

Amy Angel's Testimony for Health and Human Service Committee:

First, I want to thank you for letting me voice my concerns. I would encourage this committee to vote against HB 399. My family has run a dairy & meat distributorship for the past 18 years. I think it is important to that you that you understand that we are an independent distributorship. We can purchase our milk from any processor and have been approached by out-of-state companies to carry their milk. However, we feel that it is very important to support Montana's dairies.

I have witnessed the importance of fresh milk to consumers. There are many times when the customers will dig to the back of the dairy shelf to get the freshest dates, especially in the rural areas – which is most of Montana.

Lately when I notice this, I ask why they are digging. Curious as to rather it has anything to do with the shorter dates, from the responses I got - it did not. All of them seemed to understand that this is a "sell-by" and milk was still good past that date. Their concern had to do with the freshness, taste and the amount of the time they would have to consume the milk after they got it home, especially the elderly. Many of them needed it to last at least a week or more to drink it. When I explained to people that there is a bill looking to change the 12-day rule and asked how they felt about it, most were dumbfounded and upset. They didn't understand why they would be expected to buy milk that spent it most of its useful life on the store's shelf or in the back of a transportation truck. I got responses like "why change it– I want fresh milk" or "the stores are just expecting us (the consumer) be responsible for paying the cost of throwing away their old milk."

This also brings me to my next concern; extending the 12 day date will only cause confusion with the consumers. They are used to a sell-by date. They know they can buy milk with 1 day left on it and have a week or two to drink it. If the date is extended, stores won't pull the milk until they have to; hence, the consumers will be buying old milk. People will be upset when they get it home and it goes sour right away. After people have bad experiences with sour milk, they will look to substitute it with another beverage; which will hurt the dairy industry. As everyone in the dairy industry knows, there are a number of other products such as soy and almond milk that consumers can now substitute in milk's place.

If they don't substitute another product, they will instead just stop buying it from the store that they purchased the bad milk from. This will be very detrimental to small stores that are already having a hard time competing with the huge superstores such as Walmart. It will force consumers to go to the stores that run through the higher volumes of milk to get the better dates. Do you want to be the committee that becomes known for making it harder for the little guy?

One of the reasons given for changing the date is that longer dates will create less dumps for the stores. I dismiss this idea. The longer the date on a product, the less the expiration date is watched. We sell fresh, pasteurized and ultra-pasteurized products. In general, both our company and our customers have more wasted ultra-pasteurized products because less attention is paid to the amount ordered. When a company knows that they only have a short time to sell a product, they make sure they're efficient with their ordering which actually controls the amount of waste. Even the state judge that looked at Coremark's case said that has been shown that longer dates actually produce more waste.

It has also argued that extending the date will reduce the cost of milk to consumers. I don't believe that to be the case. They argue that customers will need fewer delivers with longer dates, which would reduce transportation costs. There are many problems with this theory. It is either not realistic or not good for the customers or consumers. In some cases, it's not realistic because Coremart and other deliver companies delivers more than just milk products that has short dates, such as bread, donut, etc. Therefore they won't be able to make fewer deliveries without the other products they sell expiring.

The other problem with this theory is that most accounts have limited storage space. They wouldn't be able to store enough milk to make it to the next delivery if the deliveries become more infrequent.

If their theory holds true and they do deliver less, then again they will be forcing their customers to sell old milk. Again, hurting the smaller, rural businesses.

Another one of arguments for HB399 is that the 12 day rule limits out-of-state companies from doing business in Montana. I believe that **Coremark** has proved this to be wrong. They and other companies, such as Land of Lakes and US Foods, have been successfully supplying milk to Montana businesses for several years while abiding by the 12-day rule. After looking at the background brief, I found it interesting that of the 79 distributors/jobbers licensed in Montana, 49 were out-of-state and only 30 were in-state distributors. Does this alone not prove that out-of-state companies can compete in Montana under our current dating system?

Coremark and the others pushing to change the rule have said that milk is overpriced in Montana. I don't believe this to be the case; Costco and Sam's Club are the biggest retailers in my area. So I went to Sam's Club website and looked up the cost of milk in Montana and in Washington (which is where Coremark gets their milk). The price of 2% milk in Seattle, WA was \$2.39 and in Billings, MT it was \$2.24. Which is \$0.15 cheaper than in Seattle, WA. So I ask – are we really overpriced?

The bottom line is longer dates would make it for out-of-state companies to transport their products throughout the state. It would only benefit out-of-state companies, not Montana consumers. It was Coremark, an out-of-state, company that originally pushed this issue and has worked very hard over the last six years to create an uproar about the 12-day rule. I believe that the companies and the businesses that are supporting this bill are only doing it to pad their bottom line because I haven't seen any evidence that it will reduce the cost of milk to consumer. They are not concerned about delivering quality products or the effect of what will happen to the dairy industry if people start experiencing sour milk.

I would like to share the results of an on-line poll that was run by Helen Air News. In response to a news story about whether Montana should eliminate its 12 day sell-by rule for milk, the Helena Air asked the question "Should the Board of Livestock scrap its rule requiring 12-day sell-by dates on milk containers, and instead let milk processors set their own dates based on their milk testing?". Out of the 231 people that voted, the majority said that the Board of Livestock should **keep** the 12 day rule in effect.

Please keep in mind when considering this issue, that Montana is an agriculture-based state with a large part of our economy dependant on it. It is important for our representatives to support this industry. The production plants, farmers and Montana distributors employ many Montana people. We don't want to help promote the loss of Montana business or jobs to out-of-state companies by changing our rules just to make it easier for them when there is no real payoff to the public. In fact, it would only be easing the way for out-of-state companies to take our jobs and hurt our economy. Remember, Coremark and other out-of-state companies have proven that they can do business in Montana and abide by 12-day rule. There is no evidence that getting rid of this rule will reduce costs to the consumers, it will only create more dating confusion.

In closing, I am asking you to keep the 12-day rule and vote No to HB 399.

If you have any question for about this, please contact me at 406-323-2743 or 406-320-1049. Thank you.