

4:12A-22.1 and 22.2

LEGISLATIVE HISTORY CHECKLIST

NJSA 4:12A-22.1 and 4:12A-22.2 (Milk prices--minimum marketing margin)

Laws of 1976 Chapter 105

Bill No. A1447

Sponsor(s) Burstein

Date Introduced February 9, 1976

Committee: Assembly Agriculture and Environment

Senate Labor, Industry & Professions

Amended during passage Yes ~~No~~ Amendments during passage denoted by asterisks.

Date of passage: Assembly May 24, 1976

Senate July 22, 1976

Date of approval October 18, 1976

Following statements are attached if available:

Sponsor statement Yes ~~No~~

Committee Statement: Assembly Yes ~~No~~

Senate Yes ~~No~~

Fiscal Note Yes ~~No~~

Veto message Yes ~~No~~

Message on signing Yes ~~No~~

Following were printed:

Reports Yes ~~No~~

Hearings Yes ~~No~~

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CHAPTER 105 LAWS OF N. J. 1976

APPROVED 10-18-76

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ASSEMBLY, No. 1447

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 9, 1976

By Assemblyman BURSTEIN

Referred to Committee on Agriculture and Environment

AN ACT concerning minimum milk prices to be charged the consumer and supplementing P. L. 1941, c. 274 (C. 4:12A-1 et seq.).

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. The provisions of section 21 and 22 of the act to which this act
2 is a supplement notwithstanding, the director's power to fix or
3 refix minimum prices to be charged the consumer for milk shall be
4 subject to the following:

5 a. In fixing or refixing the minimum price to be charged the con-
6 sumer, the director shall utilize a single minimum marketing
7 margin which will yield no more than a reasonable return for the
8 lowest cost, most efficient milk dealers and store outlets. This
9 minimum marketing margin shall represent the difference between
10 the minimum price for producer milk established under the
11 applicable Federal-State milk marketing orders (adjusted to 3.25%
12 butterfat content) and the minimum price established for milk sold
13 by stores to consumers. To provide assurance that low cost milk
14 will continue to be available to consumers throughout the State,
15 the director shall not increase the minimum marketing margin in
16 effect under Order 69-1 of the Division of Dairy Industry
17 (measured from the midpoint of the applicable Class I bracket)
18 unless the director shall find, after such notice and hearing as are
19 required by section 23 of the act to which this act is a supplement,
20 that the costs of processing, distributing and selling milk through
21 stores has increased above the average of such costs during the base
22 year of 1974. In making such determination of subsequent cost in-
23 creases, the director may utilize such economic formulas embody-
24 ing indices of cost and productivity as may be appropriate to
25 effectuate the provisions of this act and the act to which this act is
26 a supplement.

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill
is not enacted and is intended to be omitted in the law.**

27 b. Pursuant to the provisions of section 23 of the act to which
28 this act is a supplement, public hearings shall be held before the
29 adoption or amendment of any such economic formula. Such hear-
30 ings, however, shall not be required in order to implement changes
31 in the minimum marketing margin pursuant to said economic
32 formulas; provided, however, that any interested party who con-
33 tends that the application of a specific economic formula will result
34 in minimum milk prices charged the consumer in excess of that
35 price level required to yield no more than a reasonable return for
36 the lowest cost, most efficient milk dealers and store outlets shall
37 be given a reasonable opportunity to demonstrate such contention
38 at a public hearing.

1 **2. Nothing contained herein shall preclude the director from*
2 *establishing cost-justified lower minimum margins or differentials*
3 *with respect to any particular size or type of container.**

1 ***[2.]*** **3.** This act shall take effect immediately.

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STATE OF NEW JERSEY

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AN ACT concerning minimum milk prices to be charged the consumer and supplementing P. L. 1941, c. 274 (C. 4:12A-1 et seq.).

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34 in minimum milk prices charged the consumer in excess of that
35 price level required to yield no more than a reasonable return for
36 the lowest cost, most efficient milk dealers and store outlets shall
37 be given a reasonable opportunity to demonstrate such contention
38 at a public hearing.

1 2. This act shall take effect immediately.

STATEMENT

The purpose of this bill is to institute limitations upon the fixing or refixing of minimum milk prices to be charged the consumer. This would be done by providing that the Director of the Division of Dairy Industry utilize a minimum marketing margin in fixing or refixing such prices. This margin would not be increased unless the director found, as a result of a public hearing, that the costs of processing, distributing and selling milk through stores had increased above the average of such costs during 1974, which would be used as a base year for these calculations. In this way, consideration of the lowest cost, most efficient methods of selling milk to consumers would be built into the minimum pricing structure. To insure this consideration, this bill further provides that any person who contends that minimum milk prices charged the consumer are in excess of that price level required to yield no more than a reasonable return for the lowest cost, most efficient milk dealers and store outlets would be provided an opportunity to demonstrate that contention at a public hearing.

ASSEMBLY AGRICULTURE AND ENVIRONMENT
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1447

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: MAY 3, 1976

This bill would institute limitations upon the fixing or refixing of minimum milk prices to be charged the consumer. This would be done by providing that the Director of the Division of Dairy Industry utilize a minimum marketing margin in fixing or refixing such prices. This margin would not be increased unless the director found, as a result of a public hearing, that the costs of processing, distributing and selling milk through stores had increased above the average of such costs during 1974, which would be used as a base year for these calculations. In this way, consideration of the lowest cost, most efficient methods of selling milk to consumers would be built into the minimum pricing structure. As amended by the Assembly Agriculture and Environment Committee, such consideration could include the establishment of a cost-justified lower minimum margin for a particular size or type of milk container.

This bill further provides that any person who contends that minimum milk prices charged the consumer are in excess of that price level required to yield no more than a reasonable return for the lowest cost, most efficient milk dealers and store outlets would be provided an opportunity to demonstrate that contention at a public hearing.