

# MAINE STATE LEGISLATURE

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(EMERGENCY)  
THIRD SPECIAL SESSION

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ONE HUNDRED AND THIRTEENTH LEGISLATURE

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Legislative Document

NO. 2675

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H.P. 1977 House of Representatives, September 12, 1988  
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Referred to the Committee on Agriculture and ordered printed  
pursuant to Joint Rule 14.

EDWIN H. PERT, Clerk  
Presented by Representative TARDY of Palmyra.  
Cosponsored by Senators BLACK of Cumberland, MATTHEWS of  
Kennebec and Representative BRAGG of Sidney.

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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 Provide for Pooling of Certain  
2 Over-Order Premiums Under the Maine Milk Pool.  
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4 Emergency preamble. Whereas, Acts of the  
5 Legislature do not become effective until 90 days  
6 after adjournment unless enacted as emergencies; and

7 Whereas, because escalating feed prices and other  
8 factors have contributed to a short supply of milk in  
9 the Northeast and intense competition by dealers for

1 supplies of milk has resulted in payment of premiums  
2 by dealers; and

3       Whereas, in order to provide for an equitable  
4 redistribution of over-order premiums established by  
5 the Maine Milk Commission which are not attributable  
6 to the activities of an eligible marketing  
7 cooperative, and to account properly for the presence  
8 of premiums paid to Boston market producers in the  
9 face of unforeseeable changes in the price of milk in  
10 southern New England; and

11       Whereas, in the judgment of the Legislature, these  
12 facts create an emergency within the meaning of the  
13 Constitution of Maine and require the following  
14 legislation as immediately necessary for the  
15 preservation of the public peace, health and safety;  
16 now, therefore,

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

19       Sec. 1. 7 MRSA §2901, sub-§§15-B and 15-C are  
20 enacted to read:

21       15-B. Light eggnog. "Light eggnog" means the  
22 clean, wholesome food product made from the same  
23 ingredients and prepared in the same manner as eggnog,  
24 except that light eggnog shall contain by weight not  
25 more than 3% milk fat, not less than 1% of egg yolk  
26 solids and not more than 0.5% of stabilizer.

27       15-C. Light sour cream. "Light sour cream" means  
28 sour cream which contains not more than 9% milk fat  
29 nor less than 6% milk fat; provided that, in computing  
30 the minimum milk fat content, the minimum percentage  
31 may be based on the weight remaining after subtracting  
32 the weight of any nutritive sweeteners or bulky  
33 flavoring ingredients present in the product. In no  
34 case may light sour cream contain less than 4.2% milk  
35 fat. A package containing light sour cream shall bear  
36 a label upon which shall appear the words "reduced  
37 fat."

38       Sec. 2. 7 MRSA §3153, sub-§2, ¶D, as enacted by

1 PL 1987, c. 447, §6, is amended to read:

2 D. For any month in which the Maine Milk  
3 Commission has established minimum prices payable  
4 to producers that include an over-order premium  
5 which the commission has determined is not  
6 attributable to the activity of an eligible  
7 marketing cooperative, the over-order premium  
8 shall not be pooled.

9 Sec. 3. 7 MRS A §3153, sub-§2, ¶D-1 is enacted  
10 to read:

11 D-1. For any month in which the Maine Milk  
12 Commission has established minimum prices payable  
13 to producers that include an over-order premium  
14 which the commission has determined is not  
15 attributable to the activity of an eligible  
16 marketing cooperative, the over-order premium  
17 shall not be pooled.

18 Sec. 4. 7 MRS A §3153, sub-§2, ¶E is enacted to  
19 read:

20 E. That portion of the price established by the  
21 Maine Milk Commission which exceeds the sum of the  
22 base minimum price and the over-order premium  
23 attributable to the activities of an eligible  
24 marketing cooperative on milk produced in August  
25 1988 shall be pooled and redistributed on an equal  
26 basis between eligible Maine market producers and  
27 eligible Boston market producers, except that the  
28 commissioner shall credit 12.5 cents per  
29 hundredweight against the redistribution to Boston  
30 market producers.

31 Sec. 5. 7 MRS A §3153, sub-§5, ¶C-1 is enacted  
32 to read:

33 C-1. The commissioner shall redistribute any  
34 over-order premium paid into the Maine Milk Pool  
35 which the commissioner has determined is not  
36 attributable to the activity of an eligible  
37 marketing cooperative on an equal basis to  
38 eligible Maine market producers and eligible

1 Boston market producers; except that, if any Maine  
2 market producer or Boston market producer receives  
3 an additional premium, the commissioner shall  
4 credit 2/3 of that additional premium against the  
5 redistribution to which that producer would  
6 otherwise be entitled under this paragraph in  
7 order to avoid potential inequities arising from  
8 equal redistribution of the pool. For purposes of  
9 this paragraph, "additional premium" means such  
10 part of the price of milk paid by a dealer:

11 (1) To a Maine market producer which exceeds  
12 the base minimum price and is not part of an  
13 over-order premium established by the Maine  
14 Milk Commission and which the commissioner  
15 determines is not based on the performance of  
16 that producer as determined on the basis of  
17 bona fide criteria relating to milk quality,  
18 milk production or milk composition; and

19 (2) To a Boston market producer which  
20 exceeds the appropriate federal order plant  
21 price, is not a part of a premium  
22 attributable to the activity of an eligible  
23 marketing cooperative and which the  
24 commissioner determines is not based on the  
25 performance of that producer as determined on  
26 the basis of bona fide criteria relating to  
27 milk quality, milk production or milk  
28 composition.

29 For purposes of calculating the credits for  
30 additional premiums under this paragraph, the  
31 terms "Maine market producer" and "Boston market  
32 producer" shall not include an agricultural  
33 cooperative that buys or handles milk from a  
34 producer and sells it to a dealer.

35 **Sec. 6. Sunset.** Sections 2, 4 and 5 of this  
36 Act are repealed March 1, 1989 and section 3 of this  
37 Act shall take effect March 1, 1989.

38 **Emergency clause.** In view of the emergency  
39 cited in the preamble, this Act shall take effect when  
40 approved.

1 STATEMENT OF FACT

2 Recent actions by the Maine Milk Commission have  
3 brought about a new type of premium based upon some  
4 extraordinary circumstances in the southern New  
5 England market on which all Maine Milk Commission  
6 prices are based. A review of the present statute  
7 indicates that the pooling of those premiums through  
8 the Maine Milk Pool or a similar pool which would  
9 equalize producer prices is not possible without the  
10 passage of this bill. In the interest of fairness to  
11 all Maine milk producers, this bill is necessary to  
12 equalize producer prices in light of these additional  
13 premiums.

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