125th MAINE LEGISLATURE

FIRST REGULAR SESSION-2011

Legislative Document   **No. 382**

H.P. 308   House of Representatives, February 8, 2011

Resolve, Authorizing Adjustments to Payments under the Dairy Stabilization Program

(EMERGENCY)

Reference to the Committee on Agriculture, Conservation and Forestry suggested and ordered printed.

HEATHER J.R. PRIEST
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Clerk

Presented by Representative MARTIN of Eagle Lake.
Cosponsored by Senator SAVIELLO of Franklin and
Representatives: BRIGGS of Mexico, COTTA of China, LONG of Sherman, McCABE of Skowhegan, NELSON of Falmouth, Senator: SCHNEIDER of Penobscot.

1   **Emergency preamble. Whereas,** acts and resolves of the Legislature do not
2 become effective until 90 days after adjournment unless enacted as emergencies; and

3   **Whereas,** it is in the State's economic interest to maintain a viable dairy industry;
4 and

5   **Whereas,** payments under the dairy stabilization program are crucial to Maine dairy
6 farmers during periods of low milk prices in a regulated market; and

7   **Whereas,** in the judgment of the Legislature, these facts create an emergency within
8 the meaning of the Constitution of Maine and require the following legislation as
9 immediately necessary for the preservation of the public peace, health and safety; now,
10 therefore, be it

11   **Sec. 1. Cap on transfers for the dairy stabilization program in fiscal year**
12 **2011-12. Resolved:** That, notwithstanding the Maine Revised Statutes, Title 7, section
13 3153-D, in fiscal year 2011-12 the administrator of the Maine Milk Pool may not certify
14 any amount to be transferred from the General Fund for distributions under Title 7,
15 section 3153-B that would bring the total amount transferred in fiscal year 2011-12 above
16 $9,835,826. Notwithstanding Title 7, section 3153-B, subsection 4, in fiscal year 2011-
17 12 the administrator of the Maine Milk Pool may not distribute payments for dairy
18 stabilization support that in the aggregate exceed $9,835,826; and be it further

19   **Sec. 2. Target prices and tier production levels. Resolved:** That the target
20 prices and tier production levels used to calculate distribution payments under this resolve
21 are as provided in PL 2009, chapter 467, section 9; and be it further

22   **Sec. 3. Administrator authorized to make adjustments to monthly dairy**
23 **stabilization payments during the period from July 1, 2011 to June 30, 2012.**
24 **Resolved:** That during the period from July 1, 2011 to June 30, 2012 the administrator
25 of the Maine Milk Pool shall monitor milk price projections and each month calculate the
26 total dairy stabilization support to be paid out under the Maine Revised Statutes, Title 7,
27 section 3153-B, subsection 4 in fiscal year 2011-12 based on these projections.

28   Notwithstanding Title 7, section 3153-B, subsection 4, the administrator may adjust
29 the amount requested and the amount distributed in any month during fiscal year 2011-12
30 based on the most recent projections and calculations made under this section. The
31 administrator may reduce payments only if projections indicate that without an
32 adjustment the total distributions under the stabilization program in fiscal year 2011-12
33 would exceed $9,835,826. When adjustments in payments are authorized, the
34 administrator of the Maine Milk Pool shall calculate payments in accordance with
35 sections 4 and 5 of this resolve and each month certify to the State Controller the amounts
36 to be transferred; and be it further

37   **Sec. 4. Calculation of payments in July, August and September.**
38 **Resolved:** That, when adjustments are authorized under section 3 of this resolve, the
39 administrator of the Maine Milk Pool shall calculate and distribute payments in July,

August and September 2011 on milk produced in June, July and August 2011, respectively, as follows:

1. The administrator shall assign each producer to one of 4 tiers based on that producer's total production during the 12-month period beginning June 1, 2010 and ending May 31, 2011, with tier 1 being the lowest production and tier 4 the highest; and

2. Upon receiving the monthly production data, the administrator shall:

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

B. Reduce each producer's payment by a percentage that results in:

(1) Each producer within a tier receiving the same percentage reduction in payment for the 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; and be it further

Sec. 5. Calculation of monthly payments in October 2011 to June 2012. Resolved: That when adjustments are authorized under section 3 of this resolve, the administrator of the Maine Milk Pool shall calculate and distribute payments in the months of October 2011 to June 2012 for milk produced in the months of September 2011 to May 2012 by reducing the target price for each tier by the same percentage.

Emergency clause. In view of the emergency cited in the preamble, this resolve takes effect when approved.

SUMMARY

This resolve authorizes the administrator of the Maine Milk Pool to adjust payments under the dairy stabilization program in fiscal year 2011-12 when projections indicate that payments will exceed $9,835,826. This figure is the Revenue Forecasting Committee's December 2010 recommendation for transfer from the General Fund to the Maine Milk Pool in fiscal year 2011-12. This resolve directs the administrator to reduce payments by the same percentage for each tier for the months from October 2011 to June 2012. It provides for progressively greater reductions between tiers for payments distributed in July, August and September.