National Association of Dairy Regulatory Officials
54th Annual Meeting

Orange Beach, Alabama
July 14 – 18, 2012
National Association of Dairy Regulatory Officials (NADRO)
54th Annual Meeting

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2012 Allied Sponsors

NADRO Frequently Asked Questions (FAQs)
National Association of Dairy Regulatory Officials (NADRO)
54th Annual Meeting

Officers

2011 – 2012

Past President  Catherine Kaszowski, Massachusetts Department of Agricultural Resources
President        Chris Thompson, University of Kentucky Division of Regulatory Services
President Elect Susan Esser, Michigan Department of Agriculture
Vice President  Don McClellan, Utah Department of Agriculture
Secretary      Casey McCue, New York Department of Agriculture
Executive Treasurer  Eunice Schlappi, Kentucky Department of Agriculture

2012 – 2013

Past President  Chris Thompson, University of Kentucky Division of Regulatory Services
President        Susan Esser, Michigan Department of Agriculture
President Elect Casey McCue, New York Department of Agriculture
Vice President  Dru Haderlie, Wyoming Department of Agriculture
Secretary      Gary Newton, Florida Department of Agriculture and Consumer Services
Executive Treasurer  Eunice Schlappi, Kentucky Department of Agriculture
National Association of Dairy Regulatory Officials (NADRO)  
54th Annual Meeting  

Acknowledgments

I want to take a quick moment and reflect on my time as Secretary of the National Association of Dairy Regulatory Officials throughout the 2011 and 2012 period. First, I would like to thank the slate of officers consisting of Christopher Thompson, Susan Esser, Donald McClellan and Eunice Schlappi who worked diligently to move forward this great organization and to provide a meaningful and rewarding conference program, while never losing sight of the great public health responsibility the group so proudly upholds. Secondly, I would like to offer my sincerest appreciation to our host state of Alabama for their diligence in assuring the members and guests a wonderful conference environment full of fellowship and collaboration. G.M. Gallaspy and his staff from the Alabama Department of Health-Milk and Food Processing Branch shall be commended for their service and wonderful example of Southern Hospitality which was offered to the attendees of the 54th Annual Conference in Orange Beach, Alabama and played a critical role in the conference’s success. I would be remiss to not once again thank all of our wonderful speakers who provided educational and current presentations, without your participation the conference would be missing a supporting leg of the three legged milking stool.

A personal thank you to Susan Esser, who in midterm, took the helm of President with Christopher Thompson’s move to United States Department of Agriculture- Market Administrator’s office, Susan did a wonderful job of grabbing the ball and running with it and I am sure this type of leadership has been exhibited by Susan on many occasions in her successful career. The group is also extremely appreciative of all the hard work, leadership and organization Christopher Thompson brought to this great association and while he has moved on from state public service, we are at least a comforted by the fact Christopher is still in public service and serving the same wonderful dairy industry we all so truly care for only at the federal level. Congratulations Mr. Thompson.

I hope you find the information assembled for the 2011-2012 period informative, rewarding and applicable. As this industry continues to grow and transform, organizations must keep pace with all of these changes to address the needs of the entire industry. Whether we are talking tough budget climates, lack of resources, travel restrictions, or challenges we as regulators or producers or processors may experience, it is through associations such as the National Association of Dairy Regulatory Officials employing fellowship and collaboration to address all of the challenges. These challenges need to be addressed, discussed at length and responded to collectively and in the end make the dairy industry the safest, most nutritious and prosperous industry it can be and I feel strongly the National Association of Dairy Regulatory Officials creates a forum to do just that. It is my sincere hope we will see you at the next NADRO Conference and we appreciate your participation and support.

Casey M. McCue
National Association of Dairy Regulatory Officials

54th Annual Meeting

July 14 – 18, 2012

Island House Hotel
Orange Beach, Alabama

Annual Meeting Agenda
National Association of Dairy Regulatory Officials - NADRO
54th Annual Meeting

Agenda

Saturday, July 14, 2012
Noon to 11:00 p.m. Early Arrival, Registration and Hospitality

Sunday, July 15, 2012
9:00 a.m. - 1:00 p.m. Registration
9:30 a.m. - 11:30 a.m. Executive Board Meeting

Sunday Afternoon Session
Moderator - President Sue Esser
1:00 p.m. Welcome - President Sue Esser
1:10 p.m. Welcome - G.M. Gallaspy, Alabama Dairy Program Administrator - Representative of Host State
1:20 p.m. State Reports (A representative from each state will be given the opportunity to provide a brief (5 minutes) dairy industry update regarding their home state)
3:00 p.m. Break
3:15 p.m. Business Session
   Call to Order
   Roll Call
   President's Report
   NASDA Report (Presented by Don McClellan)
   Committee Assignments
   Resolution Assignments
4:00 p.m. State Reports (continued)
5:30 p.m. Adjourn
6:00 p.m. Hospitality Room Open - Dinner on your own
8:00 p.m.-11:00 p.m. Hospitality Room Open
Monday July 16, 2012

7:00 a.m. Breakfast

Morning Session - Moderator – GM Gallaspy

8:00 a.m. Welcome
Donald E. Williamson, M.D., Alabama State Health Officer

8:15 a.m. Gulf Oil Spill Public Health and Industry Overview
Donald Williamson, M.D., Alabama State Health Officer

9:00 a.m. NCIMS Update, John Miller, Florida Department of Agriculture

9:30 a.m. FMMA Update, Chris Thompson

10:15 a.m. EU/SCC Project, Phil Wolff, AMS/USOA

11:00 a.m. Dismiss for Lunch/ Prepare for Agriculture Tour

11:45 a.m. Board Bus for Agriculture Tour (dinner included)

Tuesday July 17, 2012

7:00 a.m. Breakfast

Morning Session - Moderator - Vice President Don McClellan

8:00 a.m. Grass to Glass: An NMPF Update on Current Dairy Issues
Jamie Jonker, National Milk Producers Federation

8:45 a.m. IDFA Update, Clayton Hough, International Dairy Foods Association

9:30 a.m. FDA Update - Capt. Robert Hennes

10:00 a.m. Break

10:15 a.m. Land Grant Institutions Role in Meeting the World’s Demand for Food
Dr. William Batchelor - Dean, College of Ag, Auburn University

11:00 a.m. Robotic Milking Systems- A Regulatory Perspective
Capt. Robert Hennes, FDA

11:45 p.m. Lunch on your own

1:15 p.m. USDA Update, Phil Wolff, AMS/USDA
1:30 p.m. Making the Most of Media in Agriculture
Amanda Trice, SUDIA (South East United Dairy Industry Assoc.)

2:30 p.m. Break

2:45 p.m. NADRO Committee Meetings

5:15 p.m. Recess

6:00 p.m. Reception

7:00 p.m. Banquet / Awards

9:00- 12:00 p.m. Hospitality Room Open

Wednesday July 18, 2012

7:00 a.m. Breakfast

Morning Session – Moderator - Casey McCue

8:00 a.m. State Reports.& Committee Reports

9:45 a.m. Break

10:00 a.m. Business Session
Roll Call
Resolution Committee Report
Financial Report
Audit report Old Business New Business
Nominating Committee Report
Election of Officers
Host States for Next two Annual Meetings

12:00 p.m. Adjourn - Have a safe journey home!
# 2012 Member Agencies and Assigned Delegates

<table>
<thead>
<tr>
<th>State</th>
<th>Delegate, Agency</th>
<th>Alternate, Agency</th>
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<tbody>
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<td>Alabama</td>
<td>G M Gallaspy, AL Dept of Public Health</td>
<td>Michael Clinkscales, AL Dept of Public Health</td>
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<tr>
<td>California</td>
<td>Stephen Beam, CA Dept of Food &amp; Agriculture</td>
<td>Kristen Dahl, CA Dept of Food &amp; Agriculture</td>
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<tr>
<td>Florida</td>
<td>John Miller, Florida Dept of Agriculture</td>
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<tr>
<td>Georgia</td>
<td>Peggy Gates, Georgia Dept. of Agriculture</td>
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<td>Indiana</td>
<td>Terry Philaback, Indiana Dept. of Agriculture</td>
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<tr>
<td>Kentucky</td>
<td>Bob Kiser, University of KY-Reg Services</td>
<td>Bob Hickerson, University of KY-Reg Services</td>
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<tr>
<td>Maryland</td>
<td>Laurie Bucher, MD DHMH Center for Milk Control</td>
<td>Connie Caffes, MD DHMH Center for Milk Control</td>
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<tr>
<td>Massachusetts</td>
<td>Cathy Kaszowski, MA Dept of Agricultural Resources</td>
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<tr>
<td>Michigan</td>
<td>Susan Esser, Michigan Dept. of Agriculture</td>
<td>Gordon Robinson, Michigan Dept. of Agriculture</td>
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<tr>
<td>Minnesota</td>
<td>Nicole Neeser, Minnesota Dept. of Agriculture</td>
<td>Jason Gibbs, Minnesota Dept. of Agriculture</td>
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<tr>
<td>Missouri</td>
<td>Gene Wiseman, Missouri State Milk Board</td>
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<tr>
<td>Nebraska</td>
<td>Randy Chloupe, Nebraska Dept. of Agriculture</td>
<td>George Hanssen, Nebraska Dept. of Agriculture</td>
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<td>New Mexico</td>
<td>Alf Reeb, New Mexico Dept. of Agriculture</td>
<td>Casey McCue, NYS Dept of Agriculture &amp; Markets</td>
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<td>New York</td>
<td>Charles Lindberg, NYS Dept of Agriculture &amp; Markets</td>
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<td>North Dakota</td>
<td>Wayne Carlson, North Dakota Dept. of Agriculture</td>
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<td>Ohio</td>
<td>Roger Tedrick, Ohio Dept. of Agriculture</td>
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<td>Oklahoma</td>
<td>Frank Barcellos, OK Dept. of Agriculture</td>
<td>Vance Bybee, Oregon Dept of Ag-Food Safety</td>
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<td>Oregon</td>
<td>Vance Bybee, Oregon Dept of Ag-Food Safety</td>
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<td>Puerto Rico</td>
<td>Mayra Toro, Puerto Rico Dept. of Health</td>
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<td>Darwin Kurtenbach, SD Dept. of Agriculture</td>
<td>Kevin Fridley, SD Dept. of Agriculture</td>
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<td>Tennessee</td>
<td>Bill Thompson, Tennessee Dept of Agriculture</td>
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<td>Don McClellan, Utah Dept of Agriculture</td>
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<td>Daniel Scronut, Vermont Dept of Agriculture</td>
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<td>Virginia</td>
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</table>
### 2012 Registrants and Participants

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National Association of Dairy Regulatory Officials (NADRO)
54th Annual Meeting

Honorary Lifetime Members

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107 Rex Lane
St. John, MI 48879

Kenneth Van Patten
2365 Howell Road
Williamton, MI 48895

MINNESOTA

Bill Coleman
1122 Sixth Street, South
Fargo, ND 58103

Orlowe M. Olsten
1375 Fairmount Avenue
St. Paul, MN 55105

Greg Pitman
13390 420th Ave.
Waseca MN 56093

MISSOURI

Carl Action
304 West Spring
Fayette, MO 65248

James Kennedy
12408 RT C
Russellville, MO 65074

Terry Long
19170 Factory Creek Road
Jamestown, MO 65046-9728

Fred Neinershagen
1103 Falcon Drive
Columbia, MO 65201

MONTANA

Everett L. Tubbs, RS
2014 Lockie Avenue
Helena, MT 59601

NEBRASKA

Dan Borer
301 Centennial Mall S # 4
Lincoln, NE 68508-2529

NEW YORK

Will Francis
3269 Chrisland Dr.
Annapolis, MD 21403

Dwayne Lipinski
RR 2
Johnsonville, NY 12093

Alfred Place
10 Norge Road
Delmar, NY 12054

Harold Rudnick
1884 KY HWY 1284
Berry, KY 41003

NORTH CAROLINA

Leonard F. Blanton
RR 5, Box 332
Lincolnton, NC 28093

Robert Gordon
419 Oak Ridge Road
Carey, NC 27511
Bruce Williams  
5204 Calvin Place  
Raleigh, NC 27609  

NORTH DAKOTA  

Phil Park  
107 West Avenue A  
Bismark, ND 58501  

OHIO  

Lewis Jones  
8995 East Broad Street  
Reynoldsburg, OH 43068-3399  

OKLAHOMA  

Clyde D. Lacey  
P. O. Box 744  
Atoka, OK 74525  

George M. Parker  
3216 South Rankin  
Edmond, OK 73034  

Dan Rackley  
7801 W. Shawnee  
Muskogee, OK 74401  

James E. Smith  
643 Ridgecrest  
Edmond, OK 73034  

OREGON  

Ron McKay  
5253 Aldercrest Court South  
Salem, OR 97306  

Eric Paulson  
1138 Simpson Street  
Aumsville, OR 97306  

Al Tesda  
1515 7th Avenue NE  
Salem, OR 97303  

PENNSYLVANIA  

James Dell  
5269 Trout Run Lane  
Spruce Creek, PA 16683  

G. William Fouse  
RR 1, Box 95  
James Creek, PA 16657  

SOUTH DAKOTA  

Verne Brakke  
624 North Jackson  
Pierre, SD 57501  

Roger Scheibe  
1100 Telluride Lane  
Brookings, SD 57006  

VERMONT  

Donald F. George  
14 Green Mountain View  
Barre, VT 05641  

Byron Moyer  
155 Richardson Rd.  
Barre, VT 05641  

WASHINGTON  

Donald Penders  
8328 60th Lane SE  
Lacey, WA 98513  

WISCONSIN  

Tom Leitzke  
PO Box 8911  
Madison, WI 53708
# National Association of Dairy Regulatory Officials (NADRO)
## 54th Annual Meeting
### Past Presidents

<table>
<thead>
<tr>
<th>Year</th>
<th>Past President(s)</th>
<th>Year</th>
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<tr>
<td>1958-1959</td>
<td>Dr. W. L. Bendix (VA)</td>
<td>1986-1987</td>
<td>Donald George (VT)</td>
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<tr>
<td>1962-1963</td>
<td>Dr. W. L. Bendix (VA)</td>
<td>1990-1991</td>
<td>Dave Sheldon (MA)</td>
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<td>1964-1965</td>
<td>Laurence Clough (NY)</td>
<td>1992-1993</td>
<td>Bruce Williams (NC)</td>
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<td>1968-1969</td>
<td>Peter Griffin (MA)</td>
<td>1996-1997</td>
<td>Terry Long (MO)</td>
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<td>1979-1980</td>
<td>Orlowe M. Olsten (MN)</td>
<td>2006-2007</td>
<td>Will Francis (NY)</td>
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<td>Alfred R. Place (NY)</td>
<td>2009-2010</td>
<td>Linda Stratton (WY)</td>
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<td>1983-1984</td>
<td>Kenneth D. Feighner (MI)</td>
<td>2010-2011</td>
<td>Cathy Kaszowski (MA)</td>
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<td>1984-1985</td>
<td>Fred G. Gerk (NM)</td>
<td>2011 – 2012</td>
<td>Sue Esser (MI)</td>
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<td>1985-1986</td>
<td>Archie C. Holliday (VA)</td>
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National Association of Dairy Regulatory Officials (NADRO)
54th Annual Meeting

Past Meeting Locations

1959  Nashville, Tennessee
1960  Memphis, Tennessee
1961  Jackson, Wyoming
1962  Buffalo, New York
1963  Dodge City, Kansas
1964  New Orleans, Louisiana
1965  Santa Fe, New Mexico
1966  Burlington, Vermont
1967  Madison, Wisconsin
1968  Morgantown, West Virginia
1969  Jackson, Wyoming
1970  Windsor, Connecticut
1971  Sandusky, Ohio
1972  Miami Beach, Florida
1973  ----------------------------------
1974  ----------------------------------
1975  ----------------------------------
1976  Williamsburg, Virginia
1977  San Diego, California
1978  Saratoga Springs, New York
1979  Branson, Missouri
1980  Lexington, Kentucky
1981  Boise, Idaho
1982  Portland, Maine
1983  Traverse City, Michigan
1984  Winston-Salem, North Carolina
1985  Portland, Oregon
1986  Burlington, Vermont
1987  Rapid City, South Dakota
1988  Long Boat Key, Florida
1989  Spokane, Washington
1990  Boston Massachusetts
1991  Lincoln, Nebraska
1992  Williamsburg, Virginia
1993  Park City, Utah
1994  Albany, New York
1995  Bloomington, Minnesota
1996  Nashville, Tennessee
1997  Sun Valley, Idaho
1998  Harrisburg, Pennsylvania
1999  Lake of the Ozarks, Missouri
2000  Traverse City, Michigan
2001  Jackson, Wyoming
2002  Colchester, Vermont
2003  Wisconsin Dells, Wisconsin
2004  Louisville, Kentucky
2005  Portland, Oregon
2006  Lake Placid, New York
2007  Columbus, Ohio
2008  Norfolk, Virginia
2009  Reno, Nevada
2010  Portland, Maine
2011  Rapid City, South Dakota
2012  Orange Beach, Alabama
President’s Report

July 14 – 18, 2012
Orange Beach, Alabama

To the members of NADRO:

It has been a privilege and an honor to serve as your President. I would like to personally thank Chris Thompson, former NADRO President, for his hard work and dedication to the NADRO organization. Chris stepped down as NADRO President when he accepted a position with the USDA market Administrator’s Office in Atlanta, Georgia in October of 2011, allowing me the opportunity to become President. We look forward to working with Chris in his new capacity whenever the opportunity arises. We had a very successful meeting in Orange Beach, Alabama with 49 members and guests in attendance including 17 state voting delegates. This represented an increase in attendance from our 2011 NADRO meeting. I’d like to applaud Eunice Schlappi for doing a great job of getting the word out to interested dairy stakeholders about our annual meeting and the purpose of the NADRO organization. I’d also like to thank G.M. Gallaspy and everyone from Alabama for their warm hospitality.

The attendees at our 2012 meeting heard reports for two ad hoc committees that were formed during the 2011 NADRO meeting. Dan Scruton from Vermont chaired the Somatic Cell Count Committee and delivered that committee’s report. Much interest in somatic cell count legal limits was generated as a result of the 2011 National Conference on Interstate Milk Shipments and further discussion occurred at our NADRO meeting. The other ad hoc committee was chaired by John Beers from Virginia. This committee was charged with studying ways to increase NADRO membership. The committee reported its findings which included the concept of holding conference calls between NADRO annual meetings. These calls would be scheduled in response to current issues of concern to NADRO members and stakeholders. The committee also recommended that the NADRO annual meeting continue to be held in July each year beginning on the second Saturday.

Again it has been an honor serving as your President and I look forward to seeing you in Cody, Wyoming in July 2013.

Respectfully Submitted,

Susan Esser
Michigan Department of Agriculture and Rural Development
### National Association of Dairy Regulatory Officials
#### 54th ANNUAL CONFERENCE

### Committee Assignments

<table>
<thead>
<tr>
<th>Committee Assignments</th>
<th>Chair/Chairman</th>
<th>Members</th>
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<tr>
<td><strong>AUDIT</strong></td>
<td>Darwin Kurtenbach</td>
<td>John Miller, Eunice Schlappi</td>
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<tr>
<td><strong>JOINT COMMITTEE ON ANIMAL HEALTH, GRADE &quot;A&quot;, AND MANUFACTURING DAIRY REGULATIONS</strong></td>
<td>Don McClellan</td>
<td>Casey McCue, John Sheehan, Dan Scruton, Dru Haderlie, Terry Philibeck, Gene Wiseman, Jamie Jonker, Clay Hough, Phil Wolff, John Sanford, Bob Rogers, Vance Bybee, Wayne Carlson, Bob Gilchrist, Bob Kiser, Tom O'Connell, Roger Tedrick, Chris Thompson, Ricky Williams</td>
</tr>
<tr>
<td><strong>AWARDS</strong></td>
<td>Darwin Kurtenbach</td>
<td>Eunice Schlappi</td>
</tr>
<tr>
<td><strong>NCIMS</strong></td>
<td>Gary Newton</td>
<td>Bob Hennes, John Miller, Peggy Gates, John Beers, Mitchell Martin, Chuck Meek, Rebecca Piston, Frank Barcellos, G.M. Gallaspy, Jason Lazenby, Kevin Lemmons</td>
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<tr>
<td><strong>NOMINATING</strong></td>
<td>Peggy Gates</td>
<td>G.M. Gallaspy, Darwin Kurtenbach</td>
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<tr>
<td><strong>RESOLUTIONS</strong></td>
<td>Casey McCue</td>
<td>Don McClellan</td>
</tr>
</tbody>
</table>

### PROGRAM COMMITTEE
- Sue Esser, Chair
- Executive Committee members
President Susan Esser called the NADRO business meeting to order at approximately 3:30pm.

