

**1999 DRAFTING REQUEST**

**Bill**

Received: **02/18/1999**

Received By: **traderc**

Wanted: **As time permits**

Identical to LRB:

For: **David Ward (608) 266-3790**

By/Representing: **Kim Rupp**

This file may be shown to any legislator: **NO**

Drafter: **traderc**

May Contact:

Alt. Drafters:

Subject: **Agriculture - miscellaneous**

Extra Copies:

**Pre Topic:**

No specific pre topic given

**Topic:**

Allow prices paid by dairy plants to be based on volume

**Instructions:**

See Attached

**Drafting History:**

| <u>Vers.</u> | <u>Drafted</u>        | <u>Reviewed</u>       | <u>Typed</u>         | <u>Proofed</u> | <u>Submitted</u>           | <u>Jacketed</u>            | <u>Required</u> |
|--------------|-----------------------|-----------------------|----------------------|----------------|----------------------------|----------------------------|-----------------|
| /1           | traderc<br>03/05/1999 | jgeller<br>03/08/1999 | hhagen<br>03/08/1999 | _____          | lrb_docadmin<br>03/08/1999 | lrb_docadmin<br>08/10/1999 |                 |

FE Sent For:

<END>

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|--------------|----------------|-----------------|--------------|----------------|------------------|-----------------|-----------------|
| 1?           | traderc        | 1 3/8 Jlg       | Kim 2/24     |                |                  |                 |                 |
|              |                |                 | 4/3/8        |                |                  |                 |                 |
|              |                |                 |              |                |                  |                 |                 |

FE Sent For:

<END>

Becky,

I am forwarding a copy of the proposal we would like to have drafted into a bill.

However, I have not enclosed a copy of the court case that I was discussing with you. After reviewing our discussion with Rep. Ward, he informed me that because the court case I was referring to is not directly related to the legislation we want to propose, a copy of it will not likely be helpful. Rep. Ward would, however, be available to talk with you about any questions you have or information you need.

The goal of this legislation is to set up rules that all dairy plants can appreciate.

Rep. Ward will be in the office this afternoon; thus, I will have him call you should you have any questions.

Thank you for your help!

Kim Rupp  
Rep. David Ward's office

DJS:tl;wu

1/28/99

1 **AN ACT to repeal** 100.22 (3); **to amend** 100.22 (1); and **to create** 100.22 (1n) of the  
2 statutes; **relating to:** authorizing the payment of volume premiums in the purchase  
3 of milk.

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

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

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

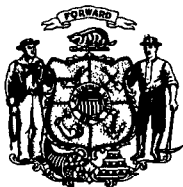
10 **SECTION 2.** 100.22 (1n) of the statutes is created to read:

11 100.22 (1n) **Prices based on volume.** A person engaged in the business of buying milk  
12 from producers for the purpose of manufacturing, processing or resale may pay producers  
13 different prices for the purchase of milk based upon volume, if all of the following apply:

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

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





SOON

JG

# 1999 BILL

regenerate  
↓

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

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### *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 the purchase of 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

**BILL**

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:*

PROOF w/STATS.

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

2 100.22 (1) PROHIBITION. Except as provided in sub. ~~(1m)~~ <sup>plain</sup> sub. ~~#####~~ and (1s),  
3 no 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 <sup>part</sup> (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.



**BILL**

1 (c) The person engaged in the business of buying milk from producers makes  
2 payments to all milk producers from whom the person purchases milk in accordance  
3 with the payment method established under par. (a).<sup>✓</sup>

4 (d) The payment method established under par. (a)<sup>✓</sup> is not part of any other  
5 method used to discriminate between producers in the price paid for milk or in  
6 services furnished in connection with the purchase of milk.

7 **SECTION 3.** 100.22 (3)<sup>X</sup> of the statutes is repealed.

8

(END)

**SUBMITTAL  
FORM**

**LEGISLATIVE REFERENCE BUREAU  
Legal Section Telephone: 266-3561  
5th Floor, 100 N. Hamilton Street**

The attached draft is submitted for your inspection. Please check each part carefully, proofread each word, and sign on the appropriate line(s) below.

**Date:** 3/8/99

**To:** Representative Ward

**Relating to LRB drafting number:** LRB-2263

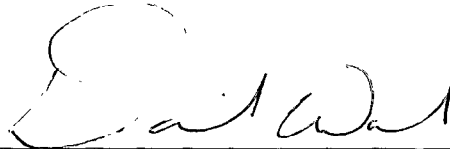
**Topic**

Allow prices paid by dairy plants to be based on volume

**Subject(s)**

Agriculture - miscellaneous

1. **JACKET** the draft for introduction



in the **Senate** \_\_\_\_\_ or the **Assembly**  (check only one). Only the requester under whose name the drafting request is entered in the LRB's drafting records may authorize the draft to be submitted. Please allow one day for the preparation of the required copies.

2. **REDRAFT.** See the changes indicated or attached \_\_\_\_\_.

A revised draft will be submitted for your approval with changes incorporated.

3. Obtain **FISCAL ESTIMATE NOW**, prior to introduction \_\_\_\_\_.

If the analysis indicates that a fiscal estimate is required because the proposal makes an appropriation or increases or decreases existing appropriations or state or general local government fiscal liability or revenues, you have the option to request the fiscal estimate prior to introduction. If you choose to introduce the proposal without the fiscal estimate, the fiscal estimate will be requested automatically upon introduction. It takes about 10 days to obtain a fiscal estimate. Requesting the fiscal estimate prior to introduction retains your flexibility for possible redrafting of the proposal.

If you have any questions regarding the above procedures, please call 266-3561. If you have any questions relating to the attached draft, please feel free to call me.

Rebecca C. Tradewell, Managing Attorney  
Telephone: (608) 266-7290

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