

CHAPTER 32D

DAIRY LAW

32D.01	DEFINITIONS. INSPECTION AND ENFORCEMENT	32D.14	OFFICIAL PRODUCER SAMPLES.
32D.02	INSPECTION AND ENFORCEMENT; AUTHORITY AND DUTIES. MILK HAULERS AND SAMPLERS	32D.15	MONTHLY REPORTING.
32D.03	BULK MILK HAULER AND SAMPLER LICENSE.	32D.16	ENFORCEMENT.
32D.04	MILK TANK TRUCKS. GRADE A DAIRY FARMS	32D.17	LABORATORY CERTIFICATION.
32D.05	GRADE A DAIRY FARM PERMITTING; WATER WELL DISTANCE REQUIREMENT.	32D.18	MILK BOUGHT BY WEIGHT; TESTING METHODS.
32D.06	GRADE A DAIRY FARM INSPECTION; FEES. MANUFACTURING GRADE DAIRY FARMS	32D.19	ADULTERATED DAIRY PRODUCTS.
32D.07	MANUFACTURING GRADE DAIRY FARM CERTIFICATION.	PROCESSING AND MANUFACTURING REQUIREMENTS	
32D.08	MANUFACTURING GRADE DAIRY FARM INSPECTION; FEES. DAIRY PLANTS	32D.20	LIMITATION ON SALE.
32D.09	DAIRY PLANT LICENSING AND PERMITTING.	32D.21	COOLING AFTER PASTEURIZATION.
32D.10	INSPECTIONS.	32D.22	MANUFACTURE OF CHEESE; REQUIREMENTS IN PROCESS.
32D.11	PROCUREMENT FEE.	32D.23	RECOMBINANT BOVINE GROWTH HORMONE LABELING.
32D.12	SELECTED PRODUCTS FEE. MILK QUALITY AND PURCHASING	DAIRY TRADE PRACTICES	
32D.13	MILK QUALITY STANDARDS.	32D.24	DAIRY TRADE PRACTICES; DEFINITIONS.
		32D.25	DUTIES AND POWERS OF COMMISSIONER; DATA PRIVACY.
		32D.26	SALES BELOW COST PROHIBITED; EXCEPTIONS.
		32D.27	REDRESS FOR INJURY OR THREATENED INJURY.
		32D.28	ANNUAL SUSPENSION OF DAIRY TRADE PRACTICES ACT.
		32D.30	DAIRY DEVELOPMENT AND PROFITABILITY ENHANCEMENT.

32D.01 DEFINITIONS.

Subdivision 1. **Scope.** The definitions in this section apply to this chapter.

Subd. 2. **Adulterated.** "Adulterated" means an item is covered by section 34A.02.

Subd. 3. **Cheese.** "Cheese" includes all varieties of cheese, cheese spreads, cheese foods, cheese compounds, or processed cheese made or manufactured in whole or in part from milk.

Subd. 4. **Commissioner.** "Commissioner" means the commissioner of agriculture.

Subd. 5. **Dairy farm.** "Dairy farm" means a place or premises where one or more lactating animals, including cows, goats, sheep, water buffalo, camels, or other hoofed mammals, are kept, and from which all or a portion of the milk produced at the place or premises is delivered, sold, or offered for sale.

Subd. 6. **Dairy plant.** "Dairy plant" means any place where a dairy product is manufactured, processed, or handled and includes milk-receiving stations, creameries, cheese factories, condenseries, milk plants, transfer stations, and marketing organizations that purchase milk and cream directly from producers for resale and other establishments, as those terms are used in this chapter and chapters 17, 27, and 31; but does not include any place where dairy products are not processed but sold at wholesale or retail only.

Subd. 7. **Dairy product.** "Dairy product" means milk as defined by Code of Federal Regulations, title 21, cream, any product or by-product of either, or any commodity among the principal constituents or ingredients of which is one or a combination of two or more of them, as determined by standards, grades, or rules adopted by the commissioner.

Subd. 8. **Fluid milk products.** "Fluid milk products" means yogurt, cream, sour cream, half and half, reconstituted half and half, concentrated milk, concentrated milk products, skim milk, nonfat milk, chocolate flavored milk, chocolate flavored dairy drink, chocolate flavored reconstituted milk, chocolate flavored reconstituted dairy drink, buttermilk, cultured buttermilk, cultured milk, vitamin D milk, reconstituted or recombined milk, reconstituted cream, reconstituted skim milk, homogenized milk, and any other fluid milk product made by the addition of any substance to milk or to any of the fluid milk products enumerated under this subdivision or by rule adopted by the commissioner.

Subd. 9. **Goat milk.** "Goat milk" means a whole, fresh, clean lacteal secretion free from colostrum, obtained by the complete milking of one or more healthy goats.

Subd. 10. **Milk.** "Milk" means the normal lacteal secretion, practically free of colostrum, obtained by the milking of one or more healthy hoofed mammals. Hoofed mammals include but are not limited to cattle, water buffalo, sheep, goats, yaks, and camels.

Subd. 11. **Milk for manufacturing purposes.** "Milk for manufacturing purposes" means milk produced for processing and manufacturing into products for human consumption but not subject to Grade A or comparable requirements.

Subd. 12. **Milk-receiving station.** "Milk-receiving station" means a dairy plant where raw milk for pasteurization or for manufacture is received, handled, or prepared for processing or for resale as unpasteurized milk or fluid milk products.

Subd. 13. **Minnesota farmstead cheese.** "Minnesota farmstead cheese" means cheese manufactured in Minnesota on the same farm that the milk used in its manufacturing is produced.

