

# MAINE STATE LEGISLATURE

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SECOND REGULAR SESSION

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ONE HUNDRED AND THIRTEENTH LEGISLATURE

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Legislative Document

NO. 2391

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H.P. 1745 House of Representatives, March 1, 1988

Submitted by the Department of Agriculture, Food and Rural Resources pursuant to Joint Rule 24.

Reference to the Committee on Agriculture suggested and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative PINES of Limestone.

Cosponsored by Representative GLIDDEN of Houlton, Senators THERIAULT of Aroostook and COLLINS of Aroostook.

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STATE OF MAINE

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

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1                   **AN ACT to Extend the Uses of the Potato**  
2                   **Marketing Improvement Fund.**  
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4 Be it enacted by the People of the State of Maine as  
5 follows:

6           **Sec. 1. 7 MRSA §973, as amended by PL 1987, c.**  
7           **319, §2, is further amended to read:**

8           §973. Potato Marketing Improvement Fund

1        There is created a fund to be known as the Potato  
2 Marketing Improvement Fund, to which shall be credited  
3 all funds received by the commissioner from any source  
4 for the development and implementation of an improved  
5 storage, packing and marketing program. Any money  
6 credited to the Potato Marketing Improvement Fund from  
7 the issuance of bonds on behalf of the State for  
8 agricultural development shall be used only for the  
9 purposes of state loans as prescribed by section  
10 974-A, to provide assistance to farmers on technical  
11 aspects of the design and construction of storage,  
12 packing and marketing facilities and to pay the  
13 administrative costs of processing loan applications,  
14 to the extent that the costs exceed the fee for  
15 administrative costs established by section 974-A,  
16 subsection 2. Repayment of these loans and interest  
17 thereon shall be credited to the Potato Marketing  
18 Improvement Fund to be available for making additional  
19 state loans for the same purposes, except that any  
20 interest earned on the cash balance of the fund may be  
21 used for the grants authorized by section 975.

22        Sec. 2. 7 MRS.A §975 is enacted to read:

23        §975. Grants

24        All or any portion of the interest earned or  
25 accruing on the cash balance of the Potato Marketing  
26 Improvement Fund may be used for grants to  
27 individuals, firms, corporations or other  
28 organizations for any of the following purposes:

29        1. Partial cost of project. To pay an amount not  
30 to exceed 50% of the total cost of any project. The  
31 purpose of any project shall be to provide equipment  
32 and facilities for washing and otherwise preparing  
33 potatoes for packing, such equipment and facilities  
34 including, but not limited to, wells, pressure pumps,  
35 plumbing and necessary auxiliary equipment. The total  
36 amount granted under this subsection for any single  
37 year shall not exceed 25% of the aggregate interest  
38 earned and attributable to funds from the issuance of  
39 state bonds;

1           2. Research projects. To partially or fully fund  
2           specific research projects, the purpose of which is to  
3           study and assess technical problems experienced with  
4           new and retrofitted storage facilities, and to develop  
5           means of dealing with such problems, or to examine,  
6           monitor and develop new technologies for the storage  
7           and handling of potatoes; and

8           3. System design. To provide assistance for the  
9           designing of a system, and for the purchase or  
10           construction of facilities associated with a system,  
11           for cull and off-grade potatoes to be gathered from  
12           individual storage and packing sheds and transported  
13           to central facilities where potatoes may be further  
14           sorted and provisions made for their sale and  
15           transportation to markets, or for their safe disposal.

16           The commissioner, by rule, promulgated in  
17           accordance with the Maine Administrative Procedure  
18           Act, Title 5, chapter 375, shall establish criteria  
19           for the allocation of grants.

20    STATEMENT OF FACT

21           This bill permits the use of interest earned on  
22           the cash balance of the fund established by the Maine  
23           Revised Statutes, Title 7, section 973 to be available  
24           for 3 distinct purposes. First, this interest would  
25           be available for direct grants to farmers for wells  
26           and related washing systems for those who presently  
27           have no such facilities. The grants would be limited  
28           to 50% of the total cost of the drilling of the well  
29           and installation of necessary plumbing and auxiliary  
30           equipment. The number of grants per year would be  
31           limited so as not to unduly deplete the fund, and  
32           would be given on a first-come first-served basis to  
33           farmers submitting appropriate plans and otherwise  
34           meeting qualifications. The increased use of washing  
35           equipment would greatly enhance the market image of  
36           Maine potatoes. It is anticipated that many farmers

1 in marginal economic circumstances would derive the  
2 greatest use of the grant funds, as they have not yet  
3 been financially able to purchase such equipment on  
4 their own.

5 Second, the interest would be available to fund  
6 research grants for the purpose of assessing problems  
7 experienced with new and retrofitted storages. For  
8 example, one type of sprayed insulation commonly used  
9 in storage construction several years ago is  
10 undergoing an aging process that results in diminished  
11 effectiveness. Research is needed to determine why  
12 the problem exists and what can be done to arrest or  
13 otherwise deal with the problem. Also, continuous  
14 examination and monitoring of new technologies is  
15 contemplated with respect to assessing the feasibility  
16 of implementing these innovations in new or existing  
17 storages.

18 Third, the interest would be available to operate  
19 a gathering system for cull potatoes. These waste  
20 potatoes are generally sold to the starch plant in  
21 Caribou, but because of the cost constraints on  
22 transporting these potatoes, only farmers within 25  
23 miles of Caribou can dispose of culls in this  
24 fashion. Disposal of culls presents a problem to  
25 farmers in other areas of the county and culls not  
26 properly disposed of create breeding grounds for  
27 potato disease. This bill proposes a gathering system  
28 for culls which would substantially alleviate the  
29 problem of potato disease originating in cull piles.  
30 The gathering system would involve several central  
31 collection stations for various areas of the county to  
32 which farmers would haul culls. These culls would  
33 later be transported to the starch plant in Caribou.

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