

Commission Meeting - 2/19/2015
Nevada State Dairy Commission

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

STATE OF NEVADA

DEPARTMENT OF AGRICULTURE

--oOo--

NOTICE OF PUBLIC MEETING
OF THE NEVADA DAIRY COMMISSION

TRANSCRIPT OF PROCEEDINGS

February 19, 2015

Sparks, Nevada

Reported by: Karen Bryson
Certified Court Reporter #120

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

APPEARANCES

CHRISTOPHER COOK, Chairman
JOHN COLLIER, Commission Member
TROY CROWTHER, Commission Member (via videoconference)

ALSO PRESENT:

DAMON HERNANDEZ, Southern Area Administrator/Department
of Agriculture
DENNIS L. BELCOURT, Deputy Attorney General
KATHY EASLY
ANNA VICKERY
AL TRACE
GARY RECK
KIMBERLY WHITFIELD (via videoconference)
DAVE COON (via videoconference)
MESHACH RHOADES (via videoconference)
STEVE WEILAND (via videoconference)

**Commission Meeting - 2/19/2015
Nevada State Dairy Commission**

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

INDEX

EXHIBITS:

PAGE:

Exhibit 1

30

Commission Meeting - 2/19/2015
Nevada State Dairy Commission

1 SPARKS, NEVADA, THURSDAY, FEBRUARY 19, 2015, 1:00 P.M.
---o0o---

2

3 MR. COOK: Okay. It's now time to convene the
4 February meeting of the Nevada State Dairy Commission.

5 Mr. Hernandez, would you start the proceedings,
6 please.

7 MR. HERNANDEZ: Sure. David Hernandez for the
8 record.

9 This is the time and place set for the
10 regularly scheduled meeting of the Nevada State Dairy
11 Commission for the month of February 2015. This meeting
12 has been scheduled after notice in compliance with
13 pertinent statutes, including the open meeting law.

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

18 My name is Damon Hernandez, southern area
19 administrator, for the department of agriculture. Present
20 today are Mr. Christopher Cook, chairman; Mr. Troy
21 Crowther, member of the commission; Mr. John Collier,
22 member of the commission.

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

Commission Meeting - 2/19/2015
Nevada State Dairy Commission

1 the record.

2 MR. COOK: Thank you.

3 Would you proceed to the first agenda item,
4 please.

5 MR. HERNANDEZ: First item on the agenda,
6 Mr. Chairman -- David Hernandez for the record -- is
7 public comments and discussion.

8 MR. COOK: Anybody here from the public care to
9 make any comments at this point?

10 Seeing none, let's proceed -- anything down
11 there?

12 MR. HERNANDEZ: No, nothing yet for public
13 comment or discussion.

14 MR. COOK: Okay. Let us proceed to the second
15 item, please.

16 MR. HERNANDEZ: Okay. For possible action,
17 license application, peddler distributor, the Coca Cola
18 Company.

19 This applicant seeks a license to distribute
20 fluid milk and fluid cream in the northern and southern
21 Nevada marketing areas. Temporary approval was granted by
22 staff management on December 9th, 2014, pending board
23 approval of the application.

24 The applicant's prices and costs have been
25 reviewed by members of the dairy commission staff, and are

Commission Meeting - 2/19/2015
Nevada State Dairy Commission

1 in compliance with this agency's laws and regulations.

2 The applicant will be responsible for the
3 assessments.

4 MR. COOK: Do we have anybody present
5 representing Coca Cola Company?

6 MS. RHOADES: Hi. Good afternoon, everybody.
7 My name is Meshach Rhoades, and I am here representing the
8 Coca Cola Company.

9 MR. COOK: Can you spell your name, please, for
10 the court reporter?

11 MS. RHOADES: Sure. It's M-e-s-h-a-c-h.
12 That's my first name. And my last name is Rhoades,
13 R-h-o-a-d-e-s.

14 And I'm here on behalf of the Coca Cola
15 Company. And you might hear me say TCCC. That is an
16 acronym for the Coca Cola Company.

