

MAINE STATE LEGISLATURE

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1 SECOND REGULAR SESSION
2

3 ONE HUNDRED AND TWELFTH LEGISLATURE
4

5 Legislative Document

No. 1832

6
7 S.P. 707

In Senate, January 13, 1986

8 Approved for introduction by a majority of the Legislative Council
9 pursuant to Joint Rule 26.

10 Reference to the Committee on Agriculture suggested and ordered
printed.

JOY J. O'BRIEN, Secretary of the Senate

Presented by President Pray of Penobscot.

11 Cosponsored by Representative Armstrong of Wilton, Senator Carpenter
of Aroostook and Representative Whitcomb of Waldo.

12 STATE OF MAINE
13

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

17 AN ACT to Clarify the Role of Cooperatives
18 under the Maine Milk Pool.
19

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

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

24 §3152. Definitions

25 As used in this chapter, unless the context indi-
26 cates otherwise, the following words terms have the
27 following meanings.

28 1. Blend price. "Blend price" means the price
29 of milk per hundredweight computed as the sum of the
30 Class I price multiplied by the percentage of milk
31 sold as Class I milk and the Class II price multi-
32 plied by the percentage sold as Class II milk.

1 2. Boston market dealer. "Boston market dealer"
2 means any dealer as defined in subsection 4 who pur-
3 chases milk from producers subject to the price regu-
4 lations of the New England Milk Marketing Order.

5 3. Boston market producer. "Boston market pro-
6 ducer" means any Maine milk producer selling to a
7 dealer marketing milk subject to the New England Milk
8 Marketing Order, or any agricultural cooperative that
9 buys milk from or handles milk for such a producer
10 and sells it to such a dealer.

11 3-A. Cooperative-dealer. "Cooperative-dealer"
12 means a dairy cooperative that owns and operates one
13 or more milk processing facilities. A
14 cooperative-dealer shall be deemed a dealer only with
15 respect to milk purchased from other producers.

16 3-B. Dairy cooperative. "Dairy cooperative"
17 means an agricultural cooperative organized under the
18 Uniform Agricultural Cooperative Association Act, Ti-
19 tle 13, chapter 85, subchapter II, whose membership
20 shall be limited to persons or entities who reside or
21 do business in the State and who produce a part or
22 all of their milk for sale in the State. Nothing in
23 this section may be construed to restrict or limit
24 any person's or entity's right to associate in any
25 way with any local, national or international associ-
26 ation.

27 4. Dealer. "Dealer" means any person or entity
28 who purchases or receives milk from a producer within
29 the State for processing and sale within or outside
30 of the State. A producer-dealer shall be deemed a
31 dealer only with respect to milk purchased from other
32 producers.

33 5. Maine market dealer. "Maine market dealer"
34 means any dealer as defined in subsection 4 who sells
35 milk subject to the price control authority of the
36 Maine Milk Commission.

37 6. Maine market producer. "Maine market produc-
38 er" means any Maine milk producer selling to a deal-
39 er marketing milk on the Maine market, or any agri-
40 cultural cooperative which is not a cooperative
41 -dealer as defined in subsection 3-A that buys milk

1 or handles milk for such a producer and sells it to
2 such a dealer.

3 7. Maine Milk Pool. "Maine Milk Pool" means the
4 sum of collections as prescribed in section 3153,
5 from Maine market producers.

6 8. Northern Maine market producer. "Northern
7 Maine market producer" means any Maine milk producer
8 located in Aroostook County and Washington County,
9 and that portion of Penobscot County north of and in-
10 cluding the minor civil divisions of Medway, T.A.R. 7
11 and Long A T.W.P. selling to a dealer marketing milk
12 on the Maine market, or any agricultural cooperative
13 that buys milk or handles milk for such a producer
14 and sells it to such a dealer.

15 9. Plant price. "Plant price" means the F.O.B.
16 price paid for milk at a milk processing plant, un-
17 less milk received at that plant is first collected
18 at a federal order bulk reload station as defined by
19 Part 1001 Federal Milk Order No. 1 in which case the
20 plant price shall mean the price paid for milk at the
21 reload station after deductions for subsequent trans-
22 portation.

23 10. Producer-dealer. "Producer-dealer" means a
24 dealer who himself produces a part or all of his milk
25 or a person who produces milk and sells to a grocery
26 store or dairy products store or similar commercial
27 establishment, and shall include an ~~agricultural co-~~
28 ~~operative comprised solely of dairy farmers that~~
29 ~~wholly owns and operates its processing facilities,~~
30 ~~and whose individual members hold a share of that~~
31 ~~ownership which is in direct proportion to that~~
32 ~~individual's share of all milk produced by coopera-~~
33 ~~tive members for the cooperative a cooperative-dealer~~
34 as defined in subsection 3-A.

35 11. Utilization rate. "Utilization rate" means
36 the percentage of milk produced which is utilized as
37 Class I or fluid milk.

1

STATEMENT OF FACT

2 Since the passage and establishment of the Maine
3 Milk Pool in 1984, several dairy cooperatives have
4 been formed. These cooperatives have achieved mem-
5 bership of over 100 Maine dairy farmers in less than
6 a year. They have had some difficulty in dealing
7 with the Department of Agriculture, Food and Rural
8 Resources insofar as their interpretations of the
9 definitions in the milk pool law. Clarifying the
10 precise definition of producer-dealer and creating a
11 definition of cooperative under this bill is impor-
12 tant in determining which Maine farmers must contrib-
13 ute to the pool and which are not required to do so.

14 This bill facilitates and clarifies these defini-
15 tions and smooths out the operations of the milk
16 pool.

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