



May 24, 2021

Dr. Scott Leibsle
Idaho State Department of Agriculture
Idaho State Veterinarian

Mr. Lloyd Knight
Idaho State Department of Agriculture
Rules Review Officer

RE: IDAPA 02.04.13 Rules Governing Raw Milk

Dr Leibsle and Mr. Knight,

At the Idaho Dairymen's Association board meeting held on May 19, 2021 the following concerns have been identified with IDAPA 02.04.13 Rules Governing Raw Milk.

The board's concern is with the total cost of the program being paid for by the butterfat assessment dedicated fund. That fund is paid for by the commercial dairy industry with an exceedingly small portion being covered by a few unlimited raw milk producers that sell a limited amount of their milk to the commercial market. The fiscal note you presented showed that the estimated fiscal cost in 2020 was \$187,056, which is approximately 10% of the total assessment collected.

The commercial dairy industry's involvement in the legislation was to protect the health and welfare of the consumer and by doing so protect the image of "mainstream" dairy products. We were agreeable to cover the cost of the program but never anticipated the cost being so significant. If the Rule continues to be administered as it currently is we propose that moving forward funding the program should be through a user fee, the general fund or both. The legislation providing for this rule was HB 675 which passed in 2010. The Fiscal Note states "there is no fiscal impact to the state budget" which, it could be argued leaves the burden on a user fee program.

The statement of purpose is silent on protecting consumers and states the purpose as being ".. to provide acquisition of raw milk and raw milk product by owners, to provide cow shares, sheep shares and goat shares, to provide contractual terms, to provide for testing, to provide testing, to provide registration with Idaho Department of Agriculture and to provide penalties".

We do not believe the limited testing provides any assurances of consumer protection or in any way can protect the image of dairy. In other words, doing a cost – benefit analysis it has significant cost with little benefit for the investment. Any increase in testing only would exacerbate the problem and is not an option.

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Therefore, we believe it is time to reevaluate the program and identify the benefits of the program are. In addition, moving forward, funding for the program must be wholly covered by the program participants and the general fund. If consumers truly benefit than consideration should be given to have a portion of the cost coming from the general fund or a sister agency like Health and Welfare, who has had representatives participating in the negotiated rule.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rick Naerebout', with a stylized flourish at the end.

Rick Naerebout
Chief Executive Officer
Idaho Dairymen's Association, Inc.