Secretary Casey McCue called the roll. The following states delegates or alternate delegates were in attendance.

Alabama   Missouri   South Dakota
Florida   New York   Utah
Georgia   North Dakota   Vermont
Indiana   Ohio   Virginia
Kentucky   Oklahoma   Wyoming
Michigan   Oregon

A quorum was present.

Officers Present included:
- President, Susan Esser
- Vice President, Don McClellan
- Secretary, Casey McCue
- Executive, Treasurer Eunice Schlappi

NASDA Report

Vice President Don McClellan gave the NASDA Report.

The next order of business was Committee and Resolution assignments. (the assignments are included in this Annual Report).

Peggy Gates explained to the attendees the openings present of Vice President and Secretary.

Meeting was adjourned at 5:30 pm to reconvene at 8:00 am on Jul 18, 2012.
The meeting was called back into order at 8:15 am on Wednesday, July 18, 2012 by President Susan Esser. Secretary Casey McCue called roll and a quorum was once again established with sixteen out of the seventeen delegates present.

Membership Committee Report:
John Beers, chair of the membership committee, discussed with the attendees ways to try to gain a larger outreach to the association such as conference calls throughout year. This would be open to delegates and attendees from previous conferences. Mr. Beers also pointed out the NADRO Meeting on our normal week in July, coincided with the American Dairy Science Association Conference.

Somatic Cell Committee Report:
Dan Scruton, Chair of the Somatic Cell Committee, expressed the committees desire to let the new USDA Compliance Plan for Milk to be Exported to go into affect allowing the market place to directly deal with the matter.

Resolution Committee Report:
Casey McCue, Chair of the Resolutions Committee presented seven resolutions and one action item. Six resolutions were approved by the delegates with the lone action item being defeated by the members. (The resolutions which passed are included in this Annual Report).

Financial Report:
Eunice Schlappi, Executive Treasurer, presented the financial report and was voted on and accepted by the delegates.

Audit Committee Report:
Darwin Kurtenbach, Chair of the Audit Committee, presented the report which was voted on and accepted by the delegates.

Old Business: None

New Business:
Darwin Kurtenbach discussed further the idea of conference calls prior to the NASDA meetings to be able to get out in front of issues.

Nominating Committee Report:
Peggy Gates, Chair of the Nominating Committee gave her report which included the nominations of Dru Haderlie (WY), Vice President and Gary Newton (FL), Secretary. Nominations were accepted and approved by the voting delegates.

Host State for 2013:
President Susan Esser announced Cody, Wyoming would be the site for the 2013 Conference and an interest by Missouri to host the 2014 Conference.
Meeting was adjourned at approximately 9:45 am.
Somatic Cell Count Committee Report:
Chair - Scruton, Dan

The committee met twice over conference calls. The first call came after USDA had rolled out its plan for compliance with EU directives. There was total consensus that SCC is not a public Health Issue below a 750,000 SCC limit. After an interesting discussion it was decided to give the USDA program a few months to see if industry was having problems meeting the requirements. We again met April 26, 2012 and industry reported that the program was going well but there were concerns about derogations after the first year.

The consensus although not quite unanimous was that the USDA program is working and that allowing the market to deal with quality beyond public health needs is the preferred method. Unless something changes the recommendation to the NADRO Board is that NADRO should not put in an SCC proposal unless something changes in the way the USDA program is working.

The committee was given the names and email of all the NADRO members on the committee and asked to contact one of us if anything warranting a change in position occurs before the July NADRO Meeting. I have had no comments from other members.

Respectfully submitted, Daniel L. Scruton, Dairy Programs Section Chief
Vermont Agency of Agriculture, Food and Markets

Members of the SCC Committee were:

Researchers
Dr. Joe Hogan
Ohio State University (did not make it onto the calls)
Dr. David Bray
University of Florida

USDA
- AMS - Dairy Programs
Susan Sausville
USDA AMS Dairy Programs

FDA
Dr. Amber McCoig
FDA/CFSAN/OFS/DEB
Marybeth Willis
FDA-SE Region HFR-SE14

State
Claudia Coles
Washington State Department of Agriculture
Alf Reeb
New Mexico Department of Agriculture
Gene Wiseman
Missouri State Milk Board
Peggy Gates
Georgia Department of Agriculture
John Beers
Virginia Department of Agriculture
Dan Scruton
Vermont Agency of Agriculture

Industry
Carrie Fry
International Dairy Foods Association
Jamie Jonker
National Milk Producers Federation

Respectively Submitted by: Casey McCue, Secretary
Resolutions and Action Items
Whereas, the 54th Annual Meeting of the National Association of Dairy Regulatory Officials was held at the Island House Hotel, Orange Beach, Alabama, July 14-18, 2012, and

Whereas, the staff and management of the Island House Hotel provided exceptional service and outstanding hospitality by way of meeting rooms, catering, and guest room accommodations and the participants of the 54th Annual Meeting thoroughly enjoyed the conference facilities, proceedings, and activities,

Therefore, BE IT RESOLVED, that the attendees and participants of the 54th Annual Meeting of the National Association of Dairy Regulatory Officials thank the staff, management, and especially Tyler Crawford of the Island House Hotel for their extra efforts in providing exceptional hospitality.

Adopted on July 18, 2012
Whereas, the 54th Annual Meeting of the National Association of Dairy Regulatory Officials was hosted by the Alabama Department of Public Health, Orange Beach, Alabama, July 14-18, 2012, and

Whereas, the speakers provided informative reports and subject content for the meeting participants, and they added substantially to the success of the annual conference, and the participants of the 54th Annual Meeting enjoyed the conference proceedings and activities.

Therefore, BE IT RESOLVED that the attendees and participants of the 54th Annual Meeting of the National Association of Dairy Regulatory Officials thank the speakers for their efforts in making this an educational and successful conference.

The speakers were as follows:
Dr. Donald E. Williamson, AL, Welcome to Alabama
G.M. Gallaspy, AL, Welcome to Alabama
Sue Esser, MI, President’s Report
Don McClellan, UT, NASDA Report
John Miller, FL, NCIMS Update
Chris Thompson, FMMA Update
Phil Wolff, USDA, USDA Update and EU/USDA SCC Program
Jamie Jonker, NMPF, NMPF Update
Clay Hough, IDFA, IDFA Update
Capt. Robert Hennes, FDA, FDA Update and Robotic Milking
Dr. William Batchelor, Auburn University, Meeting the World Demand for Food
Amanda Trice, SUDIA, Media in Agriculture

State Reports from participating states

Adopted on July 18, 2012
Whereas, the Alabama Department of Public Health hosted the 54th Annual Meeting of the National Association of Dairy Regulatory Officials at the Island House Hotel, Orange Beach, Alabama, July 14-18, 2012, and

Whereas, the Alabama Department of Public Health, especially G.M. Gallaspy, Pat Nelson, Randy Astin, Audra Jones, Mike Clinkscale, Ron Dawsey and Pres Allinder, planned, organized, and presented a very successful and informative conference, and

Whereas, the participants of the 54th Annual Meeting enjoyed the conference proceedings and activities,

Therefore, BE IT RESOLVED, that the attendees and participants of the 54th Annual Meeting of the National Association of Dairy Regulatory Officials congratulate and thank the Alabama Department of Public Health and staff for their efforts in extending cordial and outstanding hospitality.

Adopted on July 18, 2012
Whereas, the Alabama Department of Public Health hosted the 54th Annual Meeting of the National Association of Dairy Regulatory Officials at the Island House Hotel, Orange Beach, Alabama July 14-18, 2012, and

Whereas, HP Hood LLC, 3-A Sanitary Standards Inc., Williams Trucking Co. and the International Dairy Foods Association have gracefully provided financial support to the Association.

Therefore, BE IT RESOLVED, that the attendees and participants of the 54th Annual Meeting of the National Association of Dairy Regulatory Officials congratulate and thank HP Hood LLC, 3-A Sanitary Standards Inc., Williams Trucking Co. and the International Dairy Foods Association for their gracious support of this organization.

Adopted on July 18, 2012
Whereas, the Alabama Department of Public Health hosted the 54th Annual Meeting of the National Association of Dairy regulatory Officials at the Island House Hotel, Orange Beach, Alabama, July 14-18, 2012, and

Whereas, the following companies provided dairy products from the State of Alabama:

Mayfield Dairy
Barber Dairy

Therefore, BE IT RESOLVED, that the attendees and participants of the 54th Annual Meeting of the National Association of Dairy regulatory Officials at the Island House Hotel, Orange Beach, Alabama, July 14-18, 2012, congratulate and thank these Alabama Companies that gave generously for the enjoyment of the attendees.

Adopted on July 18, 2012
Whereas, the 54th Annual Meeting of the National Association of Dairy Regulatory Officials was held at the Island House Hotel, Orange Beach, Alabama, July 14-18, 2012, and

Whereas, Eunice Schlappi has been diligent in dispatching her duties and

Whereas, she has given time and talent to help organize and plan this conference and

Whereas, she has sacrificed personal time to help facilitate and expedite these proceedings and

Whereas, she has been tireless in her bookkeeping.

Therefore BE IT RESOLVED, the National Association of Dairy Regulatory Officials warming and sincerely recognize and thank Eunice Schlappi for her efforts which are above and beyond expectations.

Adopted on July 18, 2012
# Audit Committee Report & Executive Treasurers Report

## 2011-2012 NADRO Financial Statement

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**Total Annual Meeting Expenses** ($7,643.60)

**Total CC fees** ($607.65)

**Total - other expenses** ($2,024.71)

**Total interest earned** $11.09

**Total income dues/registrations/sponsorships** $16,211.80

($2000 sponsors & $5200 dues)


### 2011

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**Net gain for 2011** $5,946.92

2011 ending checking/savings balance = $16,510.44

NOTE: $10,000 moved to savings in 8/2011

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**Audited 7-17-12**

**Submitted by** Giacomo Schiappi 7-17-12

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<td>Cabelas-gift for assistant</td>
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</table>

**Total:** $20,275.97

**End of Account:**

($26,771.48 - beg bal $10,548.89 = $16,222.89)

($10,275.97 - move to svgs $10,000 = $275.97)

**Net Gain:** $5,946.92
National Association of Dairy Regulatory Officials
54th ANNUAL CONFERENCE

Nominating Committee Report

President        Sue Esser, Michigan
President Elect  Casey McCue, New York
Vice President   Dru Haderlie, Wyoming
Secretary        Gary Newton, Florida

Respectively submitted:

Peggy Gates, Chair
G.M. Gallaspy
Darwin Kurtenbach
Executive Board Meeting called to order at 10:30 a.m. on July 15, 2012 by President Susan Esser

In attendance: Sue Esser
Don McClellan
Eunice Schlappi
Darwin Kurtenbach
Peggy Gates
Casey McCue
Gene Wiseman
Wayne Carlson

Opening Remarks: President Sue Esser welcomed everyone and started into the Association Business.

2012 Conference Information: Eunice reported conference had approximately 50 attendees from 17 states, with 24 states paying dues.

Conference Sponsors: HP Hood, Williams Dairy & Trucking, 3-A SSI, and IDFA

Future Conferences: Group discussed 2013 Conference in Cody, Wyoming and Gene Wiseman expressed interest in 2014 conference in either St. Louis or Kansas City

Committee Assignments: Executive Board discussed and assigned committee members.

Nomination Committee: President Esser chose Peggy Gates to Chair Nomination Committee and group discussed vacancies. The format calls for a Vice President from the Western States and a Secretary from the South.

Meeting was adjourned at 12:00 p.m.
National Association of Dairy Regulatory Officials

54th Annual Meeting

July 14 – 18, 2012

Island House Hotel
Orange Beach, Alabama

Constitution and Bylaws as Amended July 14, 2010
NATIONAL ASSOCIATION OF DAIRY REGULATORY OFFICIALS

CONSTITUTION

ARTICLE I Name

The name of this association shall be the National Association of Dairy Regulatory Officials. (Amended December 4, 2008)

ARTICLE II Objectives and Purposes

The objectives and purposes of this Association shall be to:
(1) Protect the health, welfare, and interests of the consumers of dairy products;
(2) Consider problems and effect programs designed to further the interests of our American dairy farmer and dairy industry;
(3) Promote unity and efficiency in the application of regulatory measures in the dairy fields;
(4) Formulate recommendations relating to the general use or application of designations, definitions, standards of composition, marketing, standard methods of analysis, and requirements for marketing and labeling milk and dairy products;
(5) Advise the National Association of State Departments of Agriculture on dairy issues. (Amended July 26, 2000; December 4, 2008)

ARTICLE III Membership

SECTION (1) The voting member of this Association shall consist of such persons charged with the enforcement of state or territory dairy laws or program evaluation as designated by the head of each State or Territory Department of Agriculture, State or Territory Department of Health, or other State or Territory Agency. All heads of State or Territory Departments of Agriculture, State or Territory Departments of Health, or other State or Territory Agency shall be ex-officio members of this Association. (Amended August 15, 2005; December 4, 2008)

SECTION (2) Associate members of this organization may consist of dairy industry representatives or other dairy related organizations. Associate members are non-voting. Associate members shall be recognized in the annual meeting proceedings. (Amended July 14, 2010)

ARTICLE IV Officers

The Association shall annually elect a President, President-Elect, Vice President, Secretary and Executive Treasurer. (Amended December 4, 2008)
ARTICLE V Executive Committee

SECTION (1) The Executive Committee of this Association shall be composed of the President; the President-Elect; the Vice-President; the Secretary, the Executive Treasurer and the immediate Past President. The President-Elect shall serve as Chair of the Executive Committee. If, for any reason, the President-Elect is ineligible to serve, then the Vice-President shall serve as Chair of the Executive Committee. (Amended July 26, 2000; December 4, 2008)

SECTION (2) The affairs of this Association between Association meetings shall be administered by the Executive Committee. (Amended December 4, 2008)

SECTION (3) If not otherwise provided by the Bylaws, the Executive Committee shall fill vacancies occurring in all offices.

ARTICLE VI Annual Meetings

An annual meeting shall be held at such time and place as the Association may direct. Special meetings shall only be called by the President and upon request of a majority of the members of the Executive Committee. (Amended December 4, 2008)

ARTICLE VII Voting

SECTION (1) All members of this Association who are present at a duly scheduled session of any annual or special Association meeting shall be recognized as a quorum authorized to transact any business of this Association, but not more than one vote from a member State or Territory shall be counted on any questions voted upon. (Amended December 4, 2008)

SECTION (2) The names of one voting delegate and one alternate delegate from a State or Territory shall be registered with the Secretary by the respective head of the State or Territory Department of Agriculture, State or Territory Department of Health, or other State or Territory Agency. Thereafter, the voting delegate shall cast all votes for the state or territory from which the delegate is registered. Provided, however, in the absence of a voting delegate, an alternate delegate may cast votes for the state or territory from which the alternate delegate is registered. (Amended July 26, 2000; Amended August 15, 2005)

ARTICLE VIII Proxies

No proxies shall be permitted at any meeting of the Executive Committee or of this Association. (Amended December 4, 2008)

ARTICLE IX Bylaws

Appropriate Bylaws to effectuate and carry out the provisions of this Constitution may be adopted by a majority of the members present and voting at any annual meeting.
ARTICLE X Amendments

No amendment shall be considered unless such amendment has been presented for consideration to the membership thirty (30) days prior to a duly scheduled meeting. (Amended August 15, 2005)

ARTICLE XII Miscellaneous

No member, or person, or groups of members or persons, shall represent or speak for or represent oneself or themselves as having the right to speak for or having the endorsement of this Association unless consent thereto has first been given by a majority of the members of the Association present and voting at a duly scheduled session of an annual or special Association meeting, or by three-fourths of the members of the Executive Committee between Association meetings. (Amended December 4, 2008)
NATIONAL ASSOCIATION OF DAIRY REGULATORY OFFICIALS

BYLAWS

ARTICLE I Officers

SECTION (1) All officers of the Association shall be elected annually at the annual Association meeting, and shall serve from final adjournment of the annual Association meeting at which they have been elected until the final adjournment of the next annual Association meeting or until their successors have been duly chosen. (Amended December 5, 2008)

SECTION (2) Nominations for each office in the Association shall be made by a Nominations Committee appointed by the President. Additional nominations may be made by any member of the Association. (Amended December 5, 2008)

SECTION (3) The President shall perform the usual duties pertaining to that office and shall appoint all necessary committees. Committee members shall serve until their successors have been duly appointed or the committee discharged, unless otherwise indicated by members of the Association at any Association meeting. (Amended December 5, 2008)

SECTION (4) The President-Elect shall assume the duties and powers of the President in the absence of the President, and shall perform such other duties as the Executive Committee may direct. The President-elect shall automatically become President of the Association whenever a vacancy in the office occurs. The President-Elect, when assuming the duties of the President due to a vacancy in that office, shall not, as a result thereof, be ineligible for election to the office of President for the subsequent year. Members shall not be eligible to succeed themselves after having been elected to any office, except for the Executive Treasurer, who may succeed herself/himself. (Amended December 5, 2008)

SECTION (5) The Secretary shall keep the minutes of all Association meetings and meetings of the Executive Committee and conduct all official correspondence of the Association. (Amended December 5, 2008)

SECTION (6) The Executive Treasurer shall collect and disburse all monies of the Association. The records and accounts of the Association shall be audited annually by a committee appointed by the President. (Amended December 5, 2008)

ARTICLE II Executive Committee

A meeting of the Executive Committee shall be held immediately after each annual Association meeting. Other meetings may be called, on not less than fourteen days notice, by the President or by a majority of the members of the Executive Committee. The Executive Committee, after notice to all of its members, may also act by written vote, filed with the Secretary. (Amended December 5, 2008)
ARTICLE III Dues

SECTION (1) Dues, if any, shall be set at a regular meeting of the Association, and shall be paid annually, by or on behalf of each State or Territory Department of Agriculture, State or Territory Department of Health, or other State or Territory Agency which has designated a person or persons for membership. Such dues shall be payable annually in January, and nonpayment of such dues by, or on behalf of any State or Territory shall operate to suspend such State or Territory from all rights and privileges of the Association, including voting privileges. (Amended July 26, 1962; July 26, 2000; July 13, 2005; December 5, 2008)

SECTION (2) Associate members dues, if any, shall be set at a regular meeting of the Association, and shall be paid annually, by or on behalf of each Associate supporting member. Such dues shall be payable annually in January, and nonpayment of such dues by, or on behalf of any Associate member shall operate to suspend the Associate membership. (Amended July 14, 2010)

SECTION (3) No dues shall be required of honorary lifetime members. (Amended July 26, 2000)

ARTICLE IV Procedure

The Proceedings and deliberations of the Association, including meetings of the Executive Committee, shall be governed by the Rules of Parliamentary Practices established by Roberts’ Rules of Order, revised. (Amended December 5, 2008)

ARTICLE V Honorary Lifetime Membership

SECTION (1) Honorary lifetime membership may be bestowed on any former member who has attended at least five annual meetings as a state or territory dairy regulatory official who is no longer active in enforcement of any state or territory dairy laws, by a majority of the Executive Committee. (Amended July 26, 2000; Amended July 14, 2010)

SECTION (2) Honorary lifetime members shall be entitled to all the privileges and information granted to a member, except voting rights. The honorary lifetime member shall be entitled to complimentary dues remission, but may be required to pay all or a portion of the normal registration fee for the meeting in which they are in attendance as determined by the Executive Committee. (Amended July 14, 1983; July 26, 2000)

ARTICLE VI Amendments

These Bylaws may be amended at any duly scheduled meeting attended by a majority of the members. (Amended December 5, 2008)
National Association of Dairy Regulatory Officials

54th Annual Meeting

July 14 – 18, 2012

Island House Hotel
Orange Beach, Alabama

Introductions and Presentations
U. S. Department of Agriculture
Agricultural Marketing Service
Dairy Grading Branch

Somatic Cell Counts
Presented By Philip Wolff

USDA Mission
We Provide Leadership On Food, Agriculture, Natural Resources, And Related Issues Based On Sound Public Policy, The Best Available Science, And Efficient Management

AMS Mission
The Mission Of Usda's Agricultural Marketing Service Is To Facilitate The Competitive And Efficient Marketing Of Agricultural Products.

