

AMENDED IN ASSEMBLY APRIL 9, 2015  
AMENDED IN ASSEMBLY MARCH 26, 2015  
CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 629**

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**Introduced by Assembly Member Perea**

February 24, 2015

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An act to amend Sections ~~62070 and 62071~~ of, and to add Section ~~62033 to~~, 62070, 62071, and 62075 of the Food and Agricultural Code, relating to market milk.

LEGISLATIVE COUNSEL'S DIGEST

AB 629, as amended, Perea. Market milk: stabilization and marketing ~~plans: federal milk marketing order.~~ *plans: minimum prices.*

Existing law authorizes the Secretary of Food and Agriculture to formulate stabilization and marketing plans that establish the prices to be paid by milk handlers for specified classes of market milk. Existing law provides that a stabilization and marketing plan may provide for, among other things, maximum charges for plant processing and transportation services, and minimum charges for the various services performed by a nonprofit cooperative association regarding class 1 market milk. Existing law authorizes the secretary to ~~amend or terminate any stabilization and marketing plan after notice and public hearing in accordance with specified requirements.~~ *establish separate prices for various components of market milk other than class 1 market milk.*

This bill would require the secretary to ~~terminate all stabilization and marketing plans without further action by the producers of market milk if the producers approve and adopt a federal milk marketing order by January 1, 2017.~~ *ensure that producers and handlers receive notice of*

*the monthly prices for the various components of market milk, as specified.* The bill would also make nonsubstantive changes to the provisions regarding maximum and minimum charges, including updating a cross-reference: *charges for services, as specified above.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     ~~SECTION 1.~~ Section 62033 is added to the Food and  
2 Agricultural Code, to read:

3     ~~62033.~~ Notwithstanding any other law, if the producers of  
4 market milk approve and adopt a federal milk marketing order by  
5 January 1, 2017, the secretary shall terminate all stabilization and  
6 marketing plans without further action by the producers, and the  
7 secretary shall proceed with an orderly transition to a federal milk  
8 marketing order in a manner that does not disrupt the market or  
9 payment to producers.

10    ~~SEC. 2.~~

11    ~~SECTION 1.~~ Section 62070 of the Food and Agricultural Code  
12 is amended to read:

13    ~~62070.~~ Each stabilization and marketing plan may further  
14 provide for maximum charges for plant processing and  
15 transportation service on the market milk or market milk  
16 components that are transported to the area where sold. The  
17 stabilization and marketing plan may enumerate the applicable  
18 maximum charges, and may establish individual charges for each  
19 function enumerated. In establishing any maximum charges for  
20 transportation services, the secretary shall base the maximum  
21 charges upon the rates that are charged for actual or reasonably  
22 similar services by highway carriers, as the term “highway carriers”  
23 is defined in Section 737.3 of the Public Utilities Code.

24    ~~SEC. 3.~~

25    ~~SEC. 2.~~ Section 62071 of the Food and Agricultural Code is  
26 amended to read:

27    ~~62071.~~ Each stabilization and marketing plan may provide for  
28 minimum charges for the various services performed or rendered  
29 by a nonprofit cooperative association with respect to class 1  
30 market milk sold or delivered to another handler. Handler services  
31 include component testing for payment purposes, quality control,

1 producer payroll, and weighing and sampling of bulk market milk.  
2 Each stabilization and marketing plan may also include, but not  
3 be limited to, minimum charges for the handling of intermittent  
4 or irregular deliveries of market milk and plant standby services.  
5 The stabilization and marketing plan may enumerate applicable  
6 minimum charges and establish individual charges for each service  
7 enumerated or, in the alternative, the secretary may establish one  
8 or more minimum charges covering one or more of the separate  
9 handler services.

10 *SEC. 3. Section 62075 of the Food and Agricultural Code is*  
11 *amended to read:*

12 62075. (a) ~~The director~~ *secretary* shall establish the minimum  
13 prices to be paid by handlers to producers for class-~~I~~ *I* usage of  
14 market milk upon a milk fat, solids-not-fat or the subcomponents  
15 thereof, and fluid carrier basis. In establishing the minimum prices  
16 for classes of market milk other than class-~~I~~ *I*, separate prices may  
17 be established for any one or more of the following:

18 ~~(a)~~

19 (1) The milk fat contained in ~~such~~ *the* milk.

20 ~~(b)~~

21 (2) The solids-not-fat or subcomponents thereof contained in  
22 ~~such~~ *the* milk.

23 ~~(c)~~

24 (3) The fluid contained in ~~such~~ *the* milk.

25 ~~(d)~~

26 (4) Any combination of the milk fat, the solids-not-fat or  
27 subcomponents thereof, or the fluid contained in ~~such~~ *the* milk.

28 (b) *The secretary shall ensure that producers and handlers*  
29 *receive notice in writing, and by posting on the department's*  
30 *Internet Web site or by other means deemed appropriate by the*  
31 *secretary, of the monthly price of each component specified in*  
32 *subdivision (a).*