

UPDATE REFERENCES IN GRADE "A" MILK LAW

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

Senate Bill 477 as passed by the Senate
Sponsor: Sen. Mike Green
House Committee: Agriculture
Senate Committee: Agriculture
Complete to 10-19-15

Analysis available at
<http://www.legislature.mi.gov>

(Enacted as Public Act 259 of 2016)

SUMMARY:

Senate Bill 477 would amend Section 6 of the Grade A Milk Law so that it refers to the 2013 edition of the Grade "A" Pasteurized Milk Ordinance (PMO) rather than the 2007 edition. The PMO is a national standard for dairy-product sanitation developed by the United States Public Health Service.

The Grade A Milk Law incorporates the PMO by reference. However, at present, the law references the 2007 edition of the PMO. SB 477 would update the act to reference the currently adopted PMO—the 2013 edition.

Although the Manufacturing Milk law of 2001 also references the Pasteurized Milk Ordinance, there is no need to also amend this statute; it defines the term through reference to the definition in the Grade A Milk Law. The bill also would make other complementary amendments that do not alter the current meaning of the law.

MCL 288.476

FISCAL IMPACT:

The bill would have no direct fiscal impact on the state or local units of government. MDARD dairy regulatory program activities required by the 2013 PMO are already supported in state appropriations.

BACKGROUND INFORMATION:

The Michigan Department of Agriculture and Rural Development (MDARD) has authority to license and regulate the dairy industry under the Grade A Milk Law of 2001 and the Manufacturing Milk Law of 2001.

The Grade A Milk Law of 2001 regulates all milk for drinking, as well as milk products such as yogurt, sour cream, eggnog, and half and half. The Manufacturing Milk Law of 2001 regulates milk products such as butter, cheese, ice cream, and other frozen desserts. Producers who have a Grade A license are also authorized to make manufactured milk products; there is not a duplicate licensing requirement.

According to the United States Department of Agriculture, National Agricultural Statistics Service (NASS), *Michigan Agricultural Statistics 2012-2013*, milk production is Michigan's largest agricultural sector. Cash receipts from milk production totaled \$1.68 billion in 2012, representing 18% of the value of the state's gross agricultural production of \$9.34 billion.

Michigan milk production in 2014 was 9.16 billion pounds. Michigan is the 8th largest dairy state, accounting for 4.55% of U.S production of 201.2 billion pounds.

MDARD's *Milk Safety and Quality Assurance* program licenses and inspects the dairy industry pursuant to the Grade A Milk Law of 2001 and the Manufacturing Milk Law of 2001. Those subject to department licensing and inspection include 2,170 dairy farms (1,890 Grade A dairy farms and 280 Manufacturing dairy farms), 84 dairy processing plants (which produce bottled milk, cheese, butter, yogurt, ice cream, and other dairy products), and over 1,700 milk trucks and milk haulers. Program activities ensure a safe, wholesome milk supply for Michigan consumers.

In order to ship Michigan milk and milk products out of-state, Michigan must have an inspection and oversight program in accordance with the Pasteurized Milk Ordinance (PMO) — a national standard for dairy-product sanitation developed by the United States Public Health Service.

Legislative Analyst: Josh Roesner
Fiscal Analyst: William E. Hamilton

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.