

MAINE STATE LEGISLATURE

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1 (EMERGENCY)
2 (New Draft of H.P. 73, L.D. 94)
3 (New Title)
4 FIRST REGULAR SESSION
5

6 ONE HUNDRED AND TWELFTH LEGISLATURE
7

8 Legislative Document

No. 431

9
10 H.P. 320

House of Representatives, February 5, 1985

11 Reported by the Majority from the Committee on Agriculture and
12 printed under Joint Rule 2. Original bill sponsored by Representative Michael
13 of Auburn. Cosponsored by Representative McCollister of Canton,
Representative Dexter of Kingfield and Senator Hichens of York.

EDWIN H. PERT, Clerk

14
15 STATE OF MAINE
16

17 IN THE YEAR OF OUR LORD
18 NINETEEN HUNDRED AND EIGHTY-FIVE
19

20 AN ACT to Eliminate Volume Determined
21 Delivery Prices of Milk.
22

23 Emergency preamble. Whereas, Acts of the Legis-
24 lature do not become effective until 90 days after
25 adjournment unless enacted as emergencies; and

26 Whereas, a new pricing order 85-2 promulgated by
27 the Maine Milk Commission will establish different
28 wholesale prices for milk; and

29 Whereas, the pricing order 85-2 will require ru-
30 ral retail markets and other small retail concerns to
31 pay a higher wholesale price for milk deliveries from
32 the dealer; and

33 Whereas, the higher wholesale price will force
34 small retail establishments to charge more for milk
35 offered for sale in the stores; and

1 Whereas, this volume determined pricing schedule
2 is bound to cause economic difficulties for small
3 stores to maintain their clientele and serve their
4 communities; and

5 Whereas, the Maine Milk Commission formulated the
6 pricing structure for its order 85-2 with the assump-
7 tion that volume discounting would be in effect; and

8 Whereas, the Legislature, as a matter of policy,
9 has decided that the Maine Milk Commission minimum
10 prices should be reflective of a single minimum price
11 per unit; and

12 Whereas, in the judgment of the Legislature,
13 these facts create an emergency within the meaning of
14 the Constitution of Maine and require the following
15 legislation as immediately necessary for the preser-
16 vation of the public peace, health and safety; now,
17 therefore,

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

20 Sec. 1. 7 MRSA §2954, sub-§2, as repealed and
21 replaced by PL 1975, c. 517, §3, is repealed and the
22 following enacted in its place:

23 2. Considerations in establishing prices. In
24 establishing and changing minimum wholesale and re-
25 tail prices, the commission shall also consider the
26 importance of maintaining a strong and viable dairy
27 industry in Maine, taking into account the relative
28 economic benefits dairy farming bestows on various
29 sections of the State. The commission shall, whenev-
30 er practical, and in accordance with the Constitution
31 of Maine and the United States Constitution, through
32 its pricing authority encourage the consumption of
33 milk that is produced and processed in the State.

34 The commission shall consider in its deliberations
35 the extent of any economic and social benefits of
36 maintaining dairy processing plants in the different
37 geographic regions or the natural marketing areas
38 within the State. In establishing and changing min-
39 imum wholesale and retail prices, the prices so es-

1 tablished shall be just and reasonable, taking into
2 due consideration the public health and welfare and
3 the insuring of an adequate supply of pure and whole-
4 some milk to the inhabitants of this State under
5 varying conditions in varying marketing areas; pre-
6 vailing costs in neighboring states; seasonal produc-
7 tion and other conditions affecting the costs of pro-
8 duction, transportation and marketing in the milk in-
9 dustry, including a reasonable return to producer,
10 dealer and store; and taking into consideration the
11 public need for the establishment of retail milk
12 prices at the lowest practical levels.

13 Sec. 2. 7 MRSA §2954, sub-§4, as repealed and
14 replaced by PL 1975, c. 517, §3, is repealed and the
15 following enacted in its place:

16 4. Commission empowered to establish classifica-
17 tions of milk. The commission, after investigation
18 and hearing, shall establish a minimum wholesale
19 price per unit of milk without regard to the volume
20 of milk delivered to any retail outlet or classifica-
21 tion of retail outlets.

22 Sec. 3. 7 MRSA §2954, sub-§10 is enacted to
23 read:

24 10. Temporary pricing guidelines. it is estab-
25 lished that until June 1, 1985, or as soon thereafter
26 as the commission can establish a pricing order pur-
27 suant to the Maine Administrative Procedure Act, Ti-
28 tle 5, chapter 375, drop shipment minimum wholesale
29 prices to dealers for whole milk, lowfat milk and
30 skim milk sold in various size containers, regardless
31 of the volume delivered, shall be the prices for
32 those containers in delivery lots of 11 to 20 cases
33 as they would have been established under order 85-2
34 for the phase-in period. The prices established
35 shall remain effective until the commission's revised
36 pricing order is formulated and established.

37 For full service deliveries, these prices shall be
38 increased by the following amounts: Six cents per
39 gallon; 4¢ per 3-quart container; 3¢ per 1/2 gallon;
40 1¢ per quart; and 30¢ per bulk 20-quart container.

