

## §2954-B. Study of milk price regulatory options

**1. Study commission.** The Legislature directs that a study be undertaken as outlined in this section for the purpose of analyzing the situation of the Maine dairy industry under current milk pricing legislation and of analyzing the options for ensuring the long-term stability of the industry. The Commissioner of Agriculture, Food and Rural Resources shall provide for a study of the intent, regulatory approach and economic consequences of various milk pricing programs in Maine, including the Maine Milk Commission, Maine Milk Pool and the destructive competition laws, and of other potential mechanisms for pricing regulation, including, without limitation, minimum pricing at the producer level only, minimum wholesale pricing that reflects various costs of distribution, prohibiting below-cost pricing, establishing presumptive pricing and elimination of state pricing regulations. [PL 1985, c. 42, §2 (NEW).]

**2. Basis for evaluation.** The study shall, at a minimum, evaluate existing and alternative pricing mechanisms in terms of their ability to:

A. Stabilize dairy farmer incomes and assure that Maine farmers benefit to the greatest extent possible from the higher proportion of fluid milk processed and sold in Maine; [PL 1985, c. 42, §2 (NEW).]

B. Maintain dairies in Maine which process fluid milk for Maine consumption; and [PL 1985, c. 42, §2 (NEW).]

C. Encourage efficient farm and processor operations which provide consumers high quality, low-cost milk and milk products. [PL 1985, c. 42, §2 (NEW).]

[PL 1985, c. 42, §2 (NEW).]

**3. Report content.** The study's findings and conclusions shall be expressed in a final report which shall discuss the merits of each of the existing and alternative pricing mechanisms reviewed in terms of each of the objectives established in subsection 2, and shall outline the long-term changes in the dairy industry which might reasonably be expected to occur as a result of continuance or establishment of each of these alternatives.

[PL 1985, c. 42, §2 (NEW).]

**4. Study panel.** The study shall be carried out by a panel of recognized experts in the economics of regulation and pricing. This panel shall be named by the Commissioner of Agriculture, Food and Rural Resources after consultation with the joint standing committee of the Legislature having jurisdiction over agriculture and shall be convened no later than May 1, 1985.

[PL 1985, c. 42, §2 (NEW).]

**5. Select Committee on Milk Pricing.** There is a Select Committee on Milk Pricing consisting of 10 members to advise the study panel on the design of the study and on the options and policies to be evaluated. The committee is composed of 3 members of the House of Representatives, appointed by the Speaker of the House of Representatives, one of whom must represent each political party; 2 members of the Senate, appointed by the President of the Senate, one of whom must be chosen to represent each political party; and 3 members named by the Governor, one of whom must be knowledgeable of the dairy processing industry, one of whom must be knowledgeable of milk retailing and one milk producer who is knowledgeable of marketing systems. The Public Advocate or the Public Advocate's designee shall also serve on the committee, representing consumer interests. The Commissioner of Agriculture, Food and Rural Resources shall serve ex officio as chair of the committee.

[RR 2021, c. 1, Pt. B, §142 (COR).]

**6. Panel to meet with select committee.** The panel shall meet with the Select Committee on Milk Pricing no later than July 1, 1985, to present to the committee its preliminary study design, including the alternative pricing mechanisms to be evaluated and at other times at the request of the Select

Committee on Milk Pricing. The panel shall issue its final report to the Select Committee on Milk Pricing no later than November 1, 1985.

[PL 1985, c. 42, §2 (NEW).]

**7. Preparation of legislation.** After consultation with the Select Committee on Milk Pricing, the commissioner shall prepare legislation based on the report of the panel. The proposed legislation shall be provided to the members of the joint standing committee of the Legislature having jurisdiction over agriculture by December 15, 1985, for their review prior to its submission to the Legislature.

[PL 1985, c. 42, §2 (NEW).]

#### SECTION HISTORY

PL 1985, c. 42, §2 (NEW). RR 2021, c. 1, Pt. B, §142 (COR).

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