

Milk Handler License Application

Milk Handler applicant:

Attached is a milk handler license application. Please fill out this form and send it in along with a check for the amount calculated in the license fee schedule in Part IV on the application to the address above with ATTENTION DAIRY SECTION on the envelope. The germane statutes concerning milk handler licenses are in VSA Title 6 Chapter 151.

BE SURE AND READ THE APPLICATION CAREFULLY AS VERMONT LAW HAS CHANGED SINCE 2010 CONCERNING THE COST OF A LICENSE AND THE MILK THAT NEEDS TO BE BONDED. APPLICATIONS ARE DUE BY STATUTE ON JUNE 1 OF EACH YEAR. A LATE FEE OF \$50.00 WILL BE ASSESSED ON RENWAL APPLICATIONS SUBMITTED AFTER JULY 1. BECAUSE OF THE DELAY THIS YEAR FROM THE STATUTE CHANGES THE APPLICATION WILL NOT BE DUE UNTIL JUNE 15 AND THE LATE FEE WILL NOT BE ASSESSED UNTIL JULY 15.

Plants pasteurizing ice cream mix now need a milk handler license the same as any other dairy products plant but will not need a frozen desert license. Moving forward frozen desert licenses are for firms that are buying pasteurized mix and freezing it.

NOTE ON BONDING:

Bonding is one of the more confusing parts of the application and the key to expediting the bonding process is to properly fill in Part III of the application.

The sources of supply of Vermont sourced milk (from a producer, cooperative or cooperative owned marketing service) and quantity purchased monthly over the past 12 months.

- For new applications this is the estimated milk purchases of Vermont sourced milk if you are a new plant please estimate the volume to be processed.
 - This can be based on your plants capacity or other measures, you just need to notify us if your estimate ends up being low by more than 20% or if in any year your production climbs more than 20% from a previous year.
- If a handler buys or intendeds to buy Vermont sourced milk they must provide a sworn balance sheet showing assets and liabilities and a profit and loss statement as of the end of the handler's preceding fiscal year.
- In the case of a new application, these financial statements shall be accompanied by an opinion of a certified public accountant.



(4) The value of the Vermont sourced milk (from a producer or a cooperative) purchased or intended to be purchased for a twelve month period. If you are buying milk from a Vermont farmer, a Cooperative buying milk from a Vermont farmer or a marketing service owned by cooperative(s) such as DMS you will need to have a surety bond; an irrevocable letter of credit; or a statement from the farm, cooperative, or marketing service that you are paying for your milk prior to, or at the time of, delivery.

- For new applications this is the estimated milk purchases of Vermont sourced milk if you are a new plant please estimate the price to be paid or give a formula based on the statistical uniform price so we can calculate the bond needed.
- If you vary by more than 20 percent from the amount stated on the application you need to notify this office, in writing, of the amount of variation.
- Existing plants please submit the actual purchases from March of 2010 to March of 2011
- Please give both pounds and dollar value of the milk it does not need to including shipping or premiums
- After you return the application we will calculate the bond amount and send you a letter further explaining the bonding requirements
- THE STATUTES STATE THAT BONDS ARE TO BE IN PLACE BY JULY 1 SO THAT FARMERS WILL HAVE 60 DAYS NOTICE OF A POTENTIAL PROBLEM.

OUT OF STATE PLANTS

Firms located outside of Vermont must provide the most current inspection from the appropriate state regulatory agency of the facility being license unless IMS Listed and then only the IMS listing number and state issued needs to be provided. **Out of state companies must also be registered with the Vermont Secretary of State to do business in Vermont.**

If you have any questions please contact Daniel Scruton or Heidi Deangelo at (802) 828-2433 or email dan.scruton@state.vt.us or heidi.deangelo@state.vt.us.

Attachments:

V.S.A. 6 Chapter 157 Bonding
rBST/rBGH rules

VERMONT AGENCY OF AGRICULTURE, FOOD & MARKETS
116 STATE STREET
MONTPELIER, VERMONT 05620-2901

APPLICATION FOR MILK HANDLERS LICENSE

(Vermont law-VSA, Title 6, Chapter 151, Section 2721 – designates September 1 of each year as the date on which all milk handlers must be licensed for the following year. Application is hereby made for a milk handler license in the State of Vermont as provided by VSA, Title 6, Chapter 151, Section 2721-2723.

