

STATE OF MINNESOTA
DEPARTMENT OF AGRICULTURE

IN THE MATTER OF THE PROPOSED
AMENDMENTS TO THE RULES OF
THE DEPARTMENT OF AGRICULTURE
GOVERNING GRADING AND INSPECTION
OF MILK AND CREAM

STATEMENT OF NEED
AND REASONABLENESS

I. INTRODUCTION

The subject of this rulemaking is the proposed adoption by the Minnesota Department of Agriculture (MDA) of amendments to the rules governing grading and inspection of milk and cream. The MDA is responsible for regulating the dairy industry in Minnesota. Minnesota Statute, Section 31.10 authorizes the MDA to adopt or amend rules that set food quality standards and to accept standard and definitions fixed by the United States Department of Health and Human Services.

The Department has determined that the proposed amendments are noncontroversial because they are supported by industry and they conform to the Federal requirements which must be followed to ship milk or dairy products across state lines. Because of the noncontroversial nature of these amendments, rulemaking proceedings will be conducted in accordance with the statutory provisions governing the adoption of noncontroversial rules, Minnesota Statutes, Section 14.22-14.28. Accordingly, the rulemaking proceedings on the proposed amendments are governed by that statute and no hearing will be conducted on the proposed amendments unless, on or before March 12, 1986, 25 or more persons submit to the Department a written request for such hearing.

In accordance with the requirement of Minnesota Statutes, Section 14.23 and Minnesota Rules pt. 1400.0500, this Statement of Need and Reasonableness

justifies the need for and reasonableness of the proposed amendments and was prepared and completed prior to the date that the proposed amendments were published in the State Register.

II. GENERAL OVERVIEW

The MDA has already adopted federal Grade A dairy regulations in Minnesota Rules pt. 1530.0740 by defining Grade A Pasteurized Milk Ordinance as the "Grade A Pasteurized Milk Ordinance - 1978 Recommendations" and the "Grade A Condensed and Dry Milk Products and Condensed and Dry Whey - Supplement I to the Grade A Pasteurized Milk Ordinance - 1978 Recommendations" of the U.S. Department of Health and Human Services. However, there is no provision in the rule for adopting published revisions to the 1978 federal ordinance. Therefore, the Department cannot stay current with federal standards.

In addition, the U.S. Department of Agriculture is changing its requirements for the production and processing of milk for manufacturing purposes. These requirements must be followed by any Minnesota dairy plant that moves products across state lines or sells to the government. This includes about 80 percent of the Minnesota milk supply. Minnesota Rules pt. 1530.0820 and the rules that are proposed to be repealed are in conflict with these new requirements which take effect July 1, 1986.

Minnesota statutes require the Department to maintain uniformity with federal regulations when possible in regulating the manufacture, distribution or sale of food in Minnesota. It will be important to the marketing of milk and dairy products that our rules and regulations not be in conflict with those of the Federal government.

III. NEED FOR AND REASONABLENESS OF THE PROPOSED AMENDMENTS

Minnesota Rules pt. 1530.0740

The proposed amendment is necessary to enable the Department to stay current with federal regulations by including published revisions to the "Grade A Pasteurized Milk Ordinance - 1978 Recommendations" as part of Minnesota's Grade A Milk Ordinance.

This is reasonable because it will keep Minnesota in line with all other states and allow for the free movement of Grade A milk and dairy products.

Minnesota Rules pt. 1530.0820

The proposed amendment will adopt by reference the newly recommended requirements for milk for manufacturing purposes as printed in the Federal Register volume 50, Number 166, pages 34726 to 34729 on Tuesday, August 27, 1985. This federal regulation will become effective July 1, 1986.

It is necessary and reasonable for the Department to adopt these federal requirements because compliance with these standards is required by any state that wishes to sell manufactured milk or dairy products across state lines or to the Federal government.

The dairy industry in Minnesota relies on this inter-state and government trade.

Minnesota Rules pt. 1530.0830 - 1530.0960 and 1530.1120 - 1530.1340

The proposed repeal of these rules is necessary and reasonable because they are being replaced by or are in conflict with the standards adopted in Minnesota Rules pt. 1530.0820.

IV. SMALL BUSINESS IMPACT

As prescribed by Minnesota Statutes, Section 14.115, Subds. 1 and 2, the Department has considered the degree of impact the proposed amendments will have on the dairy industry in Minnesota. Since 80 percent of Minnesota's milk production is shipped out of state or sold to the government, it is vital to the state's dairy farms, all of which are small businesses, and the whole dairy industry that federal regulations are followed so that this inter-state trade is not stopped.