

Assembly Bill No. 1910

Passed the Assembly August 9, 2010

Chief Clerk of the Assembly

Passed the Senate August 2, 2010

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2010, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Sections 35832, 62582, and 62640 of the Food and Agricultural Code, relating to milk.

LEGISLATIVE COUNSEL'S DIGEST

AB 1910, Committee on Agriculture. Repasteurized milk: Milk Producers Security Trust Fund: future shipment coverage eligibility: handler default.

(1) Existing law prohibits repasteurized milk to be sold as market milk.

This bill would instead authorize repasteurized milk to be reprocessed and sold as “Grade A” product under certain specified conditions and restrictions. The bill would permit the Secretary of Food and Agriculture, upon request, to authorize reprocessing of packaged milk and milk products provided certain requirements are complied with.

(2) Existing law confers upon the Secretary of Food and Agriculture the ability to establish and administer the Milk Producers Security Trust Fund to protect milk producers against loss of payment for bulk milk transferred to handlers. Existing law authorizes the secretary to determine if future shipments to a handler are not eligible for coverage, subject to specific criteria.

This bill would provide that future shipments to a handler are automatically not eligible once that handler satisfies specific criteria already in existing law.

(3) Existing law authorizes the secretary to pay money from the Milk Producers Security Trust Fund to the pool equalization fund to cover the amount that a handler defaults in payments to the pool equalization fund if, after consultation with the Milk Producers Security Trust Fund Board, the secretary determines that additional efforts will not result in collection of the amount due.

This bill would require the secretary to first exhaust all administrative and legal remedies within his or her authority against the defaulting handler, and execute all judgments resulting from those remedies, prior to recommending to the board this payment from the Milk Producers Security Trust Fund.

The people of the State of California do enact as follows:

SECTION 1. Section 35832 of the Food and Agricultural Code is amended to read:

35832. (a) Repasteurized milk may only be reprocessed and sold as a “Grade A” product under the following conditions and restrictions:

(1) Milk and milk products drained from processing equipment at the end of a run, collected from a defoamer system, and milk or milk product solids rinsed from equipment, containers, or pipelines shall be repasteurized only if that milk or those milk products are handled in a sanitary manner and maintained at 45 degrees Fahrenheit (7 degrees Celsius) or less. When the handling or cooling, or both, of that milk or those milk products is not in compliance with this requirement, they shall be discarded.

(2) Equipment, designated areas, or rooms utilized for handling, processing, and storage of returned packaged milk or milk products are maintained, operated, cleaned, and sanitized so as to preclude the contamination of Grade A products and equipment and the Grade A operations. The repasteurization of milk and milk products shipped in milk tank trucks, which have been pasteurized at another Grade A milk plant and have been handled in a sanitary manner and maintained at 45 degrees Fahrenheit (7 degrees Celsius) or less, is permitted.

(3) Packaged milk and milk products that have physically left the premises of the processing plant shall not be repasteurized for Grade A use.

(4) Milk and milk products from damaged, punctured, or otherwise contaminated containers, or milk products from out-of-code containers, shall not be repasteurized for Grade A use.

(5) All milk and milk products that have overflowed, leaked, or been spilled or improperly handled shall be discarded.

(b) Notwithstanding subdivision (a), the secretary may, on a specific request, authorize reprocessing of packaged milk and milk products provided all other requirements of this section, including proper storage temperature and container integrity, are complied with.

SEC. 2. Section 62582 of the Food and Agricultural Code is amended to read:

62582. If future shipments to a handler are not eligible for coverage under this chapter in the event of a default, the secretary shall notify all producers who have a contract on file with the secretary, all cooperative associations, and other interested parties. Future shipments will not be eligible when any of the following events occur:

(a) The handler fails to maintain a valid license or bond as required under Chapter 1 (commencing with Section 61301) or Chapter 2 (commencing with Section 61801).

(b) The handler has failed to pay producers as required under Chapter 1 (commencing with Section 61301) or Chapter 2 (commencing with Section 61801).

(c) The handler has failed to pay the amount due the pool equalization fund provided for in Chapter 3 (commencing with Section 62700).

(d) The handler fails to submit, when requested by the secretary, executed contracts that establish the relationship between affected parties.

SEC. 3. Section 62640 of the Food and Agricultural Code is amended to read:

62640. If a handler defaults in payments to the pool equalization fund provided for in Chapter 3 (commencing with Section 62700) and the secretary determines that additional efforts will not result in collection of the amount due, the secretary, after consultation with the board, may pay money from the Milk Producers Security Trust Fund to the pool equalization fund to cover the amount of the default. However, the secretary shall first exhaust all administrative and legal remedies within his or her authority against the defaulting handler, and execute all judgments resulting from those remedies, prior to recommending to the board this payment from the Milk Producers Security Trust Fund.

Approved _____, 2010

Governor