Subd. 14. **Misbranded or misbranding.** "Misbranded" or "misbranding" means an item is covered by section 34A.03.

Subd. 15. **Pasteurization or pasteurized.** (a) "Pasteurization," "pasteurized," and similar terms mean:

(1) the process of heating every particle of milk or dairy product in properly operated equipment approved by the commissioner to a temperature of at least 145 degrees Fahrenheit and holding the temperature for at least 30 minutes;

(2) the process of heating every particle of milk or dairy product in properly operated equipment approved by the commissioner to a temperature of at least 161 degrees Fahrenheit and holding the temperature for at least 15 seconds; or

(3) the process of heating every particle of milk or dairy product in properly operated equipment approved by the commissioner to the temperatures and holding for the times as the commissioner may prescribe by rule, containing standards more stringent than those imposed by this subdivision.

(b) Nothing in this subdivision shall be construed as excluding any other process that has been demonstrated to be equally efficient and is approved by the commissioner.

Subd. 16. **Recombinant bovine growth hormone or rBGH.** "Recombinant bovine growth hormone" or "rBGH" means a growth hormone intended for use in bovine animals that has been produced through recombinant DNA techniques, described alternately as recombinant bovine somatotropin or rBST.

History: 2017 c 88 art 3 s 6

INSPECTION AND ENFORCEMENT

32D.02 INSPECTION AND ENFORCEMENT; AUTHORITY AND DUTIES.

Subdivision 1. **Enforcement.** The commissioner is charged with the enforcement of this chapter.

Subd. 2. **Power and authority.** For the purpose of enforcing this chapter, the commissioner and the commissioner's assistants, agents, and employees have the power and authority granted under sections 31.02 to 31.171.

Subd. 3. **Inspection of dairies.** At times the commissioner determines proper, the commissioner shall inspect all places where dairy products are made, stored, or served as food for purchase, and all places where hooved mammals are kept by persons engaged in the sale of milk, and shall require the correction of all unsanitary conditions and practices.

Subd. 4. **Refusal of inspection.** A refusal or physical threat that prevents the completion of an inspection or neglect to obey a lawful direction of the commissioner or the commissioner's agent given while carrying out this section may result in the suspension of the offender's permit or certification or other enforcement as deemed appropriate by the commissioner. The offender is required to meet with a representative of the offender's plant or marketing organization and a representative of the commissioner within 48 hours of receiving notice, excluding holidays or weekends, or the suspension or enforcement action shall take effect. A producer may request a hearing before the commissioner or the commissioner's agent if a serious concern exists relative to the retention of the offender's permit or certification to sell milk.

Subd. 5. **Inspection service.** To ensure compliance with the laws and rules governing the production, handling, processing, and sale of milk and dairy products, the commissioner is authorized, through a duly trained and qualified milk inspector, to inspect milk and milk products and the premises and plants where milk and milk products are produced, handled, and processed. Inspection services must acquaint the processor and producers with the requirements for a Grade A or manufacturing grade milk supply for preliminary inspection to determine if a processor has brought the processor's farms and plants to the state of compliance that qualifies the processor's products for the Grade A or manufacturing grade label, and for continuous inspection to ensure that a farm or plant and all products from a farm or plant are in compliance with this chapter.

Subd. 6. **Field service.** Grade A or manufacturing grade processors shall provide a continuous field service to assist producers who sell their milk to the processor's plant to attain and maintain compliance with this chapter. A person who performs field service must first obtain a permit from the commissioner. A person desiring to secure a permit must apply on a form provided by the commissioner, and before a permit is issued the commissioner shall determine that the applicant is competent and qualified to perform field service. The permit is not transferable to another person and may be revoked for due cause after the holder of the permit has been given the opportunity for a hearing. The permit holder must be given a notice in writing of the time and place of the hearing at least seven days before the date of the hearing.

Subd. 7. **Enforcement standards.** The standards in this chapter and rules adopted under this chapter by the commissioner shall be the only standards for use in Minnesota. No municipality or other subdivision of state government shall provide, by ordinance, more stringent or comprehensive standards than are contained in this chapter and rules adopted by the commissioner under this chapter.

Subd. 8. **Rules.** (a) The commissioner shall by rule adopt identity, production, and processing standards for both Grade A and manufacturing grade milk and dairy products.

(b) In the exercise of the authority to establish requirements for Grade A milk and milk products, the commissioner adopts definitions, standards of identity, and requirements for production and processing contained in the most current version of the Grade A Pasteurized Milk Ordinance, and its associated documents, of the United States Department of Health and Human Services in a manner provided for and not in conflict with law.

(c) Producers of milk, other than Grade A, shall conform to the standards contained in subparts B, C, D, E, and F of the United States Department of Agriculture Agricultural Marketing Service Recommended Requirements for Milk for Manufacturing Purposes and its Production and Processing, except that the commissioner shall develop methods by which producers are able to comply with the standards without violation of religious beliefs.

Subd. 9. **Certified industry inspection.** Industry personnel may be certified to perform any inspection, to the extent allowed by federal law and provided that performance of the inspections is consistent with rules adopted in subdivision 8.

Subd. 10. **Fees; dairy services account; appropriation.** (a) All fees and penalties collected under this chapter must be deposited in the dairy services account in the agricultural fund. Money in the account, including interest, is appropriated to the commissioner for purposes of administering this chapter.

