

1 H BILL NO. 163  
 2 INTRODUCED BY James R. Rott  
 3 BY REQUEST OF THE DEPARTMENT OF BUSINESS REGULATION

4  
 5 A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTIONS  
 6 27-405 AND 27-407, R.C.M. 1947, TO TRANSFER THE JURISDICTION  
 7 OVER TRANSPORTATION OF MILK TO THE BOARD OF MILK CONTROL  
 8 FROM THE DEPARTMENT OF BUSINESS REGULATION; REPEALING  
 9 SECTION 82A-406.1, R.C.M. 1947."

10  
 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
 12 Section 1. Section 27-405, R.C.M. 1947, is amended to  
 13 read as follows:

14 27-405. General powers of the department. (1) The  
 15 department shall supervise, regulate, and control the milk  
 16 industry of this state, including the production,  
 17 ~~transportation, including transportation rates which~~  
 18 ~~distributors, contract haulers, and others charge producers,~~  
 19 processing, storage, distribution, and sale of milk ~~in this~~  
 20 ~~state~~ sold for consumption in this state. Nothing in this  
 21 chapter abrogates or affects the status, force, or operation  
 22 of any provision of public health laws or the law under  
 23 which the department of livestock is constituted together  
 24 with the department of livestock rules or county board of  
 25 health rules, or municipal ordinances for the promotion or

1 protection of the public health. The department may  
 2 ~~co-operate~~ cooperate with the department of health and  
 3 environmental sciences, the board of livestock or any county  
 4 or city board of health or the department of agriculture in  
 5 enforcing this chapter.

6 (2) The department shall investigate all matters  
 7 pertaining to the production, ~~transportation,~~ processing,  
 8 storage, distribution, and sale of milk in this state and  
 9 conduct hearings upon any subject pertinent to the  
 10 administration of this chapter. The department may subpoena  
 11 milk dealers, their records, books, and accounts, and any  
 12 other person from whom information may be desired or  
 13 considered necessary to carry out the purposes and intent of  
 14 this chapter, and may ~~issue commissions to~~ take depositions  
 15 of witnesses who are sick or absent from the state or who  
 16 cannot otherwise appear in person before the department at  
 17 its offices. The department shall give at least ~~ten~~ (10)  
 18 days' notice to the proposed witness."

19 Section 2. Section 27-407, R.C.M. 1947, is amended to  
 20 read as follows:

21 27-407. Establishment of minimum prices. (1) The board  
 22 shall fix minimum producer, wholesale, jobber, and retail  
 23 prices for class I milk, and minimum producer prices only  
 24 for class II and class III milk in all areas of the state,  
 25 by adopting rules in a manner prescribed by the Montana

1 Administrative Procedure Act.

2 (2) The board shall establish such prices by means of  
3 flexible formulas which shall be devised so that they bring  
4 about such automatic changes in all minimum prices as are  
5 justified on the basis of changes in production costs and  
6 supply, processing and distribution costs, and retailing  
7 costs.

8 (3) The board shall consider the balance between  
9 production and consumption of milk, the costs of production  
10 and distribution, and prices in adjacent and neighboring  
11 areas and states, so that minimum prices which are fair and  
12 equitable to producers, distributors, jobbers, retailers,  
13 and consumers may result.

14 (4) The board shall, when publishing notice of  
15 proposed ~~rate-making~~ rulemaking under authority of this  
16 section, set forth the specific factors which shall be taken  
17 into consideration in establishing the formulas and in  
18 particular in determining costs of production and  
19 distribution and of the actual dollars and cents costs of  
20 production and distribution which preliminary studies and  
21 investigations of auditors or accountants in its employment  
22 indicate will or should be shown at the hearing, so that all  
23 interested parties will have opportunity to be heard and to  
24 question or rebut such considerations as a matter of record.

