

Sponsor's Amendment to
Concept Draft Bill
LD 473 - An Act to Support Agriculture, Conservation and Forestry in Maine
May 8, 2025

Amend the bill by striking out the title and replacing with the following:

An Act to Implement the Recommendations of the Task Force to Support Commercial Dairy Farms in the State

Amend the bill by inserting after the enacting clause the following:

Sec. 1. 7 MRSA §3153-B, sub-§3 is amended to read:

3. Determination of target prices. The Maine Milk Commission shall establish 4 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 within each tier.

The Maine Milk Commission may establish and amend ranges of production for each tier and target prices through rulemaking. Target prices adopted pursuant to this section may not be less than 25% of the short-run break-even point within each tier as determined by the most recent studies conducted in accordance with section 2952-A, subsection 3, paragraph A. Rules adopted pursuant to this subsection are major substantive rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. 2. 36 MRSA §4902, sub-§2-A is amended to read:

2-A. Rate. The rate of the fee levied under this chapter is established for each fee period on the basis of the basic price of milk in effect on the Sunday following the first Sunday of the fee period in accordance with this subsection:

A. If the basic price is ~~\$21.00~~ \$24.00 per hundredweight and above, the rate of the milk handling fee is 4¢ per gallon;

B.

C.

D.

E. If the basic price is ~~\$20.00 to \$20.99~~ \$23.00 to \$23.99 per hundredweight, the rate of the milk handling fee is 8¢ per gallon;

F. If the basic price is ~~\$19.50 to \$19.99~~ \$22.50 to \$22.99 per hundredweight, the rate of the milk handling fee is 12¢ per gallon;

G.

H. If the basic price is ~~\$19.00 to \$19.49~~ \$22.00 to \$22.49 per hundredweight, the rate of the milk handling fee is 16¢ per gallon;

I. If the basic price is ~~\$18.50 to \$18.99~~ \$21.50 to \$21.99 per hundredweight, the rate of the milk handling fee is 20¢ per gallon;

J. If the basic price is ~~\$18.00 to \$18.49~~ \$21.00 to \$21.49 per hundredweight, the rate of the milk handling fee is 24¢ per gallon;

K. If the basic price is ~~\$17.50 to \$17.99~~ \$20.50 to \$20.99 per hundredweight, the rate of the milk handling fee is 28¢ per gallon;

L. If the basic price is ~~\$17.00 to \$17.49~~ \$20.00 to \$20.49 per hundredweight, the rate of the milk handling fee is 32¢ per gallon; and

M. If the basic price is ~~\$16.50 to \$16.99~~ \$19.50 to \$19.99 per hundredweight, the rate of the milk handling fee is 36¢ per gallon;

N. If the basic price is 19.00 to 19.49 per hundredweight, the rate of the milk handling fee is 40¢ per gallon;

O. If the basic price is \$18.50 to \$18.99 per hundredweight, the rate of the milk handling fee is 44¢ per gallon; and

P. If the basic price is \$18.00 to \$18.49 per hundredweight, the rate of the milk handling fee is 48¢ per gallon.

If the basic price falls below ~~\$16.50~~ \$18.00 per hundredweight, for each 50¢ decrease in the basic price, the rate of the milk handling fee increases by 4¢ per gallon until the handling fee reaches a maximum of 84¢ per gallon.

For any container other than a gallon, the fee is computed on a gallon-equivalent basis.

Others proposals for consideration:

1. Engage more dairy farms in the Farms for the Future Program.
2. Expand technical service capacity through grant-funded or subsidized agreements with regional partners like the University of Vermont, Cornell or the University of New Hampshire.
3. Modify the Dairy Improvement Fund to support on-farm dairy processing (increase caps).
4. Tax incentives for existing commercial dairy processors.
5. Explore creation of a non-profit processor.
6. Support the Maine Dairy Industry Association to create on-farm learning experiences and networks.
7. Create exceptions within the Agricultural Marketing Loan Fund and Dairy Improvement Fund to allow for exceptions (at the discretion of the Department of Agriculture, Conservation and Forestry) to enable new gran sourcing.

SUMMARY

This amendment, which replaces the concept draft, proposes to implement several recommendations of the Task Force to Support Commercial Dairy Farms in the State which was established by Resolve 2024, chapter 146.

Pursuant to the Maine Revised Statutes, Title 7, section 3153-A, the Maine Dairy Stabilization Program, also known as the Tier Program, provides payments to Maine dairy farmers when the price of milk falls below the cost of production. The amendment provides that target prices, which are set through rulemaking, may not be less than 25% of the short-run break-even point within each tier as determined by the most recent studies conducted in accordance with the Maine Revised Statutes, Title 7 section 2952-A, subsection 3, paragraph A.

The amendment also makes changes to the rate of the milk handling fee, which is established for each fee period on the basis of the basic price of milk in effect on the Sunday following the first Sunday of the fee period.

The amendment provides that if the basic price is \$24.00 per hundredweight and above, rather than \$21.00 per hundredweight and above in current law, the rate of milk handling fee is 4 cents per gallon.

The amendment provides that if the basic price falls below \$18.00 per hundredweight, rather than \$16.50 per hundredweight in current law, for each 50-cent decrease in the basic price, the rate of the milk handling fee increases by 4 cents per gallon until the handling fee reaches a maximum of 84 cents per gallon.

The amendment also puts forth other proposals for consideration:

1. Engage more dairy farms in the Farms for the Future Program.
2. Expand technical service capacity through grant-funded or subsidized agreements with regional partners like the University of Vermont, Cornell or the University of New Hampshire.
3. Modify the Dairy Improvement Fund to support on-farm dairy processing (increase caps).
4. Tax incentives for existing commercial dairy processors.
5. Explore creation of a non-profit processor.
6. Support the Maine Dairy Industry Association to create on-farm learning experiences and networks.
7. Create exceptions within the Agricultural Marketing Loan Fund and Dairy Improvement Fund to allow for exceptions (at the discretion of the Department of Agriculture, Conservation and Forestry) to enable new gran sourcing.