(b) Unless otherwise noted, all fees are payable by a processor or marketing organization and are invoiced on July 1 of each year for Grade A and January 1 of each year for manufacturing grade, and if not paid within 30 days of the due date, inspection service may be discontinued. If a farm discontinues the production of milk within six months of the billing date, a request for a refund based on inspection services not received may be made by the processor or by the marketing organization on behalf of its patrons. This request must be made in writing by June 30 for manufacturing grade or by December 31 for Grade A. Upon approval by the commissioner, refunds must be made to the processor or marketing organization.

History: 2017 c 88 art 3 s 7

MILK HAULERS AND SAMPLERS

32D.03 BULK MILK HAULER AND SAMPLER LICENSE.

Subdivision 1. **License requirement.** A person collecting milk from a dairy farm and transporting the milk by bulk pickup and not in individual containers from farm to plant must obtain a bulk milk hauler and sampler license.

Subd. 2. **Application.** A person desiring to secure a bulk milk hauler and sampler license must apply on a form provided by the commissioner. Before the license is issued, the commissioner shall determine that the applicant is competent and qualified.

Subd. 3. **Term of license; transferability.** An initial bulk milk hauler and sampler license issued by the commissioner expires on the following December 31 and is not transferable. A renewal bulk milk hauler and sampler license is not transferable, is valid for two years, and expires on December 31 of the second year.

Subd. 4. **Fees and penalties.** The fee for an initial or renewal bulk milk hauler and sampler license is \$60. The fee shall be paid to the commissioner before the commissioner issues an initial or renewal bulk milk hauler and sampler license. If a bulk milk hauler and sampler license renewal is not applied for on or before January 1, a fee of \$30 shall be imposed. A person who does not renew a bulk milk hauler and sampler

license within one year following its December 31 expiration date, except those persons who do not renew the bulk milk hauler and sampler license while engaged in active military service, shall be required to prove competency and qualification under subdivision 2 before a bulk milk hauler and sampler license is issued. The commissioner may require any other person who renews a bulk milk hauler and sampler license to prove competency and qualification in the same manner.

Subd. 5. **Suspension or cancellation.** The commissioner is empowered to conduct enforcement action, suspend, or cancel any bulk milk hauler and sampler license pursuant to section 34A.06.

History: 2017 c 88 art 3 s 8

32D.04 MILK TANK TRUCKS.

All farm bulk milk pickup tankers, milk transports, and tankers used to transport milk products must be inspected and obtain a permit issued by the commissioner at least once every 12 months. The owner or operator must pay a \$25 permit fee per tanker to the commissioner. The commissioner may appoint a person the commissioner deems qualified to make inspections.

History: 2017 c 88 art 3 s 9

GRADE A DAIRY FARMS

32D.05 GRADE A DAIRY FARM PERMITTING; WATER WELL DISTANCE REQUIREMENT.

(a) No milk producer may sell or distribute milk from a dairy farm as Grade A milk without a valid Grade A dairy farm permit issued by the commissioner.

(b) A dairy farmer who wishes to be permitted to produce Grade A milk may not be denied the Grade A permit solely because of provisions in rules adopted by the commissioner requiring a minimum distance between a water well and dairy farm. To be eligible for a Grade A permit, the following conditions must be met:

(1) the water well must have been in place prior to January 1, 1974;

(2) the water well must comply with all other rules applicable to the well, other than the distance requirement; and

(3) water from the well must be tested at least once every 12 months. More frequent testing may be required in compliance with guidelines established by the commissioner if water test results fail to meet water quality requirements.

History: 2017 c 88 art 3 s 10

32D.06 GRADE A DAIRY FARM INSPECTION; FEES.

(a) As provided in section 32D.02, the commissioner shall provide inspection service to any milk producer who wishes to market Grade A milk and is in compliance with the requirement for the production of Grade A milk. Grade A inspections shall be completed at least once every six months.

(b) The fee for inspections must be no more than \$50 per farm, paid annually by the processor or by the marketing organization on behalf of its patrons.

(c) For a farm requiring a reinspection in addition to the required biannual inspections, an additional fee must be paid by the processor or by the marketing organization on behalf of its patrons. The fee for reinspection of a farm with fewer than 100 hooved milk-producing animals is \$60 per reinspection. The fee for reinspection of a farm with 100 or more hooved milk-producing animals is \$150 per reinspection.

History: 2017 c 88 art 3 s 11

MANUFACTURING GRADE DAIRY FARMS

32D.07 MANUFACTURING GRADE DAIRY FARM CERTIFICATION.

A producer who wishes to sell milk for manufacturing purposes must obtain from the commissioner an annual Grade B farm certification.

History: 2017 c 88 art 3 s 12

32D.08 MANUFACTURING GRADE DAIRY FARM INSPECTION; FEES.

(a) A producer selling milk for manufacturing purposes must be inspected at least once every 12 months.

(b) The fee for the certification inspection must not be more than \$25 per producer, to be paid annually by the processor or the marketing organization on behalf of its patrons.

(c) For a producer requiring more than one inspection for certification, a reinspection fee of \$45 must be paid by the processor or by the marketing organization on behalf of its patrons.

History: 2017 c 88 art 3 s 13

DAIRY PLANTS

32D.09 DAIRY PLANT LICENSING AND PERMITTING.

Subdivision 1. **Licensing.** A dairy plant must obtain a license as required under section 28A.04.

Subd. 2. **Permitting.** No person shall operate a dairy plant in this state unless the dairy plant, equipment, and water supply and plumbing system have been first approved by the commissioner and a permit issued to operate the same. A permit may be revoked by the commissioner for due cause pursuant to section 34A.06.

