK: I can see the cascading effect
10 of it is not just the lost feed, it is now diseased
11 animals. The treatment, costs of treating the animals,
12 the losses, if you are losing the animals. So I can see
13 the benefit of this.

14 MR. HETTRICK: And milk production drops as
15 well.

16 MR. SPENCER: Working conditions is a big one.
17 You know, I mean, who wants to work in that?

18 MR. OLSEN: We have got it documented on the
19 milk production end, the loss and the gain. You are
20 talking probably about a pound and a half to two pounds
21 per animal, just alone, just by having them under control
22 and not under control. It's, you know --

23 MR. HETTRICK: How many cows you milking?

24 MR. OLSEN: We are milking about 2100 right now.

25 MR. HETTRICK: Talking about a lot of milk.

Meeting - 11/19/2014
Nevada State Dairy Commission

1 CHAIRMAN COOK: Jack, is there any spillover
2 effect to the native species? I mean, is there is any
3 incidental losses that are dramatic enough that they need
4 to be noted or --

5 MR. SPENCER: Like a non-target?

6 CHAIRMAN COOK: Yeah.

7 MR. SPENCER: Two things. We will go back. One
8 is you say -- and look at the benefits that you have.
9 These starlings eat things. They nest in areas. They
10 are native birds, so people should look at that, say
11 that's great. One thing with the non-targets is we don't
12 put it out if there is non-targets. When you have like
13 now, it's been open, we still have doves, we still have
14 these other species.

15 So if we go in here and treat this, we want to
16 have 100 percent that we are targeting the animals that
17 we want to beat. That's my responsibility -- that's all
18 of our responsibility. We do not want to do that. And
19 if we do get non-targets, that's what we invite, you
20 know, the -- I say the other groups, you know, and we
21 have to report that. So we want to do that and we want
22 to do the right thing.

23 So we don't want to take other migratory birds.
24 Again, starlings are not wildlife. And we really don't
25 do much on starlings in Nevada. In other states we do a

1 tremendous amount of starlings. But it's, yeah, and
2 that's why we do -- the hog pellets are kind of one of
3 the things that we kind of are moving to because it
4 works, very, very well. It's much quicker.

5 I don't know the cost of it yet, Dave Sticks,
6 Jr. has, somebody might want to get a hold of him if you
7 want to buy bulk, where, et cetera, getting it from. I
8 will find out some of that, too.

9 But it is, yeah, we have very, you know, I
10 haven't had any problems with non-target take.

11 CHAIRMAN COOK: I am just thinking if we can
12 raise the level of cooperation to the point where we know
13 we have got 15 dairies in Fallon that want to do this,
14 you estimate what the amount of Starlicide is going to
15 be, we do a bulk purchase, try to drive the cost down.
16 Even to the point if we can figure out a way to do the
17 hog pellets and drive the cost down.

18 MR. SPENCER: Sure.

19 CHAIRMAN COOK: By coordinating it and being the
20 oversight umbrella. And again, I am going to have to
21 defer to Lynn's judgment on this and whether or not
22 that's something that we even have the authority to do,
23 but it seems to me that if we are going to go down this
24 road, let's go down this road to the most efficient,
25 lowest cost manner we can that's going to benefit the

1 most dairies and get it done for the most efficient use
2 of the funds we have available.

3 MR. SPENCER: And this, they have in Idaho, for
4 example, where a lot of these birds come, migrate
5 through, they have -- they do hundreds of dairies.
6 Hundreds of dairies. They have one full -- well, I think
7 they have two full-time people that do nothing but
8 dairies. Every day they are going to your place, your
9 place, that's all they do.

10 It's funny, Nevada just -- Oregon, the same way.
11 But you come to Nevada, you know, we have never -- the
12 way that we have been structured, you know, piecemeal
13 Nevada together, you know, we have got state employees,
14 we have got all these other things, that most of our work
15 is geared to predators and wildlife and livestock. Not
16 so much the dairies. But it is.

17 And the only thing, you know, like I said, I
18 have got about this 1339 in years past, it is what it is,
19 but the hog pellets, yeah, I don't know. I am sure we
20 can probably buy bulk.

21 MR. HETTRICK: If we had bulk products here we
22 might even be able, especially if it keeps, and it's not
23 an issue, might even be able to pre-mix some of this
24 stuff and have it ready so you wouldn't have to go do
25 hours of mixing, you could actually have them bait and

1 you could go out with the stuff pre-mixed and spread the
2 day you need to apply.

3 And we could maybe save some time and cut costs
4 as well in terms of application time.

5 MR. SPENCER: Yeah. That's why I like pellets,
6 you know, because it takes a day to mix this stuff up.
7 With hog pellets, a mixer, a little bit of oil, chemical,
8 could go a lot faster.

9 MR. COLLIER: Can I ask a question? What --
10 where are we in the process budget-wise from the State
11 Department of Agriculture to put a position in place to
12 do this particular project? I mean, are you guys -- do
13 you have somebody, is one of those state legislators
14 going to hook this into a bill to get this enacted, or
15 what's our process?

16 MR. WRIGHT: We are hoping so. But here is
17 where we are at with the process. We have not put it in
18 as an enhancement for this year's budget, but we are
19 hoping that we will create enough data that will show the
20 need for the position. Hopefully we can get -- and I
21 have actually spoken to several legislators about at this
22 time if we could show the need, they can justify a bill
23 for the position.

