

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0410S.01I
Bill No.: SB 235
Subject: Dairies and Dairy Products; Food; Liability
Type: Original
Date: February 3, 2021

Bill Summary: This proposal permits the sale of raw milk or cream in certain circumstances.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
State Milk Inspection Fee Fund	(\$9,000)	(\$15,000)	(\$15,000)
Total Estimated Net Effect on <u>Other</u> State Funds	(\$9,000)	(\$15,000)	(\$15,000)

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Department of Agriculture (MDA)** assume the following regarding this proposal:

The State Milk Board is required to collect, have tested and analyzed raw milk and cream, containers used for packaging processed raw milk and cream, processed raw milk and cream, and farm and processing plant water. In addition, the State Milk Board will collect official documentation regarding dairy animal herd health and conduct pathogen testing and analysis to ensure safety of processed raw milk and cream from permitted raw milk dairies.

Raw milk and cream samples must be collected, tested and analyzed at least eight (8) out of twelve (12) months per year from both the permitted raw milk farm and the permitted raw milk processor sides. Testing and analysis numbers may increase when regulatory standards are violated and retesting is required to ensure product safety.

Raw milk samples from the farm are tested and analyzed at the rate of \$25/sample; processed raw milk and raw cream samples are tested and analyzed at a rate of \$50/sample; containers are tested and analyzed at a rate of \$50/sample; plant water is tested and analyzed at a rate of \$13/sample (2 times yearly); pathogen testing and analysis starts at \$300/sample and can be at a higher cost depending on analysis.

Collection, testing and analysis is estimated to cost **\$3,000** per year for each raw milk dairy permitted by the State Milk Board. Currently, the State Milk Board has one permitted raw milk dairy.

Should this legislation be signed into law, MDA estimates three additional raw milk dairies will be permitted in FY 2022 (3 x \$3,000 = \$9,000) and two additional raw milk dairies will be permitted in FY 2023 (2 x \$3,000 = \$6,000).

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by MDA.

Officials from the **Department of Health and Senior Services** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
STATE MILK INSPECTION FEE FUND (0645)			
<u>Cost – MDA – inspections of additional raw milk dairies</u>	<u>(\$9,000)</u>	<u>(\$15,000)</u>	<u>(\$15,000)</u>
ESTIMATED NET EFFECT ON THE STATE MILK INSPECTION FEE FUND	<u>(\$9,000)</u>	<u>(\$15,000)</u>	<u>(\$15,000)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

This proposed legislation could have an economic impact on small business, as the bill allows for the sale of raw milk at the retail level, which is currently strictly prohibited.

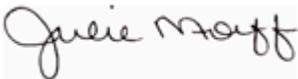
FISCAL DESCRIPTION

Under this act, Grade A retail raw milk or cream produced in Missouri, as defined in the act, may be sold to grocery stores, restaurants, soda fountains, or similar establishments if the raw milk or cream is clearly labeled as such or presented as such through written notice to the consumer. An individual who is the final consumer may also purchase and have delivered raw milk or cream for his or her own personal use.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Missouri Department of Agriculture
Department of Health and Senior Services



Julie Morff
Director
February 3, 2021



Ross Strobe
Assistant Director
February 3, 2021