

MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION
2

3 ONE HUNDRED AND TWELFTH LEGISLATURE
4

5 Legislative Document

No. 1439

7 H.P. 997

House of Representatives, April 30, 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 Revise the Statutes Relating to the
18 Maine Milk Pool Law.
19

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

22 Sec. 1. 7 MRSA §3152, sub-§9, as enacted by PL
23 1983, c. 573, §4, is amended to read:

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

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

1 C. Each Maine market dealer who sells milk to
2 another dealer in a sales transaction which is
3 not subject to regulation by the Maine Milk Com-
4 mission and in which the dealer who buys the milk
5 is not subject to regulation under the New
6 England Milk Marketing Order shall pay to the
7 Maine Milk Pool an amount equal to the difference
8 between the Class I price as determined by the
9 Maine Milk Commission and that dealer's blend
10 price for each hundredweight of milk sold.

11 D. Each Maine market dealer who purchases milk
12 from a dealer who is not subject to regulation by
13 the Maine Milk Commission shall pay to the Maine
14 Milk Pool an amount equal to the difference be-
15 tween the Class I price as determined by the
16 Maine Milk Commission and the Class I price under
17 the New England Milk Marketing Order for the zone
18 in which the seller is located.

19 Sec. 3. 7 MRSA §3153, sub-§3, as enacted by PL
20 1983, c. 573, §4, is amended to read:

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

43 Sec. 4. 7 MRSA §3153, sub-§4, as enacted by PL
44 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.

1

STATEMENT OF FACT

2 The purpose of this bill is to adjust several as-
3 pects of the Maine Milk Pool laws to provide more eq-
4 uitable treatment for all Maine dairymen selling to
5 the so-called Boston and the Maine markets.

6 This bill treats all milk producers' transporta-
7 tion costs equally. Currently, only one group of
8 producers has transportation costs deducted before
9 pool payments are made.

10 This bill also caps promotion tax rate so that
11 the promotion tax will coincide with the federal pro-
12 motion tax rate.

13 This bill increases the Maine Milk Pool by re-
14 quiring payments from dealers when milk is purchased
15 out of the Boston market and when milk is sold into
16 an unregulated market.

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