17 MR. COOK: Okay. Thank you.

18 We had some questions when this application
19 came up last week, mostly related to the product itself
20 and how it was going to be retailed? Can you describe the
21 product to us?

22 MS. RHOADES: Sure. Absolutely.

23 So the Coca Cola Company, TCCC, is a
24 distributor for milk, for a milk product. It's named
25 Fairlife? And that is both the name of the product and

1 also the processor and manufacturer of the product.

2 We have several different varieties that we are
3 intending to distribute. We have a chocolate two percent
4 milk in a 52 ounce, we have a whole white milk in a 52
5 ounce, a two percent white milk in 52 ounce, a skim milk
6 in a 52 ounce, a chocolate two percent milk in an 11 and a
7 half ounce, and a two percent white milk in an 11 and a
8 half ounce.

9 MR. COOK: Okay. And these are products that
10 are sourced from where?

11 MS. RHOADES: These are products that Coca Cola
12 intends to distribute from its processor manufacturer,
13 Fairlife.

14 MR. COOK: Okay. I'm sorry, I didn't -- where
15 was that?

16 MS. RHOADES: The processor manufacturer's name
17 is Fairlife.

18 MR. COOK: Oh, okay.

19 MS. RHOADES: That brand? Right. Right.

20 MR. COOK: And that's located in Texas, is it?

21 MS. RHOADES: The Coca Cola Company is
22 located -- headquartered in Atlanta, Georgia; however, I
23 think in our application we listed its Sugar Land address
24 because that is the subsidiary that this product is
25 actually going through.

Commission Meeting - 2/19/2015
Nevada State Dairy Commission

1 MR. COOK: Okay. But my -- my question is
2 related to where is the milk itself coming from.

3 MS. RHOADES: The milk itself is coming from
4 Fairlife, which is an entirely separate company from the
5 Coca Cola Company? Coca Cola is just a distributor and
6 Fairlife is the processor.

7 I believe Fairlife's address -- I actually
8 don't have Fairlife's address right off the top of my
9 head. I don't represent Fairlife.

10 MR. COOK: I don't need the exact address. We
11 were just curious about the state that it was coming from.

12 MS. RHOADES: You know, I can get that
13 information to you. I don't have that on me.

14 MR. COOK: I think we may have it. I just
15 don't recall at this point in time. Because I think we
16 discussed it.

17 MS. RHOADES: Oh, I'm sorry. My apologies.
18 The source of the products is Fairlife in Coopersville,
19 Michigan.

20 MR. COOK: Michigan. Okay.

21 MS. RHOADES: That's right.

22 MR. COOK: And it's a UHT product?

23 MS. RHOADES: Yes and no. The UHT and UP
24 designations really depend on the size of the product.
25 The 52-ounce products are UP and the 11-and-a-half-ounce

1 products are UHT.

2 MR. COOK: And will these be sold out of normal
3 dairy cases or will they be put on just regular display
4 shelves, not refrigerated?

5 MS. RHOADES: You know, I don't have the answer
6 to that question. I believe that UP products, because
7 they're not UHT, they are UP, will be sold out of the
8 dairy case. I can get you the answer to your question on
9 the 11-and-a-half-ounce UHT product. I do not know that.

10 MR. COOK: Okay.

11 Troy, do you have any questions?

12 MR. CROWTHER: No.

13 MR. COOK: John?

14 MR. COLLIER: None I can think of at this
15 moment.

16 MR. COOK: Any questions from staff or any
17 members of the audience? Any questions down there from
18 anybody? Comments? Observations?

19 MR. COLLIER: I do have one question.

20 Is this product considered to be a milk product
21 per se? I mean, is it -- is it supplemented with other
22 types of additives or other types of materials to make it
23 like an energy drink or something?

