

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

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

**Sec. 1. 7 MRSA §2954-D** is enacted to read:

### **§ 2954-D. Excessive retail pricing**

**1. Prohibition.** A retail store may not sell or offer to sell fluid milk for a price that exceeds by 10% the minimum retail price established for payment by consumers by the commission pursuant to section 2954.

**2. Penalty.** A person who violates subsection 1 commits a civil violation for which a fine may be adjudged that equals 50% of the amount by which the price exceeded the minimum retail price established pursuant to section 2954 multiplied by the number of sales made by the retail store at the prohibited price.

**3. Exceptions.** This section does not apply to:

A. Sales of organic milk; or

B. Sales of fluid milk directly to consumers by producer-dealers.

**4. Dedicated funds.** Fines adjudged under this section are payable to the Dairy Price Support Program Fund established under section 2964.

**Sec. 2. 7 MRSA §2964** is enacted to read:

### **§ 2964. Dairy Price Support Program Fund**

**1. Fund established.** The Dairy Price Support Program Fund, referred to in this section as "the fund," is established as a dedicated, nonlapsing fund. Any balance remaining in the fund at the end of a fiscal year does not lapse and must be carried forward to the next fiscal year. Any interest earned on assets of the fund is credited to the fund.

**2. Uses of fund.** The commission may make expenditures from the fund to develop and manage effective and cost-efficient price support programs.

**Sec. 3. 7 MRSA §3153-B, sub-§1, ¶D,** as enacted by PL 2003, c. 648, §2, is amended to read:

D. "Target price" means the short-run break-even point plus interest and depreciation for machinery and equipment for each of 3 categories of annual production. Target prices are determined in accordance with subsection 3.

**Sec. 4. 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~~target price within each tier.

### SUMMARY

This bill prohibits a retail store from selling milk for a price that exceeds by 10% the minimum retail price established for payment by consumers by the Maine Milk Commission. The bill exempts sales of organic milk and sales to consumers by producer-dealers from the prohibition on excessive retail pricing.

The bill also includes interest and depreciation on machinery and equipment within the 3-tiered system of dairy stabilization support.