Dairy Grading Branch Mission
Provide Timely, Cost Effective, And Accurate Inspection And Grading Services To Our Customers We Will Accomplish This Mission With A Dedicated, Courteous, Professional Staff

Dairy Grading Branch
Product Grading
Dairy Plant Surveys
Grade Label
Equipment Reviews
Salmonella Surveillance
Export Certificates

Grade Label Shields
Export Certificates

- For Dairy And Related Products
- Lot Specific

Total US Exports (2011)

- Total value - $4.8 billion
- Total lbs. - 3.2 billion
- Percent of Milk Production - 13.3%*
- Percent of Whey Proteins - 55%
- Percent of NDM - 49%
- Percent of Butterfat - 7.6%
- Percent of Cheese - 4.7%

*Total Milk Solids

Somatic Cell and Bacteria Limits

**US Requirements**

- Somatic Cells per mL: 750,000
- Bacteria per mL:
  - 100,000 Grade A Milk
  - 500,000 Grade B Milk

**EU Requirements**

- Somatic Cells per mL: 400,000
- Bacteria per mL: 100,000

USDA Requirements (Through 2012)

- Random Samples
  - 10% of bulk tankers
- Analyze Each Bulk Tanker
  - average each day's result
- Maintain Records
  - traceability to actual counts
- Other?
Why the Change?
- EU Audit 2009 – One Of Four Findings Was
  Our Procedure For Determining Somatic Cells
- EU Requirements
  - milk sampling takes place at the farm level
  - calculation of counts

What is Required?
(Bacteria - Grade A Farms)
- Test Farms Monthly For Bacteria
- Maintain Records
- Other Procedures?

What is Required?
(Bacteria - Grade B Farms)
- Test Farms Twice A Month For Bacteria
- Maintain Records
- Other Procedures?

What is Required?
(Somatic Cells - Grade A & B Farms)
- Test Farms Monthly for Somatic Cells
- Maintain Records
- Other Procedures?

AMS Role
- Facilitate Exports of US Dairy Products
- Maintain Market Access to the EU
- Certify that Products Meet EU Requirements

Milk Supplier Role
- Sample And Test Milk
- Maintain Records
- Provide A Certificate of Conformance to Processors
Farms Above EU Requirements

- The Milk Supplier Must Notify The AMS Dairy Programs
- Take Appropriate Measures To Bring The Farm Back Into Compliance.

Farms That Remain Above EU Requirements

- Suspend Pick Up Of Milk
- Segregate The Milk
- Discontinue Certifying That Products Meet The Requirements Of The EU
- Contact The Dairy Programs And Ask For A Derogation

Derogations

- The Milk Is Pasteurized Or Made Into Cheese That Will Be Aged At Least 60 Days Before Being Placed On The Market
- Compliance Monitoring Activities Must Continue
- A Period Of One Year

Seasonal Derogation

- In Compliance With The EU Requirements For 9 Months The Year
- Must Be Able To Demonstrate Through Records That This Variation Is Truly Seasonal
- Renewed Every Three Years

Average test-day somatic cell count from Dairy Herd Improvement herds during 2011

Herd Improvement herds during 2011 by month

www.aipl.arsusda.gov/publish/dhi/current/sccrp.htm

H.D. Norman, T.A. Cooper, and F.A. Ross, Jr.
Animal Improvement Programs Laboratory, Agricultural Research Service, USDA, Beltsville, MD 20705-2350
Geometric vs. Arithmetic Mean

\[ a_1 = \frac{1}{2} (24 + 6) = 15 \]
\[ g_1 = \sqrt{24 \times 6} = 12 \]

Geometric Mean

From this we can deduce that

\[ y = y_1 \frac{a_0}{a_1} = y_1 \frac{2a_0}{a_0 + y_0} = \frac{2y_1}{1 + x} \]

\[ \frac{dy}{dx} = -\frac{2}{(1 + x)^2} y_1 - \frac{2}{1 + x} \frac{dy_1}{dx_1} \]

Geometric Mean

After some elementary rearrangement we get:

\[ \frac{d}{dx} \left( e^{-x^2} \frac{dy}{dx} \right) - x^2 y = \frac{1 - x}{(1 + x)^2} \left( \frac{d}{dx_1} \left( e^{-x_1^2} \frac{dy_1}{dx_1} \right) - x_1 y_1 \right) \]

Using the same considerations we can deduce that:

\[ s = \frac{n}{N} \left( \frac{m + m_0}{\sqrt{m_0 + m}} \right) - \frac{m_0 + m}{N} \left( \frac{m + m_0}{m_0 + m} \right) \]

Which completes the proof.

Geometric Mean

The geometric mean of two numbers, say 2 and 8, is just the square root of their product:

\[ 2 \times 8 = 4 \]

Geometric Mean

More generally the geometric mean satisfies

\[ G = \sqrt[n]{x_1 x_2 \cdots x_n}, \]

And hence

\[ \log G = \frac{1}{n} \sum_{i=1}^{n} \log x_i. \]
Disclaimer
My presentation for this conference has been conducted to those standards considered normal for presentations of this type and at this time and location. Other than this, no guarantee, either expressed or implied, is intended.
NCIMS Update

National Association of Dairy Regulatory Officials
Island House Hotel
Orange Beach, Alabama
July 16, 2012
John Miller, Chair NCIMS

33rd NCIMS Conference

• April 29 – May 4, 2011
• Sheraton Baltimore City Center
• Baltimore, Maryland

Overview of NCIMS

• The National Conference on Interstate Milk Shipments (NCIMS).
• We are a non-profit organization whose goal is "To Assure the Safest Possible Milk Supply for All the People."
• The Conference is made up of persons involved in the dairy industry, from the dairy farmer, to processing plant personnel, the persons involved in inspecting the dairy farmer's operation and/or the processing plant, the persons who make the laws concerning the inspections, those who enforce the laws, the academic researcher and adviser, and the consumer of the dairy products.

MOU

• Memorandum of Understanding Between FDA and the NCIMS (1977)
• FDA has responsibility for enforcing the FD&C Act
• NCIMS is a voluntary organization directed and controlled by the member states
• Collaboratively FDA and NCIMS will develop a cooperative federal-state program (IMS Program) to insure the sanitary quality of milk shipped interstate
• IMS program is operated by states with technical, scientific and oversight inspection by FDA

MOU

• IMS Program relies on the PMO and related technical documents to ensure safety and wholesomeness of milk
• FDA considers these standards and requirements adequate for the protection of public health
• Agreement with FDA and NCIMS to follow principles of the Procedures and execute the IMS program

MOU

States
Cooperative Program
FDA
Industry
33rd NCIMS Conference

- NCIMS meets biennially in odd-numbered years to consider changes, additions, deletions and modifications to the IMS regulations.
  - The Conference had its first official meeting in 1950
- More information www.ncims.org
- Model Documents, Memos, IMS List:
  - PMO, Methods of Making Sanitation Rating on Milk Supplies, Procedures of NCIMS, Constitution & Bylaws
  - http://www.fda.gov/Food/FoodSafety/ProductSpecificInformation/MilkSafety/default.htm

Executive Board

- Eastern States
  - Laurie Butcher – Maryland
  - Casey McCue – New York
- Central States
  - Terrance Philibeck – Indiana
- Western States
  - Michael Wiggs – Idaho
- Industry
  - Don Breiner – Pennsylvania
- FDA
  - John Sheehan

Proposal Process - Prior to Conference

- Request for proposals - November
- Proposal submitted by deadline - February
- Program Committee assigns proposal to Council and, if appropriate, Committee - February
- NCIMS Conference – April-May

Executive Board

- Elected Chair:
  - John Miller – Florida Dept. of Agriculture and Consumer Services
- Re-elected Vice Chair:
  - Don Breiner – Land O’Lakes, Pennsylvania

NCIMS Executive Board

<table>
<thead>
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<th>CHAIRMAN (comes from Board Members)</th>
<th>VICE CHAIRMAN (comes from Board Members)</th>
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<tbody>
<tr>
<td>Western States - 4 members + 1 at large</td>
<td>Eastern States - 4 members + 1 at large</td>
</tr>
<tr>
<td>Central States - 4 members + 2 at large</td>
<td>Central States - 4 members + 2 at large</td>
</tr>
<tr>
<td>Eastern States - 4 members + 1 at large</td>
<td>Eastern States - 4 members + 1 at large</td>
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1 state rating
1 industry
1 state enforcement
1 local health department
1 U.S. Department of Agriculture
1 education
1 laboratory

NCIMS Executive Board

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</tr>
<tr>
<td>Central States - 4 members + 2 at large</td>
<td>Central States - 4 members + 2 at large</td>
</tr>
<tr>
<td>Eastern States - 4 members + 1 at large</td>
<td>Eastern States - 4 members + 1 at large</td>
</tr>
</tbody>
</table>

1 state rating
1 industry
1 state enforcement
1 local health department
1 U.S. Department of Agriculture
1 education
1 laboratory

Other Memberships:

- U.S. Trust Territories, Non U.S. Countries or Political Subdivisions
- Non-Voting Members:
  - Executive Secretary Treasurer
  - Program Chairman
  - 3 Council Chairman
  - IDFA Chairman
  - Consumer Representative
  - NMPF Chairman of NIMS Liaison Committee

Proposal Process - Prior to Conference

- Request for proposals - November
- Proposal submitted by deadline - February
- Program Committee assigns proposal to Council and, if appropriate, Committee - February
- NCIMS Conference – April-May

Proposals to 2011

- 30 Proposals Assigned to Council I
  - 16 Passed as Submitted or Amended
- 48 Proposals Assigned to Council II
  - 33 Passed as Submitted or Amended
    - 13 - 2400 Series Forms
    - 20 other proposals
- 13 Proposals Assigned to Council III
  - 6 Passed as Submitted or Amended

57 of 91 Proposals Passed as Submitted or Amended
Proposal Assignments

<table>
<thead>
<tr>
<th>COUNCIL</th>
<th>PROCEDURES</th>
<th>PMO (includes DMOS)</th>
<th>OTHER</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>NONE</td>
<td>Sec. 5, 8, 10, 12, 13, 14, App. A, C, D, H, I, J, M, O, and Q</td>
<td>Technical Issues, SSCC</td>
</tr>
<tr>
<td>II</td>
<td>NONE</td>
<td>Sec. 1, 2, 3, 4, 5, 6, 15, 16, App. K, L, F, E, G, L, N, P, and R</td>
<td>MMSR, EML</td>
</tr>
<tr>
<td>III</td>
<td>ALL</td>
<td>Sec. 11, 17, 18, App. R, PMO Introduction</td>
<td>Resolution of Constitution/Syllabus, Reciprocity Issues</td>
</tr>
</tbody>
</table>

Proposals are assigned to appropriate Committees (i.e., Laboratory, MMSR, SSCC, Hauling, HACCP, Scientific Advisory, Technical Review, etc.). Committee recommendations are then referred back to the appropriate Councils for further consideration.

Proposal Process - At Conference

Committee decision and recommendation to Council (Fri-Sat)
Reports to Councils
Council discussion and recommendation to Delegates (Sun-Mon)
(Vote, Amend and Pass, No Action)
Voting Delegates deliberation and decision (Tue-Wed)
(Pass, Amend and Pass, No Action)

Note: all proposals that are sent as "no action" from Council are considered together and dispensed with, unless held over for consideration by state delegate

NCIMS Committees

- **Standing Committees**
  - Constitution & Bylaws - Ellen Fitzgibbons
  - Documents Review - Mike Wiggs
  - HACCP Implementation - Jason Crafts
  - Laboratory - Frank Barcellos
  - Method of Making Sanitation Ratings (MMSR) - Mike Wiggs
  - NCIMS/FDA Liaison - Sue Esser
  - Other Species Milk - Lynn Hinckley
  - Program - Cary Frye
  - Hauling Procedures - Chris Thompson, Chair
  - Scientific Review - Dr. Stephen Bean, Chair
  - Single Service Container and Closure - Randy Chioupek, Chair
  - Technical Engineering Review - David Lattan, Chair

- **Ad Hoc Committees**
  - Appendix N Modification Study – Roger Hooi
  - Aseptic Pilot Program Implementation - Susan Esser
  - International Certification Pilot Program – Claudia Coles & Tom Ford

Councils

<table>
<thead>
<tr>
<th>Council I</th>
<th>Council II</th>
<th>Council III</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resins &amp; Regulations</td>
<td>Responsibilities of Conference Participants</td>
<td>Application of Conference Agreements</td>
</tr>
<tr>
<td>Chairman &amp; Vice Chairman (no vote)</td>
<td>Chairman &amp; Vice Chairman (no vote)</td>
<td>Chairman &amp; Vice Chairman (no vote)</td>
</tr>
<tr>
<td>20 Members</td>
<td>20 Members</td>
<td>20 Members</td>
</tr>
<tr>
<td>10 regulatory, 10 industry</td>
<td>10 regulatory, 10 industry</td>
<td>10 regulatory, 10 industry</td>
</tr>
<tr>
<td>4 alternates</td>
<td>4 alternates</td>
<td>4 alternates</td>
</tr>
</tbody>
</table>

The Chairman appoints a consultant for each Council from the Board. The consultant has no voting rights but will offer advice when needed.

FDA also appoints a consultant for each Council.

Proposal Process - Post Conference

Transcript of Conference to FDA - within 45 days after conference (June 20, 2011)
FDA concurs/non-concur letter to Executive Board - within 90 days after receiving transcripts (August 4, 2011)
Executive Board meeting (September 27 – 28, 2011)
FDA concurs and mutually agreeable non-consents (published in October 2011 in an IMS-a)
Implementation – One year after electronic publication of affected documents or notification to states by IMS-a (FDA updates published documents, PMO, Procedures, MMSR, EML, etc)
Unresolved business sent to next Conference
2013 NCIMS Conference

Indianapolis Marriott Downtown, Indianapolis, IN
April 17 – 25, 2013

Executive Board
Conference Call
July 24, 2012
CFSAN/DEB/MST UPDATE

NADRO ANNUAL CONFERENCE
ORANGE BEACH, ALABAMA
JULY 17, 2012

CAPT ROBERT HENNES
Division of Plant and Dairy Food Safety
Office of Food Safety
Center for Food Safety and Applied Nutrition
U.S. Food and Drug Administration

ADMINISTRATIVE UPDATE

- DIRECTOR OF THE CENTER FOR FOOD SAFETY AND APPLIED NUTRITION
  - Michael M. Landa, J.D.

- SENIOR SCIENCE ADVISOR
  - Donald Zink, Ph.D.

CFSAN ORGANIZATION

Reporting to the Deputy Director for Operations:

- OFFICE OF FOOD SAFETY (OFS)
  - Nega Beru, Ph.D.

  5100 Paint Branch
  College Park, MD 20740
  Mail Code: HFS-300
  Main Telephone: (240) 402-1700
  Fax: (301) 436-2599

OFS ORGANIZATION CHART

- DIRECTOR
  - Nega Beru, Ph.D.

- DEPUTY DIRECTOR
  - William R. Jones, Ph.D (Acting)

- DIVISION OF PLANT & DAIRY FOOD SAFETY
  - John F. Sheehan, J.D.

- DAIRY AND EGG BRANCH
  - Monica Metz - Branch Chief
    - Combines Grade "A" and Non-Grade "A" Dairy Programs
    - Includes all Regulatory Programs for Foods Derived from Animals

DAIRY AND EGG BRANCH (DEB)

- Food Scientists
- Microbiologists
- Regulation Writers
- Cheese Processing Expert
- Compliance Experts
- Filth Experts
- Chemists
- Egg Specialists
- Senior Milk Specialists
DAIRY AND EGG BRANCH (DEB)

GRADE “A’ MILK SAFETY PROGRAM

- BOB HENNES - Team Leader
- STEVE SIMS
- DENNIS GAALSWYK

NEW TELEPHONE NUMBERS:
- BOB HENNES: (240) 402-2175
- STEVE SIMS: (240) 402-2153
- DENNIS GAALSWYK: (240) 402-2006

POSSIBILITY OF TWO (2) VACANCY ANNOUNCEMENTS FOR TWO (2) NEW POSITIONS WITHIN THE MILK SAFETY TEAM

FDA FIELD PERSONNEL CHANGES

NEW REGIONAL MILK SPECIALISTS:
- JOIE NAVARRETE, INDIANAPOLIS, IN
- DAVID PEARCE, HARISBURG, PA
- FRANK HARRIS, DALLAS, TX

CURRENT VACANT POSITION IN THE PHILADELPHIA AREA (LLOYD KINZEL RETIRED) HAS BEEN ANNOUNCED

FDA PERSONNEL CHANGES

JOE SCHLESHER RETIRED 3/31/2012

CURRENT PROJECTS
Canadian Equivalence Determination

PART I: DONE TO SATISFY A TRADE DISPUTE

- Equivalency determination between an aseptic plant in Quebec and one in Puerto Rico has been completed.
- Aseptic milk can be shipped from Quebec to Puerto Rico (the Canadian aseptic plant is no longer shipping to Puerto Rico).

PART II: (NATION-TO-NATION)

- Review of PLANTS nearly finalized.
- Reviewing Canada's response to questions raised from the initial U.S. on-sites.
- Additional on-sites visits were conducted in Quebec and Ontario (10/2010).

Canadian Equivalence Determination

PART II (NATION-TO-NATION)

- Review of LABORATORY evaluation systems nearly complete.
- U.S. has determined that the Canadian Food Safety Inspection Service's Laboratory Program is equivalent.
- On-site evaluation of Grade “A” Milk Safety Program's Laboratory Program:
  - On-site completed (week of 7/25/2011 in Oregon) and awaiting formal written review.

Canadian Equivalence Determination

PART II (NATION-TO-NATION)

- Farms, Animal Health, Animal Drug Residue Issues and Bulk Milk Tanker/Sampler programs currently under review.
  - FARMS
    - U.S. to visit 22 farms in Alberta in 11/2011 (This was postponed because of budgetary issues and has not been rescheduled.)

Canadian Equivalence Determination

PART II (NATION-TO-NATION)

- FACE-TO-FACE MEETINGS
  - March 2011-College Park
  - June 2011-Ottawa
  - Monthly Meetings beginning in August 2011 for Technical Staff

  (Additional meetings were scheduled in 10/11 and 12/11 which were postponed because of budgetary issues and none have been rescheduled since.)

Canadian Equivalence Determination

PART II: (NATION-TO-NATION)

- NO REAL ACTIVITY SINCE 8/2011
New Zealand Equivalence Determination

ON-SITE VISIT:

November 8-19, 2010

4 Teams
- Bob Hennes/Cynthia Leonard
- Dennis Gaalswyk/Les Boian
- Randy Elsberry
- Thomas Graham

Visited
- 12 Plants
- 22 Farms
- 4 Laboratories (1 did not do micro testing)

New Zealand Equivalence Determination

ON-SITE VISIT: Plant Visits

Main emphasis was to accompany a Recognized Verifier from a Recognized Agency while they were conducting an audit of the plant’s Risk Management Program’s CCP-Pasteurization.

All plants produced dry milk and milk products and dry dairy components/ingredients for export.

New Zealand Equivalence Determination

ON-SITE VISIT: Farm Visits

Main emphasis was to accompany an Assessor from a Recognized Agency while they were conducting their annual audit of the farm’s Risk Management Program.

Laboratory Visits

Main emphasis was to evaluate their required testing program and the Agency’s oversight of the regulatory laboratories.
**New Zealand Equivalence Determination**

ON-SITE VISIT REPORT WRITING IS VERY SLOWLY CONTINUING.

POSSIBLE ADDITIONAL VISIT DURING EARLY 2013

MAIN EMPHASIS TO LOOK MORE CLOSELY AT THE RECOGNIZED AGENCIES AND THEIR RECORDS AND ENFORCEMENT PRACTICES.

---

**EU Equivalence Determination**

- Placed on hold after our recommendation that it would be more feasible to conduct equivalency determinations for individual EU member states.
- EU has recently come back and requested FDA to begin this EU equivalency determination again.

---

**EU Equivalence Determination**

- Individual member state equivalency determination issue still has not been addressed by the EU.
- The EC still has not identified a technical team to work with the U.S. technical team.
- FDA has informed the EU that we do not have the FTEs to conduct this equivalency determination at this time and will not be able to do this until either Canada or New Zealand has been resolved.