24 MS. RHOADES: No, it is a real milk product.

25 MR. COLLIER: It's a real milk product.

Commission Meeting - 2/19/2015
Nevada State Dairy Commission

1 MS. RHOADES: Yes, sir.

2 MR. COOK: Any other questions?

3 Okay. Seeing no more questions or no more
4 comments, I will entertain a motion.

5 MR. COLLIER: Mr. Chairman, I'll move that the
6 peddler distributor application for Coca Cola Company
7 headquartered in Sugar Land, Texas, be accepted by this
8 commission to distribute fluid milk and fluid cream in the
9 northern and southern marketing areas in the State of
10 Nevada.

11 MR. CROWTHER: Second.

12 MR. COOK: Having a second -- motion and a
13 second, and no dissenting votes, the motion is carried and
14 the license is granted.

15 Thank you for attending, Ms. Rhoades.

16 MS. RHOADES: Thank you much for having me. I
17 appreciate it.

18 MR. COOK: Okay. Mr. Hernandez, will you
19 proceed, please?

20 MR. HERNANDEZ: Sure. David Hernandez for the
21 record.

22 Mr. Chairman, next item on the agenda for
23 possible action, approval of the minutes for January two
24 thousand -- January 15, 2015, dairy commission meeting.

25 MR. COOK: Looks like we have several

Commission Meeting - 2/19/2015
Nevada State Dairy Commission

1 corrections.

2 MS. EASLY: Did you get the second page? Yeah.

3 MR. COOK: Yeah. Did everybody get the second
4 page of corrections that were --

5 MR. CROWTHER: I just got one page. This is
6 the -- okay. I -- apparently I have everything.

7 MR. COOK: Okay. We'll entertain a motion on
8 the adoption of the minutes.

9 MR. CROWTHER: All right. I'll make the
10 motion.

11 I move that we adopt the minutes, approve the
12 minutes, with the -- of the January 15th, 2015, State of
13 Nevada Dairy Commission meeting with the indicated
14 corrections.

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

16 MR. COOK: Okay. Having a second -- excuse me,
17 a motion and a second and no dissenting votes, the motion
18 carries. Minutes are adopted.

19 Move onto the next agenda item.

20 MR. HERNANDEZ: Next item on the agenda, update
21 on the pest abatement program.

22 I do not have an update on that program at this
23 time. Lynn might have had one, but I do not have one at
24 this time.

25 MR. COOK: Okay. Well, then, we can pass over

Commission Meeting - 2/19/2015
Nevada State Dairy Commission

1 that and move onto the next one.

2 MR. CROWTHER: Chris -- Mr. Chairman, what was
3 the -- what was the deadline that they had to -- for this
4 spring to submit applications?

5 MR. COOK: I believe it was the end of January,
6 wasn't it? And they had -- I think they had pretty much a
7 very narrow window of time to actually begin the program,
8 that I don't think the weather's been conducive for it.
9 Hasn't been cold enough.

10 MR. CROWTHER: Okay.

11 All right. Nothing else.

12 MR. COOK: If you want, I can -- I can ask Lynn
13 to send out an email update.

14 MR. CROWTHER: I was remembering something
15 about March. I don't know if that was --

16 MR. COOK: Well, I think that's the time frame
17 with which they have to use -- apply --

18 MR. CROWTHER: Okay.

19 MR. COOK: -- the product to be able to achieve
20 the results. But it hasn't been cold enough and it hasn't
21 forced the birds to congregate in large enough numbers to
22 justify going to the expense at this point apparently.

23 MR. CROWTHER: Okay.

24 MR. COOK: Okay. Any --

25 MR. CROWTHER: I guess that's good and bad.

Commission Meeting - 2/19/2015
Nevada State Dairy Commission

1 MR. COOK: Yeah, maybe. It'll be our luck
2 it'll turn cold in the last week.

3 MR. CROWTHER: Yeah. Okay.

4 MR. COOK: And then the time frame will run
5 out. So.

6 MR. COLLIER: Or it'll get cold in April.

7 MR. COOK: Yeah, yeah. Just when everybody's
8 fruit trees are setting blossoms.

9 MR. COLLIER: Or May.

10 MR. COOK: Okay. Damon, would you please
11 proceed.

12 MR. HERNANDEZ: Sure, Mr. Chairman.

13 Next item on the agenda, staff report. For the
14 staff report I basically have a brief budget summary
15 update. I forwarded one of these up there to you guys.
16 Hopefully you have that.

