

ASSEMBLY AGRICULTURE COMMITTEE MINUTES

APRIL 15, 1975

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MEMBERS ABSENT: Chairman Hickey  
Vice Chairman Price  
Mr. Coulter  
Mr. Jeffrey  
Mr. Howard

MEMBERS ABSENT: Mr. Getto  
Mr. Howard

GUESTS: Joseph Cannon, International Paper Co.  
Louis Bergevin, Nevada Cattlemen's Association  
Joe Frade, Valley Dairy  
C. J. Cassady, Nevada Dairy Commission  
Ray Jarman, Meadow Gold Dairies  
Beale Cann, Creamland Dairy

Chairman Hickey called the meeting to order for the purpose of hearing testimony on AB 545, which provides for beef producers predatory animal control tax.

Louis Bergevin, Cattlemen's Association, stated that this bill stated the official position of the Cattlemen's Association which establishes a fund for the predatory control. He stated that this would be supported by the industry on a voluntary basis. However there was the mandatory payment of this tax on the tax rolls but it would be refundable for those ranchers that did not wish to participate or did not feel that it was doing what it should. It would be administered by the Department of Agriculture which would establish the amount needed and determine how much the tax would be. It could be up to 8¢ a head but they doubt if it would be that high.

Mr. Bergevin stated that he would have to admit that it did have less than unanimous support but that it was the official position of the Cattlemen's Association. He concluded that it was self supported by the industry.

Mr. Hickey asked Mr. Bergevin about the type of procedure they went through to get their official positions.

Mr. Bergevin stated that they have an annual convention at which time resolutions are acted upon to establish official positions of the Association. About 1/2 to 2/3 of the total membership is present and they either approve or deny these resolutions.

Next Chairman Hickey called for testimony on AB 459, which allows packaging in 3-quart container to authorized fluid dairy product containers.

Joseph Cannon, Marketing Services, International Paper Co., spoke on behalf of the 3-quart package. He stated that he would like to give a brief background of the development stage of this package. International Paper Co. is the largest paper company in the world. They are the largest supplier of dairy packaging in the world. The idea of 3-quart container came about quite accidentally. They were trying out various new packages from the competitive angle. They conducted a study among many housewives in several locations to see what type of package they liked the best. They included the 3-quart container without any idea that it would catch on. The study showed that those questioned preferred this item. Then they set up a test in a marketing area to see if these same housewives would buy this package. The response they received has led them to continue on with this package. At that time it was legal in three states and now it is legal in about 24 states with several states having it before them at this time.

Mr. Cannon went on to say that 80% of all the milk sold today is in gallon or 1/2 gallon containers. The choice given to the consumer in this line is much more limited than in any other industry.

Mr. Cannon then went through the various points in favor of this package such as the space required for the package in the dairy case, in the refrigerator etc. This same material can be obtained by reading the informative material presented by Assemblyman Dini at the previous meeting.

Mr. Cannon stated that in a majority of the instances the cost has been lowered to the consumer, however, this is an individual decision of the dairy and supermarket. To some dairies there is a savings and to some there is not. To go into this packaging can cost from \$5,000 to \$150,000 but this is all part of the free enterprise system.

Their position is that they would like to have the opportunity to sell it. Their studies have proven that 20% of the entire fluid milk market would go for this. He went on to show how much more milk could be packaged a minute with these containers in the large dairies and in the small dairy. He explained the various types of equipment that was available which would package both quart and 3-quart or 1/2 gallon containers.

Mr. Cannon stated that there had been national recognition for this container in that it has received various awards from various groups as being the <sup>best</sup> package available, newest innovation, etc. Although it was <sup>not</sup> planned, the 3-quart is proving out to be the most efficient container available as far as ecology is concerned.

It takes less paper, less polyethylene coating, which comes from natural gas. If what they predict would come true, that is if 20% of the market went for this package, the nation would save 50 million pounds of paper per year. It takes 600 rail cars to carry that much paper so there is savings there also. There is savings all along the line.

The Law and Regulation Committee of the National Conference of Weights and Measures met in April and they will recommend to the National Conference that the 3-quart container be adopted as the national standard. This bill being considered was modeled after some legislation proposed by them.

Mr. Cannon stated that he could sell this package in Nevada tomorrow if the legislation was adopted. Nevada allows a great many various other sizes such as quill, 1/2 pint, liquid pint, etc. and yet these do not even account for 20% of the total business.

He stated that he sincerely believes that this package will be a major influence in the Nevada industry. If the dairy does put it out in this size and consumer does not want it the dairy will quit using it.

Mr. Price stated that he could see the savings in the handling and space but he was concerned if there had been any real significant savings which have been passed on to the consumer. Mr. Cannon stated that their research had shown that the consumer did not really like to buy the gallon package.

Mr. Price stated that in Nevada, even with the 7¢ upcharge, the consumer is buying the gallon as fast as they can be produced.

Mr. Cannon stated that generally the cost advantage has been passed down to the consumer. He cited the situation with one New York dairy (Grandview Dairy) that eliminated the gallon packaging and went to 3-quart container. They lost 40% of their half gallon volume and yet by going 3 quart they were able to give a 3-6¢ advantage to the consumer on the 3-quart size. However, this is up to the dairy and the supermarket to decide.

He also stated that their studies had proven that the housewife is not aware of what the price is that she is paying for milk, she is buying it out of habit. They feel that milk is the biggest habit purchase in the market. They also have a study where the 3-quart container was a premium item and still the consumer bought.

