

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE
Revised

House Bill 1611

(Delegate Stull, *et al.*)

Environmental Matters

Education, Health, and Environmental Affairs

Department of Health and Mental Hygiene - State Dairy Industry Oversight and
Advisory Council

This bill establishes a State Dairy Industry Oversight and Advisory Council to promote the State dairy industry. The council must: • investigate retail and wholesale pricing disparities in the dairy industry in Maryland due to the lack of pricing protections compared to other states; • develop strategies for sustaining the State dairy industry; • evaluate and review the dairy industry's regulatory structure; • review and comment on federal and State regulatory changes impacting the industry; • identify and comment on quality assurance controls in the industry; • identify barriers and other issues impacting the industry; • identify technological changes affecting the industry; • encourage and facilitate collaboration among State agencies responsible for regulating the industry; and • identify and address any other issues the council determines are appropriate. An annual report summarizing the council's actions and describing findings and recommendations is due to the Governor, the Department of Health and Mental Hygiene, and the General Assembly. DHMH and the Maryland Department of Agriculture must jointly staff the advisory council and provide necessary technological assistance to the council.

Fiscal Summary

State Effect: Any expense reimbursements for task force members and staffing costs for the DHMH and MDA are assumed to be minimal and absorbable within existing budgeted resources.

Local Effect: None.

Small Business Effect: Meaningful to the extent that the council assists small business dairy farmers and the dairy industry in Maryland.

Analysis

Background: The bill is a recommendation of the Dairy Regulatory Review Committee created in July 2005 by the Secretary of Agriculture and the Secretary of Health and Mental Hygiene to facilitate a review of the regulatory oversight of Maryland's dairy industry. A key issue the committee dealt with throughout its meetings was that of on-farm milk inspections. During the meetings, dairy farmer committee members stated that on-farm milk inspections should be handled by MDA instead of DHMH. Representatives of milk processors and the local health departments stated that they were concerned that moving the milk inspection role to MDA could threaten consumer confidence in Maryland-produced milk.

While dairy farmer members did state that DHMH is doing a good job currently in dealing with dairy farmers, they also stated that MDA could advise farmers on how to solve on-farm milk safety concerns, including animal health issues. To further explore these issues, the committee chose to seek codification of the ad-hoc DHMH Milk Advisory Board created in 2000 and charge it with examining all issues critical to the future of the dairy industry in Maryland.

There are currently fewer than 700 dairy farms in Maryland licensed by DHMH to sell milk. In 2004, there were 74,000 milk cows in Maryland producing 15,703 pounds of milk each, for a total of 1.2 million pounds of milk.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Health and Mental Hygiene, Maryland Department of Agriculture, Department of Legislative Services

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