17 Real briefly, the net revenue year to date was
18 \$487,132.86. Net revenue year to date, excluding the
19 balance forward, of \$466,176. Excluding that is
20 \$20,956.86. At this time the projected net revenue at
21 fiscal year end, excluding the balance forward, is
22 \$182,775.03. And the projected balance forward at fiscal
23 year end is projected at \$648,951.03.

24 MR. COOK: Unless I'm reading your budget
25 document wrong here, it looks to me like the year to date

1 revenues are all significantly higher than had been
2 projected?

3 MR. HERNANDEZ: Yeah. From a -- a projected --
4 not a projection, but compared to how it was budgeted for
5 the year, our revenues are actually running under budget
6 by about 250,000.

7 On expenses -- this is an aggregate -- we're
8 running about \$700,000 under budget on that, too. So from
9 a big picture we're factoring all that in, that's where we
10 are looking at now from a projection standpoint.

11 I can tell you since the -- in the last month,
12 which is January, the period -- the actual period most
13 recent to what we're in now, there was higher than
14 expected assessments collected, plus there was a one-time
15 transfer from traffic and safety around 63 dollars --
16 \$63,000, plus higher than expected revenues of 40,000.
17 That's 100,000 that wasn't budgeted because it -- those
18 actuals were anticipated.

19 So that's basically a snapshot of where we are
20 now there. But the comment that you made is -- those kind
21 of ring true with where we are. You know, that's
22 basically it.

23 MR. COOK: I guess the reason for the -- for
24 the comment was curious if the increase in year to date
25 actual versus projected is due to the fact that there are

Commission Meeting - 2/19/2015
Nevada State Dairy Commission

1 more dairy product being sold in the state.

2 Is that a fair assumption to make?

3 MR. HERNANDEZ: I think you can make that
4 correlation on the revenue side based on the fact that
5 we're -- like, for example, the last period we had higher
6 than expected revenues collected. So I think that would
7 be a fair statement. On the revenue side.

8 MR. COOK: Well --

9 MR. HERNANDEZ: On the expense side we're under
10 budget on the expenses. As you probably know, there are a
11 lot of adjustments made at year end that could compensate
12 for some of that.

13 Also, some of that will be -- you know, we no
14 longer have the -- the salary of the auditor that was
15 originally budgeted in this budget. It got transferred
16 over to the grant side. And that was effective -- I think
17 it was as of the month of August of 2014.

18 So we've had that reduction in expenses
19 compared to what was budgeted. And then just some reduced
20 actual expenses compared to the budget up to this point
21 within the fiscal year.

22 MR. COOK: Now, do we have the lab operating
23 yet?

24 MS. VICKERY: For the record, Anna Vickery.

25 Yes.

Commission Meeting - 2/19/2015
Nevada State Dairy Commission

1 MR. COOK: And we have a microbiologist on
2 staff --

3 MS. VICKERY: No.

4 MR. COOK: -- at this point?

5 Not yet?

6 MS. VICKERY: Not yet. We have to go through
7 legislative approval.

8 MR. COOK: Oh, okay. Okay.

9 MR. CROWTHER: Did -- let me revisit that.

10 You said there's a 712,000? Is that what -- is
11 that what I'm seeing? 712,000 expense under budget?

12 MR. HERNANDEZ: Yes. Yes. Now, the majority
13 of that number is from a cost allocation within the
14 department that's -- administratively they allocate costs
15 to -- among the different divisions, which is budgeted at
16 around 588,000. So we still are anticipating cost
17 allocation to hit at some point between now and the end of
18 the fiscal year.