24 MR. COLLIER: So where would the money come from
25 to fund that position? Does that come from our budget?

Meeting - 11/19/2014
Nevada State Dairy Commission

1 MR. WRIGHT: No.

2 MR. HETTRICK: Part, the part at least for dairy
3 would be at least we are -- we are -- do a payback, like
4 in this position, we are -- we are actually going to fund
5 some of the cost, but ultimately, it would be a -- one of
6 our -- in animal industry, most likely, and that would be
7 in Flint's budget, and he'd be happy to find a way to pay
8 for that out of his budget.

9 MR. COLLIER: Well, it seems to me that this
10 impacts both the meat industry, it impacts the dairy
11 industry, it impacts the sheep industry.

12 You know, it impacts all of our livestock
13 industry in the State of Nevada. And it would seem to me
14 this would be a pretty vital position that a case could
15 really be made for this position and you could get a
16 legislator to take this and run with it, I would think.

17 MR. WRIGHT: That's -- that's --

18 MR. COLLIER: That's way above my, you know, but
19 I am thinking that's the process.

20 MR. WRIGHT: No, no. That's my feelings about
21 it as well.

22 What we don't have currently is a whole lot of
23 data to prove it. And we are hoping that with this
24 program this year we can have that. We can go to the
25 legislature and say see, this is the benefit that we gave

Meeting - 11/19/2014
Nevada State Dairy Commission

1 the dairy industry, this is the benefit we gave Dave
2 Sticks, you know, things of that nature.

3 The position probably wouldn't be, you know,
4 full-time on this because really, the time that you want
5 to poison starlings is from basically November to
6 February.

7 So we have got that whole other part of the year
8 they might be doing something else. The position, as far
9 as the salary would come, would be a general funded
10 position within Park. What your guys' expenses would be
11 is pretty much what we are already showing. It's the
12 expenses to actually do the work on the ground.

13 MR. COLLIER: To buy the material to do it?

14 MR. WRIGHT: Right.

15 MR. COLLIER: Material and equipment to do it.

16 MR. WRIGHT: Exactly. As far as paying the
17 person, that's a general funded position.

18 MR. COLLIER: A capital investment. And ours is
19 more the operational costs.

20 MR. WRIGHT: Right. That's correct. Yep.

21 MR. CROWTHER: I have a question. It sounds
22 like so far, if I was hearing the numbers right, we are
23 getting less than 50 percent participation in this
24 program from our producers; is that correct?

25 MR. HETTRICK: Up to this point, Troy, that's

1 correct. But I think we are going to see more people
2 come in over time. Not everybody can make each meeting
3 and they can come into any meeting they want. We'd like
4 them to come in sooner than later first so we know
5 what -- we can plan a little ahead.

6 And second, of course, we have got to keep track
7 of the money. We don't want somebody to show up and say
8 I am here for the money and we have to say it's all gone,
9 and, you know, you are too late.

10 So -- but they can come and ask for the program.
11 As long as we have money, we are -- we are willing.

12 MR. CROWTHER: What is -- what do you think is
13 the biggest reason why? I mean, to me, it's a
14 no-brainer, they ought to do it. But what -- obviously,
15 they are not. And what is the main reason why some
16 dairies are not just jumping at this?

17 MR. HETTRICK: I can only guess but I think
18 partly because some don't have a severe problem in any
19 given year or any given time.

20 Perhaps some just don't want to front the money.
21 And I think David's comment about they are busy. It is
22 not like they are sitting around thinking about do I need
23 to call for Starlicide today.

24 So, you know, it just, it's one of those things
25 that gets by you and by the time you call it's late

1 enough in the season, it's too late, it doesn't happen.

2 MR. CROWTHER: Well, I guess my point is it
3 seems like having this position that we are talking about
4 and some of the other things that we have talked about
5 might go a long ways toward alleviating some of those
6 concerns that dairymen might have.

7 For example, the -- the hog bait, if we can --
8 if we can pay for a substantial portion of that, that
9 seems like it would remove that barrier. At least, you
10 know, lessen that barrier that those other dairies have
11 to getting into this program. And then if we have a
12 full-time person or, you know, at least for the fall and
13 spring, then -- then it is no longer a matter of, you
14 know, we've got to allocate our time resources somewhere
15 else. They have got a full-time person that can go
16 around and do this.

17 So I think it's, between the hog bait, you know,
18 hopefully helping them pay for that and this full-time
19 position, seems like that would bring almost 100 percent
20 of the dairies on board.

21 MR. HETTRICK: Yeah. I think that definitely
22 would be helpful to them, and we are happy to do any of
23 that.

24 And, you know, what we have done is tried to
25 start a pilot program. And we tried that last time and

1 had difficulties with the contracting that had to go on
2 back and forth.

3 This time we switched it around and -- and made
4 it essentially the contracts with the dairymen instead of
5 having to go through with the USDA, which took a longer
6 term contract and was much more difficult to do. It's
7 simply in the paperwork required at the State and Federal
8 levels, it's just one of those things, not that people
9 didn't want to do it.

