

**SENATE BILL REPORT**

**SB 6098**

**AS REPORTED BY COMMITTEE ON AGRICULTURE, JANUARY 31, 1994**

**Brief Description:** Eliminating the expiration of the dairy inspection program.

**SPONSORS:** Senators M. Rasmussen, Newhouse, Snyder and Quigley; by request of Department of Agriculture

**SENATE COMMITTEE ON AGRICULTURE**

**Majority Report:** That Substitute Senate Bill No. 6098 be substituted therefor, and the substitute bill do pass.

Signed by Senators M. Rasmussen, Chairman; Loveland, Vice Chairman; Bauer, Morton and Newhouse.

**Staff:** Bob Lee (786-7404)

**Hearing Dates:** January 18, 1994; January 31, 1994

**BACKGROUND:**

The Department of Agriculture administers the milk inspection program. The purpose of the program is to assure milk and milk products meet minimum state and federal standards. Milk must meet federal standards to be shipped in interstate commerce. State inspections of dairy farms are subject to spot checks by federal inspectors. Regions of the state are divided into bulk tank units. If a bulk tank unit fails to meet the standards, dairy farms within the bulk tank unit are decertified. There are restrictions on the sale of milk from a decertified bulk tank unit.

In 1992, additional funding for the milk inspection program was provided through an assessment on fluid milk. The additional revenue was to supplement funding from the state general fund. The assessment is collected from the operator of the first milk plant receiving the milk for processing. The assessment of fifty-four one-hundredths of one cent per hundredweight is scheduled to expire June 30, 1994.

The legislation also created an advisory committee to provide recommendations regarding the structure and funding of the dairy inspection program. The report to the Legislature was due by December 1992.

**SUMMARY:**

The June 30, 1994 termination date of the assessment on fluid milk is repealed.

The dairy inspection program advisory committee is continued but the December 1, 1992 due date for the report is deleted.

**EFFECT OF PROPOSED SUBSTITUTE:**

The assessment on fluid milk is extended until June 30, 1995, at which time it will terminate unless extended again by the Legislature

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** requested

**TESTIMONY FOR:**

The assessment provides an important source of revenue to the milk inspection program. Additional study is needed of the program before the fee is instituted on a permanent basis.

**TESTIMONY AGAINST:** None

**TESTIFIED:** PRO: Doug Marshall, Darigold; Mike Schwisow, Oregon-Washington Dairy Processors; John Daly, WSDA