---

**Drug Residue Risk Assessment**

- Drug Residues in Milk Assessment (Proposal 243 from the 2005 NCIMS)
  - NCIMS Drug Residue Committee requested an FDA Risk Analysis
  - 25 member team with CFSAN and CVM representatives
  - Drug Risk Assessment Model consists of four modules (On-farm, Processing, Consumer Exposure, and Hazard Characterization)

---

**Drug Residue Risk Assessment**

- Risk Assessment will evaluate:
  - Likelihood and magnitude of drug use in cattle and drug presence in raw milk
  - Likelihood and magnitude of drug survival in milk and milk products after processing
  - Magnitude of human exposure to a drug via consumption of milk and milk products
  - Consequence of human exposure (acute or chronic)
- Final Result – A risk estimation score for a drug based on likelihood and severity of potential health effects.

---

**FIELD SAMPLING ASSIGNMENT**

- 320 SAMPLES OF RAW MILK COLLECTED FROM FARM BULK MILK TANKS/SILOS FOR THE ANALYSES OF CHEMICAL CONTAMINANTS.
- THESE SAMPLES WILL BE COLLECTED BY PERMITTED INDUSTRY SAMPLERS OVER A TWELVE (12) MONTH PERIOD.
FIELD SAMPLING ASSIGNMENT

- ONLY ONE (1) SAMPLE IS TO BE COLLECTED PER DAIRY FARM.
- ALL SAMPLES COLLECTED FOR THIS ASSIGNMENT ARE INVESTIGATIONAL SAMPLES (INV).
- SAMPLES WILL BE TESTED UTILIZING THREE (3) SEPARATE FDA LABORATORIES (MYCOTOXIN, CHEMICALS AND METALS).

FIELD SAMPLING ASSIGNMENT

- WILL NOT PUBLISH DATA IN ANY FASHION
- RESULTS OBTAINED WILL BE USED TO ADDRESS OBSERVATIONS FROM THE 2010 EU AUDIT OF THE ENTIRE U.S. DAIRY PROGRAM (FDA, STATE AND USDA).

EU DAIRY PROGRAM AUDIT

JUNE 2012

VISITED A PLANT, DAIRY FARM AND LABORATORY IN WI.
VISITED TWO (2) PLANTS AND A DAIRY FARM IN CA.

EU DAIRY PROGRAM AUDIT

PRELIMINARY RESULTS EXPRESSED AT THE EXIT INTERVIEW WITH FDA AND USDA WERE VERY POSITIVE.

National Milk Drug Residue Data Base

- Milk samples with animal drug residues slightly lower in FY 2011
  - 0.028% or 1,079 of the 3,787,251 milk samples analyzed tested positive for a drug residue. (0.032% in FY 2010)
  - A total of 3,796,684 tests were reported on the samples for 8 different families of individual drugs.
  - 26 testing methods were used to analyze the samples for residues.
National Milk Drug Residue Data Base

- All 50 States plus Puerto Rico submitted data.
- 2nd consecutive year in which all providers submitted data.
- Report was conducted for FDA through a 3rd party contract and published in the National Milk Drug Residue Data Base (NMDRD)

Drug Residue Positive Tests Published in NMDRD

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Percent Positive</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>0.144</td>
</tr>
<tr>
<td>2006</td>
<td>0.054</td>
</tr>
<tr>
<td>2007</td>
<td>0.042</td>
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<tr>
<td>2008</td>
<td>0.040</td>
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<tr>
<td>2009</td>
<td>0.035</td>
</tr>
<tr>
<td>2010</td>
<td>0.032</td>
</tr>
<tr>
<td>2011</td>
<td>0.028</td>
</tr>
</tbody>
</table>

Current Information from the Dairy and Egg Branch (DEB)

CHECK RATINGS PLANTS, RS/TS AND BTU’s 2000-2011

- Average FY Total Number = 338

Grade “A” CHECK RATINGS FY’11

<table>
<thead>
<tr>
<th>REGION</th>
<th>BTU’s</th>
<th>PLANTS</th>
<th>RS/TS</th>
<th>TOTAL</th>
<th>Single Service</th>
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<tbody>
<tr>
<td>NE</td>
<td>25</td>
<td>17</td>
<td>1</td>
<td>43</td>
<td>7</td>
</tr>
<tr>
<td>CEN</td>
<td>53</td>
<td>37</td>
<td>1</td>
<td>91</td>
<td>14</td>
</tr>
<tr>
<td>SE</td>
<td>25</td>
<td>16</td>
<td>0</td>
<td>41</td>
<td>17</td>
</tr>
<tr>
<td>SW</td>
<td>42</td>
<td>20</td>
<td>5</td>
<td>67</td>
<td>10</td>
</tr>
<tr>
<td>PAC</td>
<td>30</td>
<td>42</td>
<td>0</td>
<td>72</td>
<td>11</td>
</tr>
<tr>
<td>TOTALS</td>
<td>175</td>
<td>132</td>
<td>7</td>
<td>314</td>
<td>59</td>
</tr>
</tbody>
</table>

TOTAL ADVERSE ACTION RATES (%) - CHECK RATINGS 2000-2011

- Average of Total for this time period - 12.1%
### Total Adverse Action Rates (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Plants</th>
<th>RS/TS</th>
<th>BTU's</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>6.8%</td>
<td>0.0%</td>
<td>17.7%</td>
<td>12.7%</td>
</tr>
<tr>
<td>2010</td>
<td>6.7%</td>
<td>7.1%</td>
<td>9.6%</td>
<td>8.3%</td>
</tr>
<tr>
<td>2009</td>
<td>5.7%</td>
<td>6.3%</td>
<td>15.1%</td>
<td>11.1%</td>
</tr>
<tr>
<td>2008</td>
<td>8.3%</td>
<td>0.0%</td>
<td>16.8%</td>
<td>12.7%</td>
</tr>
<tr>
<td>2007</td>
<td>7.5%</td>
<td>18.2%</td>
<td>14.1%</td>
<td>11.6%</td>
</tr>
<tr>
<td>2006</td>
<td>8.5%</td>
<td>23.5%</td>
<td>16.8%</td>
<td>13.6%</td>
</tr>
<tr>
<td>2005</td>
<td>8.6%</td>
<td>0.0%</td>
<td>18.7%</td>
<td>13.5%</td>
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<tr>
<td>2004</td>
<td>13.5%</td>
<td>8.7%</td>
<td>15.7%</td>
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<tr>
<td>2003</td>
<td>10.0%</td>
<td>10.0%</td>
<td>13.1%</td>
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</tr>
<tr>
<td>2002</td>
<td>5.1%</td>
<td>5.6%</td>
<td>15.5%</td>
<td>10.5%</td>
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<tr>
<td>2001</td>
<td>9.2%</td>
<td>3.7%</td>
<td>12.6%</td>
<td>10.8%</td>
</tr>
</tbody>
</table>

### Average Adverse Action Rates (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Plants</th>
<th>RS/TS</th>
<th>BTU's</th>
<th>All</th>
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<td>15.1%</td>
<td>11.1%</td>
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<tr>
<td>2008</td>
<td>8.3%</td>
<td>0.0%</td>
<td>16.8%</td>
<td>12.7%</td>
</tr>
<tr>
<td>2007</td>
<td>7.5%</td>
<td>18.2%</td>
<td>14.1%</td>
<td>11.6%</td>
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<tr>
<td>2006</td>
<td>8.5%</td>
<td>23.5%</td>
<td>16.8%</td>
<td>13.6%</td>
</tr>
<tr>
<td>2005</td>
<td>8.6%</td>
<td>0.0%</td>
<td>18.7%</td>
<td>13.5%</td>
</tr>
<tr>
<td>2004</td>
<td>13.5%</td>
<td>8.7%</td>
<td>15.7%</td>
<td>14.3%</td>
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<tr>
<td>2003</td>
<td>10.0%</td>
<td>10.0%</td>
<td>13.1%</td>
<td>11.6%</td>
</tr>
<tr>
<td>2002</td>
<td>5.1%</td>
<td>5.6%</td>
<td>15.5%</td>
<td>10.5%</td>
</tr>
<tr>
<td>2001</td>
<td>9.2%</td>
<td>3.7%</td>
<td>12.6%</td>
<td>10.8%</td>
</tr>
</tbody>
</table>

### Withdrawing Rates (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Plants</th>
<th>RS/TS</th>
<th>BTU's</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>1.5%</td>
<td>0.0%</td>
<td>6.9%</td>
<td>4.5%</td>
</tr>
<tr>
<td>2010</td>
<td>1.5%</td>
<td>0.0%</td>
<td>2.8%</td>
<td>2.2%</td>
</tr>
<tr>
<td>2009</td>
<td>3.3%</td>
<td>6.3%</td>
<td>4.8%</td>
<td>4.3%</td>
</tr>
<tr>
<td>2008</td>
<td>1.6%</td>
<td>0.0%</td>
<td>6.7%</td>
<td>4.4%</td>
</tr>
<tr>
<td>2007</td>
<td>4.2%</td>
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<td>2.4%</td>
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</tr>
<tr>
<td>2006</td>
<td>2.3%</td>
<td>11.8%</td>
<td>5.6%</td>
<td>4.5%</td>
</tr>
<tr>
<td>2005</td>
<td>1.4%</td>
<td>0.0%</td>
<td>3.9%</td>
<td>2.6%</td>
</tr>
<tr>
<td>2004</td>
<td>4.3%</td>
<td>4.3%</td>
<td>5.1%</td>
<td>4.7%</td>
</tr>
<tr>
<td>2003</td>
<td>1.3%</td>
<td>0.0%</td>
<td>5.5%</td>
<td>3.3%</td>
</tr>
<tr>
<td>2002</td>
<td>0.6%</td>
<td>5.6%</td>
<td>5.3%</td>
<td>3.3%</td>
</tr>
</tbody>
</table>

### Average Withdrawing Rates (%)

- **Plants**: 2.1%
- **REC/TR**: 3.1%
- **BTU’s**: 4.3%
- **Overall**: 3.2%

### Recently Issued Coded Memoranda:

**IMS-a-45 (Supplement 2)**

Issued 6/7/2011
Implementation Date: 6/15/2011

Actions from the 2005 NCIMS Conference Related to Proposal L26 and Proposal H7 from the 2011 NCIMS Conference
Critical factors including, but not limited to, pH, concentration as addressed in M-aa-97, if applicable, inhibitors and/or preservatives, at the specified pH limit with a pH variance of + 0.05 units to account for reproducibility and inaccuracies in pH measurements. Formulation or processing changes that affect critical factors shall be communicated to the Regulatory Agency.

** Cooling temperatures monitored at the slowest cooling portion, i.e., in the middle of the container, of the slowest cooling container, i.e., in the middle of the pallet.

NOTE: Microbial inhibitors and/or preservatives and all of their individual components shall have GRAS status; and pathogen inhibition shall be supported by documented challenge study results that are acceptable to the Regulatory Agency and FDA.
### RECENTLY ISSUED CODED MEMORANDA:

#### M-a-97

<table>
<thead>
<tr>
<th>PRODUCT BRAND NAME</th>
<th>FOOD INGREDIENTS</th>
<th>SPECIFIED CONCENTRATION MANUFACTURER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sea-i® Glucose (common name is corn sugar, also call D-glucose) Glucose Oxidase, Whey (Lactoperoxidase, Lactose, and Casein)</td>
<td>0.03% Bioactive Protein I Or 0.04% Bioactive Protein I</td>
<td>Bienca Products</td>
</tr>
</tbody>
</table>

#### M-a-97

<table>
<thead>
<tr>
<th>PRODUCT BRAND NAME</th>
<th>FOOD INGREDIENTS</th>
<th>SPECIFIED CONCENTRATION MANUFACTURER</th>
</tr>
</thead>
<tbody>
<tr>
<td>MicroGARD 430 Cultured Skim Milk Blend, NFDMand Maltodextrin</td>
<td>0.15% Fermentate D</td>
<td>Danisco</td>
</tr>
</tbody>
</table>

#### M-a-97

<table>
<thead>
<tr>
<th>PRODUCT BRAND NAME</th>
<th>FOOD INGREDIENTS</th>
<th>SPECIFIED CONCENTRATION MANUFACTURER</th>
</tr>
</thead>
<tbody>
<tr>
<td>DURAFresh™ 5015 And DURAFresh™ 5015 + Fargo 763 Cultured Skim Milk and Skim Milk Powder Cultured Skim Milk and Skim Milk Powder and Lactic Acid Starter Culture or Starter Culture</td>
<td>0.1% Fermentae E 0.1% Fermentae E + 0.1% Culture</td>
<td>Kerry Ingredients &amp; Flavours</td>
</tr>
</tbody>
</table>

#### M-a-97

<table>
<thead>
<tr>
<th>PRODUCT BRAND NAME</th>
<th>FOOD INGREDIENTS</th>
<th>SPECIFIED CONCENTRATION MANUFACTURER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pura Q™ Safe-RS20P Cultured Whey and Calcium Lactate</td>
<td>0.15% To 0.5% Fermentate D</td>
<td>Purac</td>
</tr>
</tbody>
</table>

### RECENTLY ISSUED CODED MEMORANDA:

#### IMS-a-48

Issued 11/7/2011

Implementation Date: 11/7/2012

States that can legal enforce the new regulations based on the issuance of IMS-a-48

ACTIONS FROM THE 2011 NCIMS CONFERENCE

### RECENTLY ISSUED CODED MEMORANDA:

#### M-b-347 (Supplement 1)

ISSUED 9/21/2011 (AMDERC)

SUDMO BAA S400FDV-IT SELECT FLOW DIVERSION VALVE, SIZES DN 1", 1.5", 2.0", 2.5", 3.0", AND 4"
### RECENTLY ISSUED CODED MEMORANDA:

<table>
<thead>
<tr>
<th>Memo No.</th>
<th>Title</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>M-1-11-4</td>
<td>(TEAT PREPARATION PROTOCOL GEAFarmsTechnologies, INCORPORATED Mione USA ROBOTIC MILKING SYSTEM)</td>
<td>9/21/2011</td>
</tr>
<tr>
<td>M-1-11-6</td>
<td>(2011 REVISION OF THE METHODS)</td>
<td>11/30/2011</td>
</tr>
<tr>
<td>M-1-11-7</td>
<td>(2011 REVISION OF THE PROCEDURES ON FDA's WEB SITE)</td>
<td>12/20/2011</td>
</tr>
<tr>
<td>M-1-12-2</td>
<td>(2011 REVISION OF THE PMO)</td>
<td>1/19/2012</td>
</tr>
<tr>
<td>M-1-12-3</td>
<td>(CHARM SCIENCES, INC. CHARM FLUNIXIN AND BETA-LACTAM TEST)</td>
<td>2/3/2012</td>
</tr>
<tr>
<td>M-1-12-4</td>
<td>(APPLICATION AND STANDARD OPERATING PROCEDURES (SOP) FOR THE INSTALLATION AND USE OF AN ACCEPTABLE ASEPTIC SAMPLER FOR THE COLLECTION OF “UNIVERSAL” DAIRY FARM MILK SAMPLES FROM FARM BULK MILK TANKS AND/OR SILOS FOR ACCEPTANCE UNDER SECTION 6 OF THE PMO)</td>
<td>2/16/2012</td>
</tr>
<tr>
<td>M-1-12-5</td>
<td>(2011 REVISION OF THE EML)</td>
<td>2/16/2012</td>
</tr>
<tr>
<td>M-1-12-6</td>
<td>(2011 REVISION OF THE PMO ON FDA’s WEB SITE)</td>
<td>3/21/2012</td>
</tr>
<tr>
<td>M-1-12-7</td>
<td>(2011 REVISION OF THE METHODS ON FDA’s WEB SITE)</td>
<td>3/21/2012</td>
</tr>
<tr>
<td>M-1-12-8</td>
<td>(2011 REVISION OF THE EML ON FDA’s WEB SITE)</td>
<td>3/21/2012</td>
</tr>
<tr>
<td>M-1-12-9</td>
<td>(QUESTIONS AND ANSWERS RECEIVED FROM THE FIELD; REGIONAL MILK SEMINARS; AND FDA TRAINING COURSES HELD DURING FYs 2010 AND 2011)</td>
<td>3/21/2012</td>
</tr>
<tr>
<td>M-1-12-10</td>
<td>(TEAT PREPARATION PROTOCOL INSENTEC B.V. GALAXY ASTREA 20.20 USA AUTOMATIC MILKING SYSTEM)</td>
<td>9/21/2011</td>
</tr>
<tr>
<td>M-1-96-10</td>
<td>(REVISION #8) (DRUG RESIDUE TEST METHODS FOR CONFIRMATION OF PRESUMPTIVE POSITIVE RESULTS AND INITIAL PRODUCER TRACE BACK)</td>
<td>3/22/2012</td>
</tr>
<tr>
<td>M-a-85</td>
<td>(REVISION #14) (BETA LACTAM TEST METHODS FOR USE UNDER APPENDIX N AND SECTION 6 OF THE PMO)</td>
<td>3/22/2012</td>
</tr>
</tbody>
</table>
CODED MEMORANDA
WORKING ON:

M-a-98 (?) (OFFICIAL REGULATORY TESTS FOR GRADE “A” MILK AND MILK PRODUCTS)-Following recommendations from the NCIMS Laboratory Committee.

M-I-12-? (INDUSTRY AND REGULATORY AGENCY OBLIGATIONS UNDER THE PMO RELATED TO THE SCREENING OF BULK MILK PICKUP TANKERS FOR DRUG RESIDUES THAT ARE CONDUCTED IN ADDITION TO THE REQUIRED BETA LACTAM TESTING)

M-I-12-?(QUESTIONS AND ANSWERS RECEIVED FROM THE FIELD; REGIONAL MILK SEMINARS; AND FDA TRAINING COURSES HELD DURING FY 2012)

INTERNATIONAL CERTIFICATION PILOT PROGRAM

- IMS LIST
  SEPARATE SECTION FOR IMS LISTED SHIPPERS FROM FOREIGN COUNTRIES

  6-CANADA
  - 4 PLANTS (1-ONTARIO AND 1-BRITISH COLUMBIA)
  - 2 BTUs (1-ONTARIO AND 1-BRITISH COLUMBIA)

  1 ADDITIONAL PLANT REGULATED BY THE STATE OF VERMONT

  2-SPAIN
  - 1 PLANT AND 1 BTU

  3-MEXICO
  - 2 PLANTS (same plant-aseptic and PMO listings) AND 1 BTU

  1 ADDITIONAL PLANT AND BTU REGULATED BY THE STATE OF NEW YORK

  2-ROMANIA
  - 1 PLANT AND 1 BTU

  2-GERMANY
  - 1 PLANT AND 1 BTU
INTERNATIONAL CERTIFICATION PILOT PROGRAM

CHECK RATINGS CONDUCTED

1 PLANT AND BTU IN CANADA (ONTARIO)
1 PLANT AND BTU IN SPAIN
1 PLANT AND BTU IN MEXICO
1 PLANT AND BTU IN GREECE

INTERNATIONAL CERTIFICATION PILOT PROGRAM

CHECK RATINGS PLANNED OVER THE NEXT FISCAL YEARS

FY 12:
3 PLANTS AND 2 BTUs IN CANADA (ONTARIO AND BRITISH COLUMBIA)
1 PLANT AND BTU IN SPAIN

INTERNATIONAL CERTIFICATION PILOT PROGRAM

CHECK RATINGS PLANNED OVER THE NEXT FISCAL YEARS

FY 13:
1 PLANT AND BTU IN ROMANIA
1 PLANT AND BTU IN GERMANY

INTERNATIONAL CERTIFICATION PILOT PROGRAM

THIRD PARTY CERTIFIERS (TPCs)

KEN ANDERSON (HAROLD WAINNESS & ASSOCIATES):
3 PLANTS AND 2 BTUs IN CANADA (1 OF EACH-ONTARIO, ANOTHER PLANT ONLY IN ONTARIO AND 1 OF EACH-BRITISH COLUMBIA)
1 PLANT AND BTU IN SPAIN
1 PLANT AND BTU IN SPAIN

INTERNATIONAL CERTIFICATION PILOT PROGRAM

THIRD PARTY CERTIFIERS (TPCs)

LYNN YOUNG (MILK REGULATORY CONSULTANTS):
1 PLANT IN CANADA (ONTARIO)
1 PLANT AND BTU IN GREECE
1 PLANT (2 LISTINGS) AND BTU IN MEXICO
1 PLANT AND BTU IN ROMANIA

INTERNATIONAL CERTIFICATION PILOT PROGRAM

THIRD PARTY CERTIFIERS (TPCs)

JOE SMUCKER (SMUCKER & ASSOCIATES):
NO LONGER A PART OF THE PILOT PROGRAM
FUTURE DIRECTIONS

- A positive spirit continues to grow between the FDA and the NCIMS.

