

108TH CONGRESS  
1ST SESSION

# H. R. 1650

To ensure regulatory equity between and among all dairy farmers and handlers, including producers also acting as handlers, for sales of packaged fluid milk into certain non-federally regulated milk marketing areas from federally regulated areas and to apply minimum milk price requirements to certain handlers of Class I milk products in the Arizona-Las Vegas marketing area under certain circumstances.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 7, 2003

Mr. NUNES introduced the following bill; which was referred to the Committee on Agriculture

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## A BILL

To ensure regulatory equity between and among all dairy farmers and handlers, including producers also acting as handlers, for sales of packaged fluid milk into certain non-federally regulated milk marketing areas from federally regulated areas and to apply minimum milk price requirements to certain handlers of Class I milk products in the Arizona-Las Vegas marketing area under certain circumstances.

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 2003”.

4 **SEC. 2. MINIMUM MILK PRICES FOR HANDLERS UNDER**  
5 **FEDERAL MILK MARKETING ORDERS.**

6 (a) APPLICATION OF MINIMUM PRICE REQUIRE-  
7 MENTS.—A milk handler described in subsection (b) shall  
8 be subject to all of the minimum and uniform price re-  
9 quirements of the Federal milk marketing order issued  
10 under section 8c(5) of the Agricultural Adjustment Act  
11 (7 U.S.C. 608c(5)), reenacted with amendments by the  
12 Agricultural Marketing Agreement Act of 1937, applicable  
13 to the county in which the plant of the handler is located,  
14 at Federal order class prices, if the handler has packaged  
15 fluid milk product route dispositions, or sales of packaged  
16 fluid milk products to other plants, in a marketing area  
17 located in a State that requires handlers to pay minimum  
18 prices for raw milk purchases.

19 (b) COVERED MILK HANDLERS.—Except as provided  
20 in subsection (c), subsection (a) applies to a handler of  
21 Class I milk products (including a producer-handler or  
22 producer operating as a handler)—

23 (1) whose plant is located within the boundaries  
24 of a Federal order milk marketing area (as those  
25 boundaries are in effect as of the date of the enact-  
26 ment of this Act);

1           (2) that has packaged fluid milk product route  
2           dispositions, or sales of packaged fluid milk products  
3           to other plants, in a milk marketing area located in  
4           a State that requires handlers to pay minimum  
5           prices for raw milk purchases; and

6           (3) that is not otherwise obligated by a Federal  
7           milk marketing order, or a regulated milk pricing  
8           plan operated by a State, to pay minimum class  
9           prices for the raw milk represented by those milk  
10          dispositions or sales.

11          (c) CERTAIN HANDLERS EXEMPTED.—Subsection  
12 (a) does not apply—

13           (1) to a handler (otherwise described in sub-  
14           section (b)) that operates an exempt plant, as de-  
15           fined in section 1000.8(e) of title 7, Code of Federal  
16           Regulations (as in effect on the date of the enact-  
17           ment of this Act); or

18           (2) a producer-handler (otherwise described in  
19           subsection (b)) for any month during which the pro-  
20           ducer-handler has route dispositions, and sales to  
21           other plants, of packaged fluid milk products equal-  
22           ing less than 6,000,000 pounds of milk.

23          (d) EFFECTIVE DATE AND IMPLEMENTATION.—Sub-  
24          section (a) shall take effect on the first day of the first  
25          month beginning more than 15 days after the date of the

1 enactment of this Act. To accomplish this expedited imple-  
2 mentation schedule, effective on the date of the enactment  
3 of this Act, the Secretary of Agriculture shall include in  
4 the pool distributing plant provision of each Federal milk  
5 marketing order issued under section 8c(5)(B) of the Agri-  
6 cultural Adjustment Act (7 U.S.C. 608c(5)(B)), reenacted  
7 with amendments by the Agricultural Marketing Agree-  
8 ment of 1937, language to ensure that a handler described  
9 in subsection (b) will be fully regulated by the order in  
10 which the handler's distributing plant is located. Inclusion  
11 of this language into Federal milk marketing orders shall  
12 not be subjected to a referendum under section 8c(19) of  
13 the Agricultural Adjustment Act (7 U.S.C. 608c(19)), re-  
14 enacted with amendments by the Agricultural Marketing  
15 Agreement Act of 1937.

16 **SEC. 3. EXEMPTION OF MILK HANDLERS FROM MINIMUM**  
17 **PRICE REQUIREMENTS.**

18 Section 8c(5) of the Agricultural Adjustment Act (7  
19 U.S.C. 608c(5)), reenacted with amendments by the Agri-  
20 cultural Marketing Agreement Act of 1937, is amended  
21 by adding at the end the following:

22 “(M) EXEMPTION OF MILK HANDLERS  
23 FROM MINIMUM PRICE REQUIREMENTS.—Not-  
24 withstanding any other provision of this sub-  
25 section, no handler with distribution of Class I

1 milk products in the Arizona-Las Vegas mar-  
2 keting area (Order No. 131) shall be exempt  
3 during any month from any minimum milk  
4 price requirement established by the Secretary  
5 under this subsection if the total distribution of  
6 Class I products within the Arizona-Las Vegas  
7 marketing area of any such handler's own farm  
8 production exceeds 6,000,000 pounds.”.

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