

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 1368

H.P. 1015 House of Representatives, April 28, 1987
Reference to the Committee on Agriculture suggested and
ordered printed.

EDWIN H. PERT, Clerk
Presented by Representative MCGOWAN of Canaan.
Cosponsored by Representatives TARDY of Palmyra, PARENT
of Benton, and Senator MATTHEWS of Kennebec.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-SEVEN

AN ACT to Create a Maine Dairy Stabilization
Fund.

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

Sec. 1. 7 MRSA §2954-D is enacted to read:

§2954-D. Maine Dairy Stabilization Fund

1. Fund established. There is established the
Maine Dairy Stabilization Fund in order to maintain a
viable Maine dairy industry for the benefit of the
health and well-being of the people of this State.
The source of the fund shall consist of appropria-
tions made to it by the Legislature and money paid
into the fund from surcharges imposed by this subsec-
tion. The commission may receive other funds, in-

1 cluding interest and grant money, to be credited to
2 the fund.

3 A. It is the intent of the Legislature that at
4 least \$2,000,000 be appropriated to the fund in
5 each fiscal year to continue the fund.

6 B. Notwithstanding section 2954, there shall be
7 a surcharge imposed on the sale of all milk in
8 this State which shall be credited to the fund.
9 The surcharge shall be imposed at the rate of 15¢
10 per gallon as of November 1, 1987; 20¢ per gallon
11 as of November 1, 1988; and 25¢ per gallon as of
12 November 1, 1989.

13 2. Administration of fund. The commission shall
14 administer the fund in all respects.

15 3. Disbursements from fund. Beginning in Janu-
16 ary 1988, the commission shall make monthly payments
17 pursuant to this section to Maine producers who qual-
18 ify for payments under chapter 611 in the same manner
19 as reblend payments are made. Payments made pursuant
20 to this section shall be included in the reblend pay-
21 ment checks.

22 A. For purposes of this section, "5-year average
23 price" means the average Federal Order No. 1,
24 Zone 21, blend price for the years 1980 to 1984.

25 B. In January 1988 and each subsequent year, the
26 commission shall estimate the average net price
27 that will be received by the Maine producers who
28 receive the Federal Order No. 1, Zone 21 blend
29 price. This average net price shall be computed
30 by adding the 12-month average estimate of Zone
31 21 prices and the 12-month average of reblend
32 payments, less any assessments mandated by feder-
33 al law.

34 C. The commission shall make monthly payments
35 from the fund to producers in an amount equal to
36 the difference between the 5-year average price
37 and the estimated net reblend price, as deter-
38 mined pursuant to paragraph B, on all milk pro-
39 duced. If necessary, adjustments shall be made
40 in the November and December payments so that the

1 actual amounts received by producers during the
2 year are equal to the actual difference between
3 the 5-year average price and the actual net blend
4 price. These additional payments shall be in the
5 same amount of money per hundredweight for all
6 producers who receive a reblend payment from the
7 pool, regardless of whether they sell on the
8 Maine or Federal Order Market.

9 4. Balance carried forward. Any unexpended bal-
10 ance in the fund shall not lapse, but shall be car-
11 ried forward.

12 5. Annual report. The commission shall report
13 annually by January 15th to the joint standing com-
14 mittee of the Legislature having jurisdiction over
15 agriculture on the status of the fund, including, but
16 not limited to, the amounts received into and dis-
17 bursed from the fund.

18 **Sec. 2. Appropriation.** The following funds are
19 appropriated from the General Fund to carry out the
20 purposes of this Act.

	<u>1987-88</u>	<u>1988-89</u>
21		
22	<u>AGRICULTURE, FOOD AND RURAL</u>	
23	<u>RESOURCES, DEPARTMENT OF</u>	
24	Maine Milk Commission	
25	Maine Dairy Stabilization	
26	Fund	
27	All Other	\$2,000,000 \$2,000,000

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STATEMENT OF FACT

2 The purpose of this bill is to establish the
3 Maine Dairy Stabilization Fund to be administered by
4 the Maine Milk Commission in order to maintain a via-
5 ble dairy industry for the benefit of the health and
6 well-being of the people of this State. The fund
7 will consist of appropriations made annually by the
8 Legislature and surcharges imposed on the sale of
9 milk. Disbursements will be made from the fund to
10 Maine milk producers to equal the difference between
11 the Average Federal Order No. 1, Zone 21 blend price
12 from the years 1980 to 1984 and the average net
13 reblend price actually received by the producers.

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