

106TH CONGRESS  
2D SESSION

# S. 3198

To provide a pool credit under Federal milk marketing orders for handlers of certified organic milk used for Class I purposes.

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## IN THE SENATE OF THE UNITED STATES

OCTOBER 12 (legislative day, SEPTEMBER 22), 2000

Mr. JEFFORDS (for himself and Mr. LEAHY) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

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## A BILL

To provide a pool credit under Federal milk marketing orders for handlers of certified organic milk used for Class I purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. POOL CREDIT FOR HANDLERS OF ORGANIC**  
4 **MILK.**

5 (a) IN GENERAL.—Section 8c(5) of the Agricultural  
6 Adjustment Act (7 U.S.C. 608c(5)), reenacted with  
7 amendments by the Agricultural Marketing Agreement  
8 Act of 1937, is amended by adding at the end the fol-  
9 lowing:

1                   “(M) POOL CREDIT FOR HANDLERS OF OR-  
2                   GANIC MILK.—

3                   “(i) DEFINITIONS.—In this subpara-  
4                   graph:

5                   “(I) CLASS I MILK PRICE.—The  
6                   term ‘Class I milk price’ means the  
7                   minimum price payable for milk clas-  
8                   sified as Class I milk under an order  
9                   issued pursuant to this section.

10                  “(II) ORGANIC MILK HAN-  
11                  DLER.—The term ‘organic milk han-  
12                  dler’ means—

13                   “(aa) a person that is con-  
14                   sidered to be a handler under an  
15                   order issued pursuant to this sec-  
16                   tion to the extent that the person  
17                   performs the functions of a han-  
18                   dler with respect to organic milk;  
19                   and

20                   “(bb) to the extent deter-  
21                   mined necessary by the Sec-  
22                   retary, any other person that  
23                   purchases organic milk directly  
24                   from a producer of organic milk.

1                   “(III) ORGANIC MILK.—The term  
2                   ‘organic milk’ means milk that is cer-  
3                   tified as organically produced in ac-  
4                   cordance with the Organic Foods Pro-  
5                   duction Act of 1990 (7 U.S.C. 6501  
6                   et seq.).

7                   “(IV) ORGANIC MILK PAY  
8                   PRICE.—The term ‘organic milk pay  
9                   price’ means the price paid by an or-  
10                  ganic milk handler to a producer of  
11                  organic milk for the entire volume of  
12                  milk purchased from the producer, in-  
13                  cluding the price paid for transporting  
14                  the milk to the organic milk handler.

15                  “(ii) CREDIT.—In the case of an  
16                  order applicable to milk and milk products,  
17                  an organic milk handler shall be entitled to  
18                  receive a credit against the pool obligation  
19                  of the organic milk handler for a month  
20                  that is equal to the product obtained by  
21                  multiplying—

22                               “(I) the quantity of the pool obli-  
23                               gation of the organic milk handler for  
24                               the preceding month; and

1                   “(II) the applicable credit factor  
2                   for the preceding month determined  
3                   under clause (iii).

4                   “(iii) AMOUNT.—Except as provided  
5                   in clause (iv), the amount of a credit pro-  
6                   vided to an organic milk handler under  
7                   this subparagraph shall be based on the  
8                   amount by which the organic milk pay  
9                   price paid by the organic milk handler for  
10                  the organic milk exceeds the Class I milk  
11                  price in accordance with the following  
12                  table:

<b>“If the organic milk pay price exceeds the Class I milk price by:</b>	<b>The credit factor shall be:</b>
Less than \$2.00 .....	80 percent.
More than \$2.00 but not more than \$3.00.	85 percent.
More than \$3.00 but not more than \$4.00.	90 percent.
More than \$4.00 .....	95 percent.

13                   “(iv) LIMITATIONS.—

14                   “(I) IN GENERAL.—Except as  
15                   provided in subclause (II), the amount  
16                   of the pool obligation of an organic  
17                   milk handler for organic milk under  
18                   this subparagraph shall be not less  
19                   than 10 nor more than 50 cents per  
20                   hundredweight of organic milk.

1                   “(II) LOWER POOL OBLIGATION  
2                   FOR NONORGANIC MILK.—If the  
3                   amount of the pool obligation for milk  
4                   that is not organic milk (as calculated  
5                   under an order issued pursuant to  
6                   this section) is less than the amount  
7                   of the pool obligation for organic milk  
8                   (as calculated under such an order),  
9                   the amount of the pool obligation of  
10                  an organic milk handler for organic  
11                  milk under this subparagraph shall be  
12                  equal to the amount of the pool obli-  
13                  gation for milk that is not organic  
14                  milk.”.

15               (b) REGULATIONS.—

16               (1) IN GENERAL.—As soon as practicable after  
17               the date of enactment of this Act, the Secretary of  
18               Agriculture shall promulgate such regulations as are  
19               necessary to implement the amendment made by  
20               subsection (a).

21               (2) INFORMAL RULEMAKING.—Notwithstanding  
22               section 8c(5) of the Agricultural Adjustment Act (7  
23               U.S.C. 608c(5)), reenacted with amendments by the  
24               Agricultural Marketing Agreement Act of 1937, ex-  
25               cept as provided in paragraph (3)(A), the Secretary

1 shall carry out paragraph (1) in accordance with  
2 section 553 of title 5, United States Code.

3 (3) PROCEDURE.—The promulgation of the reg-  
4 ulations and administration of the amendment made  
5 by subsection (a) shall be made without regard to—

6 (A) the notice and comment provisions of  
7 section 553 of title 5, United States Code;

8 (B) the Statement of Policy of the Sec-  
9 retary of Agriculture effective July 24, 1971  
10 (36 Fed. Reg. 13804), relating to notices of  
11 proposed rulemaking and public participation in  
12 rulemaking; and

13 (C) chapter 35 of title 44, United States  
14 Code (commonly known as the “Paperwork Re-  
15 duction Act”).

16 (4) CONGRESSIONAL REVIEW OF AGENCY RULE-  
17 MAKING.—In carrying out this subsection, the Sec-  
18 retary shall use the authority provided under section  
19 808 of title 5, United States Code.

20 (c) EFFECTIVE DATE.—The amendment made by  
21 subsection (a) takes effect on the earlier of—

22 (1) the date on which the Secretary of Agri-  
23 culture promulgates final regulations to carry out  
24 the Organic Foods Production Act of 1990 (7  
25 U.S.C. 6501 et seq.); or

7

1 (2) January 1, 2001.

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