Subd. 3. **Approval.** At the time of filing the application for a permit, the applicant shall submit to the commissioner duplicate floor plans of the plant that show the placement of equipment, the source of water supply and method of distribution, a detailed pasteurization flow chart, and the location of the plumbing system, including the disposal of wastes. New construction or alteration of an existing dairy plant shall be made only with the approval of the commissioner and duplicate plans for the construction or alteration shall be submitted to the commissioner for approval. The fee for approval services is \$45 per hour of department staff time spent in the approval process.

Subd. 4. **Farmstead cheese.** (a) The commissioner or the commissioner's designee shall issue an additional permit to a dairy plant that desires to use the name "Minnesota farmstead cheese" upon application made by the dairy plant for use of the name, provided the cheese meets the definition in section 32D.01, subdivision 13.

(b) No cheese or packaged cheese that is sold, offered or exposed for sale, or held in possession with intent to sell at either retail or wholesale in this state may be labeled or described as "Minnesota farmstead

cheese" unless it meets the criteria in section 32D.01, subdivision 13, and the manufacturer has obtained the designated permit.

History: 2017 c 88 art 3 s 14

32D.10 INSPECTIONS.

(a) Inspections of Grade A plants must be completed at least once every three months. A pasteurization plant requesting Grade A inspection must pay an annual inspection fee of no more than \$500.

(b) Inspections of manufacturing plants that process milk or milk products other than Grade A must be completed at least once every six months. A manufacturing plant that pasteurizes milk or milk by-products must pay an annual fee based on the number of pasteurization units. The fee must not exceed \$140 per unit.

History: 2017 c 88 art 3 s 15

32D.11 PROCUREMENT FEE.

A dairy plant operator in this state must pay to the commissioner on or before the 18th of each month a fee of 1.1 cents per hundredweight of milk purchased the previous month. If a milk producer in this state ships milk out of the state for sale, the producer must pay the fee to the commissioner unless the purchaser voluntarily pays the fee. Producers who ship milk out of state and processors must submit to the commissioner monthly reports related to milk purchases along with the appropriate procurement fee. The commissioner shall have access to all relevant purchase or sale records as necessary to verify compliance with this section and may require the producer or purchaser to produce records as necessary to determine compliance.

History: 2017 c 88 art 3 s 16

32D.12 SELECTED PRODUCTS FEE.

(a) A manufacturer must pay to the commissioner a fee for fluid milk processed and milk used in the manufacture of fluid milk products sold for retail sale in Minnesota in an amount not less than five cents and not more than nine cents per hundredweight as set by the commissioner's order. No change within any 12-month period may be in excess of one cent per hundredweight.

(b) A processor must report quantities of milk processed under paragraph (a) on forms provided by the commissioner. Processor fees must be paid monthly. The commissioner may require the production of records as necessary to determine compliance with this paragraph.

(c) The commissioner may create within the department a dairy consulting program to provide assistance to dairy producers who are experiencing problems meeting the sanitation and quality requirements of the dairy laws and rules. The commissioner may use money appropriated from the dairy services account to pay for the program authorized in this paragraph.

History: 2017 c 88 art 3 s 17

MILK QUALITY AND PURCHASING

32D.13 MILK QUALITY STANDARDS.

Subdivision 1. **Visible adulteration or odors.** Milk shall not be visibly adulterated, or have any objectionable odor, or be abnormal in appearance or consistency.

Subd. 2. **Grade A raw milk.** (a) The bacterial count of Grade A raw milk from producers must not exceed 100,000 bacteria per milliliter prior to commingling with other producer milk.

(b) After commingling with other producer milk, the bacteria count must not exceed 300,000 per milliliter prior to pasteurization.

Subd. 3. **Grade A pasteurized milk and fluid milk products.** (a) The bacterial count of Grade A pasteurized milk and fluid milk products, at any time after pasteurization until delivery, must not exceed 20,000 bacteria per milliliter.

(b) The coliform count of Grade A pasteurized milk and fluid milk products must not exceed ten bacteria per milliliter except that bulk tank transport shipments must not exceed 100 per milliliter.

Subd. 4. **Raw milk, other than Grade A.** The bacterial count of raw milk other than Grade A from producers must not exceed 500,000 bacteria per milliliter prior to commingling with other producer milk.

Subd. 5. **Pasteurized milk, other than Grade A.** The bacterial count of pasteurized milk other than Grade A pasteurized milk, at any time after pasteurization until delivery, must not exceed 20,000 bacteria per milliliter.

Subd. 6. **Exceptions.** Bacterial count standards do not apply to sour cream, cultured buttermilk, and other cultured fluid milk products.

Subd. 7. **Rules and standards.** The commissioner may prescribe standards and rules adopted in accordance with law more stringent than those imposed by this section.

Subd. 8. **Somatic cell count.** (a) The somatic cell count, as determined by a direct microscopic somatic cell count or an electronic somatic cell count, must not exceed 750,000 cells per milliliter for Grade A raw milk and raw milk other than Grade A. Notwithstanding any federal standard, the somatic cell count of goat milk must not exceed 1,500,000 cells per milliliter.

(b) The commissioner may prescribe standards and rules adopted in accordance with law more stringent than those imposed by this subdivision.

Subd. 9. **Temperature.** If milk is received or collected from a dairy farm more than two hours after the most recent milking, the temperature of the milk shall not exceed 45 degrees Fahrenheit (7 degrees Celsius). If the milk consists of a blend of milk from two or more milkings, and the milk is received or collected less than two hours after the most recent milking, the blend temperature shall not exceed 50 degrees Fahrenheit (10 degrees Celsius).

