

# MAINE STATE LEGISLATURE

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L.D. 1832  
(Filing No. S-439)

STATE OF MAINE  
SENATE  
112TH LEGISLATURE  
SECOND REGULAR SESSION

SENATE AMENDMENT "A" to S.P. 707, L.D. 1832,  
Bill, "AN ACT to Clarify the Role of Cooperatives un-  
der the Maine Milk Pool."

Amend the bill by striking out everything after  
the enacting clause and inserting in its place the  
following:

'Sec. 1. 7 MRSA §3152, sub-§4, as enacted by PL  
1983, c. 573, §4, is repealed and the following en-  
acted in its place:

4. Dealer. "Dealer" means any person or entity  
who purchases or receives milk from a producer within  
the State for processing and sale within or outside  
the State.

A. A producer-dealer which is not an agricultur-  
al cooperative shall be deemed a dealer only with  
respect to milk purchased or received from other  
producers.

B. A producer-dealer which is an agricultural  
cooperative shall be deemed a dealer;

(1) With respect to all milk purchased or  
received from other producers; and

(2) With respect to all milk purchased or  
received from its members except to the ex-  
tent that it is exempt from the Maine Milk  
Pool under section 3152-A.

C. An agricultural cooperative which is not a  
producer-dealer shall be deemed a dealer with re-  
spect to all milk subject to the producer price  
control authority of the Maine Milk Commission

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1       which it purchases or receives and which is not  
2       sold to a dealer.

3       Sec. 2. 7 MRSA §3152, sub-§10, as enacted by PL  
4       1983, c. 574, §4, is amended to read:

5       10. Producer-dealer. "Producer-dealer" means a  
6       dealer who himself produces a part or all of his milk  
7       or a person who produces milk and sells to a grocery  
8       store or dairy products store or similar commercial  
9       establishment, and shall include an agricultural co-  
10      operative comprised solely of dairy farmers that  
11      wholly owns and operates its processing facilities,  
12      and whose individual members hold a share of that  
13      ownership which is in direct proportion to that  
14      individual's share of all milk produced by coopera-  
15      tive members for the cooperative, provided that such  
16      an agricultural cooperative shall be a  
17      "producer-dealer" under this chapter only if it was  
18      in existence on January 1, 1985, and had been recog-  
19      nized on or before that date by the commissioner as  
20      meeting the criteria established in this subsection.

21      Sec. 3. 7 MRSA §3152-A is enacted to read:

22      §3152-A. Agricultural cooperatives which are  
23      producer-dealers

24      1. Exemption; pool payments. An agricultural  
25      cooperative which is a producer-dealer under section  
26      3152, subsection 10, shall be exempt from payment in-  
27      to and redistributions out of the Maine Milk Pool to  
28      the extent that the milk sold or otherwise distrib-  
29      uted by the agricultural cooperative which is a  
30      producer-dealer does not exceed 5,000,000 pounds a  
31      month. In any month in which the milk sold or other-  
32      wise distributed by the agricultural cooperative  
33      which is a producer-dealer exceeds 5,000,000 pounds,  
34      the agricultural cooperative which is a  
35      producer-dealer shall be considered the dealer for  
36      purposes of this chapter for the amount of milk which  
37      is in excess of 5,000,000 pounds.

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1           2. Promotion; administration. An agricultural  
2 cooperative which is a producer-dealer shall make  
3 promotion payments according to section 3153, subsec-  
4 tion 3, on that milk for which it is exempt under  
5 subsection 1. For milk for which the agricultural  
6 cooperative which is a producer-dealer is not exempt,  
7 it shall make payments for promotion and for adminis-  
8 tration of the pool as a dealer under this chapter.

9

STATEMENT OF FACT

10           In establishing the Maine Milk Pool in 1983, the  
11 Legislature provided a limited exemption for agricul-  
12 tural cooperatives which met certain criteria. The  
13 Milk Study Panel which studied regulatory options for  
14 the marketing of milk in Maine warned that the exemp-  
15 tion threatened the fairness and equity of the milk  
16 marketing system in Maine and recommended that the  
17 exemption be tightened up or eliminated so that that  
18 system continues to serve all Maine producers fairly.  
19 This amendment permits those agricultural cooperative  
20 producer-dealers which obtained their exempt status  
21 in reliance on present law to retain that status. It  
22 provides that there will be no more exemptions in the  
23 future, thereby protecting the integrity of the milk  
24 marketing system.

