

1 IN THE HOUSE

BY MR. KERTTULA

2

HOUSE BILL NO. 164

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SECOND LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the establishment and
7 maintenance of orderly marketing conditions
8 for agricultural commodities."

7

8

9

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

Section 1. MARKETING ORDER. The director of the division
of agriculture, Department of Natural Resources, may issue
marketing orders to regulate agricultural commodities produced in
Alaska. A marketing order is issued for the purpose of conduct-
ing research and providing information to benefit both the
producer and consumer, increasing the standards of commodities
sold, and creating an orderly supply of commodities so the con-
sumer market can be maintained.

Sec. 2. DIRECTOR, DIVISION OF AGRICULTURE, TO ADMINISTER
ACT. a. The director, division of agriculture, Department of
Natural Resources, hereafter referred to as the director, shall
administer and enforce the provisions of this Act and the pro-
visions of marketing orders.

b. The director shall issue, change and repeal marketing
orders under the provisions of the Administrative Procedure Act,
and the additional requirements of this section. In initiating
the orders he shall consider the following economic factors:
the quantity and quality of the product available, quantity
required, cost of producing product, purchasing power of con-
sumers, level of prices of equipment farmers use, and the prices

HB #164

-1-

1 of competing commodities. Before the director may issue, change
2 or repeal a marketing order, it must be approved by referendum
3 by (1) at least two-thirds of the producers voting who each, dur-
4 ing a representative period, have produced for market commercial
5 quantities of the commodity specified, and who, during the same
6 period, have produced in total at least two-thirds of the volume
7 of the commodity in the market area specified in the marketing
8 order, and by (2) at least two-thirds of the handlers voting
9 who, during the same period, handled in total not less than 50%
10 of the volume of the commodity covered by the marketing order.
11 The director, with the approval of the commissioner of natural
12 resources, may issue a marketing order rejected by handlers if
13 the issuance of the market order is the only practical means of
14 advancing the interests of the producers.

15 Sec. 3. COMMODITY BOARDS. a. For each regulated commodity,
16 a commodity board shall be appointed by the director. The board
17 shall consist of five members selected from Alaskan producers
18 and handlers. No more than two members may be handlers. The
19 duties of the board shall be to advise the director in the formu-
20 lation of policy for the operation of the market program, to
21 receive and report complaints and violations of a marketing
22 order and to assist the director in data collection.

23 b. The board shall be responsible for the collection, cus-
24 tody, and accounting of assessments authorized under Sec. 5 (8),
25 and shall permit at least an annual accounting of the fund by the
26 director.

27 Sec. 4. REGIONAL MARKETING ORDERS. A marketing order may
28 be limited to a geographical region in the state, but it must be
29 applied equally to all persons of a specific agricultural industry

1 in the region.

2 Sec. 5. CONTENT OF MARKETING ORDER. A marketing order may
3 contain the following provisions regulating agricultural commodi-
4 ties produced in Alaska:

5 (1) Provision for determining the existence and extent
6 of a surplus of an agricultural commodity and for the disposition
7 of the surplus with the burden equalized among producers.

8 (2) Provision for limiting quantity or grade which may
9 be sold during a period.

10 (3) Provision for allotting the quantity a producer
11 may sell during a specific period or periods based on past sales
12 records.

13 (4) Provision for apportioning the quantity or grade
14 a handler may handle. Apportionment is based on the quantity a
15 handler has available or on quantities previously handled, with
16 the result that the amounts distributed or handled during a
17 period shall be equally apportioned.

18 (5) Provision regulating the period during which a
19 product or grade may be distributed in the state.

20 (6) Provision establishing a surplus pool, or the
21 representative value, grade, quality or any of these combinations
22 with allowance for the sale of the surplus and the equitable dis-
23 tribution of the net income.

24 (7) Provision for establishment of uniform grading and
25 inspection of commodities delivered by producers to handlers.

26 (8) Provision for levying assessments, not to exceed
27 3% of value, on the sale of a commodity to provide a fund for
28 advertising, sales promotion, and expenses of the commodity board.

29 (9) Provision for the advance posting of a price which

1 requires handlers to sell certain grades, sizes or quantities at
2 a fixed price.

3 (10) Provision requiring labeling and branding not
4 otherwise required by law.

5 (11) Provision for establishing stations for inspec-
6 tion, weighing or receiving payment of assessments.

7 (12) Provision for cooperation with other state or
8 federal agencies.

9 Sec. 6. DEFINITIONS. For the purposes of this Act, the
10 term:

11 (1) "producer" means any person in this state in the
12 business of producing or causing to be produced for market any
13 agricultural commodity.

14 (2) "handler" means any person engaged in selling,
15 marketing or distributing agricultural commodities within the
16 state which are produced in Alaska and sold, marketed, or distri-
17 buted to other than the ultimate customer.

18 Sec. 7. PENALTY. A person violating a provision of this
19 Act or a regulation or marketing order issued by the director
20 shall be guilty of a misdemeanor.

21
22
23
24
25
26
27
28
29