



Maine
Dairy
Industry
Association

TESTIMONY

In Opposition to LD 292
**An Act to Feed Maine's Residents by Allowing Dairy Dealers and Producers in the State
to Donate Fresh Milk to Food Banks in the State**

February 14, 2019

Senator Dill, Representative Hickman, and members of the Joint Standing Committee on Agriculture, Conservation & Forestry:

LD 292 as written would carve out an exception in Maine's minimum milk pricing laws that would allow processing plants to donate milk to food pantries during the rare and unusual times when there is more milk than processing plants can handle, and that exceeds consumer demands (ex. when schools close for the summer break and/or during the Christmas holidays when milk processing plants are not operating 7 days a week.) These are unique circumstances and are not a means of providing regular donations of dairy, but an exercise in finding a home for excess skim milk that doesn't have a home in the marketplace. This skim product is one of the least nutritious dairy products because the healthy proteins and fats have all been removed and sold, leaving a product with a high water content.

Currently, Maine's minimum milk pricing laws prevent direct donations of large volumes of milk, because it is viewed as a "retail transaction" and would be below the minimum price. Minimum milk prices are set in Maine as a way to protect the farmers, the processors, and retailers of Maine so that out-of-state entities cannot come in and undercut our dairy industry. This also provides consistency of pricing to consumers. Entities from outside the State of Maine have periodically challenged the Maine Milk Commission minimum pricing laws in court in an effort to strike them down. Up to now these efforts have been unsuccessful, because each time the Courts have ruled that Maine's laws are appropriate and evenly applied because they do not have any special exemptions.

The bill was put in as a placeholder because the conversations between Good Shephard Food Bank, Oakhurst Dairy, the Maine Milk Commission, and MDIA & Maine Farm Bureau (representing Maine's dairy farmers) had not come up with an alternative that was acceptable to all parties. Several measures were passed in the 2018 Farm Bill related to dairy donations – a new program to allow more milk to be donated through USDA funding provided to food pantries to purchase milk & dairy products, and new authority for processors to pay farmers less (through the federal order pricing system) for milk that would be dumped or discarded/donated. Because the Farm Bill wasn't passed until December 2018, and then the federal government was in shutdown, the rules for these programs have not been written yet, so we don't know if this will solve the problems that were trying to be addressed by LD 292.

If LD 292 were to pass, it would create a gap in the unified wall that has been Maine's minimum milk pricing laws, which have been of huge benefit to Maine farmers, processors, and retailers – putting everyone on an even playing field. Maine dairy farmers support donating Maine milk to Maine people who need healthy, quality food. However, our objections to LD 292 are twofold: We cannot compromise the integrity of the minimum milk pricing laws to solve a problem that might have already found a solution through federal level legislation;

and we do not want to limit the donations of milk and dairy products for Maine's food insecure to those products that are surplus to the regular food system (ex: left over skim milk after all the cream and solids have been removed), but believe that all Maine people should have access to higher quality Maine dairy foods that offer higher levels of nutrition.

This issue is exacerbated because the funding (through Fund for a Healthy Maine) that Good Shepherd has been using to purchase milk and dairy products for its clients is running out. They have been successfully using this money to purchase milk (at minimum prices) for their pantries in the same way that the Mainer's Feeding Mainer's program allows them to purchase produce from Maine vegetable farmers and the Hunters for the Hungry program allows packaged meat to be distributed.

LD 786 – which has just been referred to this Committee today – would provide \$2.5 million a year for the next 2 years to facilitate purchasing of Maine food by hunger relief organizations. The Great American Milk Drive is an effort by dairy farmers and processors across the country to donate more milk and dairy products to food pantries in the US. The true solution to the problem posed by LD 292 is to help secure funding to continue the successful purchasing of Maine milk and reassess the need for other dairy purchasing assistance after the rules associated with the federal law changes have been written.

MDIA and Maine dairy farmers are committed to continuing to work with Good Shepherd Food Bank and others to find funding and methods of directing quality Maine dairy products out to Maine people through the network of food pantries in a way that will not compromise the safety nets and laws that provide a level playing field for all entities in the dairy industry. We do not need this bill to accomplish those goals. We ask you to support our efforts to provide quality Maine milk and dairy products to our neighbors who are food insecure and protect the minimum pricing systems that protect Maine dairy farmers and processors.

Please vote Ought Not to Pass.

Thank you.

Julie-Marie R. Bickford

Executive Director

Maine Dairy Industry Association