MAINE STATE LEGISLATURE

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1	1.0.002
2	Date: 05-23-07 (Filing No. S-139)
3	AGRICULTURE, CONSERVATION AND FORESTRY
4	Reproduced and distributed under the direction of the Secretary of the Senate.
5	STATE OF MAINE
6	SENATE
7	123RD LEGISLATURE
8	FIRST REGULAR SESSION
	Majority
9 10 11	COMMITTEE AMENDMENT "A" to S.P. 262, L.D. 852, Bill, "An Act To Raise Benefits for Farmers under the Milk Subsidy Program and To Prevent Price Gouging in the Sale of Milk"
12	Amend the bill by striking out the title and substituting the following:
13	'An Act To Adjust the Levels of the State's Dairy Stabilization Program'
14 15	Amend the bill by inserting after the title and before the enacting clause the following:
16 17	'Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and
18 19	Whereas, the Maine dairy industry is essential to the State's rural economy and communities, generates business activity and preserves open space; and
20 21	Whereas, the stabilization of the dairy industry during temporary price drops constitutes a public purpose and an appropriate expenditure of state revenues; and
22 23	Whereas, the tiered dairy stabilization program has been successful in curbing the loss of dairy farms in the State; and
24 25	Whereas, the target prices in the tiered program need to be revised to reflect updated cost-of-production studies; and
26 27 28 29	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,'
30 31	Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

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COMMITTEE AMENDMENT

COMMITTEE AMENDMENT " A" to S.P. 262, L.D. 852



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- 'Sec. 1. 7 MRSA §3153-B, sub-§3, as amended by PL 2005, c. 382, Pt. F, §34, is further amended to read:
- 3. Determination of target prices. The Maine Milk Commission shall establish 3 tiers of production, each representing a range of annual production. The commission shall use the most recent studies conducted in accordance with section 2952-A, subsection 3, paragraph A to estimate the short-run break-even point within each tier.
- 7 The Maine Milk Commission may establish and amend target prices through rulemaking. 8 Rules adopted pursuant to this subsection are major substantive rules as defined in Title 9 5, chapter 375, subchapter 2-A.
- Sec. 2. Interim target prices. Beginning July 1, 2007 and until the Maine Milk Commission updates the Maine producer cost-of-production data and calculates new target prices in accordance with the Maine Revised Statutes, Title 7, section 3153-B, subsection 3, the target prices for milk producers in the State are as follows:
- 1. For the first 21,355 hundredweight produced per year by each producer, the target price is \$20.70 per hundredweight;
- 2. For production from 21,356 hundredweight to 49,079 hundredweight per year, the target price is \$18.07 per hundredweight; and
- 3. For production in excess of 49,079 hundredweight per year, the target price is \$17.29 per hundredweight.
- Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.'

22 SUMMARY

This amendment is the majority report. It removes the sections of the bill relating to retail pricing of milk. It removes proposed changes to the definition of "target price," authorizes the Maine Milk Commission to establish and amend target prices through major substantive rulemaking and, beginning July 1, 2007, establishes interim target prices that may be changed through adoption of major substantive rules.

FISCAL NOTE REQUIRED
(See Attached)

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123rd MAINE LEGISLATURE

LD 852

LR 1410(02)

An Act To Raise Benefits for Farmers under the Milk Subsidy Program and To Prevent Price Gouging in the Sale of Milk

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Agriculture, Conservation and Forestry

Fiscal Note Required: Yes

Fiscal Note

	2007-08	2008-09	Projections 2009-10	Projections 2010-11
Net Cost (Savings) General Fund	(\$2,507,900)	(\$2,049,525)	(\$2,049,525)	(\$2,049,525)
Transfers				
General Fund	\$2,507,900	\$2,049,525	\$2,049,525	\$2,049,525
Other Special Revenue Funds	(\$2,507,900)	(\$2,049,525)	(\$2,049,525)	(\$2,049,525)

Fiscal Detail and Notes

Changes in the target prices for the Milk Subsidy Program will decrease the amount of General Fund revenue which is transferred to the Maine Milk Pool. The estimated decreases are \$2,507,900 and \$2,049,525 in fiscal years 2007-08 and 2008-09, respectively.