

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

## **An Act To Support the Dairy Industry**

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

**Sec. 1. PL 2009, c. 467, §10** is amended to read:

**Sec. 10. Administrator authorized to make monthly adjustments during the period from July 1, 2010 to June 30, 2011.** During the period from July 1, 2010 to June 30, 2011, the administrator of the Maine Milk Pool shall monitor milk price projections and each month calculate the amounts to be paid out under the dairy stabilization program for fiscal year 2010-11 based on these projections. The administrator may adjust the amount requested and the amount distributed in any month during this period based on the most recent projections and calculations. The administrator may reduce payments only if projections indicate that the total distributions under the stabilization program ~~will exceed \$17,361,291~~ in the biennium consisting of fiscal years 2009-10 and 2010-11 will exceed \$17,361,291 prior to March 1, 2011.

If projections indicate that total distributions will exceed \$17,361,291 prior to March 1, 2011, the administrator shall adjust payments distributed in October 2010 to ~~June~~January 2011 on milk produced in the months of September 2010 to ~~May 2011~~December 2010 by multiplying the target price for each tier by the same percent. The administrator shall adjust payments distributed in July, August and September 2010 on milk produced in June, July and August 2010, respectively, in accordance with sections 11 and 12.

**Sec. 2. PL 2009, c. 467, §11** is amended to read:

**Sec. 11. Calculation of payments for milk produced June 1, 2010 to August 31, 2010.** Notwithstanding the Maine Revised Statutes, Title 7, section 3153B, if projections indicate that total distributions from the dairy stabilization program will exceed \$17,361,291 prior to March 1, 2011, the administrator of the Maine Milk Pool shall calculate and make payments to Maine milk producers in accordance with this section for milk produced from June 1, 2010 to August 31, 2010.

1. No later than June 15, 2010, the administrator of the Maine Milk Pool shall assign each producer to one of 4 tiers based on that producer's total production during the 12-month period beginning June 1, 2009 and ending May 31, 2010.

2. Upon receiving the monthly production data ~~for June 2010~~, the administrator shall:

A. Calculate the amount of money due each producer in accordance with Title 7, section 3153B, subsection 4;

B. Reduce each producer's payment by a percentage established in section 12; and

C. Certify to the State Controller the amounts to be transferred and distributed.

3. The administrator shall calculate payments for milk produced in June 2010, July 2010 and ~~milk production in~~ August 2010 in the manner prescribed in subsection 2, paragraphs A, B and C.

**Sec. 3. PL 2009, c. 467, §12** is amended to read:

**Sec. 12. Reductions in payments for milk produced in June 2010, July 2010 and August 2010.** ~~The~~ If projections indicate that total distributions from the dairy stabilization program will exceed \$17,361,291 prior to March 1, 2011, the administrator of the Maine Milk Pool shall determine the percentage reduction in payments required under section 11, subsection 2, paragraph B in a manner that results in:

1. Each producer within a tier receiving the same percentage reduction in payment for a month as other producers in that tier receive for that month; and
2. Percentage reductions between adjacent tiers in a ratio of 1 to 2, progressing from tier 1 to tier 4.

### **SUMMARY**

This bill directs the administrator of the Maine Milk Pool to reduce payments under the dairy stabilization program only if projections indicate that total distributions from the dairy stabilization program will exceed \$17,361,291 prior to March 1, 2011. It clarifies that the mechanism for calculating payments on milk produced in June 2010, July 2010 and August 2010 is only used if projections indicate that the cap will be reached prior to March 1, 2011.