

2018 Regular Session

SENATE BILL NO. 560 (Substitute of Senate Bill No. 434 by Senator Mizell)

BY SENATOR MIZELL

DAIRY INDUSTRY. Creates the Dairy Stabilization Study Committee. (8/1/18)

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AN ACT

To enact Part III of Chapter 2 of Title 24 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 24:121, relative to the dairy industry; to create the Dairy Stabilization Study Commission; to provide for the membership of the commission; to provide for the duties of the commission; to provide relative to meetings and per diem; to authorize public hearings; to provide relative to public entity records, data, and information; to require a committee report; to provide for termination of the commission; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. Part III of Chapter 2 of Title 24 of the Louisiana Revised Statutes of 1950, comprised of R.S. 24:121, is hereby enacted to read as follows:

PART III. DAIRY STABILIZATION STUDY COMMISSION

§121. Dairy Stabilization Study Commission; creation; purpose; membership; duties; reporting; termination

A.(1) The legislature finds that the decline of the dairy industry in Louisiana has reached a tragic level, which is a matter of great importance to the state's health and welfare.

1 (2) The legislature further finds that the dairy industry is an essential
2 agricultural activity in Louisiana and dairy farmers, processors, distributors,
3 retailers, and consumers are an integral component of the state's economy.

4 (3) The legislature further finds that consumers should be protected
5 against inadequate supplies of milk and dairy products and against excessive
6 prices for milk and dairy products.

7 (4) The legislature further finds that it is in the best interest of the state's
8 dairy industry and the dairy consumers in the state to create a commission to
9 study and review the Dairy Stabilization Law (R.S. 3:4101 et seq.).

10 B. There is hereby created the Dairy Stabilization Study Commission,
11 referred to in this Part as the "commission", for the purposes of studying and
12 reviewing milk pricing in Louisiana, recommending best practices and
13 strategies to best assist the dairy industry, and recommending any necessary
14 statutory and regulatory changes to the legislature and the Department of
15 Agriculture and Forestry related to the study.

16 C. The membership of the commission shall be comprised of twenty-one
17 members as follows:

18 (1) The commissioner of agriculture or his designee.

19 (2) Three dairy farmers appointed by the Louisiana Farm Bureau
20 Federation, Inc.

21 (3) A dairy processor appointed by the Louisiana Dairy Products
22 Association.

23 (4) A dairy distributor appointed by the Louisiana Retailers Association.

24 (5) The president of the Senate or his designee.

25 (6) The speaker of the House of Representatives or his designee.

26 (7) The chairman of the House Committee on Agriculture, Forestry,
27 Aquaculture and Rural Development or his designee.

28 (8) The chairman of the Senate Committee on Agriculture, Forestry,
29 Aquaculture and Rural Development or his designee.

1 **(9) Two economists from a public postsecondary four-year institution**
2 **appointed by the commissioner of higher education.**

3 **(10) An agriculture economist appointed by the chancellor of the**
4 **Louisiana State University Agricultural Center.**

5 **(11) An agriculture economist appointed by the chancellor of the**
6 **Southern University Agricultural Research and Extension Center.**

7 **(12) A consumer advocate appointed by the president of the Senate.**

8 **(13) A consumer advocate appointed by the speaker of the House of**
9 **Representatives.**

10 **(14) One member appointed by the Public Affairs Research Council of**
11 **Louisiana.**

12 **(15) One member appointed by the Louisiana Association of Business**
13 **and Industry.**

14 **(16) One member appointed by the Louisiana chapter of the National**
15 **Federation of Independent Business.**

16 **(17) An independent dairy processor appointed by the commissioner of**
17 **agriculture.**

18 **(18) The United States Department of Agriculture Milk Market**
19 **Administrator representing the Southeast Marketing Area Federal Order No.**
20 **7 or his designee.**

