

MAINE STATE LEGISLATURE

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STATE OF MAINE

REPORT
OF THE
ATTORNEY GENERAL

for the calender years

1961 - 1962

October 25, 1962

To: E. L. Newdick, Chairman, Milk Commission

Re: Blend Price Paid to Milk Producers

The minimum price which must be paid by a Maine dealer to a Maine producer for milk handled within the State is based upon the dealer's Class 1 and Class 2 usage during a given period. This combination is called the blend price. Class 1 milk (whole fluid milk) costs the dealer more than Class 2 milk.

Under the current practice when a dealer buys milk from another dealer, the purchasing dealer may treat his purchase as Class 2 usage in computing his blend price and deduct the amount of the purchase from his Class 1 sales. This is done regardless of the ultimate use of the milk. The effect of this practice is to decrease the blend price paid to the purchasing dealer's producers. You would like to know whether the commission may lawfully prevent this practice.

As provided by Revised Statutes, chapter 33, section 4, the Milk Commission has the power to establish and change "after investigation and public hearing, the minimum prices to be paid to producers by dealers for milk received, stored, manufactured, processed, sold, distributed or otherwise handled within the state." Because the blend price is the minimum which can be paid to producers, the Commission has the power to regulate those factors affecting the blend price. The method of reducing the Class 1 usage by the amount of the purchase from another dealer is potentially destructive of the whole pricing structure. Under the authority to establish and change the minimum price paid to producers, the commission may prevent the reduction in Class 1 usage currently occurring, regardless of whether the purchases were from a Maine dealer or out-of-state dealer. A regulation prohibiting the reduction of the Class 1 price by a purchase of milk from an out-of-state dealer would not be viewed as an unlawful regulation of interstate commerce.

PETER G. RICH

Assistant Attorney General

October 26, 1962

Arlyn E. Barnard, Chairman
Maine Highway Safety Committee
218 Middle Street
Portland, Maine

Dear Mr. Barnard:

This will acknowledge receipt of your letter of October 16th inquiring whether the Speed Regulation Board has authority to post separate car-truck speeds.

Revised Statutes, chapter 22, section 113, sets the maximum speeds which are permissible "unless otherwise posted." Subsection F-1 provides "speed of commercial vehicles, registered for over 6,000 pounds, shall be the same as for pleasure vehicles."

Section 113-B provides that the State Highway Commission, Secretary of