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**RULE ADOPTIONS**

**AGRICULTURE  
DIVISION OF MARKETING AND DEVELOPMENT**

49 N.J.R. 3497(c)

**Readoption: N.J.A.C. 2:52**

**Notice of Readoption**

**Processors, Dealers, and Subdealers**

Authority: N.J.S.A. 4:12A-1 et seq., specifically 4:12A-7 and 20.

Authorized By: Thomas L. Beaver, Director, Division of Marketing and Development, the State Board of Agriculture and Douglas H. Fisher, Secretary, Department of Agriculture.

Effective Date: September 28, 2017.

New Expiration Date: September 28, 2024.

**Take notice** that pursuant to N.J.S.A. 52:14B-5.1.c, the rules at N.J.A.C. 2:52 were scheduled to expire on December 22, 2017.

The purpose of these rules is to assure that the dairy industry and consumers receive the benefit of effective milk control which helps to assure a stable milk market and fair competition.

The rules require processors, dealers, and subdealers (licensees) to maintain accurate records on milk transactions to assist the Division of Marketing and Development in its evaluation of the licensee's business operations concerning the licensee's adherence to applicable New Jersey statutes and Division rules and outlines the reports required to be submitted and the filing and retention criteria; and protects confidential information obtained in implementing the rules

that constitute proprietary commercial or financial information, or is otherwise protected under State or Federal law.

The rules require licensees to obtain approval from the Director of Marketing and Development (Director) before serving an unlicensed store or changing their source of milk supply; to provide two weeks' notice to the present supplier or obtain approval from the Director to serve unlicensed stores or change their source of milk supply without notice. The rules also list the conditions under which the Director might deny approval to a licensee to serve an unlicensed store or change their [page=3498] source of milk supply; outline the commencement of the two-week period and specify who will be notified of approval or denial to serve an unlicensed store or change source of supply.

In addition, the rules require that a licensee desiring to stop serving an account must give written notice to the customer and the Director, at least two weeks prior to the proposed date of discontinuance and prohibits licensed milk dealers from selling milk below variable cost. The term "variable cost" is defined in the rules, certain costs required to be averaged are listed, and raw milk costs are defined.

The Department of Agriculture has reviewed the rules and has determined that the rules should be readopted without amendment. The rules are necessary, reasonable, and proper for the purpose for which they were originally promulgated. Therefore, pursuant to N.J.S.A. 52:14B-5.1.c(1), the rules are readopted and shall continue in effect for a seven-year period.