

ASSEMBLY AGRICULTURE COMMITTEE MINUTES

MAY 6, 1975

MEMBERS PRESENT: Chairman Hickey, Vice Chairman Price,
Mr. Getto and Mr. Howard

MEMBERS ABSENT: Mr. Coulter, Mr. Jeffrey and Dr. Robinson

GUESTS: Harry Dickson, Carson City School District
John O. Olsen, Association Nevada Dairymen
Herb Witt, Dairy Producers Council of the Nevada Farm Bureau
Phyllis Berkson, Dairy Commission
Ray Jarman, Meadow Gold
Beal Cann, Creamland Dairy
Clarence Cassady, Dairy Commission
George Brighton, Washoe County School District
Que Winters, Washoe County School District
Leonard Anker
Fred Weaver, All-Jersey of Nevada

As a quorum was not present, Chairman Hickey appointed Mr. Price and himself as a subcommittee of the Committee to hear testimony on the bills presented and to report back to the committee as a whole. The bills to be heard are AB 654 and SB 342.

AB 654, exempts public schools and certain juvenile institutions from dairy price regulation.

Beal Cann, Creamland Dairy, stated that their conditions were somewhat different from those in the larger school systems. At the present time milk is wholesale with a 5% discount and another 1% discount. He stated that he also felt that this bill was not in keeping with the overall concept that it was illegal at less than cost. If bid below cost it would mean that the dairies were subsidizing the operation of this thing.

School system is largely supported on a relatively broad tax basis with federal government subsidies. In their area the bread and meat people are not asked to subsidize school lunches. At the present rate of milk they are still getting good break.

Also, considering the present economy, he stated that he could not see how distributor could make bid and guarantee to stay with the price for a semester or year because costs fluctuate so much.

Also, the bid may be higher than the present wholesale price paid by the school district for milk.

Mr. Cann went on to say that in their area there is also the question of service. They package 70 1/2 pints to a case and they deliver exactly the amount needed at that time whether it is a full case or just a portion. They also deliver at a set time right before lunch and set it up at each serving place. During vacation periods they take back the few containers which may be left over. Pick up and return so this is actually a guaranteed sale to them.

Mr. Que Winters, Washoe County School District, stated that they do favor this bill. Their position is to do what is chiefly for the good of the children in the long run. This could mean holding the price of lunch at the present price and maintaining the quality of the menu. At the present time they sell their lunches for 45¢ for grade school and 60¢ for high school students.

If this would mean only a 1¢ a 1/2 pint savings to them it would amount to \$28,000, a year as they consume approximately 2,800,000 1/2 pints per school year. He stated that if the cost of food continues to go up and labor costs continue to rise, they will be faced with having to raise the price of the lunch.

Mr. Winters stated that in all fairness to the Commission and the dairy industry he would have to say that they have not been unhappy with the way things have been. There have been very good relationships with the various groups. He stated that he would have to admit that it is possible that the bid might be higher than what they are presently paying. Their concern is chiefly with the welfare of the children.

Mr. Winters further stated that Washoe County does not subsidize their lunch or milk program as Clark County does. They do favor this bill.

Mr. Winters then explained the various types of lunch (reduced, free, etc.) and how the various types are subsidized. He explained for every subsidized the child must receive milk.

Harry Dickson, Carson City School District, stated that he was in full agreement with Mr. Winters and he cited the problems he has had with the federal subsidized milk program. He stated that they used to have it but this year with the additional requirements and problems they no longer have it.

They are most concerned with what they can do to provide milk to the children at the most reasonable cost. They have been happy with the present relationship they have and do realize they could have problems with bidding.

Fred Weaver, All Jersey of Nevada, stated that in 1950 when milk was put out for bid it caused a lot of problems. "Such a little bit of milk caused such a big fuss." It deteriorated price of milk at all levels. He stated that he feels the schools are well taken care of and have been for the last 10-15 years. He ended by saying that he felt we would be "opening up a whole can of nasty worms" if we were to go into this thing.

Herb Witt, Nevada Dairy Producers Council, stated that he recalled when school milk was put out to bid this cost was passed back to the producer. They would be subsidizing the school milk program.

Mr. Witt went on to say that they as individuals are continually supporting the school in some manner or another such as donating supply of milk for various functions. They do this on a voluntary basis.

He stated that a reasonable price has been established and it has to hold for all milk. If they produce for one group at a lower price then they should produce for other groups, such as senior citizens, church groups, etc.

He stated that they would like to see it continue on the same basis as it is now and and they will continue to cooperate with the schools as they have in the past.

Mr. Jarman, Meadow Gold, stated that he would have to concur with the statements previously made. He stated that in a large metropolitan area with a large abundance of school milk business the bidding is to lower plant production costs and not because they are making money on the overall volume of business.

He stated that this would not be true in this area as there would not that that much business. He further stated that he believed the bill to be discriminatory against such things as parochial schools, etc.

SB 342, allows veterinarians to use assistants.

As there were no witnesses for this bill present, Chairman Hickey stated that he would contact Senator Blakemore about this bill and call another meeting to discuss it.

As there was no further business to discuss for this date, Chairman Hickey adjourned the meeting.

Respectfully submitted,

Sandra Gagnier,
Assembly Attache

