

Dairy Commission

The Nevada Dairy Commission was established by the Nevada Legislature in 1955 for the purpose of ensuring that an adequate and continuous supply of nutritious, wholesome, fluid milk and dairy products is available to Nevada consumers. Laws and regulations allow the Dairy Commission to monitor the dairy industry through auditing and investigative activities. The Dairy Commission is dedicated to promoting a business climate that is economically viable for those who produce and process dairy products in Nevada.

The original legislation established that it is the policy of the state of Nevada to promote, foster and encourage intelligent production and orderly marketing of commodities necessary to its citizens, including milk; and to eliminate speculation, waste, improper marketing, unfair and destructive trade practices and improper accounting for milk purchased from producers.



Figure 1: Dairy cattle at Reno, Nevada, ca 1911. From Agricultural Nevada by C.A. Norcross, Commissioner, Industry, Agriculture, and Irrigation. San Francisco: Sunset Magazine Homeseekers Bureau, [1911].

The purpose of the act to establish the Dairy Commission was:

1. To provide funds for administration and enforcement of the act, by assessments to be paid by producers of fluid milk and fluid cream or both, and from licenses issued to distributors.
2. To authorize and enable the commission to prescribe marketing areas which are necessary due to varying factors of costs or production, health regulations, transportation and other factors in said marketing areas.
3. To authorize and enable the commission to formulate stabilization and marketing plans.
4. To enable the dairy industry with the aid of the state to correct existing evils, develop and maintain satisfactory marketing conditions and bring about a reasonable amount of stability and prosperity in the production and marketing of fluid milk and fluid cream.

The original legislation in 1955 established a Commission of five members: one producer, one distributor, one producer-distributor, one operator of a retail store, and one member a representative of the consuming public. The Commission appointed employees necessary to carry out the provisions of the legislation.

The Dairy Commission is funded from fees collected through licenses, permits, and assessments on regulated dairy products. It does not receive funds from the State General Fund.

The 1955 legislation classified fluid milk into three classes with class one being milk marketed as milk, class two being ice cream and class three being butter and cheese. It also directed the Commission to hold public hearings in the State Marketing Areas to determine Stabilization and Marketing Plans for these areas.

The legislation did not provide adequate funds for the Commission to operate so it returned to the Legislature in 1957 and received supplemental legislation. This included increasing the Commission to nine members. The new Dairy Commission had its first meeting on May 22, 1957 and employed as its first Secretary-Administrator Clarence J. Cassidy.

The Commission established three Marketing Areas for Nevada which were the Western Marketing Area based in Reno, the Eastern Marketing Area based in Ely, and the Southern Marketing Area based in Las Vegas. Public hearings were held in these Marketing Areas in 1956 and 1957 to establish area Stabilization and Marketing Plans which set minimum prices necessary to accomplish the purpose of the legislation. The categories of these minimum prices established were producer, wholesaler, and retailer. This price fixing on the producer, wholesale, and retail levels became the most controversial of all the duties of the Dairy Commission. The Commission always emphasized that these were floor prices and it was very rare for a retailer to sell milk anywhere near the floor and that high milk prices could not be blamed on the Nevada Dairy Commission.



Figure 2: Governor Paul Laxalt promoting the dairy industry, circa 1967-1971. Courtesy of the Nevada State Archives.

Over the years the nine member commission which was made up of members of the Dairy industry was thought to be an inadequate regulator of the industry as too many of the members had conflicts of interest. A climax came in the mid-1970s when scandal ran through the Nevada dairy industry involving illegal rebates and kick back payments. In 1976 a Nevada Legislative Bulletin recommended a large overhaul of the Dairy Commission; the 1977 Legislature followed through with the interim study recommendations to change the makeup and the purpose of the Nevada Dairy Commission.

The 1977 legislation reduced the number of the members of the Dairy Commission to three and decreed that one member shall be a public accountant or a certified public account, one member shall be an agricultural economist, and one member shall be experienced in banking or finance.

The legislation for the management of the Commission was greatly rewritten and the way that the Dairy Commission did its business greatly changed. Public hearings and commission meetings became much less contentious and the number of applications that were rejected dropped. The price fixing powers of the Commission were greatly reduced as minimum retail prices could no longer be set by the Commission. This legislation and restructuring of the Commission led to only minimum wholesale prices being set by the Commission through a formula established by the staff and members of the Dairy Commission for each of the classes of fluid milk.

The Nevada Dairy Commission when established in 1955 was placed administratively under the Governor's Office as one of the boards and commissions whose members were appointed by the Governor. In 1993 the Commission became a unit of the new Department of Business and Industry. The members of the Commission continue to be appointed by the Governor and the Executive Director of the Commission continues to function as the Secretary of the Commission.

Sources for further information:

Dairy Commission [website](#)

Biennial Reports of the Dairy Commission, available at the Nevada State Library 29-D14/1:-. Reports available for 1957-1976

[Problems Confronting the Dairy Commission](#). Bulletin No. 77-12, Legislative Commission of the Legislative Counsel Bureau, State of Nevada, November 1976. Available as a pdf file.

Records 1956-2001 23.0 cubic feet

Commission Meetings 1976-2001 13.0 cubic feet

Meetings of the Dairy Commission are held monthly in each of the three marketing areas. The Marketing Areas are the Eastern, Western and Southern Areas.

Public Hearings 1957-1996 8.0 cubic feet

Public hearings are held in each of the three marketing areas, usually on the same day as Commission meetings. The purpose of hearings is to amend the Stabilization and Marketing Plans of the Marketing Areas, and in recent years for amending the Nevada Administrative Code.

License Files 1957-1972 1.0 cubic feet

Regulation Files 1966-1986 0.5 cubic feet

Correspondence Files 1956-1979 0.5 cubic feet