25 (5) Such specific factors may include, but shall not

1 be limited to the following items:

2 (a) Current and prospective supplies of milk in  
3 relation to current and prospective demands for such milk  
4 for all purposes;

5 (b) The ability and willingness of consumers to  
6 purchase, which shall include among other things, per capita  
7 disposable income statistics, consumer price indices, and  
8 wholesale price indices;

9 (c) The cost factors in producing milk, which shall  
10 include among other things the prices paid by farmers  
11 generally (as used in parity calculations of the United  
12 States Department of Agriculture), prices paid by farmers  
13 for dairy feed in particular and farm wage rates in this  
14 state;

15 (d) The alternative opportunities, both farm and  
16 nonfarm, open to milk producers, which shall include among  
17 other things, prices received by farmers for all products  
18 other than milk, prices received by farmers for beef cattle,  
19 and the percentage of unemployment in the state and nation  
20 as determined by appropriate state and federal agencies;

21 (e) The prices of butter-nonfat dry milk, and cheese;

22 (f) The cost factors in distributing milk, which shall  
23 include among other things the prices paid by distributors  
24 for equipment of all types required to process and market  
25 milk and prevailing wage rates in this state;

1 (g) The cost factors in jobbing milk, which shall  
 2 include among other things raw product and ingredient costs,  
 3 carton or other packaging cost, processing cost and that  
 4 part of general administrative costs of the supplying  
 5 distributor which may properly be allocated to the handling  
 6 of milk to the point at which such milk is at the supplying  
 7 distributor's dock, equipment of all types required to  
 8 market milk, and prevailing wage rates in the state;

9 (h) The need, if any, for freight or transportation  
 10 charges to be deducted by distributors from producer prices  
 11 for bulk milk;

12 (i) A reasonable return on necessary investment to all  
 13 ordinarily efficient and economical milk dealers.

14 (6) If the board at any time proposes to base all or  
 15 any part of any official order establishing or revising any  
 16 milk pricing formulas upon facts within its own knowledge,  
 17 as distinguished from evidence which may be presented to it  
 18 by the consuming public or the milk industry, the board  
 19 shall, when publishing notice of proposed ~~rule-making~~  
 20 rulemaking under authority of this section, cause notice to  
 21 be given to the consuming public and the milk industry of  
 22 the specific facts within its own knowledge which it will  
 23 consider, so that all interested parties will have  
 24 opportunity to be heard and to question or rebut such facts  
 25 as a matter of record.

1 (7) The board, after consideration of the evidence  
 2 produced, shall make written findings and conclusions and  
 3 shall fix by official rule:

4 (a) The formula whereby minimum producer prices for  
 5 milk in classes I, II, and III shall be computed.

6 (b) The formula whereby minimum wholesale prices for  
 7 milk in class I shall be computed.

8 (c) The formula whereby minimum jobber prices for milk  
 9 in class I shall be computed.

10 (d) The formula whereby minimum retail prices for milk  
 11 in class I shall be computed.

12 (8) This section shall not be construed as requiring  
 13 the board to promulgate any specific number of formulas, but  
 14 shall be construed liberally so that the board may adopt any  
 15 reasonable method of expression to accomplish the objective  
 16 set forth in (a), (b), (c), and (d) above. If the evidence  
 17 presented to the board at any public hearing for the  
 18 establishment or revision of milk pricing formulas is found  
 19 by the board to require the establishment of separate and  
 20 varying wholesale prices for any particular uses, the board  
 21 shall designate the reasons therefor and establish such  
 22 separate formulas.

23 (9) Each rule establishing or revising any milk  
 24 pricing formulas shall classify milk by forms, classes,  
 25 grades, or uses as the board may deem advisable and shall

1 specify the minimum prices therefor.

2 (10) The milk produced in one natural marketing area  
3 and sold in another natural marketing area shall be paid for  
4 by a distributor or dealer in accordance with the pricing  
5 order of the area where produced at the price therein  
6 specified of the class or use in which it is ultimately used  
7 or sold.

8 ~~(11) No allowance for freight, other than freight for~~  
9 ~~transportation of milk from the farm to plant, shall be~~  
10 ~~charged to a producer by a distributor or dealer unless it~~  
11 ~~is found and ordered by the board, after notice and hearing~~  
12 ~~in the manner hereinbefore specified, that such an~~  
13 ~~additional freight allowance is necessary to permit the~~  
14 ~~movement of milk in the public interest.~~

15 (11) The board shall adopt rules after notice and  
16 hearing in the manner prescribed by the Montana  
17 Administrative Procedure Act to regulate transportation  
18 rates which distributors, contract haulers, and others  
19 charge producers for both farm-to-plant and interplant  
20 transportation of milk. No allowance for transportation of  
21 milk between plants may be permitted unless it is found by  
22 the board to be necessary to permit the movement of milk in  
23 the public interest.

