

## June: National Dairy Month begins, the Texas Legislature ends

So much has happened with the Texas Association of Dairymen in the last few months that it is hard to believe it is already June and National Dairy Month. TAD is recognizing the month through our social media channels, advertising in select dairy area newspapers and a newspaper op/ed emphasizing our commitment to food safety. You can read the op/ed by TAD Board Chairman Joe Osterkamp below and on our website, where you also can see our ad.

This year June 1 signalled not only the start of National Dairy Month but also the final day of the Texas legislative session. The TAD staff worked very hard this session on a number of bills, including stopping one that would have expanded the sale of raw milk from the farm. The bill, House Bill 91, came closer to passing than in the previous two legislative sessions. It was stopped almost literally at the last minute through hard work by TAD, Select and other dairy organizations, physician groups and others. You can read

much more in this newsletter about the legislative session and how it impacted the dairy industry and agriculture.

### Director's Update Darren Turley

The ongoing discussion of biosecurity is another area where TAD has spent many hours. I expect you have heard about the avian bird flu that has devastated the country's poultry industry and caused an egg shortage. This is an example of how biosecurity can cripple an industry. TAD has worked to prepare for such an issue here in Texas, but the effort must start at your farm.

Here are some of the precautions all dairy producers should be taking to prevent biosecurity problems at their farm:

- Test all the animals you bring on to your farm.
- Pasteurize waste milk fed to your calves.
- If you or your employees travel to other farms in the U.S. or abroad, ensure the proper biosecurity measures are in place before returning to your farm.

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## National Dairy Month: Milk safety is #1 priority for Texas dairies

By Joe Osterkamp, chairman, TAD Board of Directors, and owner, Stonegate Farms

*Note: The following op/ed is being published in a number of Texas newspapers in recognition of National Dairy Month.*

Most people trust that the milk they buy at the grocery store is safe to drink, with good reason. But recent headlines – from the troubles of a legendary Texas ice cream maker to advocates for unpasteurized milk at the Texas Capitol – might have some wondering how they can be absolutely sure the milk they purchase is safe for themselves and their families.

As a proud Texas dairy farmer, I believe that National Dairy Month is the ideal time to reassure the public that the safety of the milk supply – and the consumers who drink it – is foremost in our minds with every action we take on the farm.

After all, it isn't just nameless, faceless consumers who drink our milk and eat dairy products made from that milk – it's ourselves and our families, friends and neighbors.

Milk and dairy products are among the most highly regulated foods in the nation. Dairy farms and processing plants must meet stringent safety requirements and are inspected regularly (sometimes unannounced) by federal, state

and local officials.

On the farm, safety starts with the cow. Importation of cows into Texas is highly regulated to guard against disease outbreak. Strict standards govern how the herd is housed, fed and medically treated. In the milking parlor, strict sanitation standards include disinfection of a cow's udder before each milking and the thorough cleaning of equipment before and after each use. Milk is immediately placed into a refrigerated holding tank to preserve freshness and keep it at safe temperatures.

Milk is tested numerous times from cow to bottling at the processing plant to examine milk quality and for the presence of antibiotics and bacterial contamination. If a milk shipment fails to meet stringent standards when it arrives at the processing plant, it is immediately discarded.

Yet with all the precautions and testing, pasteurization, which has been routine in the United States for almost 100 years, is the biggest contributor to safe milk.

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# Capitol Report

## 84<sup>th</sup> Texas Legislature gavels to a close: How did Texas fare?

By Lauren Wied, Shayne Woodard and J Pete Laney, TAD lobbyists

The 84th Texas Legislature’s extremely conservative credentials were on display throughout the 140-day session that wrapped up June 1. Many of the newly elected senators and representatives pushed an anti-Obama rhetoric that impacted everything from healthcare and environmental regulations to gun rights and “no new taxes” (see: Tax Cuts).

Less regulation, transportation infrastructure funding, local government overreach, drought and gun rights – including open carry and campus carry – were among the many issues debated for the first 120 days of the 140-day 84th Legislature.

But during the last three weeks of session, the drought turned to tragic flooding across much of the state and cooler heads tended to prevail on many issues including gun legislation and a conservative future biennium state budget.

The “give me liberty or give me death” motto seemed to be the battle cry from numerous freshman legislators who had hitched their wagon to the Republican freedom-and-liberty Tea Party that appears to be getting louder across Texas. The grassroots activists appear to be very organized, and they continue to provide a loud voice driving many issues that appear to be popular in past and future Republican primaries. They quickly grabbed the attention of the Texas Senate only to fizzle out in the Texas House of Representatives.