PART I. TO BE FILLED OUT BY ALL APPLICANTS.

Name of Applicant (as should appear on license)_____

Post Office Address _____

911 formatted physical location if different than PO Address _____

City _____ State _____ Zip Code _____

Primary contact for licensing purposes _____

Telephone Number _____

Email (if available) _____

This company is registered with the Vermont Secretary of State's office (out of state firms must register).

CLASS OF BUSINESS

Corporation LLC Incorporated Association Individual Partnership
 Cooperative Non-profit cooperative association Other _____

Is the applicant for license the principal of a subsidiary or any other corporation or holding company engaged in the purchase of dairy products in Vermont? (Y) / (N). If yes of whom _____

Address _____

City _____ State _____ Zip Code _____

PURPOSE OF BUSINESS (Check all that apply. There may be more than one area your company falls under be sure to fill out all needed parts)

- Assemble/Transport Milk/Milk Products in Vermont (haulers) (Fill out Part 1 and IV)
- Process and package (plant) (Fill out Part 1, II and IV)
- Sell milk/milk products in Vermont other than retail (distributor) (Fill out Part 1, II and IV)
- Buy milk from Vermont producers, cooperatives or marketing service owned by cooperative(s) (buyer) (Fill out Part 1, II, III and IV)
- Assemble/Manufacture Milk Container Products in Vermont (Fill out Part 1, IV)

All applicants agree that they will pay to the Secretary any milk assessments or taxes as required by law.

PART II. TO BE COMPLETED BY APPLICANTS INTENDING TO PROCESS, PACKAGE OR SELL MILK OR DAIRY PRODUCTS IN VERMONT.

P r o c e s s i n g	P a c k a g e	S e l l	(Check all items that apply)
			MILK (Whole Milk, Skim, Nonfat Milk, Lowfat Milk, Reduced Fat Milk, flavored, etc.)
			CREAM (Light, Heavy, whipping, etc.)
			CULTURED PRODUCTS (yogurt, cultured buttermilk, sour cream, etc.)
			BUTTER (butter, flavored butter, buttermilk from churn, etc.)
			CHEESE (American, cheddar, baker, cottage, soft, etc.)
			ICE CREAM MIX

Do you plan to make any claims around the use of milk from cattle **NOT** treated with rBST/rBGH yes no
 If yes appropriate affidavits and list of product utilizing such claims must be filed with the application, see attached rules.

Type of livestock milk is from (check all that apply) cattle goat sheep water buffalo

If you purchase any milk or cream from other licensed milk handlers, list them below

NAME	ADDRESS
_____	_____
_____	_____
_____	_____

List names, addresses and locations of all plants and facilities owned or operated and/or to be owned or operated.

NAME	ADDRESS
_____	_____
_____	_____
_____	_____

Applicants with processing plants located outside the State of Vermont must enclose a copy of their latest Plant Inspection Report made by the appropriate regulatory agencies in those states or provide current IMS number and state rated in. Ratings above 90 will be acceptable in lieu of current inspection form.

State whether the applicant, or any partner, officer or director thereof is the subject of any criminal, civil or disciplinary action by any federal or state agency or has been convicted of a crime relating in any way to the business of milk processing, marketing or both (Attach statement if necessary).

(Y) (N) explanation if needed _____

List localities or market areas to be served. (List by counties, or townships if not serving entire county or entire state if that is the case. Attach additional sheet, if needed).

WATER USAGE:

If the plant is located in Vermont and you withdraw more than 57,600 gallons of groundwater per day (40 gallons per minute) averaged over any 30-consecutive-day period this must be reported to the Agency.

Does your company withdraw more than 57,600 gallons of groundwater per day averaged over a 30 day period for any 30 day period of the year? yes no

If yes, how many _____ gallons per day averaged over a 30 day period.

PART III. FOR APPLICANTS INTENDING TO, OR PURCHASING MILK FROM VERMONT DAIRY FARMERS OR COOPERATIVES SELLING VERMONT SOURCED MILK EITHER DIRECTLY OR THROUGH A COOPERATIVE OWNED MARKETING SERVICE.

