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State of Maine
ONE HUNDRED AND TWENTY-SIXTH LEGISLATURE
COMMITTEE ON AGRICULTURE, CONSERVATION AND FORESTRY

TO: Senator Dawn Hill, Senate Chair
Representative Margaret Rotundo, House Chair
Joint Standing Committee on Appropriations and Financial Affairs

FROM: Senator Troy D. Jackson, Senate Chair ^{TDJ}
Representative James F. Dill, House Chair ^{JFD}
Joint Standing Committee on Agriculture, Conservation and Forestry

DATE: May 22, 2013

RE: ACF Committee report back on Agricultural Fair Support Fund Amendment and
PART CCCCC, LD 1509

The Joint Standing Committee on Agriculture, Conservation and Forestry has reconsidered two items in response to your letter of May 20th.

- 1.) The Committee reversed its recommendation of May 16th and voted unanimously (13-0) to support the amendment to the Agricultural Fair Support Fund presented by the Department of Agriculture, Conservation and Forestry, which sets the percentage of funds to be spent annually for administration and inspection services at 13% pursuant to the provisions of 7 MRSA §86 and 7 MRSA §91.
- 2) The Committee also voted to reconsider its earlier vote on Part CCCCC in LD 1509. Eight (8) members of the committee voted in support of the Administration's proposal for the distribution of the funds on a per hundredweight basis, but are proposing to amend the time period used for production from "the previous month's production" proposed in the bill to "the average of the monthly production for the previous year ending May 31, 2013." Five (5) members of the committee voted to support an alternative distribution formula using an average of the monthly production for the prior year ending May 31, 2013 but basing the calculation of the distribution of funds on a ratio of the tier target price. The proposed amendment is attached here.

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Should you wish additional explanation or information on the matters addressed in this memorandum, please don't hesitate to contact us or the committee's analyst.

Enc.

cc: Members, Joint Standing Committee on Appropriations and Financial Affairs

Members, Joint Standing Committee on Agriculture, Conservation and Forestry

Minority Report

AMENDMENT TO PART CCCCC

Amend the bill (1509) in PART CCCCC by striking out paragraph 2 in Section CCCCC-1 and replacing it with the following:

Notwithstanding Title 7, section 3153-B, in fiscal year 2012-13, the administrator of the Maine Milk Pool shall distribute additional payments for dairy stabilization support in the amount of \$3,000,000. These payments shall be distributed with the last monthly payment in the fiscal year 2012-13 using an average of the monthly production for the previous year ending May 31, 2013. The amount of \$3,000,000 shall be distributed on as a ratio of the tier target price as follows: 1 to 1 of the tier target price per hundredweight for Tier 1 producers; 1 to .9695 of the tier target price per hundredweight for Tier 2 producers; 1 to .8576 of the tier target price per hundredweight for Tier 3; and 1 to .8490 of the tier target price per hundredweight for Tier 4 producers. In calculating the payments, the administrator is authorized to make equitable adjustments to the ratios to ensure that the total amount of the payments does not exceed \$3,000,000.

SUMMARY

This amendment changes the distribution formula for the additional \$3,000,000 payment to milk producers proposed in this Part from a straight per hundredweight basis to one based on a ratio of the tier target price per hundredweight. The amendment also authorizes the administrator of the Maine Milk Pool to make equitable adjustments to the ratios to ensure that the total amount of the payments issued does not exceed \$3 million.