

Legislative Analysis



MILK LAW UPDATE

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House Bills 6393 and 6394 as reported from committee

Sponsor: Rep. Julie Alexander

Committee: Agriculture

Complete to 12-2-18

Analysis available at
<http://www.legislature.mi.gov>

(Enacted as Public Acts 623 and 622 of 2018)

SUMMARY:

House Bill 6393 would amend the Grade A Milk Law of 2001 so that references to the Grade “A” Pasteurized Milk Ordinance (PMO) would mean the 2017 revision of that ordinance instead of the 2013 edition. The PMO is a national standard for dairy-product sanitation developed by the United States Public Health Service (USPHS).

The 2017 revision of the ordinance includes the following guidance:

States that have adopted the 2015 or earlier editions of the USPHS/FDA recommended Grade “A” PMO are urged to bring such Ordinance up-to-date in order to take advantage of the most current developments in milk sanitation and administration.

MCL 288.476

House Bill 6394 would amend the list of standards incorporated by reference into the Manufacturing Milk Law of 2001. Currently, the Law incorporates the standards governing “cheese manufacture” in the Code of Federal Regulations. The bill would reflect a change in the title of that part to “cheeses and related cheese products.”

Additionally, the bill would incorporate the standards for “current good manufacturing practices, hazard analysis, and risk-based preventive controls” into the Law.

MCL 288.610

Each bill would take effect 90 days after enactment.

BACKGROUND INFORMATION:

The Michigan Department of Agriculture and Rural Development (MDARD) has authority to license and regulate the dairy industry under the Grade A Milk Law of 2001 and the Manufacturing Milk Law of 2001.

The Grade A Milk Law of 2001 regulates all milk for drinking, as well as milk products such as yogurt, sour cream, eggnog, and half-and-half. The Manufacturing Milk Law of 2001 regulates milk products such as butter, cheese, ice cream, and other frozen desserts.

Producers who have a Grade A license are also authorized to make manufactured milk products; there is not a duplicate licensing requirement.

MDARD's Milk Safety and Quality Assurance program licenses and inspects the dairy industry pursuant to the two acts. Those subject to department licensing and inspection include 1,627 permitted dairy farms, 133 dairy processing plants, 1,000 milk trucks, and 245 milk haulers.

According to the United States Department of Agriculture, National Agricultural Statistics Service (NASS), *Michigan Agricultural Statistics 2017-2018*, dairy production is Michigan's largest agricultural sector. Cash receipts from dairy products totaled \$1.836 billion in 2017, representing 22.7% of the value of the state's gross agricultural production of \$8.103 billion.

In 2017, Michigan milk production totaled 11.2 billion pounds. Michigan is the sixth-largest dairy state, accounting for 5.2% of total U.S milk production.

In order to ship Michigan milk and milk products out of state, Michigan must have an inspection and oversight program in accordance with the PMO.

FISCAL IMPACT:

The bills would have no direct fiscal impact on the state or local units of government. MDARD currently performs dairy licensing and regulatory program activities under authority of the Grade A Milk Law and the Manufacturing Milk Law. Those licensing and regulatory activities, which help ensure that state dairy products are produced and distributed in conformance with the PMO, are currently supported in state appropriations.

POSITIONS:

A representative of the Department of Agriculture and Rural Development testified in support of the bills. (10-3-18; and indicated support 11-28-18)

The Michigan Farm Bureau indicated support for the bills. (10-3-18)

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.