21 **C. Legislative members of the commission shall receive the same per**
22 **diem and travel allowance for attending meetings of the commission as is**
23 **normally provided for meetings of legislative committees. Other members of the**
24 **commission shall serve without compensation.**

25 **D. The legislature shall provide the facilities needed by the commission**
26 **to accomplish its tasks and shall designate staff from the Senate Committee on**
27 **Agriculture, Forestry, Aquaculture and Rural Development and the House**
28 **Committee on Agriculture, Forestry, Aquaculture and Rural Development to**
29 **assist the commission in performing its duties and responsibilities.**

1 E. The chairman of the Senate Committee on Agriculture, Forestry,
2 Aquaculture and Rural Development and the chairman of the House Committee
3 on Agriculture, Forestry, Aquaculture and Rural Development shall serve as
4 cochairmen of the commission and shall convene the commission for its first
5 meeting by September 1, 2018. The commission shall meet upon the call of the
6 cochairmen as often as deemed necessary to carry out its duties. The
7 cochairmen shall establish a meeting schedule with a minimum of three
8 meetings and time line for completion of the commission's duties.

9 F. The commission may hold public hearings as part of its evaluation
10 process, and may appoint advisory groups to conduct studies, research, or
11 analyses, and make reports and recommendations with respect to a matter
12 within the jurisdiction of the commission. At least one member of the
13 commission shall serve on each advisory group.

14 G. The names of the persons who are to serve on the commission shall be
15 submitted to the president of the Senate and the speaker of the House of
16 Representatives on or before August 15, 2018.

17 H. The commission shall study and make recommendations on at least
18 the following:

19 (1) The retail price of milk and milk products in Louisiana, including an
20 analysis of how cost markups of milk and milk products at the retail level affect
21 the prices paid to milk processors, milk distributors, and dairy farmers.

22 (2) A comparison of other state programs which set minimum prices paid
23 to milk processors, milk distributors, and dairy farmers.

24 (3) A comparison of other state programs which regulate or establish
25 wholesale or retail prices of milk and milk products.

26 (4) An analysis on the effectiveness of the disruptive trade practices
27 provisions of the Dairy Stabilization Law (R.S. 3:4108) and rules adopted
28 pursuant thereto.

29 (5) An analysis of whether supply and demand forces influenced by

1 **federal and state dairy programs determine the price dairy farmers receive for**
2 **raw milk.**

3 **I. Except as provided in R.S. 3:4110, the commission shall be authorized**
4 **to request and receive such records, data, and information produced by any**
5 **public entity and such entity shall respond to the request in a timely manner.**

6 **J. The commission shall submit a written report of its findings and**
7 **recommendations to the president of the Senate, the speaker of the House of**
8 **Representatives, the Senate Committee on Agriculture, Forestry, Aquaculture**
9 **and Rural Development and the House Committee on Agriculture, Forestry,**
10 **Aquaculture and Rural Development not later than sixty days prior to the**
11 **convening of the 2019 Regular Session of the Legislature of Louisiana. Such**
12 **report also shall include recommendations for any changes to laws, rules,**
13 **regulations, or guidelines that the commission deems necessary in order to**
14 **strengthen the dairy industry in Louisiana and protect consumers against**
15 **excessive prices for milk and dairy products.**

16 **K. The commission shall terminate on June 30, 2019.**

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Curry Lann.

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Proposed law creates the Dairy Stabilization Study Commission for the purposes of studying and reviewing milk pricing in Louisiana, recommending best practices and strategies to best assist the dairy industry, and recommending any necessary statutory and regulatory changes to the legislature and the Department of Agriculture and Forestry related to the study.

Proposed law provides for the membership of the commission, comprised of 21 members, as follows:

- (1) The commissioner of agriculture or his designee.
- (2) Three dairy farmers appointed by the Louisiana Farm Bureau Federation, Inc.
- (3) A dairy processor appointed by the Louisiana Dairy Products Association.
- (4) A dairy distributor appointed by the Louisiana Retailers Association.
- (5) The president of the Senate or his designee.
- (6) The speaker of the House of Representatives or his designee.