Recall that we had a very young Legislature with roughly two-thirds of the combined House and Senate membership serving in either their first or second session.

All statewide elected officials also were new to their respective positions. Newly elected Lt. Gov. Dan Patrick kept many of his campaign promises to Republican voters, passing his priority measures. Veteran House Speaker Joe Straus seemed to take the emotional issues in his genuine calm style by letting the legislative process separate the wheat from the chaff.

As the session came to a close, most of the big issues were appropriately addressed. No one seemed to get everything they wanted, but no one seemed to suffer either. ▪

### 84<sup>th</sup> Legislature: By the Numbers

84<sup>th</sup> Legislature (2015)

6,276 – bills filed

1,322 – bills passed

*Gov. Greg Abbott has until June 21 to veto, sign a bill into law or let a bill become law without his signature.*

83<sup>rd</sup> Legislature (2013)

5,868 – bills filed

1,437 – bills passed

26 – bills vetoed

### Major Statewide Issues

#### BUDGET.

For the 2016-17 budget cycle, the House and Senate approved the \$209.4 billion Texas state budget, which is \$9 billion higher than the one passed in 2013.

The general revenue portion of the budget is \$106.6 billion, which is \$11.6 billion more than was allotted in 2013.

The budget cut business and property taxes by a combined \$3.8 billion (see “Tax Cuts” below) and included a record \$800 million in funding for border security.

The budget leaves \$6.4 billion unspent, including \$2.9 billion under the state’s constitutional spending cap, which limits the growth of some state funds. Lawmakers also left untouched another \$11 billion in the state’s Rainy Day Fund, which is fed by oil and gas production taxes.

#### TAX CUTS

The budget also includes funding to cover \$3.8 billion in property tax relief and franchise tax cuts for Texas businesses. Senate Bill 1 increases the homestead exemption from \$15,000 to \$25,000 – if voters approve it in a statewide constitutional election in November. House Bill 32 will cost \$2.56 billion over the next two years and includes an across-the-board 25 percent cut in the franchise tax rate paid by businesses.

#### TRANSPORTATION

Several bills would increase transportation funding, with voter approval. In November, Texans will vote on amending the state constitution to dedicate \$2.5 billion of the general sales tax to the state highway fund starting in 2017, as well as a portion of motor vehicle sales taxes starting in 2019.

#### GUN RIGHTS

Both an open carry and campus carry bill were passed. House Bill 910 will allow license holders to carry handguns openly in a hip or shoulder holster, changing current law requiring that such weapons be concealed.

Senate Bill 11 requires the state’s public universities to allow handguns in dorms, classrooms and campus buildings. Universities and colleges still will be able to establish their own rules on where handguns are carried and how they’re stored based on public safety concerns. Only concealed handgun license holders – who must be at least 21 years old – will be allowed to carry their firearms on campus, and private universities will be allowed to opt out of the requirement altogether. ▪



# Capitol Report

## Major Dairy Issues

### RAW MILK

**House Bill 91** by Rep. Dan Flynn/Sen. Carlos Uresti would have allowed raw milk and raw milk retail products to be sold either at the seller's place of business, a consumer's residence or a farmer's market. Currently, these products only can be purchased at the seller's place of business.

TAD opposed this measure, which passed the House overwhelmingly but died in the waning days of session when it was not voted on in Senate committee.

### OVERWEIGHT TRUCKS

**House Bill 3129** by Rep. Ken King (companion by Sen. Charles Perry) would have allowed for the permitting of fluid milk trucks to haul up to 90,000 pounds (rather than the current 80,000-pound limit) or 84,000 pounds if the hauler has a "2060 overweight permit."

TAD supported the bill, which did not move out of House committee.

### TCEQ PERMIT HEARINGS

**Senate Bill 709** by Sen. Troy Fraser/Rep. Geanie Morrison is intended to scale back contested case hearings, a process that allows the public to challenge industrial applications for permits at the Texas Commission on Environmental Quality, such as those to allow wastewater discharges or air pollution emissions.

The bill, which TAD supported, passed and was signed into law, effective Sept. 1. ■

## Looking ahead: Who's in/out for 2017?

Even before the final gavel fell on the 84<sup>th</sup> Legislature, the makeup of the next legislative session – which doesn't convene until January 2017 – was in play, with several long-time members announcing they would not be seeking re-election. More such announcements have followed in past few weeks.

One person intends to return though – House Speaker Joe Straus wasted no time filing for another term as speaker (provided he wins election to his House seat first, of course).