List the sources of Vermont sourced milk:

List volumes of milk purchased, or to be purchased from Vermont dairy farmers or cooperatives selling Vermont sourced milk. (For new licensees that are starting up indicate the estimated future twelve months by placing the year next to the month. For existing plants getting a Vermont license for the first time indicate the past twelve months by placing the year next to the month)

March _____ June _____ September _____ December _____
April _____ July _____ October _____ January _____
May _____ August _____ November _____ February _____

List the amounts paid for Vermont sourced milk during the preceding 12 months. (New licensees see note above)

March \$ _____ June \$ _____ September \$ _____ December \$ _____
April \$ _____ July \$ _____ October \$ _____ January \$ _____
May \$ _____ August \$ _____ November \$ _____ February \$ _____

FINANCIAL STATEMENTS:

If a handler buys or intends to buy Vermont sourced milk please attach a sworn balance sheet showing assets and liabilities and a profit and loss statement as of the end of the handler's preceding fiscal year. For new applicants, these financial statements shall be accompanied by an opinion of a certified public accountant. The financial information will be maintained as confidential by the Agency under section 317(c) (6)(tax related documents) and (9) (trade secrets) of Vermont's public record law.

BONDS, LETTER OF CREDIT, OR LETTER ON PURCHASE AT OR BEFORE DELIVERY

All milk handlers buying milk from Vermont farmers, cooperative selling milk from their Vermont members, or from a marketing service owned by a cooperative(s) must provide a surety bond, letter of credit or a letter from the farmer, cooperative or marketing service stating that milk is paid for at or before the time of delivery. For exemptions and details see attached statutes. If milk is paid for at or before the time of delivery provide an updated letter with the application. For bonds, a bond will be calculated by the dairy office based on the milk you are buying that is Vermont sourced and you will be notified of the bond amount needed. Bonds can be either a surety bond or an irrevocable letter of credit.

AGREEMENT AS TO PAYMENTS:

In the absence of a contract with the producers as to the time and form of payment for milk and cream, the law provides that such payments shall be made not later than the 25th of each month for products delivered during the preceding calendar month. On what dates each month do you agree to make payments to your producers for the coming year?
_____ and _____.

State specifically from what date your first payment of the month covers. Payment made on the _____ day of the month covers deliveries from _____ to _____.

State specifically from what date your second payment of the month covers. Payment made on the _____ day of the month cover deliveries from _____ to _____.

PART IV: MILK HANDLER APPLICATION FEE SCHEDULE AND SIGNATURE. NOTE: ALL APPLICATIONS MUST BE SIGNED BEFORE THEY CAN BE PROCESSED

Fee schedule

	Statutory fee each	Fill in here and total for correct amount to include with the application
New application	\$50.00	
Size of operation based on pounds of milk or dairy products, bought, sold, assembled, transported or processed each day		
500 pounds or less	\$50.00	
Over 500 pounds but less than 1,000 pounds	\$100.00	
1,000 pounds to 10,000 pounds	\$175.00	
Over 10,000 pounds to 25,000 pounds	\$275.00	
Over 25,000 pounds	\$350.00	
Processor fee for each pasteurizer unit	\$50.00	
TOTAL		\$

READ THIS CAREFULLY PRIOR TO SIGNING APPLICATION FORM

Tax Department Requirement

By signing This Application You Certify That You Are In Good Standing with the Requirements Below.

If You Certify Falsely That You Are In Good Standing You May Be Subject To Prosecution.

By law (15 V.S.A. Section 795), the State may not renew a license for trade or business unless the licensee first certifies that he or she is in good standing with any order to pay child support.

By law (32 V.S.A. Sec. 3113), the State may not renew a license for business or trade unless the licensee certifies, under the pains and penalties of perjury, that he/she is in good standing with the Department of Taxes. The maximum penalties for perjury are fifteen (15) years in prison, a \$10,000 fine or both.

- Good standing means:
- that no taxes are due;
 - the liability is on appeal;
 - the licensee is complying with a State authorized payment plan; or
 - the immediate payment would cause unreasonable hardship. (If you are claiming hardship, please contact the licensing agency for further information.)

For further information the licensee should contact the Department of Taxes at (802) 828-2518.

