

MAINE STATE LEGISLATURE

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FIRST SPECIAL SESSION

ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 2129

H. P. 1942

House of Representatives, January 29, 1976

Referred to the Committee on Agriculture. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Torrey of Poland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SIX

AN ACT Concerning the Establishment of Minimum Prices of the Maine
Milk Commission.

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

7 MRSA § 2954, sub-§§ 1 and 2, as enacted by PL 1975, c. 517, § 3, are repealed and the following enacted in place thereof:

1. The commission is vested with the power to establish and change the minimum producer price and the minimum wholesale and retail prices to be paid to dealers and stores for milk received, purchased, stored, manufactured, processed, distributed or otherwise handled within the State of Maine. The commission shall hold a public hearing prior to the establishing and changing of the minimum margins of dealers or stores but may waive the requirement of the public hearing when the only changes to be made in the minimum prices paid to dealers and stores is to reflect any change in the producer price. In no event shall the commission issue any order increasing the retail price of milk, except to reflect such producer increases at all levels, without a hearing. Due notice of such public hearing shall be given by publishing such notice at least 7 days prior to the hearing in appropriate newspapers. The commission shall hold such a public hearing not less frequently than once every 12 months to determine whether the minimum wholesale and retail prices then established should be changed. In addition to the data received through the implementation of the information gathering procedures of its rules and regulations as a basis for its determinations, the commission shall solicit and seek to receive oral and written testimony at such hearings to determine whether the minimum wholesale and retail prices then established should be changed and whether the proposed minimum wholesale and retail prices are just and reasonable.

2. In establishing and changing minimum wholesale and retail prices, the prices so established shall be just and reasonable, taking into due consideration the public health and welfare and the insuring of adequate supply of pure and wholesome milk to the inhabitants of the State under varying conditions in various marketing areas; prevailing prices in neighboring states; seasonal production and other conditions affecting the costs of production, transportation and marketing in the milk industry, including a reasonable return to producer, dealer and store and taking into consideration the public need for the establishment of retail milk prices at the lowest practicable levels based upon the above factors.

A. The minimum wholesale prices paid to producers shall be the prevailing Class I and Class II prices in southern New England. The commission shall review the producer price monthly and shall take notice of all such changes in the prevailing Class I and Class II prices in southern New England and order corresponding changes in minimum prices paid to producers without the necessity of a public hearing.

B. The minimum wholesale prices paid to dealers shall be established to include the prices determined in paragraph A plus a dealer margin sufficient to cover the actual fully allocated costs of receiving, processing, packaging in various size consumer containers and distributing milk, incurred by the lowest cost dealers located in Maine, operating in Maine and actually serving a significant portion of the milk consuming population of Maine, plus a reasonable return to the dealer.

C. The minimum retail prices established for payment by consumers shall be based on the minimum wholesale price paid to dealers and a rate of return deemed just and reasonable by the Maine Milk Commission.

STATEMENT OF FACT

This bill clarifies the changes made in the Milk Control Act at the regular session. It was intended that the commission could order changes in the prices paid to farmers to correspond to the Boston Federal Order price without a hearing. The court has ruled that a hearing is necessary every time such price changes occur. This bill also more clearly defines the criteria to be used in determining dealer costs, hopefully eliminating the need for protracted and expensive hearings to determine dealer margins.