19 MR. CROWTHER: So that 588,000 line item could
20 potentially -- that -- that under budget could potentially
21 go away or at least --

22 MR. HERNANDEZ: Significantly, yes.

23 MR. CROWTHER: Okay. We're not -- we're not
24 really looking at \$712,000 under budget on expenses by
25 the -- by the time you get to the end of the year.

Commission Meeting - 2/19/2015
Nevada State Dairy Commission

1 MR. HERNANDEZ: Right. And, again, this is
2 year to date actuals, plus the remainder of the year
3 projected.

4 MR. CROWTHER: Okay.

5 MR. HERNANDEZ: And, you know, I got to go with
6 what's actual and the rest is projected. But that's where
7 the lion's share of that is.

8 MR. COOK: Okay. John, any questions?

9 MR. COLLIER: What's the traffic safety
10 transfer? What's that all about? What's that have to do
11 with dairy?

12 MR. HERNANDEZ: I'll have to find the specific
13 answer for that, but I think it's -- it's what we call
14 snatch and grab. It's funds that we get transferred into
15 our -- into our budget account as part of a grant that is
16 out there. But before I -- before I start speculating on
17 that, I can get -- I can get you a specific answer by the
18 next meeting.

19 MR. COLLIER: That's fine.

20 MR. COOK: Okay. Any other questions?

21 Comments? Observations?

22 Does that conclude your report?

23 MR. HERNANDEZ: Yes, it does, Mr. Chairman.

24 MR. COOK: Okay. Well, let's move onto the
25 next item then.

Commission Meeting - 2/19/2015
Nevada State Dairy Commission

1 MR. HERNANDEZ: Next item, consideration of any
2 other matters relating to the dairy industry.

3 MR. COOK: Okay. Well, you all see that
4 Mr. Trace is here. And we were asking him before the
5 meeting started about the effects of the dock workers
6 strike on Fallon. So perhaps he could give us an update
7 on the impact of that.

8 MR. TRACE: Sure.

9 I guess, for the record, Al Trace from Dairy
10 Farmers of America, Western Fluid Group.

11 I -- I would say that the port strike, as I
12 like to refer to it, or the dock strike, is affecting us.
13 We don't know yet in -- in what way other than I would say
14 negatively right now. We have product sitting.

15 The product we are sending out -- 90 percent of
16 our product out of Fallon is going to China, Yili and
17 Wahaha, the two major companies over there. And it has a
18 two-year shelf life.

19 So we don't anticipate the strike lasting two
20 years, but nonetheless, it just don't bode well for our
21 customers in China looking at America in general. Just --
22 it's just not a healthy thing.

23 I couldn't give you exact dollar amount of
24 what's going on there, but I would say it is affecting us
25 along with other dairy companies, dairy being perishable,

1 more -- other than our powder products.

2 I don't know if that answers your question, but
3 it is affecting us along with the general dairy
4 industry -- all industries, but I think it's having a
5 larger impact on dairy possibly than anything else.

6 And I would say, as long as we're talking, too,
7 if that's okay, you know, the -- I think we talked about
8 Fallon, the -- not doom and gloom or negativity, but the
9 farm gate price for 2015 isn't real good. We're looking
10 at four fifty to six dollars under less this year than
11 dairy farmers were making last year -- or, for the last 18
12 months as an average.

13 So our crystal ball, industry experts, would
14 say end of third quarter, middle of fourth quarter 2015
15 with the pipeline should be cleaned out and prices should
16 start to rebound. But makes a difficult situation.

17 We're still trying to relocate dairy farms in
18 this area, and nobody has a real appetite to relocate when
19 they're taking that big of a pay cut. So people are going
20 to hunker down, survival mode, if you will, so.

21 MR. COOK: Are they seeing anything positive on
22 the cost side? Are the margins --

23 MR. TRACE: Well, that's --

24 MR. COOK: -- holding?

25 MR. TRACE: -- the only -- that's -- that's a

1 good point, Mr. Cook.

