

By Mr. Healy of Charlemont, petition of Jonathan L. Healy and other members of the General Court relative to establishing a dairy stabilization fund. Natural Resources and Agriculture.

**The Commonwealth of Massachusetts**

In the Year One Thousand Nine Hundred and Ninety-Two.

AN ACT ENSURING A REGULAR, CONTINUOUS SUPPLY OF FRESH, WHOLE-SOME MILK WITHIN THE COMMONWEALTH.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 SECTION 1. Chapter twenty-nine of the General Laws is  
2 hereby amended by inserting after section two L, the following: —

3 Section 2M. There shall be established and set up on the books  
4 of the commonwealth a separate fund, to be known as the  
5 Massachusetts Dairy Stabilization Fund. There shall be credited  
6 to such fund, revenues collected pursuant to the provisions of  
7 section thirty of chapter ninety-four A. The state treasurer shall  
8 deposit and invest all monies credited to the fund in such a manner  
9 that will ensure the highest interest rate available consistent with  
10 the safety of the fund and so that all deposits shall be available  
11 for immediate withdrawal without penalty. Revenues credited to  
12 the Massachusetts Dairy Stabilization Fund, including interest  
13 accrued on the investment of the fund, shall be used solely for  
14 the reapportionment, by the Massachusetts Dairy Stabilization  
15 Committee, of dairy farmers operating within the commonwealth  
16 as provided pursuant to the provisions of section thirty-one and  
17 thirty-two of chapter ninety-four A.

1 SECTION 2. Chapter ninety-four A of the General Laws, as  
2 appearing in the 1988 Official Edition, is hereby amended by  
3 inserting in section one the following:

4 "Committee", the Massachusetts Dairy Stabilization  
5 Committee.

6 “Dairy Farmer”, any person or entity, within the common-  
7 wealth, actively engaged in the primary business of milking dairy  
8 cattle for the sale or use of a raw milk product; provided, that  
9 this definition may be subject to further specification through  
10 regulations by the committee as authorized in section twenty-eight  
11 of this chapter.

12 “Fund”, the Massachusetts Dairy Stabilization Fund  
13 established in section two M of chapter twenty-nine.

1 SECTION 3. Said Chapter ninety-four A is hereby further  
2 amended by inserting at the end thereof the following sections:

### 3 THE MASSACHUSETTS DAIRY STABILIZATION ACT.

4 Section 28. There is hereby established the Massachusetts  
5 Dairy Stabilization Committee, which shall consist of the  
6 commissioner, or his designee, who shall serve as chairman of the  
7 committee, and four members to be appointed by the governor,  
8 one of whom shall be a dairy farmer, one of whom shall be a milk  
9 dealer, one of whom shall represent consumer agricultural  
10 interests, and one of whom shall represent the public. Appointed  
11 members shall serve for a term of three years. The committee shall  
12 provide advice to the commissioner regarding the implementation  
13 and administration of the terms of this chapter and regulations  
14 adopted hereunder.

15 Section 29. The department, working with the committee and  
16 the department of revenue, shall establish a quarterly reporting  
17 schedule for milk dealers which shall include, but not be limited  
18 to, (1) the amount, in hundredweight, of raw milk purchased  
19 during the past quarter, if any; (2) the location of raw milk  
20 purchases during the past quarter, if any; (3) the location of refined  
21 milk purchases during the past quarter, if any; (4) the amount,  
22 in hundredweight, of milk processed during the past quarter, if  
23 any; (5) the amount, in hundredweight, of milk imported into the  
24 commonwealth during the past quarter, if any; and (6) the  
25 amount, in hundredweight, sold at the wholesale or retail level  
26 during the past quarter. After the end of each quarter, the  
27 department shall submit a summary of the quarterly reports and  
28 any other relevant information to the committee.

29 Section 30. All milk dealers, including importers of milk into  
30 the commonwealth, shall pay a fee of one dollar for every  
31 hundredweight of milk sold, either wholesale or retail, within the  
32 commonwealth. The department of revenue shall establish a  
33 quarterly reporting schedule and form to collect the fee and shall  
34 establish through regulation other necessary mechanisms to insure  
35 the proper execution of this section. The fee shall be deposited  
36 into the Massachusetts Dairy Stabilization Fund established in  
37 section two M of chapter twenty-nine. Monies from the previous  
38 quarter shall be used to provide reapportionments to the current  
39 quarter in order to insure a positive balance in the fund.

40 Section 31. The secretary of administration and finance, from  
41 an appropriated item in the general appropriation act or other  
42 acts of appropriation, shall make quarterly payments to dairy  
43 farmers eligible for reapportionments from the fund at levels  
44 recommended by the committee. Seven per cent of monies  
45 collected pursuant to section thirty shall be placed into a special  
46 subfund of the fund and shall be spent solely for the support of  
47 the commonwealth's women, infants, and children (WIC)  
48 program. The secretary of environmental affairs shall make  
49 budgetary recommendations to the secretary of administration  
50 and finance regarding the estimated budgetary needs of the  
51 committee and the department, if any, and the estimated  
52 reapportionment costs for the next fiscal year which shall be paid  
53 solely from the fund.

54 Section 32. The committee shall prepare quarterly apportion-  
55 ment plans developed from information provided to it by the  
56 department's bureau of milk marketing and from relevant  
57 information provided by the department of revenue pursuant to  
58 section twenty-nine. Apportionments to dairy farmers shall be at  
59 least two dollars and fifty cents per hundredweight of milk  
60 produced in the previous quarter by dairy farmers; provided, that  
61 in no case shall any payment be made to any dairy farmer on  
62 amounts of milk produced by him in excess of six hundred  
63 thousand pounds per quarter.

64 Section 33. Funds remaining at the end of each fiscal year,  
65 minus the next quarter's estimated reapportionment as  
66 determined by the department of revenue, shall be transferred to  
67 the department for the purpose of acquiring agricultural

68 preservation restrictions pursuant to section eleven A of chapter  
69 one hundred thirty-two A. From time to time, but at least twice  
70 per year, the committee shall examine factors affecting the  
71 production of milk within the commonwealth, including the  
72 federal New England region one blend price paid to farmers within  
73 the commonwealth, and shall recommend adjustments to the  
74 apportionment plan, or to the regulations adopted pursuant to  
75 this chapter, or make recommendations to amend this chapter,  
76 as it deems necessary to carry out the provisions and intent of  
77 this chapter.

78 Section 34. Any milk dealer who provides false information or  
79 attempts to misrepresent information required by the committee  
80 shall be fined an amount not to exceed one thousand dollars for  
81 the first offense. For subsequent offenses, the milk dealer or  
82 farmer shall be fined not less than one thousand dollars and not  
83 more than five thousand. Revenue from fines issued pursuant to  
84 this section shall be deposited into the Massachusetts Dairy  
85 Stabilization Fund established in section two M of chapter  
86 twenty-nine.

1 SECTION 4. The department shall submit any rules or  
2 regulations adopted pursuant to this act to the joint committee on  
3 natural resources and agriculture and to the house and senate  
4 committees on ways and means for review at least thirty days prior  
5 to its effective date.

1 SECTION 5. The department of revenue shall begin to assess  
2 the fee upon milk dealers on April first, nineteen hundred ninety-  
3 one. The first reapportionment to the dairy farmers shall be on  
4 July first, nineteen hundred ninety-one.

1 SECTION 6. Unless reauthorized by the General Court, the  
2 provisions of this act and the rules and regulations adopted  
3 hereunder shall cease to be in force and effect on July first,  
4 nineteen hundred ninety-four.