Mr. Cannon stated that the pricing issue is "very hairy and is a confusing issue".

Mr. Price asked if any of the dairies presently had the equipment to which Mr. Cannon stated that Valley Dairy has the equipment right now and he also thought another dairy in the state was capable of doing this at the present time.

Beale Cann, Creamland Dairy, Fallon, stated that at the present time this is about the only container that is not legal in this state. We are presently selling just about anything and the people do not really care what they are paying. In view of this fact, Mr. Cann could not see any justification for outlawing this particular package. Should be able to put out this container if the condition warrant and the consumer could benefit. However, Mr. Cann stated that he could not see any particular reason at this time to go into this. If there was some reason he could not see why they would have to wait for another session in order to be allowed to use the 3-quart container. He concluded by saying that he could see no reason for not allowing it as long everything else was still available to the consumer.

As there was no further testimony available, Chairman Hickey concluded the hearing for the day and called for action the various bills still in committee.

AB 323, deletes exemption of certain vendors from licensing requirements for traveling merchants. Mr. Price moved "do pass" and Mr. Jeffrey seconded the motion. The vote was unanimous.

AB 401, makes various amendments to statutes on meat and poultry inspection. Mr. Jeffrey moved "do pass" and Mr. Price seconded the motion. The vote was unanimous.

SB 23, prohibits use of term "honey" in label or brand name of product unless honey is ingredient in such product. Mr. Jeffrey moved "do pass" and Mr. Coulter seconded the motion. The vote was unanimous.

AB 459, allows packaging in 3-quart container to authorized fluid dairy product containers. Mr. Jeffrey moved "do pass" and Mr. Howard seconded the motion. The vote was unanimous.

Mr. Price then presented his resolution regarding interim study ACR54 of the milk industry to the committee for committee introduction. Mr. Price moved that the committee do introduce. Mr. Jeffrey seconded the motion. The vote was unanimous for committee introduction. Mr. Price was instructed to get the final resolution drafted. Copy of resolution attached as Exhibit I.

Mr. Hickey then read the committee a resolution which he had AJR41 requested Mr. Ballow to draw up. This resolution was the result of the Billings Montana Governor's Conference on Agriculture. It deals with predatory animal control. A copy of this resolution is herewith attached as Exhibit II and made a part of this record. Mr. Hickey stated that this resolution is very important to the ranch and farm lands to help solve this predator problem.

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Mr. Jeffrey moved the committee "do introduce" and Mr. Price seconded the motion. The vote was unanimous for committee introduction. Mr. Price was then instructed to also get this resolution drafted.

As there was no further business to conduct at this time, Chairman Hickey adjourned the meeting.

Respectfully submitted,

SANDRA GAGNIER,  
Assembly Attache

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AGENDA  
COMMITTEE ON AGRICULTURE  
Tuesday,  
Date April 15, 1975 Time 8:00 a.m. Room 240

Bill or Resolution  
to be considered

Subject

- |        |   |
|--------|---|
| AB 545 | Provides for beef producers predatory animal control tax.                           |
| AB 459 | Allows packaging in 3-quart container to authorized fluid dairy product containers. |

Committee will take action  
these bills:

AB 323  
AB 401

SB23



RESOLUTION

WHEREAS the Legislature recognizes that the production, transportation, processing, storage, distribution or sale of fluid milk and fluid cream in the State of Nevada is vital to the public health and welfare of the people of Nevada; and

WHEREAS prices of fluid milk, fluid cream and dairy by-products have greatly increased in the past two years; and

WHEREAS the efficiency and accountability of dairy producers, distributors and retailers is vital to the consumers of the State of Nevada; and

WHEREAS the dairy industry has been subject to considerable public concern;

NOW, THEREFORE, BE IT

RESOLVED by the Assembly of the State of Nevada, the Senate concurring that the Legislative Commission is directed to make a comprehensive study of the problems confronting the dairy industry and the effects such problems may have on the consuming public, such study shall include but not be limited to the following:

a) The operation of dairy cooperatives and the handling and transporting of fluid milk or other dairy products as such movement affects Nevada marketing areas;

2) the efficiency and operational procedures of the producers, distributors and retailers and their accountability to the people of the State of Nevada;

c) the methods of furnishing milk to schools and the possibility of lowering the total expense to schools by alternate means of the purchasing of such milk; and be it

RESOLVED that the legislative commission report the findings of the directed investigation, with recommendations for any necessary and appropriate legislation, to the 59th session of the legislature.



Predator Resolution

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Whereas, the Administration and the Congress has called upon the farmers and ranchers of these United States to produce enough food to assure abundant food at reasonable prices in this country; and

Whereas, they have called upon the farmers and ranchers to produce enough in addition to provide vast amounts of food for exports to foreign countries to feed starving millions; and

Whereas, export of food appears to be the most feasible means of balancing the trade deficit and reducing the dollar drain; and

Whereas, the federal land resources of the Western United States presents an abundant opportunity for increased production of lamb and beef; and

Whereas, this production is severely limited because of restrictions of the use of sound management procedures for the control of predators; now therefore, be it

Resolved, that the Congress and the Administration authorize and direct the Federal Land Management Agencies, namely the Bureau of Land Management and the Forest Service, to carry out predator control management on federal land comparable to that which has proven to be necessary for control of predators on private lands in Nevada.