10 But what we have got here is, is a pilot. If we
11 can demonstrate, as Flint said, if this is cost
12 effective, beneficial and we would have, you know, ten of
13 these guys show up at the legislature along with a few of
14 the feed lots and say hey, this is important to us, this
15 makes a difference. We need some help here. And we can
16 show you that it works and it's beneficial.

17 Then we are apt to get a full-time employee on
18 and be able to do a lot more of this stuff.

19 But we have got to take that first step and
20 that's kind of where we are at right now is we are trying
21 to make that first step and get this thing going.

22 MR. WRIGHT: Exactly.

23 CHAIRMAN COOK: Jack, is this a cyclical type of
24 issue -- I'm sorry, Troy, go ahead.

25 MR. CROWTHER: The more dairies we get involved

1 in this initial program, and this time that we are trying
2 to make a point, the more dairies we get on board the
3 bigger point we are going to go make and the more impact
4 we are going to have on this.

5 So it seems like the real, the real focus ought
6 to be on, you know, getting just absolutely as many of
7 these dairies on board as possible.

8 MR. HETTRICK: Well, I know, and Kathy said
9 earlier that all of the dairies, including the goat
10 dairies and the sheep dairy, all got letters.

11 And a dairy is a dairy, as far as the Dairy
12 Commission is concerned. So they all got letters. We
13 haven't done anything with -- on the beef cattle side of
14 this at this time, but that's something we can do, and we
15 can try to pull them in and blend the two, the two
16 programs together to increase the need and increase the,
17 the purchase capability and all of those things. We can
18 do all of that.

19 But again, we are kind of baby steps as we are
20 starting here. But I totally agree with you and
21 hopefully when these guys go back and they talk to their
22 fellow producers and say hey, you know, get over there,
23 we have got a chance to get this program going, take
24 advantage of it and let's see if we can't build it up,
25 make it work.

Meeting - 11/19/2014
Nevada State Dairy Commission

1 So hopefully that's where we are headed.

2 MR. PERAZZO: If I could just make a comment. I
3 think dairymen don't like meetings generally, okay. We
4 had a DFA meeting who pays the paycheck and there was
5 probably a third of the dairies at that meeting. And
6 they fed us a meal and so forth. And so we are not known
7 to show up to meetings.

8 But, I mean, I appreciate the fact that you guys
9 sent out the letters and I am going to e-mail everybody,
10 encourage everybody. That's one reason I am here is Greg
11 Whitaker stood up at a meeting and said show up at the
12 next meeting or this isn't going to happen.

13 And so we appreciate the fact you are trying,
14 but we are not known to show up to meetings. So don't
15 feel bad.

16 CHAIRMAN COOK: Would it -- would it be
17 advisable to maybe hold a commission meeting in Fallon?

18 MR. PERAZZO: Absolutely. That was one of the
19 things we discussed at the promotion meeting was why is
20 the meeting at 9:00 o'clock in the morning in Reno,
21 Nevada. And I am being critical now. And I --

22 MR. HETTRICK: Feel free.

23 MR. PERAZZO: -- I don't want to be critical,
24 but why is the meeting at 9:00 o'clock in the morning in
25 Reno, Nevada when the 17 or 18 dairies are in Fallon,

Meeting - 11/19/2014
Nevada State Dairy Commission

1 Nevada and it's the busiest time of the day?

2 We, you know, 9:00 o'clock we are feeding our
3 cows, we are feeding the babies, we are milking. I mean,
4 Neil milks 24 hours a day. We milk 20 hours a day. Even
5 with our new farm we milk 20 hours a day. So we are
6 busy.

7 MR. HETTRICK: We'd appreciate knowing what's a
8 better time, that's not an issue. The issue on -- on
9 Reno is a bit of an issue because you and I had a little
10 of that discussion before.

11 If we don't do this videoconference then what
12 has to happen is we have to fly all of our staff back and
13 forth once a month because we have two marketing areas,
14 by statute, and we have to fly everybody back and forth
15 every month. And we can we hold some people off 60 days
16 from getting a license.

17 Like today, if we were -- if we didn't do this
18 we wouldn't have been able to approve that Southern
19 Nevada --

20 MR. CROWTHER: Lynn --

21 MR. HETTRICK: Yes.

22 MR. CROWTHER: -- am I the only one that has to
23 be there, that has to fly up there?

24 MR. HETTRICK: Well, the issue, Troy, is beyond
25 that. We have the southern and northern marketing areas.

Meeting - 11/19/2014
Nevada State Dairy Commission

1 And if we don't do it like this where we can do them both
2 at once and actually cover and allow the southern people
3 to come in, then we have to actually have a meeting in
4 the south so they have the availability to come to us.
5 And that's what we had to do for all the years prior to
6 going to the videoconferencing.

7 MR. CROWTHER: Does it have to be
8 videoconference? Can it be phone conference?

9 MR. HETTRICK: I think it could be phone
10 conferenced.

11 MR. CROWTHER: I am willing to fly up there.

12 MR. HETTRICK: No, I know that.

13 MR. CROWTHER: I can get up there if that's all
14 that's holding it up. I love Fallon in the winter.

15 MR. HETTRICK: I think what we ought to do is
16 communicate with these guys. I think the idea of
17 changing it, if there is a better time, we don't care
18 what time it is. These guys are giving up their two
19 hours once a month to come to the meeting. We don't care
20 what time it is. We really don't care if we could do it
21 in Fallon is one end of it, and if we could do it, do it
22 via, via teleconference instead of videoconference,
23 that's fine. We'd be more than happy to accommodate
24 whatever way we can.