Subd. 10. **Industry enforcement.** A dairy plant is not required to reject milk shipments in response to a violation of subdivisions 2 to 9 unless the commissioner suspends or revokes the dairy plant permit or milk producer's Grade A permit or manufacturing grade certification.

Subd. 11. **Milk storage requirement.** (a) A milk hauler must not pick up milk from a farm that has a bulk tank that is not in proper working order.

(b) Milk must not be stored for longer than 72 hours at a farm before the milk is picked up by a milk hauler for transport to a plant. The commissioner or an agent of the commissioner may waive the 72-hour time limit in the case of hardship, emergency, or natural disaster.

History: 2017 c 88 art 3 s 18; 2019 c 38 s 17

32D.14 OFFICIAL PRODUCER SAMPLES.

(a) An official producer sample for each producer must be analyzed for bacteria, somatic cell count, temperature, and antibiotic residues at least once per month in four out of every six months. Official producer samples must be collected and analyzed without providing the producer with prior notification of the sampling date.

(b) Official producer sample results must be inclusive of all animals from which milk is collected and sold on the day of sampling.

(c) Official producer sample results must be collected by a licensed sampler.

History: 2017 c 88 art 3 s 19

32D.15 MONTHLY REPORTING.

(a) In at least four out of every six months, the dairy plant that procures milk from the producer must report to the commissioner at least one representative test result for bacteria, somatic cell count, temperature, and antibiotic residues. The result shall be reported within seven days after the laboratory obtains the test results.

(b) A laboratory that performs the tests required under this section for a dairy plant may report the test results for the dairy plant.

(c) A dairy plant or laboratory shall report test results under this section in an electronic form approved by the department or using an approved alternative.

History: 2017 c 88 art 3 s 20

32D.16 ENFORCEMENT.

The commissioner shall suspend a producer's permit or certification if three of the last five official producer samples exceed the applicable standard. The commissioner shall provide warning of a pending suspension when two of the last four producer samples exceed the applicable standard.

History: 2017 c 88 art 3 s 21

32D.17 LABORATORY CERTIFICATION.

(a) A laboratory and its methods are required to be approved or certified prior to testing Grade A milk samples. The results of approved or certified laboratories may be used by official regulatory agencies in enforcement of requirements for milk and milk products. The approval or certification remains valid unless suspended or revoked by the commissioner for failure to comply with the requirements of this chapter.

(b) Certified or approved laboratories must receive a permit from the commissioner. The permit remains valid without renewal unless suspended or revoked by the commissioner for failure to comply with the requirements of this chapter.

(c) Satisfactory analytical procedures and results for split samples, the nature, number, and frequency of which shall be in accordance with rules established by the commissioner, shall be required of a certified laboratory for retention of its certification and permit.

(d) An application for initial certification or biennial recertification, or for recertification following suspension or revocation of a permit, shall be accompanied by an annual fee based on the number of analyses

approved and the number of specific tests for which they are approved. The fee must not be less than \$150 nor more than \$200 for each analysis approved and not less than \$35 nor more than \$50 for each test approved. The commissioner may annually adjust assessments within the limits established by this subdivision to meet the cost recovery of the services required by this section.

History: 2017 c 88 art 3 s 22

32D.18 MILK BOUGHT BY WEIGHT; TESTING METHODS.

Subdivision 1. **Milk fat, protein, and solids not fat bases of payment; tests.** (a) Milk must be purchased from producers using a formula based on one or more of the following:

(1) payment of a standard rate with uniform differentials for milk testing above or below 3.5 percent milk fat;

(2) payment of a standard rate for the pounds of milk fat contained in the milk;

(3) payment of a standard rate for the pounds of protein contained in the milk;

(4) payment of a standard rate for the pounds of nonfat solids contained in the milk; or

(5) payment of standard rates based on other attributes of value in the milk.

(b) In addition, an adjustment may be made on the basis of milk quality and other premiums. Testing procedures for determining the percentages of milk fat, protein, and nonfat solids must comply with the methods approved by the Association of Analytical Chemists or be as adopted by rule.

Subd. 2. **Apparatus to conform to specifications.** Glassware, test bottles, pipettes, acid measures, chemicals, scales, and other apparatus used in the operation of these tests shall conform to the specifications for the particular test method.

Subd. 3. **Penalties for violations.** A person who:

(1) employs any test other than those tests authorized by rule adopted by the commissioner, or any methods other than the standard official methods for determining the milk fat content of milk or cream;

(2) incorrectly samples milk or cream purchased or sold;

(3) incorrectly weighs milk or cream purchased or sold;

(4) incorrectly grades milk or cream purchased or sold;

(5) makes a false entry of the weight, test result, or grade of any milk or cream purchased or sold;

(6) incorrectly samples, weighs, tests, or records or reports weights or tests of skim milk or buttermilk purchased or sold;

(7) underreads the tests;

(8) falsifies the reading of the tests;

(9) manipulates the reading of the tests; or

(10) falsely states, certifies, or uses in the purchase or sale of milk or cream a misreading of such tests, whether the tests or actual reading have been made by the person or by any other person,

is guilty of a misdemeanor.

History: 2017 c 88 art 3 s 23

32D.19 ADULTERATED DAIRY PRODUCTS.

Subdivision 1. **Purchase and sale prohibition.** A person may not sell or knowingly buy adulterated dairy products.