- (7) The chairman of the House Committee on Agriculture, Forestry, Aquaculture and Rural Development or his designee.
- (8) The chairman of the Senate Committee on Agriculture, Forestry, Aquaculture and Rural Development or his designee.
- (9) Two economists from a public postsecondary four-year institution appointed by the commissioner of higher education.
- (10) An agriculture economist appointed by the chancellor of the LSU AgCenter.
- (11) An agriculture economist appointed by the chancellor of the Southern AgCenter.
- (12) A consumer advocate appointed by the president of the Senate.
- (13) A consumer advocate appointed by the speaker of the House of Representatives.
- (14) One member appointed by the Public Affairs Research Council of Louisiana.
- (15) One member appointed by the Louisiana Association of Business and Industry.
- (16) One member appointed by the Louisiana chapter of the National Federation of Independent Business.
- (17) An independent dairy processor appointed by the commissioner of agriculture.
- (18) The USDA Milk Market Administrator representing the Southeast Marketing Area Federal Order No. 7 or his designee.

Proposed law authorizes legislative members of the commission to receive the same per diem and travel allowance for attending meetings of the commission as is normally provided for meetings of legislative committees. Proposed law requires other members of the commission to serve without compensation.

Proposed law requires the legislature to provide the facilities needed by the commission to accomplish its tasks and designates staff from the Senate Committee on Agriculture, Forestry, Aquaculture and Rural Development and the House Committee on Agriculture, Forestry, Aquaculture and Rural Development to assist the commission in performing its duties and responsibilities.

Proposed law requires the chairman of the Senate Committee on Agriculture, Forestry, Aquaculture and Rural Development and the chairman of the House Committee on Agriculture, Forestry, Aquaculture and Rural Development to serve as cochairmen of the commission and convene the commission for its first meeting by September 1, 2018.

Proposed law requires the commission to meet upon the call of the cochairmen as often as deemed necessary to carry out its duties. Proposed law requires the cochairmen to establish a meeting schedule with a minimum of three meetings and time line for completion of the commission's duties.

Proposed law authorizes the commission to hold public hearings as part of its evaluation process, and to appoint advisory groups to conduct studies, research or analyses, and make reports and recommendations with respect to a matter within the jurisdiction of the commission. Proposed law requires at least one member of the commission to serve on each advisory group.

Proposed law requires the names of the persons who are to serve on the commission to be submitted to the president of the Senate and the speaker of the House of Representatives on

or before August 15, 2018.

Proposed law requires the commission to study and make recommendations on at least the following:

- (1) The retail price of milk and milk products in Louisiana, including an analysis of how cost markups of milk and milk products at the retail level affect the prices paid to milk processors, milk distributors, and dairy farmers.
- (2) A comparison of other state programs which set minimum prices paid to milk processors, milk distributors, and dairy farmers.
- (3) A comparison of other state programs which regulate or establish wholesale or retail prices of milk and milk products.
- (4) An analysis on the effectiveness of the disruptive trade practices provisions of the Dairy Stabilization Law (R.S. 3:4108) and rules adopted pursuant thereto.
- (5) An analysis of whether supply and demand forces influenced by federal and state dairy programs determine the price dairy farmers receive for raw milk.

Proposed law requires the commission to submit a written report of its findings and recommendations to the president of the Senate, the speaker of the House of Representatives, the Senate Committee on Agriculture, Forestry, Aquaculture and Rural Development and the House Committee on Agriculture, Forestry, Aquaculture and Rural Development no later than 60 days prior to the 2019 Regular Session.

Proposed law authorizes the commission to request and receive such records, data, and information produced by any public entity unless otherwise prohibited by present law and requires the public entity to respond to the request in a timely manner.

Proposed law terminates the commission on June 30, 2019.

Effective August 1, 2018.

(Adds R.S. 24:121)