25 I mean, we are not going to fix 24 hours a day

Meeting - 11/19/2014
Nevada State Dairy Commission

1 of milking, but -- and I am certainly, we're not -- I
2 don't think we will meet in the morning when you are not
3 milking for your four hours, but we can make it more
4 convenient.

5 MR. OLSEN: No. It's easier for us people to
6 get away. Like my nephews, they are working right now.
7 There is no way they could get in this morning.
8 Otherwise, they'd just hop in the truck and come with me.
9 My two brothers, they are both busy.

10 MR. PERAZZO: I know one o'clock is when we
11 changed our promotion meeting for that very reason. We
12 changed it to one o'clock just simply because it was most
13 convenient for most dairies.

14 MR. COLLIER: Is a lunchtime or dinnertime,
15 which is the better time?

16 MR. OLSEN: I'd say lunch.

17 MR. PERAZZO: Lunch.

18 MR. OLSEN: Because you get into the dinner, and
19 we work on both ends. And that's just kind of the way it
20 is.

21 MR. CROWTHER: Does it have to be an official
22 commission meeting that they come to -- to sign up for
23 this thing?

24 MR. SPENCER: Can it be a stakeholder's meeting
25 with just --

Meeting - 11/19/2014
Nevada State Dairy Commission

1 MR. HETTRICK: It doesn't have to be an official
2 commission meeting but we need to get it on the record
3 one way or another that the people have come in and
4 requested this. We want it part of what we are building
5 for our information down the road. I mean, the bills
6 ultimately will do it, but, you know, this kind of input
7 from having these guys sitting here in an official
8 commission meeting is helpful.

9 So because, I mean, everybody gets to hear it
10 and it's on the record and those kind of things which is
11 important to us.

12 CHAIRMAN COOK: All right. Why don't you and
13 Kathy or whoever in the new, remade Dairy Commission get
14 in touch with as many of the producers in Fallon and find
15 out what the preferred time would be, and then let's try
16 to schedule at least a couple of times a year we go out
17 and do our meetings out there.

18 MR. PERAZZO: Just set a time. Just set a time
19 that's not 9:00. I mean --

20 MR. HETTRICK: We are happy to change it to 1:00
21 o'clock.

22 MR. PERAZZO: Eleven, 12:00, 1:00.

23 MR. COLLIER: I'd say this thing to me is very
24 important for producers. I mean, this is a critical
25 thing for producers, and this is a critical thing, I

1 think, that our Dairy Commission should be proactive
2 about and really take a leadership role in this thing and
3 make this happen.

4 And I don't see why teleconference wouldn't
5 work. I mean, I don't see why we have to have TV
6 conference or anything else.

7 MR. HETTRICK: Dennis is sitting here.

8 MR. BELCOURT: Public meeting can be conducted
9 over the phone as long as you have at least one place
10 where people can show up.

11 MR. HETTRICK: There are a couple of logistical
12 issues. We have to have a court reporter, obviously. If
13 we start talking about traveling to Fallon, then there
14 are issues with travel expense and time. And because you
15 are talking about adding at least an hour to each of you
16 guys' time and if Troy was to be flying up here, we are
17 flying him up here, he's talking about days, a day, you
18 know, shot. So -- and we are not opposed to that, I am
19 simply telling you that it's not just so simple as to say
20 we are going to up and move.

21 But we can certainly make this more
22 accommodating than we have.

23 MR. CROWTHER: Until about two years ago we did
24 this every -- I mean, this was the norm. Every other
25 month I would fly up there and you all would fly down

Meeting - 11/19/2014
Nevada State Dairy Commission

1 here, and that was -- that was -- that was how it was
2 done every month. So I -- certainly flying up there a
3 few times a year is not a big deal for me. I certainly
4 would be willing to do that.

5 MR. HETTRICK: Right.

6 MR. PERAZZO: Just, just another comment. I
7 hate to say it but I -- I wouldn't -- I do not feel very
8 comfortable promising that 100 percent of the dairymen
9 would show up to anything. So, I mean --

10 MR. COLLIER: We wouldn't expect that.

11 CHAIRMAN COOK: We understand that. We
12 understand that.

13 MR. PERAZZO: Because they don't even show up to
14 their -- the meetings that they write the checks. So --

15 MR. HETTRICK: We get it. And we'd like to
16 increase participation or at least make it more
17 comfortable for people to try to come if they want to.
18 We are -- and I totally agree with John, we'd like to be
19 proactive. We have done a lot of proactive things over
20 the last four or five years in changing what we do. And
21 we'd love to do more.

22 And no one has ever said to us this is a bad
23 time of day that I am aware of, and, I mean, it was set
24 and it's just the way it was.

25 So we'd be happy to change it.

Meeting - 11/19/2014
Nevada State Dairy Commission

1 CHAIRMAN COOK: Just the time. We are not
2 adverse to adapting and changing to accommodate people in
3 the industry. That's, you know, what we are here for.

