

**ACT 144**

**S.B. NO. 3044**

A Bill for an Act Relating to Milk.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 157-1, Hawaii Revised Statutes, is amended by adding twelve new definitions to be appropriately inserted and to read as follows:

“Buttermilk” or “cultured buttermilk” means a fluid product resulting from the souring or treatment, by means of a lactic acid or other culture, of pasteurized skim milk or pasteurized reconstituted skim milk. It contains not less than 8.25 per cent nonfat milk solids.

“Class I milk” includes all fresh milk or fresh milk constituents to be utilized in fluid form for human consumption, including pasteurized milk, cream, half-and-half, whole milk, skim milk, buttermilk, flavored milk, flavored skim milk, reconstituted or recombined milk, and filled milk. All such fresh milk received by a processing plant shall be deemed to be utilized as class I unless utilization is in class II, in an excess pool, or as plant shrinkage and route returns are proven.

“Class II milk” includes all fresh milk or fresh milk constituents to be utilized in non-fluid form for human consumption, including ice cream, ice cream mix, cottage cheese, and yogurt.

“Cream” means the fatty liquid or semi-liquid separated from milk and contains not less than eighteen per cent butterfat.

“Excess pool” means a special pooling technique to be used when fresh milk produced in excess of the total class I and class II requirements of the market and allowable plant shrinkage and route returns is disposed of either at a complete loss or at its highest practical salvage value.

“Flavored milk” or “flavored skim milk” means a beverage or confection consisting of either milk or skimmed milk, to which has been added a syrup or flavor made from wholesome ingredients.

“Half-and-half” means a product consisting of a mixture of milk and cream which contains not less than 10.5 per cent butterfat.

“Pasteurized milk” means fresh milk which has been heated to at least 145 degrees Fahrenheit for at least thirty continuous minutes, or to at least 161 degrees Fahrenheit for at least fifteen continuous seconds, in approved and properly operated equipment.

“Plant shrinkage” means the loss of fresh milk occurring during the processing of milk or milk products and is attributable to such events as leakage, spillage, and unrecoverable milk from vats, pipes, and processing equipment.

“Recombined milk” or “reconstituted milk” means a product which results from the recombining of milk constituents with potable water and which complies with the standards for butterfat and nonfat milk solids of whole milk.

“Route return” means fresh milk returned from retail stores or by retail route customers.

“Skim milk” or “skimmed milk” means fresh milk from which a sufficient portion of butterfat has been removed to reduce the milk’s butterfat content to less than five-tenths per cent.”

SECTION 2. Section 157-15, Hawaii Revised Statutes, is amended to read as follows:

**“§157-15 Audit of books and accounts.** The board of agriculture may examine and audit the books and accounts of licensed producers, producer-distributors, and distributors for the purpose of determining how payments to producers and producer-distributors are computed, whether the amounts of the payments are fair, or whether any provisions of this chapter affecting such payments, directly or indirectly, have been or are being violated. The board may also examine and audit the costs of the production, handling, processing, distribution, and marketing of milk as they may affect such payments, directly or indirectly.

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The board shall conduct [an independent] a monthly audit with Federal Milk Marketing Order specifications which examines and verifies milk utilization by the processing plants [and is immediately released upon completion]. The board may also contract for an independent audit with Federal Milk Marketing Order specifications to examine and verify milk utilization by the processing plants at least once during the fiscal year for each processor when:

- (1) A class I milk only situation exists; and
- (2) Milk is utilized for other than class I purposes or rejected for reasons other than antibiotics, high temperature, low cryoscope, off-flavor, somatic cell count, or as determined necessary by the board.

The audit report for each processing plant shall be made available after completion.”

SECTION 3. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

(Approved June 8, 1994.)