

BY SENATORS POLLOCK,  
LOGAN AND V. PHILLIPS

1 IN THE SENATE

2 SENATE BILL NO. 193

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SECOND LEGISLATURE - SECOND 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; and providing  
9 for an effective date."

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

11 Section 1. MARKETING OF AGRICULTURAL PRODUCTS. (a) It is  
12 hereby declared that the marketing of agricultural commodities in  
13 Alaska in excess of reasonable and normal market demands therefor;  
14 disorder and unfair competitive practices in the marketing thereof;  
15 improper preparation for market and lack of uniform grading and  
16 classification; and the inability of individual producers to  
17 maintain present markets or to develop new or larger markets for  
18 Alaska grown agricultural commodities, result in an unreasonable  
19 and unnecessary waste of the agricultural wealth of Alaska. Such  
20 conditions jeopardize the development of industry and the produc-  
21 tion of adequate food supplies for the people of Alaska, and pre-  
22 vent agricultural producers from obtaining a fair return from  
23 their labor and investments. As a consequence, the purchasing  
24 power of such producers may be low in relation to that of persons  
25 engaged in other gainful occupations within the state. They may  
26 thereby be prevented from maintaining a proper standard of living  
27 and from contributing their fair share to the support of the neces-  
28 sary governmental and educational functions, thus tending to in-  
29 crease unfairly, the tax burdens of other citizens of this state.

SB #193, As Amended

-1-

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 (3) "retailer" means any person or firm engaged in  
7 selling agricultural commodities to the ultimate consumer and not  
8 performing a "handler" function; and

9 (4) "consumer" means any person or firm who buys agri-  
10 cultural products for his own use and who does not qualify as a  
11 "producer", "handler", or "retailer" as defined in this Act.

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

19 Sec. 5. ADMINISTRATION. (a) The director of the division  
20 of agriculture shall administer and enforce the provisions of  
21 this Act and the provisions of marketing orders.

22 (b) The director shall issue, change, and repeal marketing  
23 orders under the provisions of the Administrative Procedure Act,  
24 and the additional requirements of this section. In initiating  
25 the order, he shall consider the following economic factors: the  
26 quantity and quality of the commodity available, quantity required,  
27 cost of production, purchasing power of consumers, level of prices  
28 of productive goods and services farmers buy, and the prices of  
29 competing commodities. Before the director may issue, change or

1 repeal a marketing order, it must be approved by a referendum by (1)  
2 at least two-thirds of the producers voting who each, during a  
3 representative period, have produced for market commercial quanti-  
4 ties of the commodity specified, and who, during the same period,  
5 have produced in total at least two-thirds of the volume of the  
6 commodity in the market area specified in the order, and by (2)  
7 handlers, in the same area and during the same period, of not less  
8 than one-half of the volume of the commodity covered by the order.  
9 The director, with the approval of the commissioner of natural  
10 resources, may issue a marketing order rejected by handlers if  
11 issuance of the marketing order is the only practical means of  
12 effecting the purposes of this Act.

13       Sec. 6. COMMODITY BOARDS. (a) For each regulated commodity,  
14 a commodity board shall be appointed by the director. The board  
15 shall consist of five members selected from Alaskan producers,  
16 handlers, retailers or consumers. Of the five members, three shall  
17 be producers, one a handler, and one either a retailer or a con-  
18 sumer. The duties of the board shall be to advise the director in  
19 the formulation of policy for the operation of the market program,  
20 to receive and report complaints and violations of a marketing  
21 order and to assist the director in collection of data.

22       (b) The board shall be responsible for the collection,  
23 custody and accounting of assessments authorized under Sec. 8 (8),  
24 and shall have an annual account of the fund made by a licensed  
25 Certified Public Accountant who shall submit his report to the  
26 director.

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

1           Sec. 7. REGIONAL MARKETING ORDERS. A marketing order may  
2 be limited to a geographic region in the state, but it must be  
3 applied equally to all persons of a specific agricultural industry  
4 in that region.

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

8           (1) provisions for determining the existence and extent  
9 of a surplus of an agricultural commodity and for the disposition  
10 of the surplus with the burden prorated among handlers;

11           (2) provision for limiting the class or grade which may  
12 be sold during specified periods;

13           (3) provision for allotting the quantity a producer or  
14 handler may sell during specific periods based on total quantities  
15 available in the order area with the result that amounts distri-  
16 buted or handled during a period may be equitably apportioned;

17           (4) provision regulating the periods during which a  
18 commodity or grade may be distributed;

19           (5) provision for establishing a surplus pool of a  
20 commodity, or of the representative value, grade, quality, or  
21 combinations thereof, with allowance for sale of the surplus and  
22 the equitable distribution of the net income therefrom;

23           (6) provision for inspection and the establishment of  
24 uniform grading and classification of agricultural commodities;

25           (7) provision for levying assessments, not to exceed  
26 three per cent of value, on the sale of a commodity to provide a  
27 fund for advertising, sales promotion and expenses of the commodity  
28 board;

29           (8) provision requiring labeling and branding not

1 otherwise required by law;

2 (9) provision for establishing stations for inspection,  
3 weighing, and receiving payment of assessments;

4 (10) provision for cooperation with other state or  
5 federal agencies.

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

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

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