

109TH CONGRESS
1ST SESSION

H. R. 4015

To ensure regulatory equity between and among all dairy farmers and handlers for sales of packaged fluid milk in federally regulated milk marketing areas and into certain non-federally regulated milk marketing areas from federally regulated areas, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 7, 2005

Mr. NUNES (for himself, Mr. DOOLITTLE, Mr. POMBO, Mr. BOEHNER, Mr. RENZI, Mr. PORTER, Mr. FRANKS of Arizona, Mr. HERGER, Mr. GIBBONS, Mr. HAYWORTH, Mr. THOMAS, Mr. BACA, Mr. CARDOZA, Mr. COSTA, Mr. DANIEL E. LUNGREN of California, Mr. FILNER, Mr. FARR, Ms. WOOLSEY, Ms. ZOE LOFGREN of California, Ms. HARMAN, Mrs. NAPOLITANO, Mr. DUNCAN, Mr. HOLDEN, Mr. SESSIONS, Mr. THOMPSON of California, Ms. BERKLEY, Mr. PASTOR, and Ms. MATSUI) introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To ensure regulatory equity between and among all dairy farmers and handlers for sales of packaged fluid milk in federally regulated milk marketing areas and into certain non-federally regulated milk marketing areas from federally regulated areas, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Milk Regulatory Eq-
3 uity Act of 2005”.

4 **SEC. 2. MILK REGULATORY EQUITY.**

5 (a) **MINIMUM MILK PRICES FOR HANDLERS; EXEMP-**
6 **TION.**—Section 8c(5) of the Agricultural Adjustment Act
7 (7 U.S.C. 608c(5)), reenacted with amendments by the
8 Agricultural Marketing Agreement Act of 1937, is amend-
9 ed by adding at the end the following new subparagraphs:

10 “(M) **MINIMUM MILK PRICES FOR HANDLERS.**—

11 “(i) **APPLICATION OF MINIMUM PRICE RE-**
12 **QUIREMENTS.**—Notwithstanding any other provision
13 of this section, a milk handler described in clause
14 (ii) shall be subject to all of the minimum and uni-
15 form price requirements of a Federal milk marketing
16 order issued pursuant to this section applicable to
17 the county in which the plant of the handler is lo-
18 cated, at Federal order class prices, if the handler
19 has packaged fluid milk product route dispositions,
20 or sales of packaged fluid milk products to other
21 plants, in a marketing area located in a State that
22 requires handlers to pay minimum prices for raw
23 milk purchases.

24 “(ii) **COVERED MILK HANDLERS.**—Except as
25 provided in clause (iv), clause (i) applies to a han-

1 dler of Class I milk products (including a producer-
2 handler or producer operating as a handler) that—

3 “(I) operates a plant that is located within
4 the boundaries of a Federal order milk mar-
5 keting area (as those boundaries are in effect as
6 of the date of the enactment of this subpara-
7 graph);

8 “(II) has packaged fluid milk product
9 route dispositions, or sales of packaged fluid
10 milk products to other plants, in a milk mar-
11 keting area located in a State that requires
12 handlers to pay minimum prices for raw milk
13 purchases; and

14 “(III) is not otherwise obligated by a Fed-
15 eral milk marketing order, or a regulated milk
16 pricing plan operated by a State, to pay min-
17 imum class prices for the raw milk that is used
18 for such dispositions or sales.

19 “(iii) OBLIGATION TO PAY MINIMUM CLASS
20 PRICES.—For purposes of clause (ii)(III), the Sec-
21 retary may not consider a handler of Class I milk
22 products to be obligated by a Federal milk mar-
23 keting order to pay minimum class prices for raw
24 milk unless the handler operates the plant as a fully

1 regulated fluid milk distributing plant under a Fed-
2 eral milk marketing order.

3 “(iv) CERTAIN HANDLERS EXEMPTED.—Clause
4 (i) does not apply to—

5 “(I) a handler (otherwise described in
6 clause (ii)) that operates a nonpool plant (as
7 defined in section 1000.8(e) of title 7, Code of
8 Federal Regulations, as in effect on the date of
9 the enactment of this subparagraph);

10 “(II) a producer-handler (otherwise de-
11 scribed in clause (ii)) for any month during
12 which the producer-handler has route disposi-
13 tions, and sales to other plants, of packaged
14 fluid milk products equaling less than
15 3,000,000 pounds of milk; or

16 “(III) a handler (otherwise described in
17 clause (ii)) for any month during which—

18 “(aa) less than 25 percent of the total
19 quantity of fluid milk products physically
20 received at the plant of the handler (ex-
21 cluding concentrated milk received from
22 another plant by agreement for other than
23 Class I use) is disposed of as route disposi-
24 tion or is transferred in the form of pack-
25 aged fluid milk products to other plants; or

1 “(bb) less than 25 percent in aggre-
2 gate of the route disposition or transfers
3 are in a marketing area or areas located in
4 one or more States that require handlers
5 to pay minimum prices for raw milk pur-
6 chases.

7 “(N) EXEMPTION FOR CERTAIN MILK HANDLERS.—
8 Notwithstanding any other provision of this section, no
9 handler with distribution of Class I milk products in the
10 marketing area described in Order No. 131 shall be ex-
11 empt during any month from any minimum price require-
12 ment established by the Secretary under this subsection
13 if the total distribution of Class I products during the pre-
14 ceding month of any such handler’s own farm production
15 exceeds 3,000,000 pounds.”.

16 (b) EXCLUSION OF NEVADA FROM FEDERAL MILK
17 MARKETING ORDERS.—Section 8c(11) of the Agriculture
18 Adjustment Act (7 U.S.C. 608c(11)), reenacted with
19 amendments by the Agriculture Marketing Agreement Act
20 of 1937, is amended—

21 (1) in subparagraph (C), by striking the last
22 sentence; and

23 (2) by adding at the end the following new sub-
24 paragraph:

1 “(D) In the case of milk and its products, no county
2 or other political subdivision of the State of Nevada shall
3 be within the marketing area definition of any order issued
4 under this section.”.

5 (c) RECORDS AND FACILITY REQUIREMENTS.—Not-
6 withstanding any other provision of this section, or the
7 amendments made by this section, a milk handler (includ-
8 ing a producer-handler or a producer operating as a han-
9 dler) that is subject to regulation under this section or
10 an amendment made by this section shall comply with the
11 requirements of section 1000.27 of title 7, Code of Federal
12 Regulations, or a successor regulation, relating to handler
13 responsibility for records or facilities.

14 (d) EFFECTIVE DATE AND IMPLEMENTATION.—The
15 amendments made by this section take effect on the first
16 day of the first month beginning more than 15 days after
17 the date of the enactment of this Act. To accomplish the
18 expedited implementation of these amendments, effective
19 on the date of the enactment of this Act, the Secretary
20 of Agriculture shall include in the pool distributing plant
21 provisions of each Federal milk marketing order issued
22 under subparagraph (B) of section 8c(5) of the Agri-
23 culture Adjustment Act (7 U.S.C. 608c(5)), reenacted
24 with amendments by the Agriculture Marketing Agree-
25 ment Act of 1937, a provision that a handler described

1 in subparagraph (M) of such section, as added by sub-
2 section (a) of this section, will be fully regulated by the
3 order in which the handler's distributing plant is located.
4 These amendments shall not be subject to a referendum
5 under section 8c(19) of such Act (7 U.S.C. 608c(19)).

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