

**Department of Fiscal Services**  
Maryland General Assembly

**FISCAL NOTE**  
**Revised**

Senate Bill 435 (Senators Craig and Hafer)

Economic and Environmental Affairs

Referred to Environmental Matters

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**Milk Products - Health Standards**

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This amended bill enables a Grade A milk processor to establish a sell-by period for milk products that is longer than 14 days, contingent upon the processor submitting to the Secretary of Health and Mental Hygiene an acceptable indicator shelf life study which demonstrates that the milk product has a shelf life equal to the sell-by period plus an additional seven days. In addition, the Secretary of Health and Mental Hygiene is required to study the feasibility of establishing a standardized test for antibiotics in raw milk and to report back to the General Assembly by October 1, 1998 on the study.

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**Fiscal Summary**

**State Effect:** None. Any additional workload resulting from reviewing indicator shelf life studies and studying the feasibility of establishing a standardized test for antibiotics in raw milk could be handled with existing staff of the Department of Health and Mental Hygiene.

**Local Effect:** None.

**Small Business Effect:** Potential meaningful impact on small businesses.

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**Fiscal Analysis**

**Background:** There are approximately 25 Maryland manufacturing plants that process farm milk into a variety of dairy products. Based on a 1992 study, milk processing plants in Maryland employ over 1,900 people and supply consumers with approximately \$743 million worth of dairy products.

**Small Business Effect:** Extending the sell-by period for milk products would benefit both dairy processors which are mostly medium to large businesses and grocery retailers which include many small businesses. Currently, grocery retailers have to discard milk products that

are not sold within 14 days. By extending the sell-by period for up to an additional seven days, retailers may be able to realize additional revenues and profits.

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**Information Source(s):** Department of Health and Mental Hygiene, Department of Agriculture, Department of Fiscal Services

**Fiscal Note History:** First Reader - February 20, 1997

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Revised - Senate Third Reader - March 20, 1997

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Analysis by: Hiram L. Burch Jr.

Direct Inquiries to:

Reviewed by: John Rixey

John Rixey, Coordinating Analyst  
(410) 841-3710  
(301) 858-3710