

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)



# 121st MAINE LEGISLATURE

## FIRST REGULAR SESSION-2003

---

Legislative Document

No. 338

S.P. 120

In Senate, January 28, 2003

### An Act to Stabilize the Maine Dairy Industry

(EMERGENCY)

---

Reference to the Committee on Agriculture, Conservation and Forestry suggested and ordered printed.

A handwritten signature in cursive script, reading "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator GAGNON of Kennebec.

Under suspension of the rules, cosponsored by Representative McKEE of Wayne and Senators: BRYANT of Oxford, HATCH of Somerset, KNEELAND of Aroostook, MAYO of Sagadahoc, MITCHELL of Penobscot, ROTUNDO of Androscoggin, STANLEY of Penobscot, WESTON of Waldo, Representatives: CARR of Lincoln, CLARK of Millinocket, CLOUGH of Scarborough, COWGER of Hallowell, DAVIS of Falmouth, DUPREY of Medway, GOODWIN of Pembroke, HATCH of Skowhegan, JACKSON of Fort Kent, JODREY of Bethel, JOY of Crystal, KAELIN of Winterport, MILLS of Cornville, PATRICK of Rumford, PINEAU of Jay, PINGREE of North Haven, PIOTTI of Unity, ROSEN of Bucksport, SAVIELLO of Wilton, SHERMAN of Hodgdon, SMITH of Monmouth, SNOWE-MELLO of Poland, TARDY of Newport, THOMPSON of China, USHER of Westbrook, WOTTON of Littleton.

2       **Emergency preamble.** Whereas, Acts of the Legislature do not  
become effective until 90 days after adjournment unless enacted  
as emergencies; and

4  
6       Whereas, the average short-term cost of milk production in  
the State has been determined by the Maine Milk Commission to be  
approximately \$17 per hundredweight; and

8  
10       Whereas, the blended price of milk to the State's dairy  
farmers has fallen to approximately \$13 per hundredweight; and

12       Whereas, the State's dairy farmers can not continue to  
operate at prices below their cost of milk production; and

14  
16       Whereas, the State may lose as many as 1/3 of its dairy  
farms in the near future; and

18       Whereas, a collapse of the State's dairy industry will have  
a significant adverse effect on related parts of the State's  
economy, including equipment dealers, agricultural supply  
businesses, fuel oil dealers, fertilizer dealers, insurance  
agencies and others; and

24       Whereas, the anticipated loss of dairy farms and other  
related businesses will have significant adverse effects on the  
economy of rural and inland Maine, jeopardize maintenance of  
valuable open space and compound existing problems of sprawl; and

28  
30       Whereas, the State's dairy industry needs immediate economic  
relief to remain viable until milk prices come back into line  
with costs of production; and

32  
34       Whereas, in the judgment of the Legislature, these facts  
create an emergency within the meaning of the Constitution of  
Maine and require the following legislation as immediately  
necessary for the preservation of the public peace, health and  
safety; now, therefore,

38  
40       **Be it enacted by the People of the State of Maine as follows:**

42       **Sec. 1. 7 MRSA §3153-A is enacted to read:**

44       **§3153-A. Dairy stabilization subsidy**

46       The Maine Milk Commission shall distribute funds on a  
monthly basis to the State's dairy farmers as a direct subsidy on  
a per hundredweight basis at the rate of 50% of the difference  
between \$17 per hundredweight and the base price of milk per  
hundredweight for each month. The base price of milk is the  
50       Suffolk County, Massachusetts statistical blend price of milk as

determined for each month by the Northeast Market Administrator of the United States Department of Agriculture. The total subsidy distributions under this section may not exceed \$1,100,000 in any single month. Distributions to dairy farmers under this section are limited to amounts appropriated for that purpose.

**Sec. 2. Appropriations and allocations.** The following appropriations and allocations are made.

**AGRICULTURE, FOOD AND RURAL RESOURCES,  
DEPARTMENT OF**

**Maine Milk Commission**

Initiative: Provides funds to the Maine Milk Commission to be deposited in the Maine Milk Pool created in the Maine Revised Statutes, Title 7, section 3153 to be distributed to Maine dairy farmers pursuant to Title 7, section 3153-A. Any balance of this appropriation remaining after June 30, 2003 is carried forward by the Department of Agriculture, Food and Rural Resources to the succeeding fiscal year for distribution to Maine dairy farmers pursuant to Title 7, section 3153-A.

**General Fund**

**2002-03**

All Other

\$5,500,000

**Emergency clause.** In view of the emergency cited in the preamble, this Act takes effect when approved.

**SUMMARY**

This bill establishes a program of direct subsidy payments to the State's dairy farmers through the Maine Milk Pool when the basic price of milk at the farm falls below the average short-term cost of milk production in the State as determined by studies performed for the Maine Milk Commission. The supplemental appropriation for this purpose in fiscal year 2002-03 is \$5,500,000.