2 That's -- that's the only positive as compared
3 to '08 and '09. Feed costs aren't as high. You know,
4 corn is still below four dollars a bushel. You know, last
5 time we went through a cycle like this feed costs were
6 incredibly high. Corn was seven dollars. Soybean, I
7 don't know, it was -- it was outrageously high, so.

8 But, you know, they have short memories.
9 There's dairy producers across the country that lost
10 generations of equity, if they manage to stay in business
11 at all, so there are just really -- even though it's not
12 quite the same, they -- they just look at it with a wary
13 eye, you know. I mean, they're just sitting tight, so to
14 speak, so.

15 MR. COOK: Are there any herd reduction
16 programs kicking in yet or --

17 MR. TRACE: No, no, there isn't. The -- the --
18 in the last farm bill, part of the farm bill was milk
19 protection plan that was passed where dairy farmers can
20 buy insurance costs, if you will, to -- to -- for their --
21 between their -- their price of milk and feed costs, their
22 margin.

23 There's different levels. You can basically
24 get a four dollar level at a hundred dollars. We
25 encouraged our producers to do that. I think this --

1 figures I've seen, 51 percent of dairy producers across
2 the United States signed up for that portion of the -- of
3 the -- of the program. So not buy-out but a little bit of
4 protection, if you will, so.

5 MR. COOK: Got to be getting a little bit of
6 break with --

7 MR. TRACE: That's what --

8 MR. COOK: -- transportation costs --

9 MR. TRACE: Yeah --

10 MR. COOK: -- with the diesel fuel --

11 MR. TRACE: -- yeah.

12 MR. COOK: -- being down.

13 MR. TRACE: Yeah, that's helped, too, you're
14 right.

15 MR. COLLIER: Is that like buying on the hedge?
16 Buying on the hedge market? Is that what that is?

17 MR. TRACE: Pretty much, yeah, yeah. And we
18 have our own -- of course, it's our own in-house hedging
19 program, too, the producers can use over and above the
20 national program if they choose to.

21 MR. COOK: Do you have any plan B in place in
22 case this dock strike stretches on?

23 MR. TRACE: No.

24 MR. COOK: Shipping to Canada or Mexico or east
25 coast ports or gulf coast?

Commission Meeting - 2/19/2015
Nevada State Dairy Commission

1 MR. TRACE: No. Like you say, I like to have a
2 long -- I'd like to have a long answer there, but we
3 really don't. Possibly so after this meeting, maybe
4 elaborate more on next meeting. But at this point, no,
5 no.

6 MR. COOK: Okay.

7 MR. CROWTHER: Is this affecting -- are you --
8 are you still processing the same volume of milk in
9 Fallon?

10 MR. TRACE: Yes.

11 MR. CROWTHER: Okay. So that hasn't slowed
12 down. You're just stockpiling it.

13 MR. TRACE: Correct.

14 MR. CROWTHER: Okay.

15 MR. COOK: Can't stop the cows.

16 MR. TRACE: No, the cows need to be milked
17 seven days a week.

18 MR. COLLIER: Twice and --

19 MR. TRACE: Twice and sometimes --

20 MR. CROWTHER: That was my question.

21 The follow-up would have been what's happening
22 to the surplus milk --

23 MR. TRACE: Yes.

24 MR. CROWTHER: -- but sounds like that's not an
25 issue.

Commission Meeting - 2/19/2015
Nevada State Dairy Commission

1 MR. TRACE: Yeah, yeah.

2 Well, you know, if it will continue, you know,
3 we do have plans across the country that we can move some
4 of that milk into a condensing plant or something like
5 that. But, I mean, you know, it's transportation.

6 And so the short answer to Mr. Cook's question
7 is no. The -- if it -- if it persists we will have to
8 come up with plan B. And I don't have anything in
9 concrete what that might be right now, but we would have
10 something to alleviate some sort of pressures.

11 MR. COOK: Yeah.

12 MR. TRACE: Yeah.

13 MR. COOK: Yeah, interesting, the dock workers'
14 average salary down there is \$145,000 a year. And they
15 have a \$38,000 a year health plan.