- FDA is committed to this cooperative spirit.

- FDA continues to seek science-based regulatory solutions towards protecting the nation’s food supply.

SUCCESSFUL PARTNERSHIP

- We have come a long way together since:
  - The first PMO issued by the Public Health Service (November 1924)
  - The first National Conference on Interstate Milk Shipments (June 1950)
  - Formalization of the Memorandum of Understanding (August 1977)

Questions
Grass to Glass: NMPF Updates

Jamie Jonker

Percent of Bulk Milk Tankers Positive for Antibiotic Residues

Data from National Milk Drug Residue Data Base

Tissue Residues in Dairy Cull Cows

<table>
<thead>
<tr>
<th>DRUG</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>Total</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Penicillin</td>
<td>412</td>
<td>304</td>
<td>267</td>
<td>210</td>
<td>180</td>
<td>1374</td>
<td>24.48%</td>
</tr>
<tr>
<td>Phenylbutazone</td>
<td>4</td>
<td>5</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>9</td>
<td>0.23%</td>
</tr>
<tr>
<td>Sulfadiazine</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0.03%</td>
</tr>
<tr>
<td>Sulfadimethoxine</td>
<td>150</td>
<td>130</td>
<td>114</td>
<td>124</td>
<td>54</td>
<td>596</td>
<td>14.71%</td>
</tr>
<tr>
<td>Sulfadoxine</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>3</td>
<td>0.08%</td>
</tr>
<tr>
<td>Sulfamethazine</td>
<td>33</td>
<td>22</td>
<td>37</td>
<td>28</td>
<td>18</td>
<td>138</td>
<td>3.46%</td>
</tr>
<tr>
<td>Sulfathiazone</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0.03%</td>
</tr>
<tr>
<td>Streptomycin</td>
<td>1</td>
<td>15</td>
<td>8</td>
<td>19</td>
<td>12</td>
<td>45</td>
<td>1.18%</td>
</tr>
<tr>
<td>Trimethoprim</td>
<td>14</td>
<td>4</td>
<td>22</td>
<td>33</td>
<td>14</td>
<td>87</td>
<td>2.18%</td>
</tr>
<tr>
<td>Tylanolone</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>0.05%</td>
</tr>
<tr>
<td>Tylosin</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>4</td>
<td>0.15%</td>
</tr>
<tr>
<td>Total</td>
<td>1017</td>
<td>903</td>
<td>855</td>
<td>797</td>
<td>453</td>
<td>3985</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

* Prior to July 28, 2008, USDA could not quantify Colistin.

Tissue Residues in Dairy Cull Cows

<table>
<thead>
<tr>
<th>DRUG</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Penicillin</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100.00%</td>
</tr>
<tr>
<td>Phenylbutazone</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Sulfadiazine</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Sulfadimethoxine</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Sulfadoxine</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Sulfamethazine</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Sulfathiazone</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Streptomycin</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Trimethoprim</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Tylanolone</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Tylosin</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Total</td>
<td>1000</td>
<td>1000</td>
<td>1000</td>
<td>1000</td>
<td>1000</td>
<td>1000</td>
<td>1000</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

* Prior to July 28, 2008, USDA could not quantify Colistin.
Revised educational manual available online
Developed by NMPF technical writing group
Covers best management practices for use of animal drugs
Not produced with check-off funds

Milk Residue Sampling

Hypothesis: The same practices associated with tissue residues in culled dairy cattle may also result in drug residues in milk.
With industry cooperation, 1800 samples are being collected at central milk laboratories.

Continual NMPF monitoring and feedback
Identified inconsistencies with sample collection protocol
CVM has clarified instructions with FDA field personnel
End 2012: Complete sample analysis and begin discussions of results
Remaining concerns: data presentation and communications

2010 Audit by the EU identified recommendations for additional residue monitoring
Included monitoring for non-beta-lactam drugs and chemical contaminants (environmental pollutants, pesticides, mycotoxins, heavy metals, etc.)
No immediate impact on trade
**Additional Sampling Project**

- FDA plans to address residue monitoring both short- and long-term
  - Short-term sampling project
    - Samples from 320 random producers
    - Collected at the farm-level and blinded
    - Non-regulatory survey
    - Data will inform a risk profile for long-term

---

**BSE and Animal ID**

---

**4th U.S. BSE Confirmed**

- April 24th – USDA confirms 4th U.S. BSE case
  - 10yr 7mo old dairy cow with “atypical” BSE
    - At rendering plant in CA, did not enter food supply
    - Offspring tested free of BSE

- Trade Implications
  - No change in BSE status for U.S. from World Animal Health organization (OIE)
  - Minimal trade disruption (business-to-business only)

---

**“Atypical” vs. “Classical” BSE**

- “Atypical” BSE
  - Three U.S. Cases – two beef and one dairy cull cow
    - Hypothesized to occur spontaneously, not spread through feed
    - Much rarer than “Classical” BSE – about 60 cases reported worldwide

- “Classical” BSE
  - One U.S. Case – dairy cow imported from Canada
    - Amplified through feeding practices that are now banned
    - Over 190,000 cases reported worldwide

---

**Animal ID**

- USDA Proposal – August 2011
  - NAIS becomes Animal Disease Traceability
    - Some separation of requirements between beef and dairy
- What This Means For dairy
  - USDA Approved ID device to be required for all dairy animals in interstate movements; RFID is one option
  - Health Certificate (ICVI) must include official ID#
- When? “Soon” according to USDA

---

**EPA Air Emissions Analysis – NAEMS Update**
Air Regulations

<table>
<thead>
<tr>
<th>Chemical Compound</th>
<th>Statute</th>
<th>Threshold</th>
<th>Regulatory Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ammonia</td>
<td>CERCLA, ERLA</td>
<td>100 lb per day</td>
<td>Reporting</td>
</tr>
<tr>
<td>Hydrogen Sulfide</td>
<td>CERCLA, ERLA</td>
<td>100 lb per day</td>
<td>Reporting</td>
</tr>
<tr>
<td>Volatile Organic Compounds*</td>
<td>Clean Air Act</td>
<td>250 ton per year</td>
<td>Permitting (mitigation)</td>
</tr>
<tr>
<td>PM10*</td>
<td>Clean Air Act</td>
<td>150 μg/m³ per 24 hr</td>
<td>Permitting (mitigation)</td>
</tr>
<tr>
<td>PM2.5*</td>
<td>Clean Air Act</td>
<td>35 μg/m³ per 24 hr</td>
<td>Permitting (mitigation)</td>
</tr>
<tr>
<td>PM2.5*</td>
<td>Clean Air Act</td>
<td>15 μg/m³ per year</td>
<td>Permitting (mitigation)</td>
</tr>
</tbody>
</table>

*Threshold may be reduced in areas designated as non-attainment for air quality.

2005 Air Consent Agreement
- Negotiated between livestock sectors and EPA
  - Industry funded research (NAEMS)
    - “Safe Harbor”: Protection from Federal lawsuits and regulatory action during lifetime of agreement
  - 572 dairy producers participated
    - Still receiving benefits of “Safe Harbor”
    - Will be subject to regulations upon completed EPA analysis

NAEMS Research Timeline
- 2004/2005 – Measurement protocol development approved by EPA
- 2006 – Site selection; Data Quality Assurance Plan approved by EPA
- 2007 – Monitoring equipment site set-up
- 2008/2009 – Data collection, analysis and reporting
- 2010 – Data and final reports submitted to EPA

NAEMS Updated Timeline
- EPA Scientific Advisory Board (SAB) Review Panel
  - Summer 2012 – final report on Lagoon document
  - Fall 2012 – SAB reviews final report & sends to EPA Administrator
  - Winter 2012/13 – review of additional Barn documents?
- Public Review and Comment
  - June 11, 2012 – NMPF comments on Lagoon document
  - Sometime 2012/13 – additional comment on Barn document
  - Winter 2012/13 – EPA publishes “look up charts”
    - Can EPA adhere to this timeline?

SAB Review Panel Criticisms
- Public Meeting Held March 14–16, 2012
  - Not following National Academy of Sciences recommendations (i.e. process–based model)
  - Combining swine and dairy lagoon data not appropriate
  - Exclusion of some NAEMS data without apparent statistical basis
  - Exclusion of data from other sources

FARM Animal Care Program
PARTICIPATING Cooperatives and Proprietary Processors

- Agri-Mark, Inc.
- Arkansas Dairy Coop
- Associated Milk Prod, Inc.
- California Dairies Inc.
- Calhoun Creamery
- Clarco Farmers Cooperative
- Cooperative Milk Producers Assn
- Dassel Coop. Dairy Assn.
- Elm Dale Creamery
- Ellsworth Cooperative Creamery
- Family Dairies Cooperative
- Farmer’s Co-op Creamery Co. (MN)
- First District Association
- Foremost Farms USA
- Gilman Cooperative Creamery
- Hilmar Cheese Co.
- HP Hood Booth Bros.
- Hoard’s Dairyman Farm
- Lanco-Pennland

Verification Process:
- September 2011 – Begun by Validus
- December 2011 – 84 on-farm verifications completed
- March 2012 – data reviewed by NMPF statistician
- April 2012 – Final report complete

Will Conduct Again in Fall 2012

Additional Analyses

- Question Cluster Analysis
  - Eight clusters of highly correlated questions
  - Potential to streamline questionnaire
- Individual Question Analysis
  - Identify questions with largest deviation between Second-Party Evaluation and Third-Party verification
  - Improve question wording and/or evaluator training
FARM’s Continuous Improvement Cycle

FARM Revision Process

Timeline
- Fall 2009 – original FARM guidelines published
- May 2012 – Review of FARM guidelines
  - NMPF Animal Health & Wellbeing Committee
  - Outside animal care experts
- Summer 2012 – Industry-wide review
- Fall 2012 – FARM guidelines 2.0 published
- 2013 – Implementation via Second-Party evaluations

Latest Research Incorporated in Version 2.0

Raw Milk
- Foodborne illness outbreaks
  - Since 2010, 23 raw milk outbreaks and 300 illnesses
  - CDC: Raw milk is 150 times more likely to cause illness than pasteurized
  - Demand for raw milk continues (state/local efforts)

Product Integrity

Food Safety

FSMA Regulations
- Everything is late
- It's an election year!!

FSMA

Timeline
- Fall 2009 – original FARM guidelines published
- May 2012 – Review of FARM guidelines
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Product Integrity

Food Safety

FSMA Regulations
- Everything is late
- It's an election year!!
Product Misbranding

- Muscle Milk warning letter

Real® Seal

- In March 2012, the management of the Real® Seal was transferred from the United Dairy Industry Association to NMPF.

Somatic Cells

- At the 2011 National Conference on Interstate Milk Shipments (NCIMS), a proposal to lower SCC regulatory limit to 400,000 was defeated by one vote
  - European Health Certification Program instructions finalized
    - Transition: January 1 – March 31, 2012

2013 NCIMS Conference

2012 Farm Bill
Role of Land Grant Institutions in Meeting Global Food Demand

Dr. Bill Batchelor
Dean, College of Agriculture
Director, Alabama Agricultural Experiment Station
Auburn University

By 2050, 70% of world will live in cities
Global Statistics

- 40% of population work in agriculture
- 70% of poorest billion work in agriculture
- ½ of world lives on $2.50 per day (1/2 are farmers)
- Food as percent of household budgets
  - 10-20% in developed countries
  - 20-40% in rapidly developing countries
  - Over 50% in developing countries

Challenges Facing the World

By 2050...
- Global middle class projected to grow from 1 billion to 3 billion
- 70% of population living in cities
- Global food demand will double

Free trade is the driver of global economics

Beijing China, 2001

Beijing China, 2011

Moving into the Middle Class

- Change diet
- Buy a car
- Lifestyle impacts the environment
- Demand better health care

Middle Class Drives Food Demand

- From 2002-08, China added the consumer equivalent of Europe to global food demand
- China demand for meat tripled during past 15 years
- Food demand is rising 2% per year
- Food production is rising 1% per year
Increasing Middle Class Effect on Food Prices

High Food Prices Causes Conflict

Grand Challenges Facing the World

Food System Is Global

Global Ag and Economic Players

• 5 countries account for
  – 50% of world’s GDP
  – 40% of world’s agricultural GDP
  – 65% of world’s agricultural population
  – 50% of world’s food production (calories)
  – 50% of world’s food consumption (calories)
  – 40% of world’s agricultural exports
  – 40% of world agricultural imports

• China, USA, India, Brazil, France, Germany are among the key players.

Agriculture is critical to the future!

Global Food System

• Free trade increases food exchange
• Developing retail chains source food around the world (Wal Mart, Carrefour, Tesco, Metro Group)
• Multi-national companies produce food around the world (Tyson, Nestle, JBS)
• Food Safety becoming increasingly important
Floating Market on the Mekong river in Cantho, Vietnam

Floating Market on the Mekong river in Cantho, Vietnam

Meat Market in New Delhi, India (2012)

How to Double Food Production?

- Breakthrough technology
- Incremental technology improvements
- Localized applied research
- Extension programs
- Policies to support food production
- Public research funding

That’s the Land Grant Strategy!
History of Land Grants

- 1860 approximately 70% of US citizens lived and worked on farms in US
- 1862 Morrill Act established Land Grant Universities (30K acres per representative)
- By 1900, 28% lived and worked on farms
- Today, <1.5% live and work on farms

Commitment of All Branches of Science

- Basic science
- Applied science
- Classical genetics
- Biotechnology
- Other areas such as nanotechnology

Examples of Problems to Be Solved

- Enabling C₃ plants to utilize the C₄ photosynthetic pathway
- Nitrogen fixation in non-legumes
- Improving Drought and salt tolerance
- Improving pest resistance in plants
- Improving energy efficiency of plants

Research Strategies

Incremental changes in technology
- Genetic improvement
- Precision agriculture
- Irrigation management
- Production management
- Nutrient management
- Animal management
- Disease management
- Food safety (AUFSI)
- Aq. & Fish Business Institute

Research Strategies

Breakthrough Technology
- New system to triple catfish production
- Development of hybrid catfish
- Development of the US catfish industry
- Development of the tilapia industry
- Developed vaccines for poultry
- Development of fruit and vegetable varieties
- Renewable energy

Agricultural Research

In 2000, only $23 Billion spent globally on agricultural research ($1.5 trillion spent on armaments)

- $8 Billion in US
- 40-50% ROI
What If We Fail?

- Since 2007, food riots in 40 countries
- Federal Government: $714 per farmer for Ag research
- $325,000 per farmer for defense

Summary

- Middle class will triple by 2050
- Agricultural research funding is declining
- Must double food production in 38 years
- World must increase investment to increase rate of technology development

What if we fail?
Gulf Oil Spill Response: Alabama Department of Public Health

Deep Water Horizon Oil Spill

• Explosion and well collapse on April 20, 2010
• 11 men killed, 17 injured
• Estimated release of 53,000 barrels of crude oil a day into the Gulf of Mexico
• Total of approximately 4.9 million barrels released
• Well capped on July 15, 2010
• Well declared “effectively dead” on September 19, 2010

Trajectory Forecast for 05/05/10

Near Shore Surface Oil Forecast for 07/05/10

Public Health Response

• ADPH activated its Incident Command Structure on April 30, 2010
• Beginning April 30, two to four ADPH staff daily in the Unified Command ESF-8 Health and Medical Desk and the Alabama Forward Operation Center in Mobile
• August 3, 2010, ADPH recalled last employee from the Unified Command
• Continued work from Montgomery as well as Baldwin and Mobile Counties

Public Health Response

• Multi-State Coordination
• Seafood Safety
• Health Messaging
• Swimming and Beach Advisories
• Environmental Activities
• Surveillance Activities
Gulf State Health Official Calls
- Worked with Association of State and Territorial Health Officials
- Twice weekly calls with State Health Officials and senior staff
- Importance of common message and approach
- Federal partners – CDC/ATSDR/EPA/NOAA/FDA especially, also NIOSH/OSHA

Region IV ESF-8 Coordinating Cell
- Coordinated the activities of Mississippi, Alabama, and Florida at the staff level
- Ensured a consistent response and message among the states
- Alabama represented other states’ health and medical interests when they could not be present

Seafood Safety
- Opening/Closing shell fish harvesting areas
- NOAA testing protocol challenges
- Need for baseline testing as well as on-going testing
- Current need for on-going monitoring and marketing

Health Message
- If you see oil, stay out of it.
- If you get oil on you, wash it off.
- If you have a reaction to the oil, seek medical attention.
- If you have seafood which looks, smells, or tastes oily, do not eat it.

Oil on the Beach
**Sheen/Tarmat Line**  
13 Miles SSE of Fort Morgan, AL

**Swimming and Beach Advisories**
- Major impact for tourism and local public concern
- Need for consistent message across states
- Impact very difficult to predict
- Closure/Advisory/Caution
- When to issue – When to lift

**PUBLIC HEALTH PRECAUTIONS**
This beach has been impacted by the oil spill in the Gulf of Mexico. Oil may enter the water at any time and it may not be visible. If you see oil in the water, you are cautioned not to enter.

- Do not transfer bulk.
- Avoid contact with the oil.
- If you get oil on your clothing, launder as usual.
- Do not use harsh detergents, solvents or other chemicals to wash oil from skin or clothing; they may promote absorption of the oil through the skin.
- If the oil causes nausea, vomiting, headache or breathing problems, leave the affected area.

**NOTICE: PUBLIC HEALTH ADVISORY**
This beach has been impacted by the oil spill in the Gulf of Mexico. Please be aware that oil may not be visible from above, oil in the water or on the beach poses little risk to the health of the general public if they remain out of the water and on the shore. Contact with oil may pose a risk of skin and eye irritation.

**Environmental Activities**
- Waste disposal from clean up
- Food outbreaks from congregate feedings
- Floatels, especially in Louisiana
- Testing coordination and interpretation

**ADPH Surveillance Activities**
- Acute Health Effects Surveillance
  - May 15 to October 1, 2010
  - Urgent Care Clinics and Emergency Departments in Baldwin and Mobile Counties
- Poison Control Center Calls
  - Reports of oil spill related calls from Alabama
- BioSense
  - Syndromic surveillance anomalies reported by Department of Defense facilities to CDC
Sample Health Surveillance Report

<table>
<thead>
<tr>
<th>Year</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
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<th>June</th>
<th>July</th>
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<th>September</th>
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<td>10000</td>
<td>11000</td>
<td>10000</td>
<td>12000</td>
<td>13000</td>
<td>12000</td>
<td>10000</td>
<td>9000</td>
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<td>4.3%</td>
<td>5.0%</td>
<td>4.5%</td>
<td>5.7%</td>
<td>6.1%</td>
<td>5.8%</td>
<td>5.0%</td>
<td>4.0%</td>
</tr>
</tbody>
</table>

ADPH Surveillance Findings

- **Acute Health Effects**
  - 2.74/1,000 patient visits reported exposure
  - Respiratory symptoms were the most common
    - 44.6% (127)

- **Poison Control Center Calls**
  - Majority of calls received weeks ending 6/5 to 8/28
  - Oil spill related call per 1,000 total calls peaked at 37.4/1,000 calls the week of 7/17

- **BioSense**
  - No anomalies were reported in Alabama facilities

Community Assessment for Public Health Emergency Response (CASPER)

- **Goal** – to determine the general and mental health needs of the community during and one year following the oil spill
  - August 2010 and August 2011
  - South of Hwy 98 and Point Clear in Baldwin and communities of Bayou La Batre, Coden, and Dauphin Island in Mobile
- Collaboration among ADPH, CDC, and ADMH

CASPER – Key Findings

- **Overall, physical health symptoms did not differ significantly between 2010 and 2011 CASPER surveys**
  - Suggests baseline symptoms in these communities
- **Mental health symptoms decreased slightly**
  - Remain higher than state and national rates
  - Significantly higher among households reporting decreased income since the oil spill
- **Continuation of public health and community outreach programs, such as Project Rebound, were recommended**

Response Challenges

- **Limited information**
- **Difficult to confirm information**
- Collaboration with state partners – ADEM, DCNR, and EMA
- **Coordinated messages across states**
- Lack of data astounding
- Simple messages with what we do know
- Major community concerns – both oil and dispersants
- Need for long term health effects studies and research

Now and in the Future

- **Seafood safety – testing and monitoring**
- **Health effects studies**
- **Water/Sand/Sediment quality**
- **Community concerns**
- **Mental health**
- **Ongoing academic studies of the environment and health of residents and workers**
USDA Dairy Programs

- Mission:
  - To facilitate the efficient marketing of milk and dairy products.
- Core values of our service to the dairy industry, the public, and within our own organization:
  - Cooperation
  - Fairness
  - Integrity
  - Objectivity
  - Respect

Why is milk unique?