4 MR. WRIGHT: May I -- I am not a member of this
5 council and I don't want to act like I am one but the
6 timing to take these starlings is now. It's beginning
7 now. We need to get out there on the ground, start doing
8 this. So we are happy to show up at a meeting, explain
9 to you guys how a position like this would probably aid
10 you, you know, help your production. No problem with
11 that whatsoever. Jack can be there, myself.

12 Do you guys -- I guess I am trying to get back,
13 do you guys want us to do this so we can get the data,
14 you know, getting back to the point number five on the
15 agenda? Because I mean, it is going to be a bit of a
16 growing pain on Jack and some of these folks this year,
17 like I said, a little shorthanded.

18 But the money is there, we know the need's
19 there, if we can get the data to this, we are going to go
20 need that to get the position as well.

21 So if we could get going with that process it
22 would sure help.

23 MR. COLLIER: What do we need to do?

24 MR. WRIGHT: Pass this. Give us the authority
25 to go abate starlings.

Meeting - 11/19/2014
Nevada State Dairy Commission

1 MR. HETTRICK: I think you actually passed it in
2 the previous meeting; didn't you, the \$50,000? It's
3 actually been passed.

4 MR. WRIGHT: Oh, okay.

5 MR. HETTRICK: We are simply doing the
6 individual dairies right now just to get the listing.

7 It's in the budgets, it's been approved, it's
8 there.

9 MR. WRIGHT: Okay.

10 MR. HETTRICK: So I don't think we have any
11 issues with any of that. We get a work program to fund
12 the money, it's done. So we are ready to move forward
13 any time. These guys can start, as far as we are
14 concerned, they can call Jack and start doing whatever
15 they want to treat birds.

16 MR. WRIGHT: Okay.

17 MR. OLSEN: As I say, Jack, you find out what
18 the deal is with the hog pellets. Where do we have to
19 get them --

20 MR. SPENCER: Yeah.

21 MR. OLSEN: -- and, you know, we will get them.
22 I don't know how long they keep, you know.

23 MR. SPENCER: I don't, either. I have the
24 cooperative been buying them the last few times. When
25 you do your project and somebody comes out there to do

Meeting - 11/19/2014
Nevada State Dairy Commission

1 the starlings before daylight, you are going to say,
2 that's --

3 MR. OLSEN: Give me a heads-up so I can get them
4 there and have them on hand because I --

5 MR. SPENCER: Dave Sticks, Jr., I got him on
6 line here the other day.

7 MR. HETTRICK: Dave is the chairman of our Board
8 of Agriculture, and very easy to get a hold of, Davey
9 Sticks, and find out where the hog feed is and how much
10 it costs and how we can buy it.

11 MR. SPENCER: And you want to get the right,
12 like I said, he got the right kind.

13 MR. OLSEN: If we could get those shipped down
14 whatever, and store them, and we have done it on a lot of
15 other things, we just work together, get them shipped to
16 one place and then we will disburse them from there.

17 CHAIRMAN COOK: I got a question for you. Is
18 the starling cycle, life cycle, is it a, you know, a
19 high/low peaks and valley type situation in terms of the
20 numbers when they show up around the dairies? Or is it
21 pretty consistent?

22 MR. SPENCER: Pretty consistent. It's kind of
23 like urban coyotes. They are always there. No matter
24 when, is there is a drought, they are always there. They
25 are always protected. Really no need to hunt starlings,

1 so they are, you know, some years are more advantageous
2 than others, not really.

3 I mean, these birds are, you know, they have
4 done very, very well. Not like wildlife, like wild
5 species. That's why they flourish so well is, you know,
6 the most destructive birds on earth.

7 CHAIRMAN COOK: Okay. So what my question is if
8 you hit them hard one year, does the next year and year
9 after that become just a maintenance year where you just
10 have to do it a little bit, not quite as dramatically as
11 the -- you did first year, or do you have to go after
12 them the same, year after year after year?

13 MR. SPENCER: You do it year after year. One
14 place may have them, but what happens is you just build
15 it up. They are just eating you a little bit at a time,
16 versus some of them you do year after year, they have
17 that many birds, even when you remove them.

18 But sometimes what happens is you always have
19 them, but there will be -- you just let them get thick
20 when they are four feet deep and you have to crawl
21 through them. At four and a half feet you say, I gotta
22 do something.

23 That's about what happens is on some of these
24 larger places, like that, we can knock them back. Other
25 ones, though, that's if they are out of town, surrounded

1 by some desert, they are kind of isolated. You get some
2 of these right around town in Fallon and they migrate
3 through. Same as a water fowl, come through here, that's
4 where they learn to stay here.

5 CHAIRMAN COOK: Okay.

6 MR. HETTRICK: So we are prepared to move
7 forward. We have got the dairies listed that are here
8 and the ones that you represented, all of that's taken
9 care of. I mean, we'd like to have the guys. You know,
10 I think what we will do is, unless there is -- anybody
11 has an objection, and I don't think from what I have
12 heard anybody does, for sure next time we will change the
13 meeting time to 1:00 o'clock and change it so it makes it
14 easier, hopefully, for some people to join us.

15 And then we will see about the ability to go out
16 and maybe hold the meeting or two, especially now would
17 be nice, if we could do them in, at least in December,
18 and get the last of the guys who might show up to do --
19 get signed up to do the starling program.

