

September 22, 2016
Maine Milk Commission Meeting Minutes
Marquardt Building, Room 332
Augusta, Maine 04333

Notices for the September 22, 2016 meeting were distributed to Commission members, intervenors and other interested parties on August 18, 2016 and sent to the Secretary of State's Office for posting on August 18, 2016.

Commission Present: Mike Wiers, Colon Durrell, Richard Cook, Stanley Millay and Matt Randall

Commission Absent: None

Department Officials: None

Staff Present: Tim Drake, Executive Director, Betty Farr and Cory Daignault, Resource Administrators and Carol Gauthier, Office Associate

Legal Counsel: Lauren Parker

Others Present: John Blake, H.P. Hood, Jim Lesser, Oakhurst Dairy, Bruce Schucker, Hannaford's, Julie-Marie Bickford and Dale Cole, MDIA, Clayton Davis, DFA/DMS, Jordan Clark, Bill Randall and Bob Wellington, Agri-Mark Co-Op and Cheryl Beyeler, Maine Dairy Promotion Board & Maine Dairy Council.

Chairman Wiers called the meeting to order at 10:32 a.m.

Agenda Item 1: Minutes: Stanley Millay made a motion to accept the minutes of the August 18, 2016 meeting as presented. Colon Durrell seconded the motion. Motion passed 3-0.

Agenda Item 2: Lauren Parker, Assistant Attorney General: Nothing to report.

Agenda Item 3: Minimum Prices:

Tim Drake reported a prevailing premium of \$1.10/cwt. on Class I for October 2016, Dairy Marketing Services (DMS). In addition to this premium, DMS reported that an additional \$0.38/cwt for milk that comes from producers who do not treat their cows with the rBST hormone will be in effect. Agri-Mark reported no changes in their total premiums for October. Federal Order One Class I price for October is \$19.85, an increase of \$0.04/cwt. He explained that a schedule was prepared using this information plus a producer cost of production adjustment (COPA) of \$1.53/cwt. He stated that this price schedule was for informational purposes and that the Commission was not bound to it, and should make their pricing determination after hearing testimony.

Chairman Wiers asked for testimony.

Stan Millay stated that he felt a modest decrease was in order as the Class I price had increased for two straight months. He moved that order #10-16 be approved with a COPA of \$1.48.

Colon Durrell seconded the motion.

Richard Cook asked what Stan's rationale was for a decrease.

Stan Millay stated that he had looked at the historical precedent for when the Class I price was at this level and where the COPA had been at that time. He would like the Commission to be consistent with its determinations.

Dale Cole stated that the drought is affecting Maine farms and that this will lead to higher feed costs later this winter.

Chairman Wiers called for a vote on the motion. The motion passed 4-0.

Agenda Item 4: Maine Monthly Price Survey: The Commission reviewed the Maine price survey for September 2016 which showed retail prices for Augusta, Brunswick, Topsham, Bangor, Brewer, South Portland, Scarborough, Saco, Biddeford, Houlton, Presque Isle and Calais. The IAMCA survey was not available.

Agenda Item 5: Next Scheduled Meetings:

- October 20, 2016, 10:30 a.m. Room 332, Marquardt Building, Department of Agriculture, Conservation & Forestry, Augusta ME
- November 23, 2016, 4:00 p.m. Room 332, Marquardt Building, Department of Agriculture, Conservation & Forestry, Augusta ME
- December 22, 2016, 10:30 p.m., Room 329, Marquardt Building, Department of Agriculture, Conservation & Forestry, Augusta ME
- January 19, 2017, 10:30 a.m., Room 332, Marquardt Building, Department of Agriculture, Conservation & Forestry, Augusta ME

Agenda Item 6: Other:

- A. **Bob Wellington, Market Update:** Bob gave the Commission an update on current market conditions and the outlook for the coming year. He stated that the market is in turmoil with both butter and cheese prices in decline after gains previously. This will lead to lower Class I prices later this year, futures prices indicate Class I prices in the \$19 to \$20 range by Spring.
- B. **2016 Retail Margins Study:** Tim Drake and Lauren Parker filled the Commission in on the lack of progress due to Shaw's not submitting their data. Lauren asked the Commission to authorize her and the Executive Director to send a letter to Shaw's which will state that if the data is not received by a stated date a \$1,000 fine will be imposed. After discussion, Dr. Cook made a motion that such authorization be granted. Matt Randall seconded the motion. The motion passed 4-0.
- C. **Monthly Financial Report:** The FY 17 report was reviewed.

Agenda Item 7: Executive Session: None

Adjourned: Adjourned; 10:57 a.m. September 22, 2016.
Tim Drake, Maine Milk Commission