- Physiology of the Cow
  - Always producing, at varying rates
- Perishable Product
  - Must move to market in 1-2 days
- Fluid Market Necessitates Surpluses
  - Variations in supply/demand (10-30%)
  - Imposes costs on the fluid supplier

Daily Variation of Supply

July 2007 Sample of Producer Deliveries to Pool/Nonpool Plants

USDA Dairy Programs

- One of 8 USDA AMS programs
- Dairy farmers
- Dairy processors
- Consumers
  - Stabilizing the marketing relationships between dairy farmers and processors,
  - Providing accurate, impartial and timely market information,
  - Establishing domestic and international quality standards,
  - Providing a grading service for the industry, and
  - Facilitating the promotion of milk and dairy products.

Federal Order Update and Southeast Overview

Chris Thompson
Associate Market Administrator
Federal Orders 6 & 7
Atlanta, GA

National Association of Dairy Regulatory Officials
Annual Meeting - Orange Beach, AL
July 16, 2012
Federal Order System

- Federal Orders 6 & 7
- Atlanta Market Administrator

Seasonality of Fluid Demand

- 2006 Daily Average FO 7 Distributing Plant Pounds
- Millions of Pounds
- Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec
- 4, 6, 8, 10, 12, 14, 16, 18

History of Federal Orders

- Agricultural Adjustment Act of 1933
  - Established program of licenses
  - Federal requirement for classified pricing and pooling

- Agricultural Act of 1935
  - Established more specific requirements
  - Referenced “marketing orders” in lieu of licenses

- Agricultural Marketing Agreement Act of 1937
  - Provided foundation of current federal order program
  - This is enabling legislation; farmers may request and approve federal orders – orders are not mandatory

What is a Federal Milk Order?

- A legal instrument issued to regulate at a minimum level pricing transactions between producers and buyers of Grade A milk in a specified geographic area.
- Value of milk as utilized by handlers is equitably distributed among Grade A producers
- Initiated and changed through a public hearing process, subject to the approval of dairy farmers.
- Funded through an assessment on handlers based on volume of pooled milk and non-member/independent producer assessment.

Federal Order System

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  - Initiated and changed through a public hearing process, subject to the approval of dairy farmers.
  - Funded through an assessment on handlers based on volume of pooled milk and non-member/independent producer assessment.

- Federal Orders Do:
  - Classify Milk According to its Use
  - Establish Minimum Class Prices Monthly
  - Conduct Impartial Audits
  - Verify Weights and Tests of Milk
  - Release Market Information to the Public

- Federal Orders Do Not:
  - Regulate:
    - Producers
    - Guarantee producers a market
    - Sanitary standards
    - From whom a plant may buy milk
    - To whom a plant shall sell milk
    - How much milk a plant shall buy or sell
    - At what price a plant may sell the milk
  - Restrict milk production in any way

Daily Variation of Fluid Demand

- 2006 Daily Average FO 7 Distributing Plant Pounds
- Millions of Pounds
- Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec
- 4, 6, 8, 10, 12, 14, 16, 18

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How FMMOs Set Monthly Minimum Class Prices

AMS Wholesale Commodity Surveys (as of April 1, 2012)

- 40# Cheddar blocks & 500# Cheddar barrels
- Butter
- Nonfat Dry Milk Powder
- Dry Whey

Mandatory
Electronic
Audited

Federal Milk Marketing Order Areas

Classified Pricing is Based on How Milk is Used

- Class I – Fluid Products
- Class II – Ice Cream, Yogurt
- Class III – Cheese
- Class IV – Butter/Powder

Sparing the Gory Details

- Class I Price: Higher of Class III or IV + Location Differential
- Class II Price: Class IV Price + 70 cents
- Class III Price: Cheese and Dry Whey Reports
- Class IV Price: Butter and Powder Reports

Class I Location Differentials

- A component of the Class I price is the Class I Differential

Class I – Fluid Products
- Adds Money to Blend Price
- Makes Fluid Uses Attractive
- Based loosely on Transportation Costs

Class II – Ice Cream, Yogurt
- Class III – Cheese
- Class IV – Butter/Powder

How FMMOs Set Monthly Minimum Class Prices

- Observe prices for butter, cheese, etc.
- Crank prices through formulas
- Goal is to extract value of milk from products that trade in more stable markets
Focus on the Southeast

Marketwide Pooling
Producer Settlement Fund

Class I Plant
$1.00
Managed by Market Administrator
Pays: Skim $16.00
Fat $1.60

Class III Plant
$1.00
Pays: Skim $14.00
Fat $1.58

Producer
Receives: Uniform Skim $15.00
Uniform Fat $1.59

Federal Orders 6 & 7
Atlanta Market Administrator

Focus on the Southeast

Market Information

- Prices and Utilizations
- Sources of Supply
- Milk Sales
- Via:
  - Market Information Bulletins (monthly)
  - Annual Statistics
  - Website

Focus on the Southeast

Federal Orders 6 & 7
Atlanta Market Administrator

Where In-Area Milk is Marketed
(2000-2011; billions of lbs)

Over 90% of 'local' milk is pooled on the Southeast or Florida Orders

Focus on the Southeast

Federal Orders 6 & 7
Atlanta Market Administrator
Summary of Forecast

- **Supply:** $1.3\%$ (U.S. milk production)

- **Demand:**
  - Domestic-
  - Exports - ↓ from record 2011 (still historically high)

- **Feed Costs:** Corn, Alfalfa & Soybeans
  - (still problematically high)

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**2009-2012 Southeast Order Uniform Prices (with estimates)**

- Based on WASDE, CME Jul'12
- 2011 Price: $21.79
- 2012 Forecast Price: $18.50-$19.10
- 2013 Forecast Price: Up to $20.00/cwt

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Marketing Services QA Programs

Mark Schweisthal, Quality Assurance
USDA - AMS - Dairy Programs
National QA Laboratory Consultant
Validation Sample Program Coordination

Edwin Yong, National Coordinator, Marketing Services
USDA - AMS - Dairy Programs

Scott Lough, Technical Services
USDA – AMS - Science and Technology

Academic Consultation
Dr. Dave Barbano,
Cornell University, Department of Food Sciences
- Standardization and performance monitoring of chemistry analysis
- Sample preservation
- Method development

Fourier Transform Infrared (FTIR) Analysis
- Enhanced calibration

Substantial efforts to ensure repeatability and reproducibility of laboratories

Chemistry analysis
- Ether Extract (Mojonnier) for milk fat
- Kjeldahl for true protein
- Enzymatic for lactose
- Forced Air Oven for total solids

Fourier Transform Infrared (FTIR) Analysis
Atlanta Laboratory Services

Quality Control Program

Atlanta Marketing Services

Responsible for verification/establishment of milk tests and weights

1. Laboratory
2. Tank Calibration

- 300 establish independent pay tests
- 333 verify independent pay tests
- 11,000 samples per month

Atlanta Laboratory Services

Federal Order #7 - Southeast
Spring 2012
Independent Producer Affiliations

- Borden
- Dairy Marketing Services
- Dean Foods
- Kleinpeter Farms, Baton Rouge, LA
- Others...

Atlanta Laboratory Services

FOSS FT +

- Fat
- Protein
- Lactose
- Total Solids
- SNF
- SCC
- MUN

Atlanta Laboratory Services

Producer access to test results at the close of business...

Atlanta Laboratory Services

Lab Team

Rick Morse, Pat Boyd, Darryl Oliver and Mary McShane
Atlanta Laboratory Services

Verification of Lab Performance

Control Samples
- “Blind” samples regularly provided to laboratories
- Labs provide us their test results
- FMMA Atlanta performs comparative analysis and provides feedback

Laboratory Audit Program
- Routine visits to laboratories
- Observe procedures
- Evaluate instrument performance
- Review records

Farm Tank Calibration Program

John Lacey

Coordinated with producers, haulers and dairy reps
Calibrations evaluated
New charts provided

For More Information

www.fmmatlanta.com
The NADRO annual meeting is one that I look forward to attending each year. This meeting provides a forum for the directors of the states’ milk programs to receive updates on current and emerging issues that affect our industry.

The 2012 legislative session recently ended in Alabama and it appears that the Milk and Food Processing Branch will not know exactly what the 2013 budget will be until our new budget period begins October 1, 2013. The legislature passed a 2013 budget that is dependent upon voters passing a constitutional amendment to allow the legislature to pull monies from heritage funds such as the oil and gas lease funds. These funds were originally set up as a rainy day fund where only the interest was accessible to be used to operate state government. The health department’s budget currently is at level funding from last year’s level. The state health department stands to lose a significant amount of funding if the constitution amendment is not passed by the voters in September. Dr. Don Williamson, the Alabama State Health Officer, was asked by the legislature to take on the responsibility of re-directing the Alabama Medicaid program. All segments of the health department depend heavily on funds generated through the Medicaid program. Dr. Williamson and his financial staff have made significant changes to that program that will result in a much more fiscally managed program. The loss of Medicaid reimbursements combined with the non-passage of the constitution amendment this fall could cause the health department’s 2013 budget to be reduced by upwards of forty percent.

Alabama continues to lose dairy producers as do several other surrounding states due to producer retirements and higher producer input costs. Several dairies are rumored to either reopen or startup, but, have not done so yet. Alabama’s agriculture industry this year has been hit extremely hard by drought conditions. An early spring combined with mild temperatures gave hope that we would have a very good growing season this year. Late winter and early spring rains helped to replenish the state’s water table to a level that would be manageable if the rains would continue throughout the upcoming summer months. However, the rains stopped and we are now experiencing a drought in some counties combined along with record breaking temperatures. In some parts of the state timely thunderstorms may not be enough to save some of our crops that ours dairies so desperately depend upon to survive without having to purchase expensive feed.

The Alabama milk processing industry continues to make capital improvements in their plants. Alabama frozen dessert plants seem to have made the most improvements facility wise in the last year. One ice cream plant has added a new pint and three gallon machine along with six new
tanks to provide mix for the machines; added an extra one-half gallon machine; added an extra vita-line for fruit bars and added forty new employees.

Another ice cream plant has added two new large mix silos; added new conveyor system throughout the plant; installed a new bar code scanner that will help to ensure the right product is placed in the right container and added new employees to help with increased production demand. One of our Grade A facilities has added new batch tanks, sped up their processing capability and remodeled the plant which includes a new laboratory and conference room.

The small producer processors segment of our dairy industry continues to cause an increased demand in time and travel for our staff. We are presently working with several small producerprocessors that are undergoing some stage of construction. Two milk plants have just recently become IMS listed. One is a goat producer/process that also manufactures cheese. The other plant is an Organic dairy. Our largest goat cheese processor has expanded its market and is in the planning stage of purchasing property and drawing plans for a new facility in Northern Alabama. We continue to get telephone calls from small processors over the concern of why people are allowed to sell milk labeled as pet food, when they suspect the individuals buying it are using it for human consumption.

The Milk and Food Processing Branch is currently fully staffed. However, due to several recent retirements, two of our inspectors have less than two years each of total dairy experience. Mike Clinkscakes, Alabama Milk Rating Office, has worked extremely hard to get these two inspectors familiar with dairy work in both the Grade A and Manufacturing Milk programs. Also, the Atlanta FDA Regional office recognized that we were in desperate need to provide basic milk training to one-half of our milk field staff. Special thanks goes out to Laurie Farmer and Marybeth Willis for being instrumental in ensuring that we could send these inspectors to the basic farm courses in Indiana and their help in providing the inspectors with much needed field training. Alabama has been awarded an FDA 577 Special Problems in Milk Protection course that will be held in August of this year. A FDA basic pasteurization course is scheduled to be held in Alabama in the late summer or early fall of 2013.

I would like to thank NADRO for giving the Alabama Department of Public Health the opportunity to participate in this meeting. Information gained from the topics presented helps to keep our staff informed of the latest dairy information. Also, time spent at this meeting allows me the opportunity to have one on one interaction with other program managers concerning issues that affect the dairy industry and regulatory programs. Again, thank you for allowing the department to attend this most informative meeting.

Respectfully Submitted,

G. M. Gallaspy, Director
Milk and Food Processing Branch
FLORIDA DEPARTMENT OF AGRICULTURE & CONSUMER SERVICES
Adam H. Putnam, Commissioner

Division of Food Safety
Bureau of Dairy Industry

2012 ANNUAL REPORT – NATIONAL ASSOCIATION OF DAIRY REGULATORY OFFICIALS

FLORIDA'S DAIRY INDUSTRY

The State of Florida remains an integral part of the southeastern U.S. dairy industry. There are currently 3 fewer farms in the state since our last report but the number of dairy cows has increased by 4,000. Florida did not lose any milk processors or single service container manufacturers during the past year and we continue to see an increased interest from individuals wanting to make artisanal cheeses as well as wholesale frozen desserts.

BUREAU OF DAIRY INDUSTRY

Our Bureau consists of 21 full time employees that includes 12 field inspection positions, 3 laboratory positions, 3 administrative staff members and 4 clerical staff. Three of the field inspection staff are State Rating Officers and one is a Sampling Surveillance Officer. Our Environmental Administrator that oversees the laboratory also serves as the Laboratory Evaluation Officer. Our IT staff member was transferred into the Divisions IT staff and is no longer considered a position within our Bureau.

We continue to collect all routine samples from farms and processors and conduct all inspections with the exception of some bulk milk tankers. The large number of tankers in Florida requires us to utilize certified industry tanker inspectors to accomplish the task.

Our program is funded almost entirely from general revenue. There are no permit/license fees associated with any of our Grade “A” facilities. The only license fee we have are for wholesale frozen dessert manufacturers.

SEE REVERSE SIDE FOR STATISTICS
**FLORIDA DAIRY STATISTICS**

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<th>Category</th>
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<tr>
<td>Wholesale Frozen Dessert Manufacturers</td>
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<tr>
<td>Cheese Manufacturers</td>
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<td>Single Service Container Manufacturers</td>
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<td>Milk &amp; Milk Product Distributors</td>
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**OUT-OF-STATE PERMITTED FACILITIES**

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<tr>
<td>Wholesale Frozen Dessert Manufacturers</td>
<td>59</td>
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</table>
The Georgia Department of Agriculture Dairy Division has been busy with training this fiscal year. Our new administration is much more receptive to training. We hosted the Southeast Regional/FDA Seminar in Athens in August 2011. We conducted a short training session at a producer/processor facility and some farms in southwest Georgia in September 2011. We had a specialized farm inspection training exercise in conjunction with FDA in March 2012 in Montezuma. FDA 571 course was given to our sanitarians in Atlanta in May 2012. We will be hosting the FDA plant inspection course in Atlanta in March 2013. Our dairy sanitarians that are cross-trained on food inspection have been taking advantage of many FDA training courses across the country.

Georgia farm numbers have remained steady. We have 10 farms under construction now. Production is up 9.5% for the first 5 months of the year. Our large Grade A plants continue to increase volume. We have 2 new producer.processors. Our newest facility is milking 300 sheep.

Our dairy farmers are adjusting well to the processors/co-operatives requiring 400,000 somatic cell count. Our average cell count has been below 400,000 for the first time in a number of years. We have only issued 2 warning letters this calendar year.

I am retiring at the end of next month. Mitchell Martin and Bob Rogers will share the duties of the Dairy Division. Mitchell will be over plants and producer.processors. Bob will be over farms and wash stations. Curt Griner, our Rating Officer, is still in charge of sample surveillance and milk truck tanker inspections. Contact information for each of them:

Curt Griner, curtis.griner@agr.georgia.gov, 404-484-0928
Mitchell Martin, mitchell.martin@agr.georgia.gov, 404-473-1603
Bob Rogers, robert.rogers@agr.georgia.gov, 706-433-1415

On a personal note, I have loved my NADRO experiences. I am honored to have served as your president. I am thankful for the friendships I have made and continue to keep. I hope to continue to attend as a retiree.

Respectfully submitted, one last time,

Peggy Gates

EQUAL OPPORTUNITY EMPLOYER
GEORGIA DAIRY FACTS – 2011

1. Dairy cows have increased by 0.5% (78,840 January 2011 to 82,812 January 2012)
2. Milk per cow increased to 64 lbs./cow/day during January 2012 (up from 60 in January 2011).
3. Average cows per dairy increased (7.0% from 301 in January 2011 to 322 in January 2012.
4. Farms have decreased 1.1% from 262 (January 2011) to 259 (January 2012).

<table>
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<th>As of Dec. 31</th>
<th># Farms (comp. to 2012)</th>
<th>PRODUCTION (comp. to 2012)</th>
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<tr>
<td>2011</td>
<td>259</td>
<td>1,440 bil. lbs.</td>
</tr>
<tr>
<td>2006</td>
<td>266 (down 9.4%)</td>
<td>1,396 bil. lbs. (up 3.2%)</td>
</tr>
<tr>
<td>2001</td>
<td>283 (down 32.4%)</td>
<td>1,417 bil. lbs. (up 1.6%)</td>
</tr>
<tr>
<td>1999</td>
<td>607 (down 57.3%)</td>
<td>1,438 bil. lbs. (up 0.1%)</td>
</tr>
</tbody>
</table>

5. Production increased during 2011 from 2010 by 4.2% (2010-1,383 bil. vs. 2011-1,441 bil.).
7. 2011 raw milk export totals increased by 25.7% over 2010. (2010-760.2 mil vs. 2011-955.5 mil.)
8. In 2011 66% of the raw milk produced in Georgia was exported (55% in 2010).
9. Imports of raw milk increased by 3.4% over 2010 totals. (2011 – 849.9 mil vs. 2010 – 822.2 mil.)
10. 83% of imported milk came from states other than the southeast.
11. Antibiotic violations decreased on farms during 2011 (5 in 2011 vs. 9 in 2010).
12. Pounds of milk dumped for antibiotics decreased: 456,331 lbs. in '10 to 249,062 lbs. in '11
13. 19 suspensions (other than antibiotics) were made at the farm level in 2011 (18 in 2010):
14. 88 warning letters were generated in 2011 (115 in 2010):
15. Georgia has: 12 Grade A Processing Plants (up 1 from 2010)
16. Top 8 ranking dairy counties, according to number of Grade A farms (as of Jan. 2012)
17. Top 6 ranking dairy counties, according to number of cows (as of Jan. 2012)
18. (COW STATS)

*16. Top 8 ranking dairy counties, according to number of Grade A farms (as of Jan. 2012)
1. Macon – 37
2. Putnam – 27
3. Morgan – 22
4. Greene – 12
5. Urban – 10
6. Brooks – 8
7. Wilkes – 9
8. Jefferson – 3

*17. Top 6 ranking dairy counties, according to number of cows (as of Jan. 2012)
1. Macon – 13,508
2. Morgan – 5,002
3. Morgan – 5,002
4. Putnam – 5,173
5. Jefferson – 3,546
6. Brooks – 8

*18. (COW STATS)

<table>
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<th></th>
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</tr>
</thead>
<tbody>
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<td># FARMS</td>
<td>472</td>
<td>378</td>
<td>282</td>
<td>252</td>
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<tr>
<td>FARMS WITH &lt;200 COWS</td>
<td>347</td>
<td>272</td>
<td>196</td>
<td>169</td>
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<tr>
<td>FARMS WITH &gt;200 &lt;1,000 COWS</td>
<td>118</td>
<td>96</td>
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<tr>
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<td>11</td>
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<td>347</td>
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<td>118</td>
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<tr>
<td>FARMS WITH &gt;1,000 COWS</td>
<td>8</td>
<td>11</td>
<td>13</td>
</tr>
</tbody>
</table>

* THESE FIGURES ARE FOR JANUARY, 2012

Compiled by Ga. Dept. of Agriculture/Dairy Division
National Association of Dairy Regulatory Officials
July 14-18, 2012
Orange Beach, AL

Indiana Dairy Report

The Dairy Division of the Indiana Board of Animal Health is currently at full field staff and are in the process of hiring a Supervisor. In the past year we have hired three inspectors to replace a recent retirement and two vacancies.