Before the Legislature adjourned, four veteran House members told their colleagues they would not be returning: Sylvester Turner (D-Houston), the House's longest-serving member; Jimmie Don Aycok (R-Killeen), chairman of the House Public Education Committee; Joe Farias (D-San Antonio); and Allen Fletcher (R-Cypress).

Rep. Patricia Harless (R-Spring) has since said she will not come back.

In a big surprise, Sen. Troy Fraser (R-Horseshoe Bay) announced the day after session ended that he will not stand for re-election in 2016. Fraser chaired the Senate Natural Resources and Economic Development Committee, which considered dairy and agriculture issues.

Sen. Kevin Eltife (R-Tyler) announced June 14 he will not run again. Within hours, Republican Reps. David Simpson of Longview and Bryan Hughes of Mineola announced they will run for the seat, and other candidates have been mentioned.

All these open seats have attracted much speculation, as well as a number of announced candidates.

With primary elections not until March, these likely won't be the last retirements announced. ■

## Federal agencies release final Waters of the U.S. rule impacting ag

By Jim Bradbury, attorney

The U.S. Environmental Protection Agency (EPA) and the Army Corps of Engineers on May 27 released its final rule defining "waters of the United States" (WOTUS). This rule is the final product of a years-long battle between EPA and nearly the entire ag industry over the expanded scope of the rule.

The agency's final version of the rule is almost exactly in line with the draft rule that was issued some time ago. While EPA received an overwhelming number of comments about the scope and complexity of the rule, it proceeded to issue the rule largely unchanged.

The stated purpose of the rule was to "clarify" the meaning of waters of the U.S. for purposes of applying the Clean Water Act. Congress has never provided much in the way of a definition, and the vague and undefined nature of the statute came into focus in several U.S. Supreme Court decisions. Even the Supreme Court justices had trouble agreeing. EPA thereafter took it upon itself to develop a clearer rule. The final

rule is anything but clear and, according to most observers, it actually expands the scope of the Clean Water Act beyond congressional intent.

For now, the rule will apply for purposes of EPA enforcement and permitting decisions.

Numerous industry groups are expected to challenge the rule in court, and Congress currently has legislation pending to impede or roll back the rule. ■

### **.State government moves of interest to ag**

Texas Water Development Board Chairman **Carlos Rubinstein** will step down at the end of August after two years of service. **Bech K. Bruun** will succeed Rubinstein.

**Zak Covar** left June 1 as a commissioner at the Texas Commission on Environmental Quality after almost 18 months for a private sector job. He previously was TCEQ executive director. ■



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Pasteurization – the process of heating milk to at least 161 degrees for at least 15 seconds and then cooling it rapidly to kill any disease-causing bacteria – is the only way to ensure milk does not contain harmful bacteria, including listeria and salmonella, according to the U.S. Centers for Disease Control and Prevention.

Children are especially vulnerable to the dangers of unpasteurized – sometimes called raw – milk, which are well documented and backed by a mountain of solid scientific evidence.

That’s why the Texas dairy industry opposed a bill this past legislative session that would have expanded the sale of raw milk in Texas. We just can’t take a chance that any of our milk or milk products could sicken or even kill someone when prevention (pasteurization) is so safe and simple.

Thankfully, that bill once again died during this most recent legislative session.

Dairy producers, like all agriculture producers, take a great deal of pride in our chosen profession. We work tirelessly, day in and day out, caring for our cows, employees and natural resources so that we can continue to feed our state and world.

Even though some days, weeks, months and even years can truly be a struggle, it is a true blessing to be part of an amazing industry. ▪

**“Hilmar Cheese wins national award**

Hilmar Cheese Co. – a TAD member – has received the Outstanding Dairy Processing & Manufacturing Sustainability award from the Innovation Center for U.S. Dairy.

Hilmar was recognized in part for recycling almost all of the water left over after cheese and byproducts are extracted from milk at its Hilmar, Calif., plant. The plant – Hilmar’s headquarters – employs about 930 people and is the world’s largest cheese plant. Another 400 people work at the company’s Dalhart plant that opened in 2007. ▪

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Your efforts have impact beyond your fences. An animal disease on your farm or an issue with the milk you ship can impact the entire industry.

Preparations are underway for a mock disease outbreak exercise later this year in the Panhandle. TAD will participate in the exercise to better prepare the industry and state responders to the needs in the event of an outbreak.

The exercise will be used by the beef, pork and dairy industries, along with the state and national homeland security representatives, to work through the possible actions and scenarios of an outbreak.

I hope that you enjoy the summer, and I hope you continue to work hard to produce the safest, most affordable nutrient-rich food on the planet. ▪