

1999 ASSEMBLY BILL 483

September 28, 1999 – Introduced by Representatives WARD, AINSWORTH, GARD, GOETSCH, HAHN, KEDZIE, KLUSMAN, KREIBICH, LADWIG, MUSSER, OTT, SERATTI, SKINDRUD, SPILLNER and SUDER, cosponsored by Senators SHIBILSKI, CLAUSING, DARLING and FITZGERALD. Referred to Committee on Agriculture.

1 **AN ACT** *to repeal* 100.22 (3); *to amend* 100.22 (1); and *to create* 100.22 (1s) of
2 the statutes; **relating to:** authorizing the payment of different prices to
3 producers for milk based on volume.

Analysis by the Legislative Reference Bureau

Current law generally prohibits a person engaged in the business of buying milk from producers from discriminating between producers in the price paid for milk. It is a defense to prosecution for violating this prohibition that the discrimination in price was done in good faith to meet competition or was commensurate with an actual difference in the quantity of, or transportation charges for, the milk purchased. Current law also authorizes a person to pay producers different prices for milk based on differences in milk quality if certain conditions are satisfied.

This bill authorizes a person engaged in the business of buying milk from producers to pay producers different prices for milk based on volume if certain conditions are satisfied. The conditions include that the person establishes a payment method based upon differences in the volume of milk purchased or picked up from a producer and that the person makes payment in accordance with the payment method to all producers from whom the person buys milk. This bill also

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eliminates the current defense to prosecution for violating the prohibition on milk price discrimination.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 100.22 (1) of the statutes is amended to read:

2 100.22 **(1)** PROHIBITION. Except as provided in ~~sub.~~ subs. (1m) and (1s), no
3 person engaged in the business of buying milk from producers for the purpose of
4 manufacture, processing or resale may discriminate between producers in the price
5 paid for milk or in services furnished in connection with the purchase of milk if the
6 discrimination injures producers or injures, destroys or prevents competition
7 between competing purchasers of milk.

8 **SECTION 2.** 100.22 (1s) of the statutes is created to read:

9 100.22 **(1s)** PRICES BASED ON VOLUME. A person engaged in the business of
10 buying milk from producers for the purpose of manufacturing, processing or resale
11 may pay producers different prices for the purchase of milk based upon volume, if all
12 of the following apply:

13 (a) Before making any payment to producers under this subsection, the person
14 engaged in the business of buying milk from producers establishes a payment
15 method based upon differences in volume of milk purchased or picked up from a
16 producer, or both.

17 (b) Before making any payment to producers under this subsection, the person
18 engaged in the business of buying milk from producers announces, and offers to
19 make payment in accordance with, the payment method established under par. (a)
20 to all producers from whom the person buys milk.