Dairy Staff

<table>
<thead>
<tr>
<th>Position</th>
<th>Count</th>
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</thead>
<tbody>
<tr>
<td>Supervisors</td>
<td>1</td>
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<tr>
<td>Dairy Specialists Farm/Plant</td>
<td>11</td>
</tr>
<tr>
<td>IMS rating officers</td>
<td>1 full time 1 half time (Farm)</td>
</tr>
<tr>
<td>LEO</td>
<td>1</td>
</tr>
<tr>
<td>Administrative support</td>
<td>2</td>
</tr>
<tr>
<td>Director/Deputy Director</td>
<td>2</td>
</tr>
</tbody>
</table>

In December our agency moved to the Indiana State Fairgrounds. The 4-H building that had been sitting idle was completely gutted and renovated into new office space. In June we hosted the FDA 375 Dairy Farm Sanitation course on the third floor of our building. We had 58 regulators from 18 states in attendance as well as three staff from the University of California-Davis. The 2012 Indiana State Fair will be the Year of the Dairy Cow so most of the staff will be busy attending booths and helping out with the promotions.

Indianapolis will host the 2013 NCIMS meeting to be held at the downtown Marriott. After successfully hosting this year’s Super Bowl XLVI, Indianapolis is looking forward seeing you in April, 2013. As you will find out Indianapolis is a great city for conventions with plenty of restaurants, shopping, museums and zoo all within walking distance.

Raw Milk Study

In February our State Senate introduced Raw Milk legislation that would have allowed anyone with less than 20 cows to sell raw milk from the farm without permit or regulations. That proposal died in committee but the General Assembly passed (House Bill 1129) that directed BOAH to conduct a study to be completed by November 1, 2012.

Safeguarding Indiana’s animals, food supply and citizens for over 100 years.

An equal opportunity employer and provider.
Our first meeting of the Raw Milk Advisory Panel met on June 15 with our second meeting scheduled for July 20\textsuperscript{th}. The approach will be that if we are going to regulate raw milk what our plan would include. At our first meeting the 17 member panel described the requirements that the raw milk farms would follow. The panel is recommending that the Grade A requirements become the standard for farm and processing raw milk. Our dairy intern has been gathering information from all the states were raw milk is legal to find out their standards and requirements.

\textbf{Farms and Plants}

1267 Grade A Farms in June 2012
249 Manufacturing Farms in June 2012
55 Dairy Processing Facilities
13 Single Service Plants
569 Bulk Milk haulers
384 Bulk Milk transports

Our milk production for the past six months had been increasing 4-6\% per month. Indiana’s milk production for June was 327 million pounds. We are 14\textsuperscript{th} in milk production.

The five consecutive 100+ degree days over the Fourth of July as greatly reduced the milk supply. The lower 2/3rd of Indiana is suffering the worst drought conditions since 1988. Central Indiana has not seen more than a quarter inch of rain since mid May. The corn and bean crop yield are projected to be down 60\% or greater. With low milk prices, no second hay crop, and limited feed means there will be a lot of dairy farms selling out this fall. This is looking to be a very difficult year for dairy farmers in our area.

Indiana has four farms using the Lely voluntary robotic milking systems. The newest operation has four Lely units and is milking 210 cows as of April. Two more farms are in the process of purchasing Voluntary Milking Systems.

Over the past year I have held several information meetings for small artisan processors. In the past year we have licensed three small goat and cow milk cheese processors.

Since the first of the year FDA has stepped up the number of check ratings. Joie Navarrete is fully standardized and she is trying to get caught up on FDA check ratings in our region. Joie recently certified four of us to be Sample Surveillance Officers.

\textbf{Laboratories}

There are 6 full service laboratories, 5 certified industry supervisor sites, and 14 screening sites across the state.
Processing

Several plants have invested in remodeling efforts in the past year. Wayne (Smith) Dairy-Richmond is spending $40 million to basically rebuild and install new silos and ESL equipment in their bottling plant. Crossroads Dairy (Kroger) doubled the size of their ice cream processing facility alongside their bottling plant. Traders Point Creamery (Zionsville) is close to completion of their new bottling facility. They actually bottle all their fluid milk and yogurt in glass.

We have recently licensed three single service plants in Indiana producing cups, containers and film.

I am pleased with our progress with the BOAH Dairy Division as we deal with budget challenges and staffing issues similar to the rest of states. The dairy industry continues to change and be challenged as we attempt to adapt with this great industry.

Respectfully submitted

Terrance J. Philibeck
Director Dairy Division
Indiana Board of Animal Health

On a personal note, I was saddened with the loss of Gary Kuhlmann of Prairie Farms. Gary worked a lot with his field reps on farms in Indiana. I served on Council I with Gary and he regularly attended my quarterly Dairy Industry meetings. His presence in the Dairy Industry will truly be missed.
Commonwealth of Kentucky
Annual Report to the
National Association of Dairy Regulatory Officials
Orange Beach, Alabama
July 15 – 18, 2012

Collaborative Report Submitted by the Kentucky Department of
Agriculture, University of Kentucky Regulatory Services and
Kentucky’s Milk Safety Branch

University of Kentucky Regulatory Services, Milk Program

The Milk Regulatory Program at the University of Kentucky has had a busy year. We had a 33% increase in milk hauler inspections in 2011. We also have increased our cooperation we our researchers in the COA. In 2011 we analyzed over 10,000 samples for research. Robert Kiser is still the Interim Coordinator of the Milk Program. Regulatory Services will be under going changes in the near future. We will be getting a new Director in August 2012. As in most all Universities the budget problems will lead to reorganization and consolidation in Regulatory Services. The implementation of this will be the new Directors first order of business. In the mean time the Milk Program will continue to strive to serve all our partners in the dairy business.

2011 Highlights:
- Reviewed and issued license to 3 transfer stations, 24 milk handlers, 20 laboratories, 77 testers, and 342 sampler-weighers (milk-haulers, receivers and samplers).
- Analyzed and administered action on over 3000 official samples.
- Administered a monthly milk lab quality control check sample program through the distribution of 2640 check samples to the 20 licensed laboratories to ensure accurate component testing procedures.
- Conducted 9 pay-records and 18 raw milk receiving manifest audits.
- Conducted 30 milk laboratory inspections.
- Trained and examined 28 new sampler-weighers and 7 new testers.
- Conducted 2 inspections of raw milk transfer stations.
- Conducted 330 sampler-weigher inspections.
- Analyzed over 10,000 research samples for U.K. COA researchers.
- Conducted quality testing for 6 small on farm processors and cheese makers.
Kentucky Department of Agriculture

The Kentucky Department of Agriculture works closely with the Kentucky Milk Commission, the Kentucky Dairy Development Council, the state dairy regulatory agencies as well as other dairy related entities.

The Kentucky Milk Commission did a test market in the fall of 2011 on a Kentucky Proud Milk. The product was source verified 100% Kentucky milk and introduced in six markets in the Louisville area. The test market ran for about eight weeks but did not do well for several reasons. The project is currently be revisited with more of a focus on marketing and better preparations.

KDA currently does the organic certification for 21 organic dairies in the state and has about five more in the transition process.

The KDDC has several programs in place including a Young Producer Program, MILK Counts – which helps producers with SCC issues and the MILK program – which provides a .50 cent incentive for quality and other requirements.
Kentucky Milk Safety Branch

July 2, 2012

Grade A Dairy Farms 838
BTUs 29
Manufacture Grade Dairy Farms 5
Milk Haulers/Samplers 341
Grade A Processing Facilities 9
Manufacture Grade Processing Facilities 17
Single Service Facilities 8
Appendix N Drug Testing Labs 13
Screening Sites 5
Confirmation Sites 8
Full Service Industry Labs 8
Official Labs 2
State Lab 1

The Kentucky Milk Safety Branch is housed under the Cabinet of Health and Family Services, Department for Public Health. We consist of ten (10) Sanitarians and three (3) Central Office personnel. As all other agencies we are experiencing more and more budget cuts. We have been at the point for the past couple of years that if we experience any additional cuts, they will be from the mandated portions of our programs. Farm numbers are slightly down along with plants. However, micro-processing and cheese production continues to expand.
We now have twelve (12) facilities permitted with 3 to 4 currently in the construction process. All these places have one thing in common, and that is they cannot produce enough product to satisfy their customers.

Our Kentucky Dairy Industry bonded together this past year to prevent raw milk legislation from passing the House once it left the Senate. As we all realize, this is a civil liberty movement not centered on public health.

Our inspection frequencies are continuing to be met in all areas. A total of two FDA Milk Specialist have been assigned to the state of Kentucky. It was determined through our FDA Program Review that we are in substantial compliance with the IMS Program.

A big concern we have is how will the Food Safety Modernization Act affect our Dairy Programs? There are too many possibilities available at this time to determine how the Milk and Food Programs will interact. Time will tell.

I want to thank everyone for the help and guidance you have provided over the years. I strongly believe as time goes on, we will have to stand closer together on public health values and standards.
National Association of Dairy Regulatory Officials

Orange Beach, Alabama

July 14 – 18, 2012

MICHIGAN REPORT

Introduction
The Dairy Section of the Michigan Department of Agriculture and Rural Development's Food and Dairy Division is responsible for the inspection of all Grade "A" and manufacturing dairy farms, processing plants, bulk milk hauler/samplers, and milk tank trucks. The Dairy Section also conducts the NCIMS rating program as well as the Laboratory Evaluation program. In addition, Dairy Section staff carries out USDA surveys and grading through a USDA cooperative program.

Michigan has 1,864 Grade "A" dairy farms and 288 manufacturing milk farms for a total of 2,152. Dairy has a $5.9 billion impact on Michigan's economy and creates over 26,000 jobs. In 2011, milk production in Michigan increased 1.7% over 2010 levels. Michigan ranked 8th in the U.S. in milk production, producing 8.5 billion pounds of milk. Michigan ranked 6th in milk production per cow with an average of 23,164 pounds. Michigan continues to add milk processing capacity with new plants being built and existing plants expanding.

Dairy Section Workload
Grade A Dairy Farms 1,864
Manufacturing Milk Farms 288
Dairy Plants 84
Transfer/Tank Truck Cleaning Stations 15
Grade A Milk Distributors 13
Single Service 8
Bulk Milk Hauler Samplers 1,010
Milk Tank Trucks & Can Milk Trucks 704
Milk Transportation Companies 123
Certified Industry Fieldpersons 34
Certified Industry Laboratories 10
Approved Drug Residue Screening Sites 36

Certified Industry Field Representative Dairy Farm Inspection Program
In 2010, the Michigan Department of Agriculture and Rural Development (MDARD) began to implement the Certified Industry Field Representative Dairy Farm Inspection Program. The program was implemented because of the loss of six MDARD Dairy Section staff due to
retirement, a budget reduction accompanying these retirements, and a subsequent proposal for a further budget reduction.

Consequently, in December 2010, the industry began to conduct official regulatory dairy farm inspections. The program was expanded to the point that the industry became responsible for inspecting 90% of Michigan’s dairy farms. MDARD staff has oversight and conducts audits and Grade “A” ratings of the inspections being carried out by the industry.

Michigan has had Certified Industry Field Representative Dairy Farm Inspectors for many years who are employed by farm cooperative organizations and provide services to members. These industry farm inspectors are licensed by MDARD and comply with the requirements of Section 5 of the Grade “A” Pasteurized Milk Ordinance. MDARD staff continues to inspect Michigan’s 83 milk processing plants, milk pasteurization systems, milk haulers and tank trucks as well as other dairy businesses. MDARD continues to conduct milk sanitation and enforcement ratings, license dairy establishments, evaluate milk testing laboratories and screening sites, as well as conduct other milk safety-related activities.

The proposed funding reduction was restored to the Dairy Inspection Program in the budget beginning October 1, 2011. This enabled MDARD to resumed conducting inspections on 78% of Michigan’s dairy farms in February 2012. The FY13 budget brought additional funding to the program. This means that MDARD will be able to replace all of the staff who retired in 2010 and resume inspections for all Michigan’s dairy farms, dairy processing plants and other licensees.

New Value-Added Milk Processing Facilities
MDARD’s milk safety inspection staff continues to receive inquiries from dairy farmers and others who are interested in starting up local, value-added milk processing facilities. These facilities include manufacturers of goat, sheep and water buffalo cheese as well as on-farm milk bottling facilities. The milk safety inspection staff works with these entrepreneurs from the initial planning stage all the way through construction and start-up. A continuing inspection program of these new facilities helps assure a smooth transition from planning to the production of safe, wholesome dairy products. Dairy processing facilities continue to increase in number from 79 in FY10 to 84 in FY11.

Cow Share and Fresh Unprocessed Whole Milk Meetings
Brought together by Michigan Food and Farming Systems, this group of stakeholders including cow share farmers, MSU staff, Michigan Milk Producers Association, and MDA is considering various aspects of raw milk consumption and cow sharing to address the question, “Where do we want to be in three to five years on access to fresh unprocessed whole milk?”

Respectfully Submitted,

Susan K. Esser
Deputy Director,
Food and Dairy Division
Drought
The situation in Missouri is serious for dairy farmers as they face lower mailbox prices, high commodity costs and low hay and silage yields. Farmers are feeding hay and cutting corn silage early because of deteriorating crop conditions. Reported silage yields are 1/4 to 1/2 of normal yields. Much of Missouri's carryover hay stock was sent to Texas last year to assist drought stricken farmers there. Since the first of June nineteen grade "A" dairies have exited production and total dairy cow numbers have dropped to 93,000.

Raw Milk Legislation
Senate Bill 841 would have allowed producers to sell up to 100 gallons of raw milk per day at farmers' markets. The bill was heard in committee on March 28 and died in committee without action. It likely was influenced by a raw milk related health incident that occurred within 45 miles of the state capital.

Raw Milk Health Incident
On March 29 Missouri Department of Health and Senior Services (DHSS) reported a Central Missouri child was diagnosed with hemolytic-uremic syndrome (HUS) on March 23 and dialysis starting on March 29. Health officials confirmed the child had consumed raw milk and raw milk products.

On April 2 four cases of Shiga Toxin E. coli (STEC) were reported; all had consumed raw milk or raw milk products from the same non-permitted farm. On April 9 DHSS reported raw milk was the common link in the Central Missouri health incident. In all, fourteen cases of E. coli 0157:H7 were reported. Of these two were children under two years of age.

| Grade A Farms | 1038 |
| Manufacturing Grade Farms | 407 |
| Grade A Plants | 21 |
| Manufacturing Plants | 30 |
| Grade A Distributors | 24 |
| Grade A Receiving/Transfer Stations | 15 |
| Manufacturing Receiving Stations | 37 |
| Bulk Milk Haulers/Samplers | 279 |
| Bulk Trucks | 190 |
| M Transports | 1618 |
The dairy industry in the Empire State accounts for more than half of all agricultural products' value. Total milk production during 2011 was 12.826 billion pounds, up 0.9% from the previous year. The farm-gate value increased from $2.2 billion in 2010 to $2.7 billion in 2011 as a result of record high milk price. The annual average gross price received by NY dairy farmers in 2011 was $21.44 per hundredweight, up $3.83 or 21.7 percent from the price received in 2010. Gross price includes premiums paid above the federal order minimum blend price.

The average number of milk cows in 2011, at 610,000 head, was down fractionally from a year earlier. This slight decrease in cow numbers was offset by an increase in milk production per cow, which averaged 21,026 pounds. This represents an increase of 219 pounds per cow or 1.0% over 2010. The average number of dairy farms in 2011 was 5,246, down 2.3% from the previous year. The average number of cows per farm was 116.

Some Additional NY and US Dairy Statistics

New York ranks fourth in the nation in total cheese production and first in the production of cottage cheese and cream cheese. In 2011, New York produced 731.9 million pounds of cheese, and 191.4 million pounds of cottage cheese. Yogurt production is experiencing explosive growth, lead by popularity of Greek yogurt. In 2011, New York produced 553.7 million pounds of yogurt, up 184.2 million pounds or 49.9% from 2010. The amount of milk/cream/skim going into yogurt production is approximately 1.2 billion pounds which represents 9% of the state’s total milk production.

New York is home to the two leaders in the U.S. Greek yogurt market, Chobani, with a plant in New Berlin, NY and Fage, in Johnstown, NY. Both companies are in midst of expanding their New York plant operations and Chobani is in the process of building a second plant in Idaho. In addition, Alpina Foods, based in Columbia, is currently building its first U.S. yogurt plant in Batavia, NY, scheduled for opening later this summer. Batavia has also been selected by Muller Quaker Dairy, a joint venture between German dairy Theo Muller and PepsiCo, as the location to open a yogurt plant in 2013.
Soft Cheese Study

In conjunction with our NYS Food Laboratory, the division is requesting the lab to run pH on all of the Soft cheeses (excluding Mozzarella) made in NYS when samples are submitted for the routine monthly screening. The issue came to the forefront when during an internal conversation the point regarding a live culture and acidifying agent came about and how some firms are not using either/or but in some cases only rennet to make product. When we reviewed our positive pathogen summary, none of the violative product was from a make process which contained a live culture, therefore calling into question if pH was a factor. To date, there have been six positive pathogens in non cultured cheeses (all were Spanish style cheeses) since the beginning of 2010, which contained the pathogens Staph. aureus and Listeria monocytogenes. FDA currently has one firm under a Consent Decree due to positive environmental swabbing for Listeria monocytogenes.

NY DAIRY STATISTICS

- 94 Certified Milk Inspectors
- 48 Grade A Processing Facilities
- 80 BTU's
- 5129 Grade A Dairy Farms
- 126 Wholesale Frozen Dessert Mfgs.
- 4000 Milk Receivers/Samplers
- 160 Manufacturing Plants
- 37 Raw Milk Permits
North Dakota dairy industry has continued to decline. Producer numbers are down to 132 and cow numbers are around 18,000. We have two major fluid milk plants along with a single producer fluid milk/cheese plant. In addition, we have a USDA butter/ice cream plant.

Our staff consists of two inspectors, one survey officer, one support staff and me. The dairy department also does egg inspections, non-traditional livestock facility inspections and dairy distributor inspections. Grade A dairies are inspected on an average of 3 times a year and manufacturing farm inspections are inspected on an average of two times a year.

The good news in North Dakota is that the state is still experiencing a large surplus in the state’s budget. This is due in part to its large oil activity, wind/coal energy activity and a very strong agriculture economy.

Last year at this time we were cleaning up from one of the worst floods in our state’s history and this year we are experiencing a moderate drought.

Our state is still committed to expand the dairy industry with our attractive land prices, abundant/cheap feed sources and economic incentives. However, the lower milk and higher feed costs may limit any current expansion.

I would like to thank G.M. Gallaspy and the state of Alabama for the great hospitality they have provided for this meeting.

Grade A Dairy Farms 101
Grade B Farms 32
Grade A Fluid Milk plants 3
Grade B Plants 3
Distributors 213
Samplers/Haulers 94
Licensed Trucks 33
Ohio’s Dairy Industry
2012
www.agri.ohio.gov/dairy

At our website you can find number of producers by county, licensed haulers, and licensed weigher samplers. One can also find all of our laws, rules and applications needed to become licensed. We license Grade A and Manufacture Grade producers and processors. In addition we license frozen dessert manufactures, milk haulers, weigher, samplers and we have a Dealer Law.

Ohio ranks #11 total milk production. 271,000 cows will produce close to 5.4 billion lbs of milk this year. Ohio is up 4% in milk production over a year ago.

Ohio is the #1 Swiss cheese producing state in the U.S. We have a plant that produces 12% of the total Swiss Cheese in the U.S.

As most states have, we have experienced growth in on-farm, small artisan milk processing. We have on-farms processing cheese, ice cream, yogurt and fluid products. We have numerous goat operations and even 2 sheep producers making cheese. One of our goat cheese manufactures won the Gallo Award a few years ago winning a trip to New York and $5,000 cash! A recent article in U.S. News and World Report ranked ice cream manufactures and our Jeni’s Ice Cream in Columbus was ranked #1. http://travel.yahoo.com/ideas/america-s-best-ice-cream.html

Ohio, as is the case with most states, is concerned about the proliferation of raw milk interest. Ohio has been backed into a corner relative to herd shares. We lost a court case at the local level so we are in essence taking a hands-off approach to herd shares.

The Dairy Division of the Ohio Department of Agriculture operates with a budget of $2.8 million. We have a management staff of 3, overseeing 8 farm inspectors, 5 plant sanitarians, 2 IMS Survey Officers and 2 clerical staff.
State of Oklahoma Report

The Dairy Program in the state of Oklahoma is regulated by the Oklahoma Department of Agriculture, Food & Forestry under the direction of Jim Reese our Commissioner of Agriculture and Secretary of Agriculture in the Governor’s cabinet.