I hereby certify that the information in this application is correct, and that under the pains and penalties of perjury that I am in good standing with respect to all taxes due to the State of Vermont.

Name of company, partnership or individual submitting the application _____

Print name of individual signing the application _____

Print title of individual signing the application _____

Signature: _____

Date: _____

Title 6: Agriculture
Chapter 157: BONDS
(as changed by legislative action in 2011)

§ 2881. Conditions and Amount; Failure to File

- (a) Except as provided in section 2882 of this title, no handler shall purchase milk from a Vermont producer or milk cooperative, either directly or through a marketing service owned by one or more cooperatives, and the secretary shall not issue a handler's license, unless the handler furnishes the secretary a good and sufficient surety bond, executed by a surety company duly authorized to transact business in this state in an amount equal to 50 percent for all species other than cattle, and 100 percent for cattle, of the maximum amount due all milk producers in the state who sold milk to the handler for a 41-day period during the previous 12 months. The secretary may accept, in lieu of such bond, a guaranteed irrevocable letter of credit. The bonds shall be taken for the benefit of Vermont milk producers and milk cooperatives in this state. At any time in his or her discretion, the secretary may require such handlers to file detailed statements of the business transacted by them in this state, and at any time may require them to give such additional bonds as he or she deems necessary. If the handler refuses or neglects to file the detailed statements or to give bonds required by the secretary, the secretary may suspend the license of the handler until he or she complies with the secretary's orders. The secretary shall report to the attorney general the name of any handler doing business in this state without a license or after suspension of its license by the secretary and the attorney general shall forthwith bring injunction proceedings against the handler. Renewals of bonds specified in this section shall be furnished the secretary 60 days before the effective date of the bond. If the handler fails to file the bonds as required, the secretary shall forthwith publish the name of the handler in four newspapers of general circulation in the state for a period of three consecutive days and notify, by registered mail, producers supplying such handler.
- (b) A milk cooperative that sells milk from a Vermont producer either directly or through a marketing service owned by one or more cooperatives shall file a monthly detailed report that states where the milk from each bulk tank unit served is sold and shall specify the volume of milk that is sold by Vermont cooperative members and independent producers who market their milk through a cooperative either directly or through a marketing service owned by one or more cooperatives.

§ 2882. Exemptions from Filing Bond

- (a) A milk cooperative or a nonprofit cooperative association organized under Vermont law or similar laws in other states shall not be required to furnish surety as provided in section 2881 of this title for payments made to a milk cooperative or to a producer who is a member of a milk cooperative.
- (b) A handler who does not purchase milk from Vermont producers or milk cooperatives either directly or through a marketing service owned by one or more cooperatives shall not be required to furnish surety as provided under section 2881 of this title.
- (c) A handler who pays for milk in advance or at the time of delivery shall not be required to furnish surety as provided under section 2881 of this title. Every producer or milk cooperative either directly or through a marketing service owned by one or more cooperatives selling milk to handlers who pay for milk in advance or at the time of delivery shall, on July 1 of each year, notify the secretary in writing of the identity of each handler and shall promptly notify the secretary, in writing, of any changes to the most recent notification.

(d) A handler who purchases fewer than 150,000 pounds of milk per month from a milk cooperative either directly or through a marketing service owned by one or more cooperatives shall not be required to furnish surety as provided under section 2881 of this title.

§ 2883. Nonpayment; forfeiture of bond

When for a period of five days after the date required for payment of any amount due any of his producers, the handler fails to pay the amount due for products delivered or furnished by them for the preceding pay period, the handler by reason of such nonpayment, shall be in default as to all producers whose accounts shall then remain unpaid, and the bond or other security provided for in section 2881 of this title shall be forfeited to the extent of all sums then due from such handler to its several producers in this state and by virtue of such default, the conditions of the bond or other securities shall be deemed to be broken.

§ 2884. Proceedings for recovery on bond

When the condition of a bond or other security is breached, if a producer or milk cooperative applies to a handler for payment of products furnished to that handler whose account remains unpaid as provided in section 2883 of this title, the secretary shall institute appropriate proceedings thereon in his name as trustee for the benefit of all the producers or milk cooperative in this state supplying the handler and to whom such handler may be indebted at the time the proceedings are instituted. The proceedings may be commenced in any county in this state where a producer of the handler resides.