

# MAINE STATE LEGISLATURE

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Date: 3/7/24

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**AGRICULTURE, CONSERVATION AND FORESTRY**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
131ST LEGISLATURE  
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 1402, L.D. 2188, "Resolve, Regarding Legislative Review of Chapter 26: Producer Margins, a Major Substantive Rule of the Maine Milk Commission"

Amend the resolve in section 1 in the last line (page 1, line 17 in L.D.) by striking out the following: "authorized." and inserting the following: 'authorized only if the following changes are made to the 4 levels of target prices for milk producers:

- 1. For the first 16,790 hundredweight produced per year by each producer, the target price is \$24.51 per hundredweight;
- 2. For production over 16,790 hundredweight to 49,079 hundredweight per year, the target price is \$23.37 per hundredweight;
- 3. For production over 49,079 hundredweight to 76,800 hundredweight per year, the target price is \$22.60 per hundredweight; and
- 4. For production over 76,800 hundredweight per year, the target price is \$21.88 per hundredweight.

**Sec. 2. Appropriations and allocations. Resolved:** That the following appropriations and allocations are made.

**AGRICULTURE, CONSERVATION AND FORESTRY, DEPARTMENT OF  
Milk Commission 0188**

Initiative: Adjusts allocation from updating the cost of production and target prices used to make payouts through the dairy stabilization program.

| <b>OTHER SPECIAL REVENUE FUNDS</b>       | <b>2023-24</b> | <b>2024-25</b>     |
|--|----------------|--------------------|
| All Other                                | \$0            | \$4,088,815        |
| <b>OTHER SPECIAL REVENUE FUNDS TOTAL</b> | <b>\$0</b>     | <b>\$4,088,815</b> |

**COMMITTEE AMENDMENT**

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Amend the resolve by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

**SUMMARY**

This amendment authorizes adoption of Chapter 26: Producer Margins, a provisionally adopted major substantive rule of the Maine Milk Commission, only if the following changes are made to the 4 levels of target prices for milk producers:

- 1. For the first 16,790 hundredweight produced per year by each producer, the target price is \$24.51 per hundredweight;
- 2. For production over 16,790 hundredweight to 49,079 hundredweight per year, the target price is \$23.37 per hundredweight;
- 3. For production over 49,079 hundredweight to 76,800 hundredweight per year, the target price is \$22.60 per hundredweight; and
- 4. For production over 76,800 hundredweight per year, the target price is \$21.88 per hundredweight.

The amendment also adds an appropriations and allocations section.

**FISCAL NOTE REQUIRED**

(See attached)



# 131st MAINE LEGISLATURE

LD 2188

LR 3036(02)

Resolve, Regarding Legislative Review of Chapter 26: Producer Margins, a Major Substantive Rule of the Maine Milk Commission

Fiscal Note for Bill as Amended by Committee Amendment *A (H-810)*  
 Committee: Agriculture, Conservation and Forestry  
 Fiscal Note Required: Yes

## Fiscal Note

|                                   | FY 2023-24 | FY 2024-25     | Projections FY 2025-26 | Projections FY 2026-27 |
|-----------------------------------|------------|----------------|------------------------|------------------------|
| <b>Net Cost (Savings)</b>         |            |                |                        |                        |
| General Fund                      | \$0        | (\$26,087,585) | (\$26,294,402)         | (\$26,282,483)         |
| <b>Appropriations/Allocations</b> |            |                |                        |                        |
| Other Special Revenue Funds       | \$0        | \$4,088,815    | \$7,675,219            | \$9,413,714            |
| <b>Revenue</b>                    |            |                |                        |                        |
| General Fund                      | \$0        | \$26,087,585   | \$26,294,402           | \$26,282,483           |
| Other Special Revenue Funds       | \$0        | (\$26,087,585) | (\$26,294,402)         | (\$26,282,483)         |

### Fiscal Detail and Notes

This bill modifies and adopts a Maine Milk Commission rule that updates the producer margins for target prices within the tiers used to make payouts through the Dairy Stabilization Program. The March 2024 Report of the Revenue Forecasting Committee (RFC) includes an assumption of target prices set at 100% of the 2022 cost of production study. This bill adjusts those prices downward to 25% of the difference between the 2019 producer margins and the 2022 producer margins. This change will decrease the transfer from the General Fund to the tier program, which will increase General Fund revenue by \$26,087,585 in fiscal year 2024-25 and decrease Other Special Revenue Funds revenue to the Milk Commission within the Department of Agriculture, Conservation and Forestry by the same amount. The bill includes allocations of \$4,088,815 in fiscal year 2024-25 to make increased payouts through the program.

|  | FY 2024-25 | FY 2025-26 | FY 2026-27 |
|--|------------|------------|------------|
| RFC of March 1, 2024                                     | 35,476,316 | 45,368,943 | 47,100,389 |
| Dairy Stabilization Program                              |            |            |            |
| Transfer From Oxford Slot                                | (465,182)  | (476,812)  | (488,732)  |
| Transfer from General Fund                               | 35,011,134 | 44,892,131 | 46,611,657 |
| @Tier Target Prices (\$28.90, \$29.17, \$27.61, \$26.87) |            |            |            |

|  |              |              |              |
|--|--------------|--------------|--------------|
| LD 2188 reduction of tier prices                         | (26,087,585) | (26,294,402) | (26,282,483) |
| @Tier Target Prices (\$24.51, \$23.37, \$22.60, \$21.88) |              |              |              |

|  |           |            |            |
|--|-----------|------------|------------|
| Net General Fund transfer to Dairy Stabilization Program | 8,923,549 | 18,597,729 | 20,329,174 |
|--|-----------|------------|------------|

This bill involves a major substantive rule. Under the provisions of the Maine Administrative Procedures Act, if the Legislature fails to take specific action either authorizing or disapproving the adoption of the rule or part of the rule, the Maine Milk Commission will be authorized to finally adopt the rule.