20 That may be a bit of an issue. I won't be
21 available for the December meeting. That means I have
22 got to steal one of the administrators who will have to
23 run out there. They have their other responsibilities as
24 well, we will see. I would like to be able to go out
25 there and do it where they could get to us easier.

Meeting - 11/19/2014
Nevada State Dairy Commission

1 CHAIRMAN COOK: Will we have enough time to
2 change the date or you are just not available?

3 MR. HETTRICK: Yeah, I won't, yeah. I have got
4 to have rotator cuff surgery and I am going to be out for
5 a month. So --

6 CHAIRMAN COOK: Okay.

7 MR. HETTRICK: So, but we'll -- we'll -- we have
8 got people who can handle it. We just need to see who is
9 available and if we can get the travel and get out there.

10 CHAIRMAN COOK: All right. Well, if you want to
11 pursue that, I am amenable to relocating the meeting out
12 there.

13 MR. HETTRICK: We need to find a location.
14 That's what we have to deal with on costs. And several
15 things that are in that regard that we don't have in the
16 budget right now, so we have got to figure out how we
17 will do that.

18 So we will have to do a little talk with the
19 fiscal administrator and see how we can make all this
20 happen. We can't, 'cause it is not like private
21 industry, we can't snap our fingers and say we are going
22 to go there at Fallon next time, be there at
23 1:00 o'clock. It's not that easy.

24 MR. COLLIER: Well, I don't know why not. You
25 guys are the government.

Meeting - 11/19/2014
Nevada State Dairy Commission

1 MR. WRIGHT: It's just not.

2 MR. CROWTHER: Hey, Lynn?

3 MR. PERAZZO: Extension office is always open if
4 you make a -- USDA extension office.

5 MR. HETTRICK: Okay.

6 MR. PERAZZO: I mean, they are very -- you just
7 have to make a phone call and plan a meeting. I mean,
8 they have other people meeting there, but they are very,
9 very -- and that's free.

10 MR. COLLIER: Community college out there has
11 got meeting rooms.

12 MR. HETTRICK: They have got room, too, and some
13 of those may, the extension office might have, I believe
14 we can videoconference to some of the extension offices.

15 MR. PERAZZO: They do.

16 MR. HETTRICK: So we still may be able to do the
17 videoconferencing, make it work as well.

18 All right. And Troy, you had a question or
19 comment.

20 MR. CROWTHER: Well, I guess the whole
21 videoconference issue, you know, again, I go back to what
22 we used to do, and we used to just go every other month.
23 For example, we -- Southern Nevada, we would not even
24 have one for one month in Southern Nevada. It would just
25 be Northern Nevada. And we would alternate.

Meeting - 11/19/2014
Nevada State Dairy Commission

1 Is it required that we have it in Southern
2 Nevada every month, that we videoconference, or even
3 Northern Nevada every month?

4 MR. HETTRICK: No, it is not required that we do
5 it every month. The intent was, for instance, again,
6 this -- one of the -- the El Super license that we had
7 here was for the Southern Nevada marketing area. By
8 statute, that's supposed to be approved in the Southern
9 Nevada marketing area.

10 If we don't hold a meeting in the -- if we have
11 you fly up here and we have no representation there, then
12 what we have got is that license gets delayed 60 days.

13 MR. CROWTHER: Right.

14 MR. HETTRICK: So -- and we have tried not to do
15 that. Now, we do issue temporary licenses, but
16 theoretically it's supposed to be handled at the next
17 available meeting. So that's what's going on here.

18 If we can do the videoconferencing from the
19 extension office in Fallon, it doesn't matter. We are
20 right back to the same place and we save the expense,
21 which is also a part of what we have done here.

22 So we will see what we can work out. We can --
23 we are more than willing to make this work better.

24 CHAIRMAN COOK: Well, Troy just wants a day in
25 Fallon.

Meeting - 11/19/2014
Nevada State Dairy Commission

1 MR. HETTRICK: We will do that, anyway. He
2 needs to come up and look at that milk plant.

3 CHAIRMAN COOK: He wants an excuse to put on his
4 Wranglers and his cowboy boots.

5 MR. HETTRICK: We will get him out there in one
6 of those covers with the whole thing --

7 MR. CROWTHER: We have got NFR coming.

8 MR. HETTRICK: All right. Are we done on this
9 topic?

10 CHAIRMAN COOK: Well, the agenda item says
11 approval.

12 MR. HETTRICK: It's for the individual dairies
13 who came in. You've already approved the money
14 previously.

15 MR. COLLIER: We don't need to approve their --

16 MR. HETTRICK: We just want them -- to know they
17 are out there and the number listed so we keep track of
18 the money. As I said, our issue is we can't go over
19 budget. We have got to be careful.

20 CHAIRMAN COOK: Okay. No more discussions,
21 comments, on that topic, we will move on to number six.

22 MR. HETTRICK: All right. Number six is a staff
23 report. You should all have this. How Low Are Milk
24 Prices Going To Go In 2015? And just informational.

25 In addition, you have the prices that we are

1 aware of, the pre-listed prices in a couple of the
2 marketing area price sheets in your packets.

3 Other than that, we do have a request in our
4 budget this time for the microbiologists to work in our
5 dairy laboratory. If we get that budgetary approval,
6 which we hope we will, we are going to be capable of
7 handling all of the dairy testing and ultimately we hope
8 to be able to do some testing for DFA.