Subd. 2. **Manufacture of food for human consumption from adulterated milk or cream prohibited.** An article of food for human consumption may not be manufactured from adulterated milk or cream, except as provided in the Federal Food, Drug, and Cosmetic Act, United States Code, title 21, section 301 et seq., and related federal regulations.

Subd. 3. **Adulterated milk.** For purposes of this section, milk is adulterated if it:

- (1) is drawn in a filthy or unsanitary place;
 - (2) is drawn from unhealthy or diseased animals;
 - (3) contains water in excess of that normally found in milk;
 - (4) contains a substance that is not a normal constituent of the milk except as allowed in this chapter;
- or

(5) contains drug residues or other chemical or biological substances in amounts above the tolerances or safe levels established by rule.

Subd. 4. **Drug residues.** (a) Before processing milk, all bulk milk pickup tankers must be tested for the presence of beta lactam drug residues and for other residues as determined necessary by the commissioner. Milk received from a producer in other than a bulk milk pickup tanker is also subject to this section.

(b) Bulk milk tankers that confirm positive for beta lactam drug residues or other residues must follow up with producer sample testing of all producers contained on the positive load.

(c) Individual producer samples must be tested for the presence of beta lactam drug residues at least once a month for four out of every six-month period. Results of these tests must be reported to the commissioner as official producer sample results using established electronic reporting procedures.

(d) Drug residue testing methods must be those approved by the Food and Drug Administration (FDA) and the National Conference of Interstate Milk Shipments or listed in the FDA's current version of M-a-85.

(e) All drug residue samples testing positive must be reported to the commissioner or the commissioner's designee within 24 hours. The report must include how and where the milk was disposed of, and the volume, the responsible producer, and the possible cause of the violative residue. All milk sample residue results must be recorded and retained for six months by the receiving plant for examination by the commissioner or the commissioner's designee.

Subd. 5. **Penalties.** (a) The permit or certification of a milk producer identified as having a positive drug residue is immediately suspended. The producer must not ship milk while the permit or certification is suspended.

(b) The producer's permit or certification may be reinstated after being sampled by the commissioner or the commissioner's designee and testing negative on the sample.

(c) A milk producer may not change plants within 30 days, without permission of the commissioner, after receiving notification from the commissioner of a residue violation.

(d) The producer that is identified with the drug residue violation is responsible for the value of all milk on any load that tests positive for drug residues and any costs associated with its disposal. Payment shall be made to the purchaser of the milk.

(e) For the first and second violation within a 12-month period, the dairy producer must, within 30 days of the date of the residue:

(1) meet with the dairy inspector to review potential causes of the adulteration; and

(2) complete the designated drug residue prevention educational program with a licensed veterinarian and submit the signed certificate to the commissioner.

(f) Failure to comply with the requirements for the first and second violation listed in paragraph (e) may result in suspension of the producer's permit or certification until the conditions in paragraph (e) are met.

(g) For the third or subsequent violation within a 12-month period, the commissioner may initiate proceedings for further enforcement action, that may include a penalty of up to a 30-day permit or certification suspension. In lieu of a suspension, the producer may be assessed an administrative penalty of up to \$1,000 or the value of milk sold during the intended suspension period.

Subd. 6. **Other forms of adulteration.** A milk producer who violates subdivision 3 is subject to any of the following penalties:

(1) the permit or certification of a milk producer identified as having adulterated milk is immediately suspended. The producer may not ship milk while the permit or certification is suspended;

(2) the producer that is identified with the adulterated milk violation is responsible for the value of all milk on any load that is contaminated by the adulterant and any costs associated with its disposal. Payment shall be made to the purchaser of the milk;

(3) the producer's permit or certification may be reinstated after the commissioner receives adequate verification that the milk is no longer adulterated; and

(4) the commissioner may, after evaluation of the severity and repetitive nature of the adulteration, initiate additional enforcement action in the form of permit or certification suspension for up to 30 days or in lieu of suspension, an administrative penalty of up to \$1,000, or the value of the milk sold during the intended suspension period for each violation.

Subd. 7. **Civil penalty.** A person other than a milk producer who causes milk to be adulterated is subject to a civil penalty of up to \$1,000.

Subd. 8. **Appeals.** A dairy producer may appeal an adulteration violation by sending written notice to the commissioner within ten days of receipt of the notice of a violation. The appeal must contain a description of why the producer wishes to appeal the violation.

History: 2017 c 88 art 3 s 24

PROCESSING AND MANUFACTURING REQUIREMENTS

32D.20 LIMITATION ON SALE.

Subdivision 1. **Pasteurization.** No milk or fluid milk products shall be sold, offered or exposed for sale, or held in possession for sale for the purpose of human consumption in fluid form in this state unless the milk or fluid milk product has been pasteurized, as defined in section 32D.01, subdivision 15, and cooled, provided that this section shall not apply to milk, cream, or skim milk occasionally secured or purchased for personal use by a consumer at the place or farm where the milk is produced.

Subd. 2. **Labels.** (a) Pasteurized milk or fluid milk products offered or exposed for sale or held in possession for sale shall be labeled or otherwise designated as pasteurized milk or pasteurized fluid milk products, and in the case of fluid milk products the label shall also state the name of the specific product.

(b) Milk and dairy products must be labeled (1) with the plant number where the product was produced; or (2) if produced in a state where official plant numbers are not assigned, with the name and address of the manufacturer or distributor.

History: 2017 c 88 art 3 s 25; 2019 c 38 s 18

32D.21 COOLING AFTER PASTEURIZATION.

