

1 STATE OF OKLAHOMA

2 2nd Session of the 52nd Legislature (2010)

3 HOUSE BILL 2821

By: Auffet

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5
6 AS INTRODUCED

7 An Act relating to agriculture; enacting the Dairy
8 Farmer Stabilization and Incentives Act; defining
9 terms; creating the Dairy Stabilization Grant;
10 directing how funds should be calculated for
11 recipients of the grant; limiting the dollar amount
12 of grants; authorizing incentive payments for
13 increased milk production and higher quality milk
14 production; limiting the amount of incentives to be
15 paid; providing for codification; and providing an
16 effective date.

17 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

18 SECTION 1. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 7-501 of Title 2, unless there
20 is created a duplication in numbering, reads as follows:

21 This act shall be known and may be cited as the "Dairy Farmer
22 Stabilization and Incentives Act".

23 SECTION 2. NEW LAW A new section of law to be codified
24 in the Oklahoma Statutes as Section 7-502 of Title 2, unless there
is created a duplication in numbering, reads as follows:

As used in the Dairy Farmer Stabilization and Incentives Act:

1 1. "Cooperative association" means any group in which farmers
2 or producers act together in the market preparation, processing, or
3 marketing of farm products or any association not having capital
4 stock or operated for a profit;

5 2. "Dairy farmer" means a person engaged in the business of
6 producing milk for sale to milk processors directly or through a
7 cooperative association of which the person is a member. When a
8 dairy farmer has sold milk through a cooperative association of
9 which the dairy farmer is a member, the cooperative association
10 shall be considered a dairy farmer;

11 3. "Milk processor" means a person who operates a milk, milk
12 products, or frozen desserts processing plant located in this state;
13 and

14 4. "Purchase price" means an amount of money, based on
15 estimated butterfat content and other common industry standards at
16 the time of delivery, that a milk processor agrees to pay a dairy
17 farmer for a purchase of raw milk.

18 SECTION 3. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 7-503 of Title 2, unless there
20 is created a duplication in numbering, reads as follows:

21 A. The Dairy Stabilization Grant is created:

22 1. If funds are available, each month the Oklahoma Department
23 of Agriculture, Food, and Forestry shall calculate the difference
24 between the average monthly purchase price of milk received by state

1 dairy farmers as estimated by the Department and seventy percent
2 (70%) of the average monthly cost of producing milk in Arkansas and
3 Kansas as estimated by the United States Department of Agriculture;

4 2. If the average monthly purchase price of milk received by
5 state dairy farmers is lower than seventy percent (70%) of the
6 calculated average cost of producing milk in Arkansas and Kansas,
7 the dairy farmer is eligible for a monthly Dairy Stabilization Grant
8 in the amount of the difference, which will be paid quarterly. The
9 Department shall pay the dairy farmer by the fifteenth day of the
10 month following the end of the quarter;

11 3. The Department shall not pay a dairy farmer more than Five
12 Dollars (\$5.00) per hundred weight of milk per month under paragraph
13 2 of this subsection.

14 B. Grants received by a dairy farmer under this section shall
15 not exceed an annual average of Two Dollars (\$2.00) per hundred
16 weight of milk.

17 C. Grants authorized by the Department shall be made to the
18 dairy farmer from funds appropriated by the Legislature for that
19 purpose.

20 SECTION 4. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 7-504 of Title 2, unless there
22 is created a duplication in numbering, reads as follows:

23 A. If funds are available, as an incentive to continue milk
24 production and to improve milk quality, the Oklahoma Department of

1 Agriculture, Food, and Forestry may pay a dairy farmer the following
2 incentive payments:

3 1. Fifty cents (\$0.50) per hundred weight of milk for each
4 hundred weight of milk produced above the dairy farmer's average
5 annual milk production. A dairy farmer's average annual milk
6 production shall be calculated over the two (2) years preceding the
7 year of disbursement; and

8 2. Fifty cents (\$0.50) per hundred weight of milk if the milk
9 contains less than four hundred thousand (400,000) somatic cell
10 count.

11 B. A dairy farmer that begins milk production after the
12 effective date of this act qualifies for payments under subsection A
13 of this section after the completion of one (1) continuous year of
14 milk production in the state.

15 C. Annual payments to a dairy farmer under this section shall
16 not exceed Fifty Thousand Dollars (\$50,000.00).

17 D. If funds are available, the Department shall pay the annual
18 production and quality incentive payments to the eligible dairy
19 farmers by January 15 of the following year.

20 SECTION 5. This act shall become effective November 1, 2010.

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