

**REVENUE: No revenue impact**

**FISCAL: No fiscal impact**

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<b>Action:</b>	Do Pass and Be Placed on the Consent Calendar
<b>Vote:</b>	9 - 0 - 0
<b>Yeas:</b>	Clem, Esquivel, Krieger, McKeown, Reardon, Thompson, Unger, Whitsett, Witt
<b>Nays:</b>	0
<b>Exc.:</b>	0
<b>Prepared By:</b>	Beth Patrino, Administrator
<b>Meeting Dates:</b>	4/23

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**WHAT THE MEASURE DOES:** Repeals ORS Chapter 583 regarding milk marketing, production and distribution. Repeals requirement that Oregon Department of Agriculture (ODA) audit fluid milk handler records pertaining to pooling and usage of milk and payments to producers. Eliminates associated provisions regarding minimum pricing, milk marketing areas, production quotas, market pooling, licensing, fees, recordkeeping, and reporting.

**ISSUES DISCUSSED:**

- Program history
- Changes in the dairy industry since program began

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** In the 1960s, provisions in the Milk Audit and Stabilization Act (ORS Chapter 583) were passed to maintain a stable milk market, ensure an adequate supply of milk, and sustain Oregon's dairy industry. To achieve these goals, the Oregon Department of Agriculture (ODA) was required to audit the records of milk handlers and establish milk marketing areas, production quotas and minimum prices.

In 1970, the federal government adopted an order implementing a milk stabilization program to generate price uniformity and institute equitable production quotas in the Pacific Northwest. Prices under the federal program were generally higher, leading fewer producers to participate in Oregon's milk stabilization program. By 1987, less than one third of Oregon's dairy industry participated in the state's milk stabilization program and ODA abolished the program but statutory provisions remained in place. In a recent review of statutes regulating Oregon's licensed milk industry, ODA determined that the Milk Audit and Stabilization Act is obsolete. Senate Bill 195 would repeal statutes related to milk marketing, production and distribution.