

Further amend the bill by striking out everything after the enacting clause and before the emergency clause and inserting in its place the following:

'**Sec. 1. 7 MRSA §436**, as amended by PL 1999, c. 563, §1, is further amended to read:

§436. Grants for technical assistance and research

The commissioner may use all or a portion of the accrued interest in the cash balance of the Agricultural Marketing Loan Fund and ~~interest all or a portion of loan repayments, up to a maximum of \$250,000 per year,~~ for grants for technical assistance and the agricultural development grant program in chapter 10. The commissioner may expend grant dollars designated to an applicant in one fiscal year during the following fiscal year.

Sec. 2. 7 MRSA §3153-A is enacted to read:

§3153-A. Dairy stabilization subsidy

If the base price of milk falls below \$16.94 per hundredweight in any month beginning September 1, 2003 and ending December 31, 2003, the administrator of the Maine Milk Pool shall distribute to Maine milk producers on a per hundredweight basis 55% of the difference between \$16.94 per hundredweight and the base price of milk per hundredweight. The amount distributed for milk produced during the period between September 1, 2003 and December 31, 2003 may not exceed \$3,000,000. The Governor shall provide these funds to the Maine milk pool administrator for distribution to Maine milk producers, as provided for in this section, during the months of October 2003 to January 2004. The base price of milk is the Suffolk County, Massachusetts Class I price of milk as determined for each month by the Northeast Market Administrator of the United States Department of Agriculture. The Governor shall seek a General Fund appropriation during the Second Regular Session of the 121st Legislature if needed for the purposes of this section.

Sec. 3. 10 MRSA §1023-J, as amended by PL 2001, c. 471, Pt. A, §12, is further amended to read:

§1023-J. Agricultural Marketing Loan Fund

The Agricultural Marketing Loan Fund, referred to in this section as the "fund," is created. The fund must be deposited with and maintained by the Finance Authority of Maine. The fund must be administered by the Commissioner of Agriculture, Food and Rural Resources in accordance with Title 7, chapter 101,

subchapter ~~I-D~~ 1-D. All money received by the Finance Authority of Maine from any source for the development and implementation of an improved agricultural marketing loan program must be credited to the fund. Any money credited to the fund from the issuance of bonds on behalf of the State for financing loans for agricultural enterprises may be used only for the following purposes: to provide assistance to agricultural enterprises in this State for the design, construction or improvement of commodity and storage buildings and packing and marketing facilities; for the purchase, construction or renovation of buildings, equipment, docks, wharves, piers or vessels used in connection with a commercial agricultural enterprise; for the purchase of land in connection with development of new cranberry acreage; for the purchase of land for irrigation reservoirs or to provide direct access to water for irrigation; for the purchase of land necessary for the start-up of a new agricultural enterprise; for the expansion of an existing agricultural enterprise when the land acquisition is necessary to comply with land use regulations; ~~or~~ for the development of a business plan in accordance with the provisions of Title 7, section 436-A; or, if the commissioner so approves at the time of loan insurance commitment, to pledge money in the fund as security for, and to apply money in the fund to, payment of principal, interest and other amounts due on any term loans insured by the Finance Authority of Maine to an eligible dairy farmer. Repayment of these loans and interest on these loans must be credited to the fund and ~~must be available for making additional loans for the same purposes, except that interest may be used for the purposes stated in this section or~~ Title 7, section 436. Interest earned on money in the fund and interest earned on loans made from the fund may be used to pay the administrative costs of processing loan applications, to the extent that these costs exceed the fee for administrative costs established by Title 7, section 435, subsection 4.

A purchaser of a modern storage facility that was previously financed with a state loan from the Potato Marketing Improvement Fund may receive a loan from the Agricultural Marketing Loan Fund, but not for the same project financed by the Potato Marketing Improvement Fund. Mortgages obtained from the fund may be assumed by subsequent purchasers of the property.