24 (12) All milk purchased within a natural marketing area  
25 by a distributor shall be purchased on a uniform basis. The

1 basis to be used shall be established by the board after the  
2 producers and the distributors of the area have been  
3 consulted.

4 (13) The board may amend any official rule in the same  
5 manner provided herein for the original establishment of  
6 milk pricing formulas; provided, further, the board may in  
7 its discretion, when it determines the need exists, notice  
8 and hold ~~state-wide~~ statewide public hearings affecting  
9 establishment or revision of milk pricing formulas in all  
10 market areas of the state.

11 (14) Upon petition of a distributor or a majority of  
12 his producers, the board shall hold a hearing to receive and  
13 consider evidence regarding the advisability and need for a  
14 base or quota plan as a method of payment by that  
15 distributor of producer prices; and if the board finds that  
16 the evidence adduced at such hearing warrants the  
17 establishment of a base or quota plan, the board shall  
18 proceed by official order to establish the same.

19 (15) Upon petition by any producer,  
20 producer-distributor, or distributor in any marketing area,  
21 the board shall hold a hearing to receive and consider  
22 evidence regarding the advisability and need for an  
23 ~~area-wide~~ areawide or ~~state-wide~~ statewide pooling  
24 arrangement as a method of payment of producer prices,  
25 provided that at such hearing the board shall among other

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2 production and marketing practices which have historically  
3 prevailed in the area concerned or ~~state-wide statewide~~, as  
4 the case may be; and if the board finds that the evidence  
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6 an ~~area-wide areawide~~ or ~~state-wide statewide~~ pooling  
7 arrangement, the board shall proceed by official order to  
8 establish the same, but such official order shall be of no  
9 force or effect until it is approved in a referendum  
10 conducted by the board among affected producers,  
11 producer-distributors, and distributors.

12 (16) The requirements hereinabove set forth concerning  
13 notices of hearings for the establishment of milk pricing  
14 formulas shall apply to any hearings regarding base or quota  
15 plans or ~~area-wide areawide~~ or ~~state-wide statewide~~ pooling  
16 arrangements, or abandonment thereof.

17 (17) Rules adopted pursuant to this section shall be  
18 enforced and audited for compliance by the milk control  
19 division of the department of business regulation."

20 Section 3. Section 82A-406.1, R.C.M. 1947, is  
21 repealed.

-End-

Approved by Committee  
on Business and Industry

HOUSE BILL NO. 163

INTRODUCED BY JENSEN, ROBBINS

BY REQUEST OF THE DEPARTMENT OF BUSINESS REGULATION

A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTIONS 27-405 AND 27-407, R.C.M. 1947, TO TRANSFER THE JURISDICTION OVER TRANSPORTATION OF MILK TO THE BOARD OF MILK CONTROL FROM THE DEPARTMENT OF BUSINESS REGULATION; REPEALING SECTION 82A-406.1, R.C.M. 1947."

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protection of the public health. The department may ~~co-operate~~ cooperate with the department of health and environmental sciences, the board of livestock or any county or city board of health or the department of agriculture in enforcing this chapter.

(2) The department shall investigate all matters pertaining to the production, ~~transportation,~~ processing, storage, distribution, and sale of milk in this state and conduct hearings upon any subject pertinent to the administration of this chapter. The department may subpoena milk dealers, their records, books, and accounts, and any other person from whom information may be desired or considered necessary to carry out the purposes and intent of this chapter, and may ~~issue commissions to~~ take depositions of witnesses who are sick or absent from the state or who cannot otherwise appear in person before the department at its offices. The department shall give at least ~~ten--(10)~~ days' notice to the proposed witness."