9 So -- and that would be cost effective for DFA
10 at their milk plant, but it would also be cost effective
11 for us because we could help pay for the dairy biologist,
12 the microbiologist. So we are working on that and that's
13 in process.

14 We continue to work on the trailer. We think we
15 have the money laid out for the trailer. And we are
16 also -- thanks for being here, both of you. We are also
17 working on the -- some promotional money to start
18 dragging Melissa, our cow, around, and going the various
19 places and trying to promote dairy and agriculture in
20 general, and from the Department of Agriculture. So --

21 CHAIRMAN COOK: Did the issue of the freight
22 costs of getting the trailer out here get resolved?

23 MR. HETTRICK: We haven't resolved the cost, and
24 we have to come up with a little bit more on what we are
25 going to buy. We haven't actually determined the fact

Meeting - 11/19/2014
Nevada State Dairy Commission

1 that we are going to buy it tomorrow.

2 CHAIRMAN COOK: I may have an innovative
3 solution for getting it out there.

4 MR. HETTRICK: We'd love to have that. So we
5 are working on it. As soon as we get committed to a
6 trailer. And for you guys' benefit, we found a trailer
7 that will do what we want done with electrical in it and
8 opening doors and a drop-down tailgate and all the things
9 so we can move our cow and other displays around. It's
10 beautiful. It's about \$14,000, and it is in Georgia.

11 The freight alone to move it to here is 3,000
12 bucks. So we priced the identical trailer, actually had
13 several custom companies in California go on the web and
14 said build that trailer, tell us what it will cost. And
15 they came back at \$33,000.

16 So that kind of put the kibosh on us moving
17 forward at the moment. But we are working on doing that
18 to try to do some more work on promotion of dairy and the
19 like.

20 So -- and we continue to go to the Tulare World
21 Ag Expo looking for more dairies to come in here and
22 provide more milk for the plant in Fallon. So we are
23 doing that.

24 All right, that's all I have.

25 And I think Damon's got the monetary report.

1 And you guys have copies of that.

2 Go ahead, Damon.

3 MR. HERNANDEZ: Yeah, just a brief update. This
4 is Damon Hernandez with NDA.

5 Net revenue year to date is at 314,309.32.

6 Net revenue meeting assessments less expenses
7 year to date.

8 Net revenue year to date, excluding the balance
9 forward we had at the beginning of the year which was
10 466,176, is currently at minus 151,866.68.

11 Projected net revenue, again, excluding the
12 balance forward, is currently protected at \$29,476.88.
13 Projected balance forward, including the reserves at the
14 beginning of the year, is at \$495,652.88.

15 Just a brief update on audits and licenses. We
16 are currently at 220 licensees. And from an audit
17 penetration standpoint we are at 75 percent of the total
18 population of licensees. We are ahead of the game
19 because from our calendar standpoint within the
20 bienniums, 75 percent would mean January 1st. So we have
21 a padding. We are taking the holidays into
22 consideration, but where we are sitting now we are very
23 confident we will be hitting the mark of auditing every
24 licensee within the bienniums.

25 Thank you.

Meeting - 11/19/2014
Nevada State Dairy Commission

1 CHAIRMAN COOK: Thank you.

2 MR. HETTRICK: Questions?

3 CHAIRMAN COOK: No, but that's going to push our
4 reserve up.

5 MR. HETTRICK: Yes. And, and where we are at on
6 that is we have expenses potentially coming that will
7 deal with that, and we have dealt with the LCB and the
8 budget office on the basis that, yes, we know we are
9 higher than you want us to be on reserves, but we are
10 looking at, as we take over this laboratory testing, we
11 are going to have to buy some computer equipment, whether
12 we like it or not, to report to FDA. They want it in a
13 certain format. It needs to be stored on a computer
14 system that will communicate it the way they want it. We
15 don't have the capability with that. We know we are
16 going to have to buy that.

17 If we start doing some of the DFA testing, which
18 we hope to do, we are going to have to buy some more
19 equipment. That will come out of the reserves because we
20 don't have that in the budget right now, obviously.

21 We will have -- we have some other costs that
22 are going to be involved. We still have more dairies
23 coming on, that ultimately we hope to have another 15,000
24 cows out there somewhere.

25 And so we are going to be looking at some more

1 dairies coming on and other costs involved when we do
2 that.

3 So right now they understand, we get it. As you
4 well know we have reduced our reserves from
5 three-quarters of a million dollars down to 466 carry
6 forward last time. But we have also reduced expenses
7 significantly. And so we keep moving downward.

8 I don't know if these guys are aware, but we
9 eliminated, totally, all assessments on butter. We don't
10 charge any tax on butter anymore. We eliminated that
11 because we didn't need the revenue. So we just said quit
12 doing that.

13 Now, that doesn't -- doesn't mean anything
14 except to the people in the market who don't have to pay
15 it. Whether or not the actual supermarkets lowered the
16 price of butter, I doubt they did. But we lowered our
17 costs that we are pushing out there for the consumer to
18 pay.

19 And so, you know, and we did, of course, the tax
20 holidays multiple times as you are well aware, we gave
21 back a lot of money. Almost a half million dollars in
22 tax holidays over the last four years.