16 MR. TRACE: Yeah.

17 MR. COOK: And I guess part of the complaint is
18 they're squawking about being deemed a Cadillac health
19 care plan and getting nailed with the Obama care costs.

20 MR. TRACE: It's hard to feel too bad being
21 part of the dairy community just based on what you said
22 there.

23 MR. COOK: So, Gary, you had an observation?
24 Comment? Question?

25 MR. RECK: Gary Reck with Model Dairy.

Commission Meeting - 2/19/2015
Nevada State Dairy Commission

1 Just a potential opportunity for Al and the
2 Fallon powder plant that we are going to discuss after
3 this meeting. So everything -- I don't think it's the
4 right time for that discussion.

5 MR. COOK: Okay. I understand that.

6 Okay. Well, thank you.

7 Are there any other -- Anna?

8 MS. VICKERY: Yes. Just want to let everybody
9 know that Lynn and some of the other staff members were
10 able to attend the dairy agriculture show in Tulare last
11 week?

12 MR. COOK: Oh, yeah, yeah.

13 MS. VICKERY: And so they did have the
14 opportunity to speak with about ten, 15 dairymen that had
15 some interest, but two or three were very, very
16 interested. And I do believe they gave them your --

17 MR. TRACE: Sure.

18 MS. VICKERY: -- numbers.

19 So hopefully we get some benefits from going
20 down there.

21 MR. COOK: How -- how was that --

22 MR. TRACE: That was beautiful. It was
23 well-attended. It was beautiful weather. And it's a
24 three-day -- I mean, I think we're all aware of the ag
25 expo, and, you know.

1 MR. COOK: How's the Smith Valley operation
2 coming along?

3 MR. TRACE: Smith Valley will be completely
4 finished probably by April 1st. We're still struggling
5 with a few community challenges. And we're yet to get a
6 CAFO permit that we're working on diligently. But we'll
7 get there.

8 It's going to be beautiful. I would encourage
9 everybody to go look at it. There's a great family. It's
10 going to be the most -- not -- it's the nicest, newest
11 dairy farm in the State of Nevada. It's state of the art.
12 It's a very beautiful facility. It's incredibly nice.
13 Great family, so.

14 MR. COOK: And when -- and they haven't started
15 bringing in animals yet?

16 MR. TRACE: Not yet, no, no. It will be
17 ready -- we'd like to first of April, mid-May, they'll be
18 ready to go if we can get all the other stars aligned, Is
19 dotted, Ts crossed, which we're fully anticipating we
20 will --

21 MR. COOK: Well, yeah --

22 MR. TRACE: -- you know.

23 MR. COOK: -- I think we should try to make
24 some effort to do some sort of an official welcome or glad
25 you're here.

Commission Meeting - 2/19/2015
Nevada State Dairy Commission

1 MR. TRACE: We -- we would appreciate that.
2 We're -- we're right in the process right now putting
3 different things in different papers in the northern
4 Nevada area welcoming the family to the -- to the area,
5 and --

6 MR. COOK: Who is the family?

7 MR. TRACE: They're called the Vlot family.
8 They're from Chowchilla, California. They have a very
9 nice dairy farm there.

10 MR. COOK: Two or three generations?

11 MR. TRACE: Three. Three. He's mostly
12 building this for his children here. They'll be a great
13 addition to the State of Nevada. They're a great family.
14 And they make high quality milk for our Fallon plant,
15 where it's going, so.

16 MR. COOK: Well, like to see it.

17 MR. TRACE: Appreciate that.

18 MR. COOK: Like to see it.

19 So other than several good prospects, was there
20 anything else that was going on down there? Any
21 interesting developments or -- in terms of technological
22 advances or things that -- did you work it, by the way?

23 MS. VICKERY: No.

24 MR. COOK: You didn't get to go?

25 MS. VICKERY: No.

Commission Meeting - 2/19/2015
Nevada State Dairy Commission

1 MR. COOK: You didn't get three days in Tulare,
2 California? Lovely Tulare, California?

3 MR. TRACE: It was foggy every morning.

4 MS. VICKERY: But the weather was nice.
5 Kathy's been there a few years, three years I think, and
6 she froze to death, so I would have loved to go.

