

1 IN THE SENATE BY THE HOUSE RESOURCES COMMITTEE
2 HOUSE CS FOR 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 milk."

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

10 Section 1. STATEMENT OF PURPOSE. The purpose of this Act
11 is to protect the health and welfare of the people of the State
12 of Alaska by minimizing certain economic conditions which threaten
13 to make it impossible to produce in the state milk which meets the
14 standards which the health of its citizens requires.

15 Sec. 2. DUTIES OF THE DIRECTOR. The director shall administer
16 this Act. He shall enforce this Act and the provisions of marketing
17 orders issued under it. He shall have an accounting made of the
18 funds held by the board at least annually.

19 Sec. 3. MILK ADVISORY BOARD. There is created a milk
20 advisory board consisting of five members. The director shall
21 select the members of the board from among Alaskan producers,
22 handlers and retailers. No more than one handler and one retailer
23 may serve on the board at one time.

24 Sec. 4. DUTIES OF THE BOARD. The board shall advise the
25 director in the formulation of policy for the operation of the
26 market program, receive and report complaints and violations of a
27 marketing order and assist the director in collection of data.
28 It shall collect, hold, and account for the assessments authorized
29 by this Act.

1 Sec. 5. MILK MARKETING ORDERS. a. The director may, with
2 the advice of the milk advisory board, issue, change, or repeal
3 marketing orders to regulate the marketing of milk in specified
4 regions of Alaska. His actions are subject to the provisions of
5 the Administrative Procedure Act and Sec. 7 of this Act. A milk
6 marketing order may be issued for any one or combination of the
7 following purposes:

- 8 (1) to establish orderly marketing of milk;
9 (2) to provide for uniform grading and classification
10 of milk;
11 (3) to provide for the proper preparation of milk for
12 market;
13 (4) to insure an adequate supply of milk;
14 (5) to eliminate unfair competitive practices;
15 (6) to assist producers to adjust to changing conditions;
16 (7) to maintain incentive for the production of high
17 quality milk under the most sanitary conditions;
18 (8) to conduct research and provide information for the
19 benefit of the producer and the consumer.

20 b. A milk marketing order shall be limited to a specific
21 area or areas in the state.

22 Sec. 6. CONTENT OF MARKETING ORDERS. A marketing order may
23 direct that

- 24 (1) a determination be made whether a surplus of milk
25 exists, and if so, its extent;
26 (2) a surplus be disposed of with a proration of the
27 burden of any loss among the handlers;
28 (3) the quantity, class, or grade of milk sold for a
29 certain period be limited;

1 (4) the quantity a producer may sell be limited, based
2 upon the quantity available, the quantities previously handled,
3 or both;

4 (5) the quantity or grade a handler may handle during
5 specified periods, based upon the quantity a handler has available
6 or quantities previously handled, or both;

7 (6) there be specified periods during which a parti-
8 cular grade of milk may be distributed;

9 (7) a surplus pool of milk or any class or grade of
10 milk be formed and the milk sold, and that the proceeds of sale
11 be equitably distributed;

12 (8) milk be inspected, graded, and classified, or any
13 of these;

14 (9) an assessment, not to exceed three per cent of
15 value, be levied on the sale of milk to provide a fund for adver-
16 tising, sales promotion, and the expenses of the board;

17 (10) prices at which any grade, class, or quantity will
18 be sold be posted;

19 (11) milk be labeled;

20 (12) stations be established for the receiving and
21 weighing of milk, and the collection of assessments;

22 (13) cooperative investigations or undertakings be
23 entered into with other state or federal agencies.

24 Marketing orders are of general, rather than special,
25 applicability. They are applicable to all producers and handlers
26 in the region in which they apply.

27 Sec. 7. PROCEDURE FOR ISSUANCE OF MARKETING ORDERS. a. A
28 milk marketing order is initiated by the submission of a petition
29 signed by not less than 10 per cent of the commercial producers

1 in the area to which the marketing order is to apply. Upon
2 receiving the petition, the director shall proceed as provided in
3 Art. IV, Ch. 1, of the Administrative Procedure Act. In reaching
4 a decision on the requested marketing order, the director shall
5 consider at least the following factors:

- 6 (1) the quantity and quality of milk available in the
7 area;
- 8 (2) the quantity of milk required in the area;
- 9 (3) the costs of production under desirable sanitary
10 conditions;
- 11 (4) the comparative position of milk in the economy of
12 the area.

13 b. Before the director may issue, change, or repeal a
14 marketing order, it must be approved in a referendum by (1) at
15 least two-thirds of the producers voting in the referendum who
16 each, during a representative period, have produced for market
17 commercial quantities of milk, and who during the same period,
18 have produced in total at least two-thirds of the volume of the
19 commodity in the market area specified in the order; and (2)
20 handlers in the same area and during the same period of at least
21 one-half of the volume of milk. A marketing order which is
22 approved by the producers but disapproved by the handlers may
23 nevertheless be issued if necessary to carry out the purposes of
24 this Act. In such a case the director shall not issue the order
25 without the permission of the commissioner of natural resources.

26 Sec. 8. DEFINITIONS. For the purposes of this Act the term

27 (1) "director" means the director of the division of
28 agriculture, Department of Natural Resources;

29 (2) "board" means the milk control advisory board;

1 (3) "handler" means a person or firm engaged in selling,
2 marketing, or distributing milk to persons other than the ultimate
3 consumer, and includes producers who perform these functions;

4 (4) "producer" means any person or firm in this state
5 who produces or causes to be produced milk for market.

6 Sec. 9. This Act pertains only to fresh whole milk and shall
7 not mean any of the by-products of fresh whole milk.

8 Sec. 10. UNAUTHORIZED ACTIONS. No action is authorized by
9 this Act which is intended to or which does fix prices at an
10 artificially high level, or which places an undue burden upon
11 interstate commerce.

12 Sec. 11. PENALTIES. Any person who violates any provision
13 of this Act, or any order made pursuant to this Act, is guilty of
14 a misdemeanor and upon conviction is punishable by a fine of not
15 less than \$100, nor more than \$2,000.

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