In order to provide monetary support for Maine milk producers, the Commissioner of Agriculture, Food and Rural Resources may take actions and direct the Finance Authority of Maine to take actions to provide support including entering into agreements as may be necessary to sell, assign or otherwise pledge amounts in the aggregate principal amount of loans and undivided interests in a pool of loans, and assign or pledge any cash balances in the fund, mortgages or other security to provide assurance that

amounts provided as monetary support by the commissioner to milk producers are returned to their original source.

Sec. 4. Transfer of funds. Notwithstanding any other provision of law, the State Controller shall transfer \$10,000 from the Division of Quality Assurance and Regulation, Other Special Revenue Funds account in the Department of Agriculture, Food and Rural Resources to the Maine Milk Commission, Other Special Revenue Funds account, appropriation unit 22, in the Department of Agriculture, Food and Rural Resources no later than June 30, 2003.

Sec. 5. Transfer of funds. Notwithstanding any other provision of law, the State Controller shall transfer \$15,000 from the Division of Animal Health and Industry, Other Special Revenue Funds account in the Department of Agriculture, Food and Rural Resources to the Maine Milk Commission, Other Special Revenue Funds account, appropriation unit 22, in the Department of Agriculture, Food and Rural Resources no later than June 30, 2003.

Sec. 6. Transfer of funds. Notwithstanding any other provision of law, the State Controller shall transfer \$11,913 from the Maine Milk Commission, Other Special Revenue Funds account, appropriation unit 01, in the Department of Agriculture, Food and Rural Resources to the Maine Milk Commission, Other Special Revenue Funds account, appropriation unit 22, in the Department of Agriculture, Food and Rural Resources no later than June 30, 2003.

Sec. 7. Prices established by Maine Milk Commission. In establishing and changing minimum wholesale prices paid to milk producers under the Maine Revised Statutes, Title 7, chapter 603, the Maine Milk Commission may not reduce the minimum wholesale prices paid to producers based on subsidy payments made in accordance with Title 7, section 3153-A.

Sec. 8. Authority to allocate funds. Notwithstanding the Maine Revised Statutes, Title 7, section 436 or any other provision of law to the contrary, the Commissioner of Agriculture, Food and Rural Resources may allocate funds available for grants under Title 7, section 436 to the Maine Milk Commission for distribution to Maine milk producers no later than September 30, 2003.

Sec. 9. Appropriations and allocations. The following appropriations and allocations are made.

AGRICULTURE, FOOD AND RURAL RESOURCES,

DEPARTMENT OF 01A

Division of Quality Assurance and Regulation 010 01A 0393 01

Initiative: Deappropriates funds from salary savings and a reduction in operations. The funds will be reappropriated to the Maine Milk Commission for transfer to the Maine Milk Pool to aid the dairy industry.

General Fund	2002-03	2003-04	2004-05
Personal Services	(\$282,702)	\$0	\$0
All Other	(5,000)	0	0
General Fund Total	<u>(\$287,702)</u>	<u>\$0</u>	<u>\$0</u>

Division of Animal Health and Industry 010 01A 0394 01

Initiative: Deappropriates funds from salary savings and a reduction in operations. The funds will be reappropriated to the Maine Milk Commission for transfer to the Maine Milk Pool to aid the dairy industry.

General Fund	2002-03	2003-04	2004-05
Personal Services	(\$76,749)	\$0	\$0
All Other	(2,816)	0	0
General Fund Total	<u>(\$79,565)</u>	<u>\$0</u>	<u>\$0</u>

Office of Agricultural, Natural and Rural Resources 010 01A 0830 01

Initiative: Deappropriates funds from salary savings and a reduction in operations. The funds will be reappropriated to the Maine Milk Commission for transfer to the Maine Milk Pool to aid the dairy industry.

General Fund	2002-03	2003-04	2004-05
Personal Services	(\$20,000)	\$0	\$0
All Other	(8,360)	0	0
General Fund Total	<u>(\$28,360)</u>	<u>\$0</u>	<u>\$0</u>

Division of Market and Production Development 010 01A 0833 01

Initiative: Deappropriates funds from salary savings and a reduction in operations. The funds will be reappropriated to the

Maine Milk Commission for transfer to the Maine Milk Pool to aid the dairy industry.

