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IN THE SENATE

BY SENATORS POLLOCK,
LOGAN AND V. PHILLIPS

SENATE BILL NO. 193

IN THE LEGISLATURE OF THE STATE OF ALASKA

SECOND LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the establishment and maintenance of orderly marketing conditions for agricultural commodities; and providing for an effective date."

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

Section 1. MARKETING OF AGRICULTURAL PRODUCTS. (a) It is hereby declared that the marketing of agricultural commodities in Alaska in excess of reasonable and normal market demands therefore disorder and unfair competitive practices in the marketing thereof; improper preparation for market and lack of uniform grading and classification; and the inability of individual producers to maintain present markets or to develop new or larger markets for Alaska grown agricultural commodities, result in an unreasonable and unnecessary waste of the agricultural wealth of Alaska. Such conditions jeopardize the development of industry and the production of adequate food supplies for the people of Alaska, and prevent agricultural producers from obtaining a fair return from their labor and investments. As a consequence, the purchasing power of such producers may be low in relation to that of persons engaged in other gainful occupations within the state. They may thereby be prevented from maintaining a proper standard of living and from contributing their fair share to the support of the necessary governmental and educational functions, thus tending to increase unfairly, the tax burdens of other citizens of this state.

1 (b) These conditions vitally concern the health, peace,
2 safety and general welfare of the people of Alaska. It is hereby
3 declared to be a policy of this state to aid agricultural pro-
4 ducers in preventing economic waste in marketing agricultural
5 commodities, to develop more efficient and equitable methods in
6 marketing, and to aid such producers in maintaining their
7 purchasing power at an adequate, equitable and reasonable level.

8 Sec. 2. PURPOSES OF THIS ACT. The purposes of this Act
9 are:

10 (1) to enable producers, with the aid of the state, to
11 correlate the marketing of agricultural products with the demand
12 therefor;

13 (2) to establish orderly marketing of agricultural
14 commodities;

15 (3) to provide for uniform grading and classification
16 and proper preparation of agricultural commodities for market;

17 (4) to insure consumers an adequate supply of such
18 commodities;

19 (5) to prevent unfair competitive practices;

20 (6) to aid in orderly adjustment to changing condi-
21 tions;

22 (7) to maintain reasonable incentives for continued
23 growth of agricultural industry in Alaska.

24 Sec. 3. DEFINITIONS. For the purposes of this Act, the
25 term:

26 (1) "producer" means any person or firm in this state
27 in the business of producing or causing to be produced for
28 market any agricultural commodity;

29 (2) "handler" means any person or firm engaged in

1 selling, marketing or distributing agricultural commodities with-
2 in this state other than to the ultimate consumer, but including
3 producers who also perform these functions and retailers selling
4 such commodities not theretofore subject to regulation under the
5 terms of this Act.

6 Sec. 4. MARKETING ORDERS. The director of the division of
7 agriculture, Department of Natural Resources, hereafter referred
8 to as the director, may issue marketing orders to regulate the
9 marketing of agricultural commodities in Alaska. A marketing
10 order is issued for the purpose set forth in Sec. 2 of this Act
11 and for conducting research and providing information to benefit
12 both the producer and the consumer.

13 Sec. 5. ADMINISTRATION. (a) The director of the division
14 of agriculture shall administer and enforce the provisions of
15 this Act and the provisions of marketing orders.

16 (b) The director shall issue, change, and repeal marketing
17 orders under the provisions of the Administrative Procedure Act,
18 and the additional requirements of this section. In initiating
19 the orders, he shall consider the following economic factors:
20 the quantity and quality of the commodity available, quantity
21 required, cost of production, purchasing power of consumers,
22 level of prices of productive goods and services farmers buy, and
23 the prices of competing commodities. Before the director may
24 issue, change or repeal a marketing order, it must be approved by
25 a referendum by (1) at least two-thirds of the producers voting
26 who each, during a representative period, have produced for
27 market commercial quantities of the commodity specified, and who,
28 during the same period, have produced in total at least two-thirds
29 of the volume of the commodity in the market area specified in

1 the order, and by (2) handlers, in the same area and during the
2 same period, of not less than one-half of the volume of the
3 commodity covered by the order. The director, with the approval
4 of the commissioner of natural resources, may issue a marketing
5 order rejected by handlers if issuance of the marketing order is
6 the only practical means of effecting the purposes of this Act.

7 Sec. 6. COMMODITY BOARDS. (a) For each regulated com-
8 modity, a commodity board shall be appointed by the director.
9 The board shall consist of five members selected from Alaskan
10 producers and handlers. No more than two members may be handlers.
11 The duties of the board shall be to advise the director in the
12 formulation of policy for the operation of the market program,
13 to receive and report complaints and violations of a marketing
14 order and to assist the director in collection of data.

15 (b) The board shall be responsible for the collection,
16 custody and accounting of assessments authorized under Sec. 8 (8),
17 and shall permit at least an annual accounting of the fund by the
18 director.

19 (c) No member or employee of a commodity in his activities
20 as such shall be held personally responsible or liable except for
21 his own individual acts of dishonesty or crime.

22 Sec. 7. REGIONAL MARKETING ORDERS. A marketing order may
23 be limited to a geographic region in the state, but it must be
24 applied equally to all persons of a specific agricultural indus-
25 try in that region.

26 Sec. 8. CONTENT OF MARKETING ORDERS. A marketing order may
27 contain the following provisions regulating agricultural commodi-
28 ties marketed within Alaska:

29 (1) provisions for determining the existence and

- 1 extent of a surplus of an agricultural commodity and for the dis-
2 position of the surplus with the burden prorated among handlers;
- 3 (2) provision for limiting the quantity, class or
4 grade which may be sold during specified periods;
- 5 (3) provision for allotting the quantity a producer
6 may sell during specific periods based on past sales records;
- 7 (4) provision for apportioning the quantity or grade
8 a handler may handle during specified periods. Apportionment
9 shall be based on the quantity a handler has available, or on
10 quantities previously handled, or both, with the result that
11 amounts distributed or handled during a period may be equitably
12 apportioned;
- 13 (5) provision regulating the periods during which a
14 commodity or grade may be distributed;
- 15 (6) provision for establishing a surplus pool of a
16 commodity, or of the representative value, grade, quality, or
17 combinations thereof, with allowance for sale of the surplus and
18 the equitable distribution of the net income therefrom;
- 19 (7) provision for inspection and the establishment of
20 uniform grading and classification of agricultural commodities;
- 21 (8) provision for levying assessments, not to exceed
22 three per cent of value, on the sale of a commodity to provide a
23 fund for advertising, sales promotion and expenses of the
24 commodity board;
- 25 (9) provision for advance posting by handlers of prices
26 at which any grade, class, size or quantity shall be sold;
- 27 (10) provision requiring labeling and branding not
28 otherwise required by law;
- 29 (11) provision for establishing stations for inspection,

1 weighing, and receiving payment of assessments;

2 (12) provision for cooperation with other state or
3 federal agencies.

4 Sec. 9. LIMITATION. No action is authorized under the
5 provisions of this Act which shall have as its purpose the main-
6 tenance of prices of agricultural commodities in excess of those
7 resulting from the continued normal flow of commerce with other
8 areas.

9 Sec. 10. EFFECTIVE DATE. This Act takes effect on the day
10 after its passage and approval or on the day it becomes law with-
11 out such approval.

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