Immediately following pasteurization, all milk and fluid milk products shall be cooled in properly operated equipment approved by the commissioner to a temperature of 45 degrees Fahrenheit or lower, and maintained at 45 degrees Fahrenheit or lower until delivered; provided, however, that if the milk or fluid milk product is to be cultured immediately after pasteurization, then cooling may be delayed until after the culturing process is completed; provided further that the commissioner may prescribe by rule standards more stringent than those imposed by this section.

History: 2017 c 88 art 3 s 26

32D.22 MANUFACTURE OF CHEESE; REQUIREMENTS IN PROCESS.

(a) No person, firm, or corporation shall manufacture, transport, sell, offer, or expose for sale or have in possession with intent to sell at retail to a consumer any cheese that has not been (1) manufactured from milk or milk products that have been pasteurized; (2) subjected to a heat treatment equivalent to pasteurization during the process of manufacturing or processing; or (3) subjected to an aging process where it has been kept for at least 60 days after manufacture at a temperature no lower than 35 degrees Fahrenheit.

(b) Any cheese described in paragraph (a), clause (3), that has been made from unpasteurized milk must be labeled with a statement that the cheese has been aged for 60 days or more.

History: 2017 c 88 art 3 s 27; 2019 c 38 s 19

32D.23 RECOMBINANT BOVINE GROWTH HORMONE LABELING.

Subdivision 1. **Labeling.** Products offered for wholesale or retail sale in this state that contain milk, cream, or any product or by-product of milk or cream that have been processed and handled pursuant to this section may be labeled with an rBGH statement that is not false or misleading and in accordance with the federal labeling standards. Products offered for wholesale or retail sale in this state need not contain any further label information relative to the use of rBGH in milk production.

Subd. 2. **Affidavit; records.** (a) A dairy plant purchasing milk or cream to be used in products labeled with rBGH claims pursuant to subdivision 1 must provide an affidavit from each producer that states that all cows used in the producer's dairy operations have not and will not be treated with rBGH, without advanced written notice of at least 30 days.

(b) The affidavit must be signed by the producer or authorized representative. Affidavits must be kept on file for not less than two years after receiving written notice that rBGH use status will change.

(c) If a plant chooses to process and handle only milk or milk products sourced from cows who have not been treated with rBGH, the plant, as an alternative to providing individual producer affidavits, may provide one affidavit to certify that the plant has procedures in place to verify that all producers are not using rBGH. A copy of the written procedure that describes this verification process must also be provided with the plant affidavit.

(d) All affidavits and corresponding records must be available for inspection by the commissioner.

(e) Dairy plants supplying milk or cream to a processor or manufacturer of a product to be labeled pursuant to subdivision 1, for use in that product, shall supply a certification to that processor or manufacturer stating that producers of the supplied milk or cream have executed and delivered affidavits pursuant to this subdivision.

Subd. 3. **Separation of nontreated cows and milk.** Milk or cream from non-rBGH-treated cows used in manufacturing or processing of products labeled pursuant to subdivision 1 must be kept fully separate from any other milk or cream through all stages of storage, transportation, and processing until the milk or resulting dairy products are in final packaged form in a properly labeled container. Records of the separation must be kept by the dairy plant and product processor or manufacturer at all stages and made available to the commissioner for inspection.

History: 2017 c 88 art 3 s 28

DAIRY TRADE PRACTICES

32D.24 DAIRY TRADE PRACTICES; DEFINITIONS.

Subdivision 1. **Application.** The definitions in this section apply to sections 32D.24 to 32D.28.

Subd. 2. **Basic cost.** (a) "Basic cost," for a processor, means the actual cost of the raw milk plus 75 percent of the actual processing and handling costs for a selected class I or class II dairy product.

(b) Basic cost, for a wholesaler, means the actual cost of the selected class I or class II dairy product purchased from the processor or another wholesaler.

(c) Basic cost, for a retailer, means the actual cost of the selected class I or class II dairy product purchased from a processor or wholesaler.

Subd. 3. **Bona fide charity.** "Bona fide charity" means a corporation, trust, fund, or foundation organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes.

Subd. 4. **Processor.** "Processor" means a person engaged in manufacturing or processing selected class I or class II dairy products in the person's own plant for sale in Minnesota.

Subd. 5. **Producer.** "Producer" means a person who operates a dairy herd or herds in Minnesota producing milk or cream commercially and whose milk or cream is sold to, or received or handled by, a distributor or processor. Producer does not include an incorporated or unincorporated association of producers.

Subd. 6. **Responsible person.** "Responsible person" means the business entity that makes payment to an individual Grade A or Grade B milk producer.

Subd. 7. **Selected class I dairy products.** "Selected class I dairy products" means milk for human consumption in fluid form and all other class I dairy products as defined by the Upper Midwest Milk Marketing Order, Code of Federal Regulations, title 7, part 1030.40, or successor orders.

Subd. 8. **Selected class II dairy products.** "Selected class II dairy products" means milk for human consumption processed into fluid cream, eggnog, yogurt, and all other class II dairy products as defined by the Upper Midwest Milk Marketing Order, Code of Federal Regulations, title 7, part 1030.40, or successor orders.

Subd. 9. **Sell at retail; sale at retail; retail sales.** "Sell at retail," "sale at retail," or "retail sales" means a retail sale or offer for retail sale of a selected class I or class II dairy product for ultimate consumption or use.

Subd. 10. **Sell at wholesale; sale at wholesale; wholesale sales.** "Sell at wholesale," "sale at wholesale," or "wholesale sales" means sale or offer for sale of a selected class I dairy product for purposes of resale or further processing or manufacturing but does not include a producer selling or delivering milk to a processor.

