

State of Arkansas
86th General Assembly
Regular Session, 2007

A Bill

HOUSE BILL 1419

By: Representatives Hoyt, Reynolds, Hawkins, Walters

For An Act To Be Entitled

AN ACT TO CREATE THE ARKANSAS MILK STABILIZATION ACT; TO PROTECT THE ARKANSAS DAIRY INDUSTRY; AND FOR OTHER PURPOSES.

Subtitle

AN ACT TO CREATE THE ARKANSAS MILK STABILIZATION ACT; AND TO PROTECT THE ARKANSAS DAIRY INDUSTRY.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code Title 2, Chapter 32, is amended to add an additional subchapter to read as follows:

2-32-301. Title.

This subchapter shall be known and may be cited as the "Arkansas Milk Stabilization Act".

2-32-302. Findings – Purposes.

(a) The General Assembly finds that:

(1) The dairy industry is an essential agricultural activity of the state;

(2) Dairy farms, associated suppliers, marketers, processors, and retailers are an integral component of the state's economy;

(3) The ability of dairy farms, associated suppliers, marketers, processors, and retailers to provide a stable, local supply of pure and wholesome milk is a matter of great importance to the health and welfare of the people of this state;



(4) Dairy farms are an integral part of the state's rural communities;

(5) Dairy farms preserve land for agricultural purposes and provide needed economic stimuli for rural communities;

(6) Assurance of a fair and equitable price for dairy farmers ensures their ability to provide milk to the market and the vitality of the state's dairy industry and all the associated benefits of the industry;

(7) Recent, dramatic price fluctuations, with a pronounced downward trend, threaten the viability and stability of the dairy industry of this state; and

(8) The federal order system, implemented by the Agricultural Marketing Agreement Act of 1937, established only minimum prices paid to producers for raw milk, without preempting the power of the state to regulate milk prices above the minimum levels so established.

(b) The purposes of this subchapter are to:

(1) Take all necessary steps to assure the continued viability of dairy farming in the state;

(2) Assure consumers of an adequate, local supply of pure and wholesome milk;

(3) Affirm that the authority of the General Assembly to regulate the price that Arkansas farmers receive for their product is essential to the public interest;

(4) Neither displace the federal order system nor encourage the merging of federal orders;

(5) Establish equitable pricing for Arkansas-produced milk; and

(6) Encourage increased production to meet the state's need for quality milk.

2-32-303. Establishing equitable dairy pricing.

(a) The Arkansas Milk Stabilization Act is created to exercise the state's right under the Federal Milk Marketing Order to institute a state-regulated milk pricing plan for milk produced in this state.

(b) For a dairy cooperative that transports milk from farm to processor and distributes milk-sales dollars back to the dairy farmer and any other entity that markets milk directly from a dairy farmer:

(1) All milk produced under Grade A regulations and that meets

1 the processor's requirements for Class 1 Milk shall be priced in the Class 1
2 Value for milk as stated by the Federal Milk Market administrator on January
3 1, 2007, for orders that affect Arkansas produced milk; and

4 (2)(A) Handler costs shall be no more than thirty-five cents
5 (35¢) per hundredweight excluding transportation costs.

6 (B) Transportation costs paid by an Arkansas dairy farmer
7 shall be limited to usual and customary costs of transporting Arkansas milk
8 to processors in this state.

9
10 2-32-304. Arkansas Livestock and Poultry Commission – Rules.

11 The Arkansas Milk Stabilization Act shall be under the jurisdiction and
12 administration of the Arkansas Livestock and Poultry Commission.

13
14 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
15 General Assembly of the State of Arkansas that a current shortage of Arkansas
16 produced milk currently exists; that Arkansas Dairy Farmers are facing an
17 enormous financial burden; and that this act is immediately necessary because
18 Arkansas dairy farmers face immediate dangers of irreparable harm to the
19 survival of their businesses. Therefore, an emergency is declared to exist
20 and this act being necessary for the preservation of the public peace,
21 health, and safety shall become effective on:

22 (1) The date of its approval by the Governor;

23 (2) If the bill is neither approved nor vetoed by the Governor,
24 the expiration of the period of time during which the Governor may veto the
25 bill; or

26 (3) If the bill is vetoed by the Governor and the veto is
27 overridden, the date the last house overrides the veto.