7 MS. EASLY: Cold.

8 MR. TRACE: I would say -- and I can't speak
9 beyond this -- but drones was the big -- the big thing at
10 the farm show this year. And I didn't spend much time how
11 that's going to fit into ag, but they had -- you know, it
12 is in some fashion.

13 So, having said that, I can't get into leads
14 because I didn't really get into the leads with them, but
15 there was a lot of exhibits featuring drones. And
16 actually had a separate break-out session one day speaking
17 to drones, so, you know.

18 MS. VICKERY: If you could just get them to
19 milk the cows for us.

20 MR. TRACE: Yeah, yeah.

21 MR. COLLIER: Maybe they'll herd off the
22 starlings.

23 MR. TRACE: Yeah.

24 MR. COOK: Hey, there you go. You may be onto
25 something.

Commission Meeting - 2/19/2015
Nevada State Dairy Commission

1 MR. COLLIER: Yeah.

2 MR. COOK: Starling chasers, huh?

3 Okay. Anything else that anybody wants to
4 throw out on the table for discussion?

5 Seeing nothing, let's move ahead.

6 MR. HERNANDEZ: Last item on the agenda,
7 Mr. Chairman, is the public comments and discussion.

8 MR. COOK: Okay. Just kind of like we -- what
9 we just had. But I guess we can wander off into other
10 topics not related to dairy if anybody really feels the
11 need.

12 Seeing none.

13 Anything down there?

14 MR. CROWTHER: Not does -- does not look like
15 anything. We do have some public, but, nothing.

16 MR. COOK: Okay. Anybody up here? Comments?
17 Observations? Input? Thoughts?

18 Mr. Reck?

19 MR. RECK: Gary with Model Dairy.

20 I just throw out there that if you were going
21 to do something to welcome that family into Smith Valley,
22 Model Dairy, we'd love to be part of it. You know, supply
23 product, help with a welcoming barbecue, something like
24 that. I know that might be outside of what we normally
25 do, but I think -- yeah, just locally here we'd love to --

Commission Meeting - 2/19/2015
Nevada State Dairy Commission

1 MR. TRACE: Sure.

2 MR. RECK: -- you know, support something like
3 that.

4 MR. TRACE: Okay.

5 MR. COOK: We appreciate that.

6 MR. COLLIER: That would be wonderful.

7 MR. COOK: We'll bring that to Lynn's attention
8 and put him to the task of --

9 MR. RECK: There you go.

10 MR. COOK: -- using his creative abilities to
11 come up with something.

12 MR. TRACE: Perfect.

13 MR. COOK: So thank you.

14 Anything else?

15 MR. HERNANDEZ: I just want to say for the
16 record, the public members we have here are Dave Coon with
17 Anderson Dairy and Steve Weiland with Meadow Gold.

18 MR. COOK: Gentlemen, welcome. Wish we could
19 see you in the picture.

20 Okay. If there are no other comments or
21 questions or observations from anybody present, then I
22 think what we'll do is go ahead and adjourn the meeting.

23 So thank you all for attending.

24 MR. HERNANDEZ: Thank you.

25 (Exhibit 1 marked.)

Commission Meeting - 2/19/2015
Nevada State Dairy Commission

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

(1:28 p.m. proceedings concluded.)

---000---

Commission Meeting - 2/19/2015
Nevada State Dairy Commission

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

BOARD SIGNATURE PAGE

CHRISTOPHER COOK, CHAIRMAN

TROY CROWTHER, COMMISSION MEMBER

JOHN COLLIER, COMMISSION MEMBER

Commission Meeting - 2/19/2015
Nevada State Dairy Commission

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

3

4

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

8 That on February 19, 2015, I reported the
9 proceedings entitled herein;

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

14

15

16

17

Karen Bryson, CCR #120

18

19

20

21

22

23

24

25