

# MAINE STATE LEGISLATURE

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# 121st MAINE LEGISLATURE

## FIRST REGULAR SESSION-2003

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Legislative Document

No. 738

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H.P. 544

House of Representatives, February 14, 2003

### An Act To Save Maine Dairy Farms

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Reference to the Committee on Agriculture, Conservation and Forestry suggested and ordered printed.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative McKEE of Wayne.  
Cosponsored by Senator BRYANT of Oxford and  
Representatives: EDER of Portland, FAIRCLOTH of Bangor, PINEAU of Jay, PIOTTI of  
Unity, SAVIELLO of Wilton, SMITH of Monmouth, THOMPSON of China, TWOMEY of  
Biddeford.

Be it enacted by the People of the State of Maine as follows:

2  
4           **Sec. 1. 7 MRSA §2951, sub-§§9-A and 9-B** are enacted to read:

6           9-A. Rate of return. "Rate of return" in connection with  
8           retail sales means the profit to the retail store per unit of  
10           milk sold expressed as a percent of the retail unit price. The  
12           rate of return for a retail sale is calculated by subtracting the  
          sum of the unit price paid by the retail store to the dealer and  
          the retail margin from the retail price, dividing this number by  
          the retail price and multiplying by 100 to express rate as a  
          percent.

14           9-B. Retail margin. "Retail margin" means the minimum  
16           amount that a retail store must add to the cost of a container of  
          milk to cover the retailer's direct and indirect costs associated  
          with making a container of milk available for retail sale.

18           **Sec. 2. 7 MRSA §2953, sub-§4-A** is enacted to read:

20           4-A. Retail margin, rate of return. As to the cost of milk  
22           to a retail store as defined in section 2985, the retail margin  
24           and a just and reasonable rate of return to the retail store for  
          the sale of milk; and

26           **Sec. 3. 7 MRSA §2954-D** is enacted to read:

28           §2954-D. Maximum rate of return allowed retail stores

30           1. Establishment of maximum allowed rate of return. The  
32           commission shall establish a maximum allowed rate of return to a  
34           retail store for the sale of milk. The maximum allowed rate of  
36           return may not be less than the rate of return considered just  
          and reasonable for establishing minimum retail prices under  
          section 2954. The commission shall calculate and apply the  
          maximum allowed rate of return on a per-unit basis.

38           2. Publication of rate and prices. The commission shall  
40           publish the maximum allowed rate of return together with minimum  
          retail prices whenever the maximum allowed rate of return or a  
          minimum retail price changes.

42           3. Records. The owner or manager of a retail store shall  
44           keep records of prices paid to dealers and prices charged to  
46           consumers for milk offered for sale at that owner's or manager's  
          retail store. The records must include:

48           A. The total quantity of each consumer unit purchased from  
50           each dealer and the address of each dealer supplying milk to  
          the retail store;

2           B. Each price charged for a consumer unit of milk offered  
4           for sale at the retail store; and

6           C. Other information required by rules adopted under  
8           section 2953.

10           For purposes of this subsection, a "consumer unit of milk" means  
12           a specific volume of milk sold under a specific brand name.

14           4. Reports. By the first day of each month, the owner or  
16           manager of a retail store that sells more than 100 quarts of milk  
18           a day or the equivalent of more than 100 quarts of milk a day  
20           shall submit a report to the commission on a form designed by the  
22           commission to provide the information required under subsection 3  
24           for the previous month.

26           5. Action by commission. When the commission determines  
28           that a retail store is realizing a rate of return on the retail  
30           sale of milk in excess of the maximum allowed rate of return, the  
32           commission may order the retail store to lower the price of  
34           milk. A person who violates this subsection is subject to the  
36           injunctions and penalties provided in section 2959.

## SUMMARY

28           This bill directs the Maine Milk Commission to establish a  
30           maximum rate of return for the retail sale of milk. The  
32           commission may order a retail store to lower its prices when the  
34           commission determines that the maximum rate of return has been  
36           exceeded. It requires the owner or manager of a retail store to  
keep certain records and requires the owner or manager of a  
retail store with daily sales in excess of 100 quarts of milk a  
day to submit monthly reports to the commission.