23 So we have done a lot to control it but we are
24 well planned ahead on where we are going and why we are
25 going there and they understand what we are doing.

Meeting - 11/19/2014
Nevada State Dairy Commission

1 CHAIRMAN COOK: Well, and I am thinking that
2 that's also something that could potentially, some of it,
3 could be directed towards the starling, if that --

4 MR. HETTRICK: Absolutely. Absolutely. If the
5 cost goes up we are more than happy to do it.

6 CHAIRMAN COOK: We've got the money to work
7 with.

8 MR. COLLIER: Some of this money could be for
9 that budget position; couldn't it?

10 MR. HETTRICK: We could do some of the funding.
11 I think what Flint was saying was they look at that as a
12 full-time position and if we would fund the cost of
13 materials, maybe from the cost of inventorying materials,
14 some of those things. They want that to be a full-time
15 position that they can -- can be running and have
16 available for the other jobs that they need to do all the
17 time as well. We might fund a part of it. We do some of
18 that training, but that's difficult in state budgets.

19 They hate it when you mix budget accounts for
20 one employee and how you are -- so it is a real --

21 CHAIRMAN COOK: Is it possible that at some
22 point in time that USDA function, at least for the
23 starling control, could be passed down to a state?

24 MR. HETTRICK: I think the Federal law is the
25 one that says we have to use their Federal employees to

1 do the Starlicide. There is a less effective Starlicide
2 that can be applied by commercial folks. What that
3 costs, how effective it is, I don't know.

4 I am only aware there are two Starlicide
5 products. The one that's the most effective is the one
6 that the feds have to apply. The other one is out there,
7 but again, I don't know if you guys have ever tried the
8 commercial operators or not.

9 MR. OLSEN: It is not very effective. And the
10 problem we have is once you poison them, now you have
11 made them smart. It's much harder to get them a second
12 time. So it's something you want to get them the first
13 time.

14 MR. HETTRICK: Yeah, you don't want to miss, if
15 you get the shot.

16 MR. OLSEN: No. And they are really hard to
17 poison, believe it or not, because they, they throw up
18 about half of what they eat. And so even though they get
19 enough of the poison to kill them, there is a certain
20 percentage that will make it by anyway. That's why it's
21 so important on the pre-baiting because the pre-baiting
22 is what gets them used to eating, staying there and
23 eating. And if you can keep them to stay there and eat,
24 then they will get enough of it that it is effective,
25 they won't make it out. Even if they throw up some of it

Meeting - 11/19/2014
Nevada State Dairy Commission

1 they have gotten enough of it swallowed down, if it stays
2 down, that that bird will go off and die.

3 MR. HETTRICK: Okay. So we will just keep
4 plugging at this. We will take a look at changing the
5 date for sure and the time for sure.

6 Is there a better day?

7 MR. SORENSEN: Wednesday is not a good day,
8 either.

9 MR. HETTRICK: What's a better day?

10 MR. SORENSEN: Any day but Wednesday or Monday.
11 I don't know, that's -- that's my opinion.

12 MR. OLSEN: Yeah, I don't know. I would say
13 probably Thursday is not a bad day.

14 MR. SORENSEN: Yeah. Wednesday is sale day so
15 everyone is going to the sale.

16 MR. HETTRICK: The sale is on Wednesdays?

17 MR. SORENSEN: Yeah.

18 MR. HETTRICK: Let's move it to Thursday. We
19 will move it to Thursday at 1:00 o'clock for sure for the
20 next one, and we will see if we can arrange for perhaps
21 that Fallon meeting, if I can get an administrator who
22 can go out and take care of it.

23 MR. COLLIER: Yeah, that would be great. That
24 would be great.

25 MR. HETTRICK: And we will see if we can do the

Meeting - 11/19/2014
Nevada State Dairy Commission

1 teleconference.

2 CHAIRMAN COOK: 18th, then; right?

3 MR. HETTRICK: If we do Thursday, yeah, it would
4 be the 18th. I know that's a good day on my calendar. I
5 know there is activities on the 17th that would be an
6 issue right now. So --

7 CHAIRMAN COOK: Had the meeting originally
8 scheduled for the 17th. So --

9 MR. HETTRICK: Right, right. No, I think we are
10 good. I think we will try to set it up for the 18th at
11 1:00 o'clock. We will see if we can do Fallon; all
12 right?

13 CHAIRMAN COOK: All right.

14 MR. HETTRICK: Sounds good.

15 The last, last thing -- yes, that concludes my
16 report.

17 The last thing on the agenda is public comment.

18 MS. EASLY: Consideration --

19 CHAIRMAN COOK: Consideration --

20 MR. HETTRICK: Consideration of other matters,
21 I'm sorry, for the dairy industry.

22 CHAIRMAN COOK: Any other matters? Anything
23 down there you want to bring up, Troy?

24 MR. CROWTHER: No. No.

25 MR. HETTRICK: And public comment?

Meeting - 11/19/2014
Nevada State Dairy Commission

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CHRISTOPHER COOK, CHAIRMAN

JOHN COLLIER, MEMBER

TROY CROWTHER, MEMBER

Meeting - 11/19/2014
Nevada State Dairy Commission

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2) ss.
3 COUNTY OF WASHOE)
4

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