General Fund	2002-03	2003-04	2004-05
Personal Services	(\$14,162)	\$0	\$0
General Fund Total	<u>(\$14,162)</u>	<u>\$0</u>	<u>\$0</u>

Harness Racing Commission 010 01A 0320 01

Initiative: Deappropriates funds from a reduction in operations. The funds will be reappropriated to the Maine Milk Commission for transfer to the Maine Milk Pool to aid the dairy industry.

General Fund	2002-03	2003-04	2004-05
All Other	(\$48,000)	\$0	\$0
General Fund Total	<u>(\$48,000)</u>	<u>\$0</u>	<u>\$0</u>

Office of the Commissioner 010 01A 0401 01

Initiative: Deappropriates funds from a reduction in operations. The funds will be reappropriated to the Maine Milk Commission for transfer to the Maine Milk Pool to aid the dairy industry.

General Fund	2002-03	2003-04	2004-05
All Other	(\$698)	\$0	\$0
General Fund Total	<u>(\$698)</u>	<u>\$0</u>	<u>\$0</u>

Division of Plant Industry 010 01A 0831 01

Initiative: Deappropriates funds from a reduction in operations. The funds will be reappropriated to the Maine Milk Commission for transfer to the Maine Milk Pool to aid the dairy industry.

General Fund	2002-03	2003-04	2004-05
All Other	(\$4,600)	\$0	\$0
General Fund Total	<u>(\$4,600)</u>	<u>\$0</u>	<u>\$0</u>

Maine Milk Commission 014 01A 0188 01

Initiative: Provides for a one-time appropriation of funds to be transferred to the Maine Milk Pool.

General Fund	2002-03	2003-04	2004-05
All Other	\$463,087	\$0	\$0
General Fund Total	<u>\$463,087</u>	<u>\$0</u>	<u>\$0</u>

General Fund Total \$463,087 \$0 \$0

Initiative: Provides for the allocation of funds to the Maine Milk Commission's Milk Pool account to carry out the provisions of this Act. The funds must be distributed equitably no later than September 30, 2003 to all Maine dairy farmers in accordance with their production.

Other Special Revenue Funds	2002-03	2003-04	2004-05
All Other	\$1,400,000	\$1,800,000	\$0
Other Special			
Revenue Funds Total	<u>\$1,400,000</u>	<u>\$1,800,000</u>	<u>\$0</u>

Maine Milk Commission 014 01A 0188 01

Initiative: Provides for the allocation of funds to the Maine Milk Commission's Milk Pool account, created in the Maine Revised Statutes, Title 7, section 3153, to be distributed to Maine dairy farmers pursuant to Title 7, section 3153-A.

Other Special Revenue Funds	2002-03	2003-04	2004-05
All Other	\$0	\$3,000,000	\$0
Other Special			
Revenue Funds Total	<u>\$0</u>	<u>\$3,000,000</u>	<u>\$0</u>

AGRICULTURE, FOOD AND RURAL

RESOURCES, DEPARTMENT OF 01A	2002-03	2003-04	2004-05
GENERAL FUND	\$0	\$0	\$0
OTHER SPECIAL			
REVENUE FUNDS	\$1,400,000	\$4,800,000	\$0
DEPARTMENT TOTAL -	<u> </u>	<u> </u>	<u> </u>
ALL FUNDS	\$1,400,000	\$4,800,000	\$0'

SUMMARY

This amendment allows the Commissioner of Agriculture, Food and Rural Resources to use the Agricultural Marketing Loan Fund to provide additional financial assistance to dairy farmers. It also transfers certain savings in other accounts within the department to the Maine Milk Commission for distribution to Maine milk producers.

This amendment also provides for direct subsidy payments to the State's dairy farmers through the Maine Milk Pool in the event that the base price for milk falls below \$16.94 in any of

the months from September 2003 to December 2003. In the absence of state or federal funds available for this purpose, the Governor is authorized to borrow up to \$2,000,000 for this purpose.

FISCAL NOTE REQUIRED
(See attached)