

Amendment to SB 10-FN

1 Amend the bill by replacing all after the enacting clause with the following:

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3 1 Findings. The general court finds that many New Hampshire permitted or licensed milk
4 producers have suffered significant financial loss as a result of diminished crops due to the drought
5 during 2016. Such losses have been compounded as a result of several years of unreasonably low
6 federally-established milk prices. As a result of those factors, several permitted or licensed milk
7 producers have ceased milk production. These farms enhance our natural landscape through their
8 pastures, forests, and agricultural structures, from which our citizens derive great pleasure and to
9 which so many of our tourists are attracted. Also locally-produced milk is important to the state's
10 ability to feed itself and the farms on which milk is produced help maintain vital agricultural
11 services in our communities.

12 2 New Subdivision; New Hampshire Dairy Producer Drought Relief Program. Amend RSA 184
13 by inserting after section 111 the following new subdivision:

14 New Hampshire Dairy Producer Drought Relief Program

15 184:112 Definitions. In this subdivision:

16 I. "Department" means the department of agriculture, markets, and food.

17 II. "Forages" means hay, haylage, silage, and pasture.

18 III. "Homegrown feed" means forages and grain, or a composite in any combination grown
19 on land owned or leased by the producer.

20 IV. "New producer" means a producer who initiated milk production in 2016.

21 V. "Producer" means a dairy farmer, as permitted or licensed under this chapter, engaged
22 in the business of producing milk in New Hampshire and sold wholesale or retail for any purpose.

23 184:113 Implementation.

24 I. In order to qualify for the New Hampshire dairy producer drought relief program, a
25 producer shall complete and submit an application in which the department shall be provided proof
26 of homegrown feed loss due to drought along with records of milk production for the 2016 calendar
27 year.

28 II. The department shall design and provide such forms and applications as necessary to
29 calculate and process the program and shall supply such forms and applications to any producer
30 upon request.

31 III. Any producer electing to participate in the New Hampshire dairy drought relief
32 program shall complete and submit an application no later than 30 days after the effective date of

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1 this subdivision.

2 IV. For the purposes of verification of an application and claim, such records and data kept
3 by the producer or producer's agent, United States Department of Agriculture Farm Service
4 Agency, United States Department of Agriculture Agricultural Marketing Service Dairy Marketing
5 Program, University of New Hampshire Cooperative Extension Service, Dairy Marketing Services
6 LLC, or the producer's lender, cooperative, insurance agent, crop insurance representative, or
7 processor shall be provided to the department along with the completed application. The
8 department shall review such records and data in support of an application.

9 V. A new producer's annual milk production for 2016 shall be prorated based on their
10 actual milk production.

11 VI. The applicant producer shall sign a release allowing the department access to
12 production and crop records and permit the department on-site access for program verification
13 purposes. The producer shall allow the department to make random inspections and audits of
14 records, as necessary, in order to verify production. Information provided to the department is
15 proprietary to the producer and the department and is to be used solely for program verification and
16 determining payment. In no way shall such information provided be made public except for (a) the
17 percentage of homegrown feed loss approved by the department, and (b) total payment to the
18 producer.

19 VII. The applicant producer shall sign a form provided by the department attesting to the
20 best of the producer's knowledge, the records and data provided by the producer are accurate and
21 truthful.

22 184:114 Calculation of Payment.

23 I. The homegrown cost of feed shall be \$6.10 per hundredweight of milk produced.

24 II. To arrive at the amount to be paid to the producer, the cost of feed in paragraph I shall
25 be multiplied by the percentage of homegrown feed loss in 2016 over 2015 due to drought and that
26 product shall be multiplied further by the producers total milk production in hundredweight of milk
27 produced in 2016. There shall be subtracted from that amount any drought -related payments
28 received by the producer from the federal government, excluding crop insurance payments.

29 III. Proof of loss shall be in the form of a notice of loss or other typical documentation of loss
30 from a competent authority, including but not limited to such agencies as the United States
31 Department of Agriculture-Farm Service Agency or crop insurance agent.

32 IV. If the amount appropriated for dairy producer drought relief by the general court is
33 insufficient to pay each producer entirely and in whole in the manner as outlined in this section,
34 any such final distribution shall be prorated and reduced proportionally for the benefit of all the
35 producer applicants. The reduced amount shall then be distributed accordingly.

36 V. Any unexpended funds, after final distribution, shall be returned to the general fund.

37 VI. Should a producer cease to be a producer for any reason on or before December 31,

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1 2020, the producer shall reimburse the state the entire amount paid to the producer under this
2 program. The department of health and human services, dairy sanitation program (dairy
3 sanitation) shall provide the department of justice a list of all permitted or licensed dairies. This list
4 shall be provided on December 31 of each year from 2017 through 2020. Should the department of
5 justice find that any producer is no longer permitted or licensed under this chapter by dairy
6 sanitation then the department of justice shall collect reimbursement for the state of the amount
7 paid to the producer.

8 VII. The administration and distribution of any funds appropriated for the purposes of this
9 subdivision shall be administered by the department, which shall be exempt from the provisions of
10 RSA 541-A.

11 3 Appropriation. There is hereby appropriated to the department of agriculture, markets and
12 food the sum of \$2,000,000 for the fiscal year ending June 30, 2017 to pay milk producers permitted
13 or licensed under RSA 184 for relief from the 2016 drought under RSA 184:112 through 114.

14 4 Milk Producers Emergency Fund; Membership. Amend RSA 184:109, I(a) to read as follows:

15 (a) The commissioner, *or designee*.

16 5 Effective Date. This act shall take effect upon its passage.

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2017-0762h

AMENDED ANALYSIS

This bill creates a program to repay licensed milk producers from losses they may have incurred during the 2016 drought.

This bill also makes an appropriation to the department of agriculture, markets and food to fund the New Hampshire dairy producer drought relief program.