Our program consists of 6 employees, 1 Director, 4 inspectors and 1 sample collector. The program collects universal samples from several sites located across the state and delivers them to our State Central Milk Laboratory located in Oklahoma City at the Department of Agriculture building. We strive to sample all dairies in the state each month and we test all finished product produced in the state each month.

There are 212 dairies in Oklahoma down from 721 in 2007.

<table>
<thead>
<tr>
<th>Year</th>
<th>State</th>
<th>Milk Cows (Average)</th>
<th>Milk Produced per Cow (lbs)</th>
<th>Production (pounds)</th>
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</thead>
<tbody>
<tr>
<td>2010</td>
<td>Oklahoma</td>
<td>56,000</td>
<td>17,125</td>
<td>959,000,000</td>
</tr>
<tr>
<td>2011</td>
<td>Oklahoma</td>
<td>53,000</td>
<td>17,491</td>
<td>927,000,000</td>
</tr>
</tbody>
</table>

- In 2010, we have $171 million in cash receipts for Oklahoma producers for milk production alone - 959 million pounds of milk marketed
- National rank (Oklahoma ranks 29th in the U.S. for Milk Production)
- Milk Production ranks 8th in Oklahoma in terms of “Value of Production” for ag commodities and Dairy Products (including milk) ranks 5th in Oklahoma in terms of “Cash Receipts” for ag commodities.

- Largest Dairy in Oklahoma
  Braums Dairy is Oklahoma’s largest dairy in Tuttle, OK with a herd size of 11,800. Followed by Vanderlaan Dairy in Frederick, OK with a herd size of 3300. Lost Trail #1 in Boise City, OK with 2600 and Lost Trail #2 in Boise City, OK with 2500. Lomah Dairy in Davidson, OK with 2200. These are our largest dairies in Oklahoma.

Smallest dairy in Oklahoma
Double S Dairy in Watts, OK with 3 cows followed by Earl Bevelhymer Dairy in Wewoka, OK with 10 cows.
Oklahoma has the following cooperatives working within the state:

Arkansas Dairy Cooperative Association
Central Equity Co-op
Dairy Farmers of America, Inc.
Dairy Marketing Services
Lone Star Milk Producers
Select Milk Producers

Oklahoma has the following processors:

Blue Bell Creameries, Inc.
Broken Arrow, OK

Borden Dairy
Tulsa, OK

Braums Milk & Ice Cream Company
Tuttle, OK

Christian Cheese
Kingfisher, OK

Federal Correctional Institute
El Reno, OK

Hardey Cheese
Hardey, OK

Hiland Dairy
Chandler, OK

Hiland Dairy
Norman, OK

Jackie Brannon Correction Center (State Maximum Security Prison)
McAlester, OK

Johnnie's Charcoal Broiler, Inc.
Oklahoma City, OK

K S & A Orchards
Comanche, OK

Langston University Pilot Creamery (Goats)
Langston, OK

Lomah
Wyandotte, OK

Lovera Cheese Company
Krebs, OK

Milnot Company
Oklahoma/Missouri Boarder
Seneca, MO (milk receiving station is in Oklahoma)

Pure Prairie Creamery LLC (Goats)
Ada, OK

Sunny Meadows Dairy and Food, Inc.
Oklahoma City, OK

Swan Brothers Dairy, Inc.
Claremore, OK

Wagon Creek Creamery
Helena, OK
Industry Numbers

- 276 Grade A producers
- 17 BTUs
- 16 IMS listed plants
- 42 non-IMS listed plants
- 3 single-service facilities
- 160 milk tankers
- 120 permitted milk haulers

Dairy Program Staff

- The Food and Animal Health Program has 33 field staff (32 are REHS)
  - 3 perform pasteurizer equipment checks (22 tests / month)
  - 13 conduct dairy sampling (140 / month)
  - 12 conduct farm inspections (47 / month)
  - 5 inspect dairy plants (20 / month)

- Dairy sampling and inspection assignments are in addition to the inspectors' other regular assigned duties, such as, manufacturing and retail food inspections, FDA inspections, licensing consultations, and plan reviews.

Funding

The dairy program is funded with 28% General Fund dollars and 72% Other Funds (fees). (Dairy industry license fees do not generate sufficient funds to support the Dairy Program; for that reason, the retail industry has agreed to subsidize the dairy program with a portion of its license fees.)

2012 Dairy License Fee Schedule

<table>
<thead>
<tr>
<th>Most License Types</th>
<th>0 - 5K</th>
<th>&gt;5K - 50K</th>
<th>&gt;50K - 500K</th>
<th>&gt;500K - 1M</th>
<th>&gt;1M - 5M</th>
<th>&gt;5M - 10M</th>
<th>&gt;10M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh Deemed Manuf.</td>
<td>$135</td>
<td>$135</td>
<td>$189</td>
<td>$325</td>
<td>$487</td>
<td>$649</td>
<td>$812</td>
</tr>
</tbody>
</table>

Regulatory Changes in 2012

On July 1, 2012, the somatic cell count was lowered from 750,000 to 500,000 for cows and sheep, at the request of industry. Conversely, the SCC was increased to 1,500,000 for goats to be consistent with the PMO.

Raw Milk Update

Permitted: 3 cows/2 lactating or 9 sheep or goats; on-farm sales only; no advertising. Loophole: “Condo Cows” E.coli 0157:H7 outbreak at an organic “condo cow” dairy in April 40 families in “condo cow” co-op 14 hospitalized—4 resulted in complete kidney failure

Early Reminder: Oregon will host the 2015 NCIMS Conference in Portland. We look forward to welcoming you to the Rose City!
This past year has been very good for the Dairy Industry in South Dakota. Last fall, the dedication for the new Dairy Plant & Research Center at South Dakota State University in Brookings, was held in October. This was a 9.5 million dollar project with all the money donated by the Dairy Industry for the construction of the facility. Also, all the equipment is either donated or will be purchased with donated money from the Dairy Industry in the Midwest.

February 1, 2012 Bell Brands selected Brookings, South Dakota as the site for its third U.S. Cheese Manufacturing Plant. Construction on the 170,000 square-foot cheese production plant started July 1, 2012. The first phase will initially employ 200 people and have an employment total of 365 to 400 employees' within 2 1/2 to 3 years after the plant opens in 2013. The first phase is scheduled to process 1 million pounds of milk daily into a Mini Babybell line of semi-soft snack cheeses. Phase two, when completed will require an additional 1 million pounds of milk for processing.

Total milk production increased by 5.3% last year. This increase was due to a 4.4% increase in cow numbers and an increase in milk production per cow. Also, there was an abundance of grain and forage in the State this past year. Currently some of the areas within the State are experiencing some drought conditions. Alfalfa hay is selling for over $200 per ton and corn is about $7/bushel at the local elevator. If these drought conditions continue it will definitely affect the dairyman's profits this next year.
Last year, 29 South Dakota dairy farms left the industry, as compared to 25 farms that left South Dakota’s dairy industry in 2011. The South Dakota Department of Agriculture (SDDA) Division of Ag Development continues to work with new, larger dairies entering the State and expansion projects of our current licensed dairy farms. With the construction of the new cheese plant, the State will need an increase in cow numbers to provide milk for all the plants.

It has been a pleasure working with NADRO and the rest of the States again this past year. Also, the SDDA Staff would like to thank everyone who attended the Conference in Rapid City last year and hope you all enjoyed your stay in our State. It was a pleasure hosting this Conference. If the SDDA Dairy Staff can be of any assistance to any of you, please feel free to contact our office at (605)-773-4294.

Respectfully submitted,

Darwin W. Kurtenbach
**SOUTH DAKOTA**

**FY 2012 STATISTICS**

<table>
<thead>
<tr>
<th>Total Farms:</th>
<th>Grade &quot;A&quot;</th>
<th>275</th>
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<tbody>
<tr>
<td></td>
<td>Manufacturing</td>
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<table>
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<td></td>
<td>Manufacturing Grade Drying</td>
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<td></td>
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<td></td>
<td>Single Service Fabricating</td>
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<td></td>
<td>Cheese Cutting and wrapping</td>
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<td>Ice Cream Plants</td>
<td>5</td>
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<td>IMS Surveys/Resurveys</td>
<td>22/5</td>
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<td></td>
<td>Powder Blending</td>
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**Licensed Sanitarians: (Fieldman)**

|                       | 24 |

**Interstate Milk Shippers Listings:**

|                       | 30 |
NADRO
National Association of Dairy Regulatory Officials
54th Annual Conference
Island House Hotel
Orange Beach, Alabama
July 14 – 18, 2012

UTAH DEPARTMENT OF AGRICULTURE AND FOOD
DIVISION OF REGULATORY SERVICES
DAIRY COMPLIANCE PROGRAM
2011 ANNUAL REPORT

Utah’s dairy farm numbers have dropped about 100 farms since 2005 but the number of dairy cows in the State has climbed up to the 2005 number, 88,000 cows. This is due to the increase in herd size, from an average of 255 cows per dairy in 2005 to 367 cows per dairy in 2011. There was an increase in dairy farm numbers in 2011, because of new little farmstead cheese operations that started up last year, bringing the total of farmstead cheese facilities in Utah to 15.

The new European Union (EU) Somatic Cell Certification Requirements (3 month rolling geometric mean of less than 400,000 SCC per dairy), went into effect January 1, 2012, and the Utah Department of Agriculture and Food, Dairy Program, did a statistical analysis (see Table 1) to see how Utah’s dairy farms would be impacted if all wanted to export to the EU. One of Utah’s Co-op’s that has approximately 41% of the dairy producers in it has already received certification to sell to the EU based on the first quarter geometric mean of each of their producers.

The first three months of 2012, January, February, and March, Somatic Cell Rolling Average for all dairies in the two major CO-OPs in the State of Utah is in the following table:

**SOMATIC CELL STATISTICS**

<table>
<thead>
<tr>
<th>CO-OP</th>
<th>Arithmetic Mean</th>
<th>Standard Deviation</th>
<th>Geometric Mean</th>
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<tr>
<td>ABC</td>
<td>203,743</td>
<td>118,015</td>
<td>177,909</td>
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<tr>
<td>XYZ</td>
<td>192,608</td>
<td>111,307</td>
<td>169,737</td>
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</table>

Utah is participating in the FDA Extended Drug Residue testing program although not by much. Three dairy drew out to be tested but two of them are out of business so that leaves only one to participate.
Vermont Report to NADRO for 2012

By Dan Scruton, Dairy Section Programs Chief

Vermont’s dairy industry remains strong in spite of the economic challenges facing our farming community. The dairy staff consists of 4 farm inspectors, 2 plant inspectors, a milk quality specialist, an administrative assistant and myself with one farm inspector spending about 20% of their time on plant inspections.

The total number of dairy farms in July of 2011 was 1025 and in July of 2012 we are at 1014. Of the 1025 dairy farms; 982 are farms milking cattle, 26 are milking goats and 6 are milking sheep. We have done 2469 farm inspections in the last year.

The processing side of the equation has been exciting with the economic drivers combined with an aggressive buy local marketing movement encouraging the development of a large number of new processing facilities. We did 239 plant inspections on 79 processing facilities. Eleven new processors have come on line since July 1 of last year and there are numerous potential plants showing significant interest. They range in size from farmstead operations with a few cows to yogurt and cheese operations that are taking multiple trailer loads of milk per day. About one half of our processing facilities are processing less than 500 pounds of milk per day. The legislature recognized these trends and approved an additional plant inspector to be starting soon.

Data record keeping issues continue to dominate our logistical concerns as the server we have our old database on has been temperamental and on some days has not worked at all. We have decided to go to Winwam for our inspection needs and are issuing tablet PCs to the inspection force. USA Herds has been selected to track counts and licensing needs. We hope to have the system running by mid 2013.

While the dairy industry is changing, I see a bright future for dairy farms that adapt to the changing markets while maintaining modern practices with the traditional hard work and diligence that has served the dairy industry so well for the past century.
As of June 30, 2012, there were 665 Grade “A” dairy farms operating in Virginia as compared to 682 last year at this time. The total number of manufacturing milk farms on June 30, 2012 remained unchanged at nine. All of our manufacturing grade dairy farms are associated with farmstead cheese production.

Dairy Services continues to be part of the Office of Dairy and Foods in the Division of Animal and Food Industry Services. The Dairy Services Program consists of one program supervisor, one program support technician, one regional manager, and 10 dairy inspectors. The Dairy Services program continues to perform all grade “A” farm inspections at a frequency of two times per year and collection of all required milk samples. The Dairy Services Program budget is 100% general funded.

Our small-scale farmstead cheese industry is continuing to grow. Virginia now has twenty-five small scale cheese makers. Eleven of these cheese makers are using cow’s milk; ten are using goat’s milk, and one is using sheep’s milk. We also have three commercial cheese plants in Virginia. One is a maker of cheese spreads (Miss. Bonnie’s), another is a processor of smoked cheeses and (Spreco Creamery) and the third makes cheese balls.

We also inspect 19 small ice cream and frozen desserts plants operating in Virginia.

Raw milk and uninspected homemade cheeses are continuing to be illegally offered for sale in Virginia at farmers markets and off the farm. There are a number of people advertising cow or goat shares also. The growing demand for these raw milk products and premium prices customers are willing to pay is enticing individuals to provide this products without checking on the regulatory requirements.
## Statistical Information

<table>
<thead>
<tr>
<th>Number of:</th>
<th>FY 06/07</th>
<th>FY 07/08</th>
<th>FY 08/09</th>
<th>FY 09/10</th>
<th>FY 10/11</th>
<th>FY 11/12</th>
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<td>Full Time Insp. Positions</td>
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<td>11</td>
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<td>Grade A Dairy Farms</td>
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<td>Mfg. Milk Plants</td>
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<td>21</td>
<td>22</td>
<td>26</td>
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<td>Frozen Desserts Plants</td>
<td>84</td>
<td>85</td>
<td>77</td>
<td>79</td>
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<tr>
<td>Retail Dip Shop Inspections</td>
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<td>315</td>
<td>259</td>
<td>288</td>
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<td>366</td>
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<td>Grade A Milk Samples</td>
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<td>8257</td>
<td>5441</td>
<td>8528</td>
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<td>Tank Truck Samples</td>
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<td>182</td>
<td>176</td>
<td>183</td>
<td>123</td>
<td>250</td>
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<tr>
<td>Farm Water Supply Samples</td>
<td>598</td>
<td>513</td>
<td>392</td>
<td>468</td>
<td>400</td>
<td>367</td>
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Respectfully Submitted,

John A. Beers  
Program Supervisor  
Office of Dairy and Foods
Wyoming dairy numbers are continuing to go down. There are a total of 14 dairies, of those 6 are Grade A and 8 manufacturing producers. Two of the Grade A are organic certified and the milk is shipped to Colorado for processing.

Currently the Wyoming Food Rule is being updated and is out for public comment. There was a statement added that a sole owner of dairy animal may provide milk to their family, non-paying guests and employees. This caused some issues with raw milk advocates. There have been 3 public meetings in Wyoming with a lot of emotion at the meetings. It appears that during the legislative session in 2013 there will be a raw milk bill introduced. The Dept. of Agriculture prefers that this issue go to the legislature rather than by rule from the department to allow the sale of raw milk or animal shares to the final consumer.

Wyoming is also going through a drought, 22 of the 23 counties has been submitted by Governor Mead to the U.S. Secretary of Agriculture Vilsack for drought assists.

Respectfully Submitted
Dru Haderlie
Inspection Specialist II
Consumer Health Services
### 54th Annual Meeting

**July 14 – 18, 2012**

**Island House Hotel**
**Orange Beach, Alabama**

**2012 Sponsors**

<table>
<thead>
<tr>
<th>Sponsor</th>
<th>Contact Person</th>
<th>Address</th>
<th>Phone</th>
<th>Email</th>
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<tbody>
<tr>
<td>HP Hood LLC</td>
<td>Peggy Poole</td>
<td>Six Kimball Lane</td>
<td>Lynnfield, MA 01940</td>
<td>617-887-3000</td>
</tr>
<tr>
<td>3-A Sanitary Standards Inc.</td>
<td>Tim Rugh</td>
<td>6888 Elm Street, Suite 2D</td>
<td>McLean, VA 22101</td>
<td>703-790-0295</td>
</tr>
<tr>
<td>IDFA</td>
<td>Cary Frye</td>
<td>1250 H. St, NW Suite 900</td>
<td>Washington, DC 20005</td>
<td>202-220-3543</td>
</tr>
<tr>
<td>Williams Dairy &amp; Trucking</td>
<td>Ricky Williams</td>
<td>4019 Red Oak Road</td>
<td>Baxley, GA 31513</td>
<td>912-367-9160</td>
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National Association of Dairy Regulatory Officials (NADRO)
53rd Annual Meeting

Frequently Asked Questions (FAQs)

**New Name, Same Mission:** Protecting public health and promoting regulatory uniformity and efficiency in the dairy industry.

For 50 years, the Dairy Division of the National Association of State Departments of Agriculture has worked diligently to address concerns of the dairy industry and to make recommendations to relevant federal agencies and national organization. However, our organization recognized that each state’s dairy regulatory structure can be unique. Many states have dairy regulatory units administered within departments of agriculture, others in departments of health. Furthermore, in other states, dairy regulators reside in specialized units or may be housed in multiple state agencies, sharing responsibilities within the state. Due to these diverse arrangements, we embarked on establishing a new name for our organization to more clearly identify our members and our goals. In December 2008, we became officially known as the National Association of Dairy Regulatory Officials.

The questions and answers below provide more information about our organization and our name change.

**Q:** Why did DDNASDA pursue a name change?

**A:** The driving force behind the name change was the desire to have a name to more clearly identify our organization’s goals and to be more inclusive of the diverse dairy regulatory agencies across the US. While DDNASDA meetings have regularly been attended by representatives from departments of agriculture, health and other agencies, the name seemed to convey exclusiveness to only departments of agriculture. Our new name is intended to be inviting to the breadth of dairy regulatory agencies across the US.

**Q:** How did the organization reach a decision on the name change?

**A:** A committee was formed in 2007 to consider possible names. The committee made a recommendation at our July 2008 meeting. Per our Constitution and By Laws, the appropriate changes were communicated to our membership and the document revisions were unanimously approved during special December 5, 2008 conference call meeting.

**Q:** What are the rights and privileges of NADRO member states?

**A:** Each member state is provided one vote on questions brought before the members at our annual or special meetings. Members may also bring up items of business for discussion at meetings. This is particularly important when a member state desires to make recommendations to federal agencies or national organizations.

**Q:** What if a state has multiple agencies involved in dairy regulatory matters? Who is assigned to vote at NADRO meetings?
A: Each member state has one vote. Per the Constitution, a delegate designation form is submitted to NADRO prior to the annual meeting. The form provides for specification of one delegate and an alternate. Each state should determine these representatives prior to submitting these forms.

Q: What is the relationship between NADRO and the NCIMS?

A: Many NASHU members are also delegates and participants in the NCIMS, however, these organizations should not be confused. The NCIMS convenes biannually in odd years to discuss items relevant to the Pasteurized Milk Ordinance (PMO) and supporting documents. While the PMO is regularly discussed at NADRO meetings, our meetings tend to have a broader context. NADRO meetings also tend to be smaller and conducted in a less formal manner.

Q: Who attends NADRO meetings?

A: NADRO meetings are attended by a wide range of professionals involved with the dairy industry. As stated above, each member state is provided with one vote, however, a number of state agencies regularly send multiple representatives to the annual meeting. Federal agency and industry representatives for producers, processors and allied industries are also regular participants at the annual meeting.

A: What is the normal composition of the NADRO meeting program?

NADRO meetings are conducted in a relaxed manner and provide many networking opportunities for representative to become better acquainted with colleagues from across the US. A member of each state in attendance is provided the opportunity to brief the audience on news regarding their home state’s dairy industry. The formal program regularly includes speakers from FDA, USDA, National Milk Producers Federation, International Dairy Foods Association and groups such as the American Dairy Products Association. Additionally, the host state typically arranges for special topics relevant to their state’s or region’s dairy industry. These speakers are often industry and university leaders from the area.

Also, each meeting typically includes a brief tour of a unique aspect of the host state’s agriculture. A banquet is scheduled on the last evening of the meeting. Each attendee brings a gift to the banquet representative of their home state or organization. At the conclusion of banquet, gifts are exchanged among attendees. The banquet provides a nice opportunity for fun and camaraderie.

Q: How can I find out more about NADRO?

A: Please feel free to contact any of our current officers about NADRO. Their contact information can be found in the registrator section of this report.