Subd. 11. **Wholesaler.** "Wholesaler" means a person including a distributor in the business of making sales of selected class I or class II dairy products at wholesale in Minnesota. In the case of a person making sales at both retail and wholesale, wholesaler applies only to the sales at wholesale.

History: 2017 c 88 art 3 s 29

32D.25 DUTIES AND POWERS OF COMMISSIONER; DATA PRIVACY.

Subdivision 1. **Duties; rules.** The commissioner shall adopt rules to implement and administer sections 32D.24 to 32D.28.

Subd. 2. **Data privacy.** Financial and production information received by the commissioner on processors, wholesalers, or retailers, including but not limited to financial statements, fee reports, price schedules, cost documentation, books, papers, records, or other documentation for the purpose of administration and enforcement of this chapter is classified private data or nonpublic data pursuant to chapter 13. The classification shall not limit the use of the information in the preparation, institution, or conduct of a legal proceeding by the commissioner in enforcing this chapter.

History: 2017 c 88 art 3 s 30

32D.26 SALES BELOW COST PROHIBITED; EXCEPTIONS.

Subdivision 1. **Policy; processors; wholesalers; retailers.** (a) It is the intent of the legislature to accomplish partial deregulation of milk marketing with a minimum negative impact on small-volume retailers.

(b) A processor or wholesaler may not sell or offer for sale selected class I or class II dairy products at a price lower than the processor's or wholesaler's basic cost.

(c) A retailer may not sell or offer for sale selected class I or class II dairy products at a retail price lower than (1) 105 percent of the retailer's basic cost until June 30, 1994; and (2) the retailer's basic cost beginning July 1, 1994, and thereafter. A retailer may not use any method or device in the sale or offer for sale of a selected dairy product that results in a violation of this section.

Subd. 2. **Exceptions.** The minimum processor, wholesaler, and retailer prices of subdivision 1 do not apply:

(1) to a sale complying with section 325D.06;

(2) to a retailer giving away selected class I and class II dairy products for free if the customer is not required to make a purchase; or

(3) to a processor, wholesaler, or retailer giving away selected class I and class II dairy products for free or at a reduced cost to a bona fide charity.

History: 2017 c 88 art 3 s 31

32D.27 REDRESS FOR INJURY OR THREATENED INJURY.

A person injured by a violation of sections 32D.24 to 32D.28 may commence a legal action based on the violation in a court of competent jurisdiction and may recover economic damages and the costs of the action, including reasonable attorney fees. A person injured or who is threatened with injury or loss by reason of violation of sections 32D.24 to 32D.28 may commence a legal action based on the violation and obtain injunctive relief in a court of competent jurisdiction against persons involved in a violation or threatened violation of sections 32D.24 to 32D.28 to prevent and restrain violations or threatened violations of sections 32D.24 to 32D.28 without alleging or proving actual damages or that an adequate remedy at law does not exist, so that injunctive relief can be obtained promptly and without awaiting evidence of injury or actual damage. The injunctive relief does not abridge and is not in lieu of any other civil remedy provided in sections 32D.24 to 32D.28.

History: 2017 c 88 art 3 s 32

32D.28 ANNUAL SUSPENSION OF DAIRY TRADE PRACTICES ACT.

The provisions of section 32D.26 are suspended during the month of June each year in honor of "Dairy Month."

History: 2017 c 88 art 3 s 33

32D.30 DAIRY DEVELOPMENT AND PROFITABILITY ENHANCEMENT.

Subdivision 1. **Program.** The commissioner must implement a dairy development and profitability enhancement program consisting of dairy profitability enhancement teams and dairy business planning grants.

Subd. 2. **Dairy profitability enhancement teams.** (a) Dairy profitability enhancement teams must provide one-on-one information and technical assistance to dairy farms of all sizes to enhance their financial success and long-term sustainability. Teams must assist dairy producers in all dairy-producing regions of the state and may consist of farm business management instructors, dairy extension specialists, and other dairy industry partners. Teams may engage in activities including comprehensive financial analysis, risk management education, enhanced milk marketing tools and technologies, and facilitating or improving production systems including rotational grazing and other sustainable agriculture methods.

(b) The commissioner must make grants to regional or statewide organizations qualified to manage the various components of the teams. Each regional or statewide organization must designate a coordinator responsible for overseeing the program and submitting periodic reports to the commissioner regarding aggregate changes in producer financial stability, productivity, product quality, animal health, environmental protection, and other performance measures attributable to the program. The organizations must submit this information in a format that maintains the confidentiality of individual dairy producers.

Subd. 3. **Dairy business planning grants.** The commissioner may award dairy business planning grants of up to \$5,000 per producer to develop comprehensive business plans. Producers must not use dairy business planning grants for capital improvements.

Subd. 4. **Funding allocation.** Except as specified in law, the commissioner may allocate dairy development and profitability enhancement program dollars among the permissible uses specified in this section, including efforts to improve the quality of milk produced in the state, in the proportions that the commissioner deems most beneficial to the state's dairy farmers.

Subd. 5. **Reporting.** No later than July 1 each year, the commissioner must submit a detailed accomplishment report and work plan detailing future plans for, and the actual and anticipated accomplishments from, expenditures under this section to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. If the commissioner significantly modifies a submitted work plan during the fiscal year, the commissioner must notify the chairs and ranking minority members.

History: *1Sp2021 c 3 art 1 s 6*