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Legislative Document

No. 1459

S.P. 444

In Senate, April 2, 2019

An Act To Expand Application of the Maine Agricultural Marketing and Bargaining Act of 1973 to Harvesters and Haulers of Forest Products

Reference to the Committee on Agriculture, Conservation and Forestry suggested and ordered printed.

DAREK M. GRANT Secretary of the Senate

Presented by President JACKSON of Aroostook.

Cosponsored by Representative MARTIN of Eagle Lake and
Senators: BELLOWS of Kennebec, CARPENTER of Aroostook, DAVIS of Piscataquis, DILL
of Penobscot, DOW of Lincoln, Representatives: COLLINGS of Portland, Speaker GIDEON
of Freeport, STEWART of Presque Isle.

Be it enacted by the People of the State of Maine as follows:

- **Sec. 1. 13 MRSA §1774, sub-§6-A,** as enacted by PL 1971, c. 502, is amended to read:
 - **6-A. Independent agricultural contractor.** "Independent agricultural contractor" means a person who grows under contract, or who harvests or hauls forest products under contract, as his the person's primary activity or as part of a general agricultural activity.
 - **Sec. 2. 13 MRSA §1953,** as enacted by PL 1973, c. 621, §1, is amended to read:

§1953. Legislative findings and purpose

Because agricultural products are produced by numerous individual farmers <u>and</u> independent agricultural contractors, the marketing and bargaining position of individual farmers <u>and</u> independent agricultural contractors will be adversely affected unless they are free to join together voluntarily in cooperative organizations as authorized by law. Furthermore, membership by a farmer <u>or independent agricultural contractor</u> in a cooperative organization can only be meaningful; if a handler of agricultural products is required to bargain in good faith with an agricultural cooperative organization as the representative of the members of such organization who have had a previous course of dealing with such handler. The purpose of this Article is to provide standards for the qualification of agricultural cooperative organizations for bargaining purposes, to define the mutual obligation of handlers and agricultural cooperative organizations to bargain with respect to the production, sale and marketing of agricultural products and to provide for the enforcement of such obligation.

- **Sec. 3. 13 MRSA §1955, sub-§5,** as enacted by PL 1973, c. 621, §1, is amended to read:
- **5. Producer.** "Producer" means a person engaged in the production of agricultural products, excluding forest products, as a farmer, planter, rancher, poultry farmer, dairy farmer, fruit, vegetable or nut grower, or independent agricultural contractor as specified in section 1774, subsections 6-A and 8-A. If <u>a</u> producer is also a handler, he shall be the producer is considered only a handler for the purposes of this Act.
- Sec. 4. 13 MRSA §1957, sub-§3, ¶D, as amended by PL 1991, c. 116, is further amended to read:
 - D. The association represents 51% of the 10 or more producers or produced at least 1/2 of the volume of a particular agricultural product for a specific handler involved with those producers and that agricultural product during the previous 12 months, not including any volume produced by the handler, its subsidiaries, agents or employees or procured by the handler from sources other than producers; for the purposes of this article, members of farmer agricultural cooperatives are counted as individual farmer members; if the board has reasonable cause to question such representation, the board shall require a secret ballot election to certify the percentage of representation; and

- Sec. 5. 13 MRSA §1958-B, sub-§5-A, ¶D, as enacted by PL 1989, c. 703, §3, is amended to read:
 - D. The producer's costs of production including the cost that would be involved in paying farm labor a fair wage rate;

Sec. 6. Legislative findings. The Legislature finds that:

- 1. The harvesting and hauling of forest products are performed by numerous loggers and forest products haulers who individually are not able to bargain effectively with forest landowners;
- 2. The marketing and bargaining position of individual loggers and forest products haulers is adversely affected unless they are free to join together voluntarily in cooperative organizations;
- 3. The inequity of power in determining compensation and the lack of opportunity to join together in bargaining over compensation can result in unfair contract rates for the services of loggers and forest products haulers; and
 - 4. It is in the public interest to:

- A. Promote, foster and encourage the intelligent and orderly marketing of forest products, as well as other agricultural products;
- B. Make the distribution of forest products, as well as other agricultural products, between producer and consumer as direct as can be efficiently done and eliminate speculation and waste;
- C. Stabilize the marketing of forest products, as well as other agricultural products;
- D. Expand application of the Maine Agricultural Marketing and Bargaining Act of 1973 to include harvesters and haulers of forest products; and
 - E. Ensure consistency with the federal Clayton Act, 15 United States Code, Section 45(a)(1).

26 SUMMARY

Current law authorizes the membership of farmers in cooperative organizations and requires handlers of agricultural products to bargain in good faith with such organizations because agricultural products are produced by numerous individual farmers and the marketing and bargaining position of individual farmers will be adversely affected unless they are able to join together. This bill recognizes that market forces that affect the marketing and bargaining position of individual farmers similarly affect the marketing and bargaining position of individual harvesters and haulers of forest products, and it expands application of the Maine Agricultural Marketing and Bargaining Act of 1973 to include harvesters and haulers of forest products.

Specifically, this bill amends the laws governing agricultural marketing and bargaining to:

1. Expand the definition of "independent agricultural contractor" to include a person who harvests or hauls forest products under contract;

- 2. Expand the legislative findings provision to include findings concerning independent agricultural contractors, which include harvesters and haulers of forest products; and
- 3. Include in the definition of "producer" a person engaged in the production of forest products.

In addition, the bill sets forth the Legislature's finding that, with respect to loggers and forest products haulers, the inequity of power in determining compensation and the lack of opportunity to join together in bargaining over compensation can result in unfair contract rates for their services and that it is in the public interest to expand application of the Maine Agricultural Marketing and Bargaining Act of 1973 to include harvesters and haulers of forest products.