Section 2. Section 27-407, R.C.M. 1947, is amended to read as follows:

27-407. Establishment of minimum prices. (1) The board shall fix minimum producer, wholesale, jobber, and retail prices for class I milk, and minimum producer prices only for class II and class III milk in all areas of the state, by adopting rules in a manner prescribed by the Montana

1 Administrative Procedure Act.

2 (2) The board shall establish such prices by means of  
3 flexible formulas which shall be devised so that they bring  
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9 production and consumption of milk, the costs of production  
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11 areas and states, so that minimum prices which are fair and  
12 equitable to producers, distributors, jobbers, retailers,  
13 and consumers may result.

14 (4) The board shall, when publishing notice of  
15 proposed ~~rule-making~~ ~~rulemaking~~ under authority of this  
16 section, set forth the specific factors which shall be taken  
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13 for dairy feed in particular and farm wage rates in this  
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 14 shall be construed liberally so that the board may adopt any  
 15 reasonable method of expression to accomplish the objective  
 16 set forth in (a), (b), (c), and (d) above. If the evidence  
 17 presented to the board at any public hearing for the  
 18 establishment or revision of milk pricing formulas is found  
 19 by the board to require the establishment of separate and  
 20 varying wholesale prices for any particular uses, the board  
 21 shall designate the reasons therefor and establish such  
 22 separate formulas.

23 (9) Each rule establishing or revising any milk  
 24 pricing formulas shall classify milk by forms, classes,  
 25 grades, or uses as the board may deem advisable and shall

1 specify the minimum prices therefor.

2 (10) The milk produced in one natural marketing area  
3 and sold in another natural marketing area shall be paid for  
4 by a distributor or dealer in accordance with the pricing  
5 order of the area where produced at the price therein  
6 specified of the class or use in which it is ultimately used  
7 or sold.

8 ~~(11) No allowance for freight, other than freight, for~~  
9 ~~transportation of milk from the farm to plant, shall be~~  
10 ~~charged to a producer by a distributor or dealer unless it~~  
11 ~~is found and ordered by the board, after notice and hearing~~  
12 ~~in the manner hereinbefore specified, that such an~~  
13 ~~additional freight allowance is necessary to permit the~~  
14 ~~movement of milk in the public interest.~~

15 (11) The board shall adopt rules after notice and  
16 hearing in the manner prescribed by the Montana  
17 Administrative Procedure Act to regulate transportation  
18 rates which distributors, contract haulers, and others  
19 charge producers for both farm-to-plant and interplant  
20 transportation of milk. No allowance for transportation of  
21 milk between plants may be permitted unless it is found by  
22 the board to be necessary to permit the movement of milk in  
23 the public interest.

24 (12) All milk purchased within a natural marketing area  
25 by a distributor shall be purchased on a uniform basis. The

1 basis to be used shall be established by the board after the  
2 producers and the distributors of the area have been  
3 consulted.

4 (13) The board may amend any official rule in the same  
5 manner provided herein for the original establishment of  
6 milk pricing formulas; provided, further, the board may in  
7 its discretion, when it determines the need exists, notice  
8 and hold ~~state-wide~~ statewide public hearings affecting  
9 establishment or revision of milk pricing formulas in all  
10 market areas of the state.

11 (14) Upon petition of a distributor or a majority of  
12 his producers, the board shall hold a hearing to receive and  
13 consider evidence regarding the advisability and need for a  
14 base or quota plan as a method of payment by that  
15 distributor of producer prices; and if the board finds that  
16 the evidence adduced at such hearing warrants the  
17 establishment of a base or quota plan, the board shall  
18 proceed by official order to establish the same.

19 (15) Upon petition by any producer,  
20 producer-distributor, or distributor in any marketing area,  
21 the board shall hold a hearing to receive and consider  
22 evidence regarding the advisability and need for an  
23 ~~area-wide~~ areawide or ~~state-wide~~ statewide pooling  
24 arrangement as a method of payment of producer prices,  
25 provided that at such hearing the board shall among other

1 things specifically receive and consider evidence concerning  
2 production and marketing practices which have historically  
3 prevailed in the area concerned or ~~state-wide statewide~~, as  
4 the case may be; and if the board finds that the evidence  
5 adduced at such hearing warrants the establishment of such  
6 an ~~area-wide areawide~~ or ~~state-wide statewide~~ pooling  
7 arrangement, the board shall proceed by official order to  
8 establish the same, but such official order shall be of no  
9 force or effect until it is approved in a referendum  
10 conducted by the board among affected producers,  
11 producer-distributors, and distributors.

