



# 131st MAINE LEGISLATURE

LD 2188

LR 3036(03)

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

Fiscal Note for Bill as Engrossed with:

C "A" (H-810)

Committee: Agriculture, Conservation and Forestry

### 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	Dairy Stabilization Program	35,476,316	45,368,943	47,100,389
	Transfer From Oxford Slot	(465,182)	(476,812)	(488,732)
	Transfer from General Fund	35,011,134	44,892,131	46,611,657
<b>@Tier Target Prices (\$28.90, \$29.17, \$27.61, \$26.87)</b>				

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

<b>Net General Fund transfer to Dairy Stabilization Program</b>	<b>8,923,549</b>	<b>18,597,729</b>	<b>20,329,174</b>
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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.