

# MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION  
2

3 ONE HUNDRED AND TWELFTH LEGISLATURE  
4

5 Legislative Document

No. 1380

7 H.P. 959

House of Representatives, April 25, 1985

8 Reference to the Committee on Agriculture suggested and ordered  
9 printed.

10 EDWIN H. PERT, Clerk

Presented by Representative Vose of Eastport.

11 Cosponsored by Representative Cahill of Woolwich, Representative  
Crouse of Caribou and Senator Usher of Cumberland.

12 STATE OF MAINE  
13

14 IN THE YEAR OF OUR LORD  
15 NINETEEN HUNDRED AND EIGHTY-FIVE  
16

17 AN ACT to Amend the Maine Milk Pool Law.  
18

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

21 Sec. 1. 7 MRSA §3152, sub-§9, as enacted by PL  
22 1983, c. 573, §4, is amended to read:

23 9. Plant price. "Plant price" means the F.O.B.  
24 price paid for milk at a milk processing plant, un-  
25 less milk received at that plant is first collected  
26 at a federal order bulk reload station as defined by  
27 Part 1001 Federal Milk Order No. 1 in which case the  
28 plant price shall mean the price paid for milk at the  
29 reload station after deductions for subsequent  
30 transportation.

31 Sec. 2. 7 MRSA §3153, sub-§2, ¶¶C and D are en-  
32 acted to read:

33 C. Each Maine market dealer who sells milk to  
34 another dealer in a sale transaction which is not

1 subject to regulation by the Maine Milk Commis-  
2 sion, but is regulated under the New England Milk  
3 Marketing Order shall pay to the Maine Milk Pool  
4 an amount equal to the difference between the  
5 Class I price as determined by the Maine Milk  
6 Commission and that dealer's blend price for each  
7 hundredweight of milk sold.

8 D. Each Maine market dealer who purchases milk  
9 from a dealer who is not subject to the regula-  
10 tion by the Maine Milk Commission shall pay to  
11 the Maine Milk Pool an amount equal to the dif-  
12 ference between the Class I price as determined  
13 by the Maine Milk Commission and the Class I  
14 price under the New England Milk Marketing Order  
15 for the zone in which the seller is located.

16 Sec. 3. 7 MRS §3153, sub-§3, as enacted by PL  
17 1983, c. 573, §4, is amended to read:

18 3. Additional collections for promotion. Effec-  
19 tive June 1, 1984, each producer-dealer shall on a  
20 monthly basis pay to the Maine Milk Pool a promotion  
21 fee equal to .6 of 1% for a period of one year ending  
22 May 31, 1985, and .8 of 1% thereafter, provided that  
23 the promotion fee shall not exceed the maximum amount  
24 allowed to be diverted to a state program in accord-  
25 ance with the promotion fee assessment imposed by  
26 federal law of the average Class I price per hundred-  
27 weight for milk of 3.5% butterfat content, as estab-  
28 lished by the Maine Milk Commission during the pre-  
29 ceding calendar year, rounded to the nearest 1/10 of  
30 1¢ applied to all milk produced by the  
31 producer-dealer. This promotion fee shall be cred-  
32 ited to the Maine Dairy Promotion Board, except that  
33 1.5¢ per hundredweight for the first year and 2¢ per  
34 hundredweight thereafter shall be paid by the board  
35 to the Maine Dairy and Nutrition Council. This pro-  
36 motion fee shall also be paid to the Maine Milk Pool  
37 by Maine market dealers on all milk imported for sale  
38 within the State and such sums shall be credited in  
39 the same manner.

40 Sec. 4. 7 MRS §3153, sub-§4, as enacted by PL  
41 1983, c. 573, §4, is amended to read:

1           4. Redistribution of pool. The commissioner  
2 shall, by rule, adopt such procedures as are neces-  
3 sary to redistribute the Maine Milk Pool on an equal  
4 basis to all Maine market producers and Boston market  
5 producers, provided that the rules shall account for  
6 the cost of transportation paid by the producer, ex-  
7 cepting:

8           A. If any Boston market producer receives a  
9 plant price, excluding deductions or additions  
10 imposed by the so-called Louisville Plan as de-  
11 fined by Part 1001 Federal Milk Order No. 1 Sec-  
12 tion 1001.61, Subsections c and d, or any amend-  
13 ment thereto, or imposed by any other seasonal  
14 balancing plan subsequently adopted by Federal  
15 Order No. 1, which is an amount greater than the  
16 amount initially payable to Maine market produc-  
17 ers under subsection 2, the commissioner shall  
18 credit that additional amount against the redis-  
19 tribution from the Maine Milk Pool to which that  
20 producer would otherwise be entitled in order to  
21 avoid potential inequities arising from equal re-  
22 distribution;

23           B. Should the commissioner determine that pay-  
24 ments from the pool will be made to dairies, co-  
25 operatives or some other entity as a representa-  
26 tive of producers, then the dairy, cooperative or  
27 other representative shall pay to the producer  
28 the amount owed to that producer within such time  
29 period as shall be determined by the procedures  
30 established by rule under this section;

31           C. If the credit for any producer calculated un-  
32 der paragraph A exceeds the pool payment due that  
33 producer, that producer shall pay an amount equal  
34 to the difference into the Maine Milk Pool not to  
35 exceed that producer's share of the cost of pro-  
36 motion. The commissioner may provide by rule that  
37 these amounts shall be deducted from future pool  
38 payments to that producer or that these amounts  
39 shall be deducted by that producer's dealer from  
40 future payments for that producer's milk and paid  
41 over to the Maine Milk Pool by the dealer; and

42           D. In addition to other available remedies, the  
43 commissioner may bring a civil action to collect

1 any amounts owed to the Maine Milk Pool under  
2 this chapter.

3 Sec. 5. 7 MRSA §3154. sub-§2, ¶B, as enacted by  
4 PL 1983, c. 573, §4, is amended to read:

5 B. Amounts paid to the Maine Dairy Promotion  
6 Board for the purposes authorized by Title 36,  
7 section 4501, equal to .6 of 1% for one year be-  
8 ginning June 1, 1984, and ending May 31, 1985,  
9 and .8 of 1% thereafter, provided that the promo-  
10 tion fee shall not exceed the maximum amount al-  
11 lowed to be diverted to a state program in ac-  
12 cordance with the promotion fee assessment im-  
13 posed by federal law of the average Class I price  
14 per hundredweight for milk of 3.5% butterfat con-  
15 tent, as established by the Maine Milk Commission  
16 during the preceding calendar year, rounded to  
17 the nearest 1/10 of 1¢, applied to all milk pro-  
18 duced, purchased or imported for sale within the  
19 State, excluding milk consumed on the farm where  
20 produced. Of the amount credited to the Maine  
21 Dairy Promotion Board, 1.5¢ per hundredweight for  
22 the first year after the establishment of the  
23 pools and 2¢ per hundredweight thereafter shall  
24 be paid by the board to the Maine Dairy and Nu-  
25 trition Council.

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STATEMENT OF FACT

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The purpose of this bill is to adjust several aspects of the Maine Milk Pool laws to provide more equitable treatment for all Maine dairymen selling to the so-called Boston and the Maine markets.

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This bill treats all milk producers' transportation costs equally. Currently, only one group of producers has transportation costs deducted before pool payments are made.

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This bill also caps promotion tax rate so that the promotion tax will coincide with the federal promotion tax rate.

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This bill increases the Maine Milk Pool by requiring payments from dealers when milk is purchased out of the Boston market and when milk is sold into an unregulated market.

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