

MAINE STATE LEGISLATURE

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STATE OF MAINE

ONE HUNDRED AND TWENTY-THIRD LEGISLATURE

COMMITTEE ON AGRICULTURE, CONSERVATION AND FORESTRY

April 2, 2008

The Honorable Beth Edmonds
President of the Senate
The Honorable Glenn Cummings
Speaker of the House of Representatives
123rd Legislature
State House
Augusta, ME 04333

Dear Madam President and Mr. Speaker

Pursuant to Title 3 Maine Revised Statutes, chapter 35, we are pleased to submit the findings of the Joint Standing Committee on Agriculture, Conservation and Forestry from the review and evaluation of the Maine Milk Commission under the State Government Evaluation Act. In its review, the Committee found that the Commission is operating within its statutory authority.

Sincerely,

Handwritten signature of Senator John M. Nutting.

Senator John M. Nutting
Chair

Handwritten signature of Representative Wendy Pieh.

Representative Wendy Pieh
Chair

cc: Stanley Millay, Executive Director, Maine Milk Commission
Patrick Norton, Director, Office of Policy and Legal Analysis

Joint Standing Committee on Agriculture, Conservation and Forestry

Review of the Maine Milk Commission under the Government Evaluation Act March 2008

The Government Evaluation Act

The Government Evaluation Act provides for a system of periodic review of the efficacy and performance of state government agencies (3 MRSA §951 et seq). The keystone of the Act is the agency's program evaluation report that consists of a number of components required by the statute. Essentially, the report is an agency self-assessment, which the committee of jurisdiction uses as a starting point for its evaluation of the agency's effectiveness, efficiency and performance.

Review Process

In May of 2007, the Joint Standing Committee on Agriculture, Conservation and Forestry notified the Maine Milk Commission of its intent to review the commission pursuant to the schedule established in 3 MRSA, §959. The Commission submitted its program evaluation report as requested in November of 2007.

On February 6, 2008, Stan Millay, the Executive Director of the Maine Milk Commission, presented the report at a meeting of the Agriculture, Conservation and Forestry Committee (ACF). As requested, Mr. Millay provided tables with information on minimum prices established by the commission, prevailing retail prices at large chain supermarkets in Maine and prices received by farmers. Mr. Millay also provided historical information on the number of dairy cows and milk production in Maine. The Joint Standing Committee on Agriculture, Conservation and Forestry is very aware of the volatile prices and increasing production costs experienced by milk producers and responded last year by reporting out "An Act to Adjust the Levels of the State's Dairy Stabilization Program," which was subsequently enacted as Public Law 2007, chapter 262. With this awareness, the committee focused on issues that challenge Maine's ability to maintain a secure supply of fresh locally produced milk. Profitability for Maine farmers is a key concern.

Findings and Recommendation

The Joint Standing Committee on Agriculture, Conservation and Forestry finds that the Maine Milk Commission is operating within its statutory authority and functioning efficiently and effectively. The committee does, however, have concerns for the continuing health of the industry it oversees. Using authority under the Government Evaluation Act (Title 3, section 944, subsection 4), the ACF committee introduced a bill that proposed enacting statutory definitions for "Maine fresh milk" and "Northeastern fresh milk." Labeling that incorporated these

definitions would allow consumers to differentiate fresh milk produced in the state or region from reconstituted milk and UHT milk shipped from outside the region.

The bill, LD 2262 An Act Pertaining to the Definition of Milk, was referred back to the committee for a public hearing. At the public hearing and again at the work session, the Department of Agriculture, Food, and Rural Resources stated its willingness to amend the standards for using the state of Maine quality trademark to incorporate the proposed definitions and implement product differentiation through the quality seal program. LD 2262 was ultimately reported out of committee with a unanimous "Ought Not to Pass" report with the understanding that the department would adapt the Maine quality seal program to accommodate the product differentiation sought in the bill.

The GEA process was a useful forum for the committee to learn more about marketing forces in the dairy industry both within the region and nationally. Again, we commend The Maine Milk Commission for their competence and dedication in carrying out their responsibilities.