12 (16) The requirements hereinabove set forth concerning  
13 notices of hearings for the establishment of milk pricing  
14 formulas shall apply to any hearings regarding base or quota  
15 plans or ~~area-wide areawide AREAWIDE~~ or ~~state-wide statewide~~  
16 pooling arrangements, or abandonment thereof.

17 (17) Rules adopted pursuant to this section shall be  
18 enforced and audited for compliance by the milk control  
19 division of the department of business regulation."

20 Section 3. Section 82A-406.1, R.C.M. 1947, is  
21 repealed.

-End-

HOUSE BILL NO. 163

INTRODUCED BY JENSEN, ROBBINS

BY REQUEST OF THE DEPARTMENT OF BUSINESS REGULATION

A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTIONS 27-405 AND 27-407, R.C.M. 1947, TO TRANSFER THE JURISDICTION OVER TRANSPORTATION OF MILK TO THE BOARD OF MILK CONTROL FROM THE DEPARTMENT OF BUSINESS REGULATION; REPEALING SECTION 82A-406.1, R.C.M. 1947."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 27-405, R.C.M. 1947, is amended to read as follows:

27-405. General powers of the department. (1) The department shall supervise, regulate, and control the milk industry of this state, including the production, ~~transportation--including--transportation--rates--which distributors--contract haulers--and others--charge producers~~, processing, storage, distribution, and sale of milk ~~in--this state~~ sold for consumption in this state. Nothing in this chapter abrogates or affects the status, force, or operation of any provision of public health laws or the law under which the department of livestock is constituted together with the department of livestock rules or county board of health rules, or municipal ordinances for the promotion or

protection of the public health. The department may ~~co-operate~~ cooperate with the department of health and environmental sciences, the board of livestock or any county or city board of health or the department of agriculture in enforcing this chapter.

(2) The department shall investigate all matters pertaining to the production, ~~transportation~~, processing, storage, distribution, and sale of milk in this state and conduct hearings upon any subject pertinent to the administration of this chapter. The department may subpoena milk dealers, their records, books, and accounts, and any other person from whom information may be desired or considered necessary to carry out the purposes and intent of this chapter, and may ~~issue commissions to~~ take depositions of witnesses who are sick or absent from the state or who cannot otherwise appear in person before the department at its offices. The department shall give at least ~~ten--{10}~~ days' notice to the proposed witness."

Section 2. Section 27-407, R.C.M. 1947, is amended to read as follows:

27-407. Establishment of minimum prices. (1) The board shall fix minimum producer, wholesale, jobber, and retail prices for class I milk, and minimum producer prices only for class II and class III milk in all areas of the state, by adopting rules in a manner prescribed by the Montana



1 Administrative Procedure Act.

2 (2) The board shall establish such prices by means of  
 3 flexible formulas which shall be devised so that they bring  
 4 about such automatic changes in all minimum prices as are  
 5 justified on the basis of changes in production costs and  
 6 supply, processing and distribution costs, and retailing  
 7 costs.

8 (3) The board shall consider the balance between  
 9 production and consumption of milk, the costs of production  
 10 and distribution, and prices in adjacent and neighboring  
 11 areas and states, so that minimum prices which are fair and  
 12 equitable to producers, distributors, jobbers, retailers,  
 13 and consumers may result.

14 (4) The board shall, when publishing notice of  
 15 proposed ~~rate-making~~ rulemaking under authority of this  
 16 section, set forth the specific factors which shall be taken  
 17 into consideration in establishing the formulas and in  
 18 particular in determining costs of production and  
 19 distribution and of the actual dollars and cents costs of  
 20 production and distribution which preliminary studies and  
 21 investigations of auditors or accountants in its employment  
 22 indicate will or should be shown at the hearing, so that all  
 23 interested parties will have opportunity to be heard and to  
 24 question or rebut such considerations as a matter of record.

25 (5) Such specific factors may include, but shall not

1 be limited to the following items:

2 (a) Current and prospective supplies of milk in  
 3 relation to current and prospective demands for such milk  
 4 for all purposes;

5 (b) The ability and willingness of consumers to  
 6 purchase, which shall include among other things, per capita  
 7 disposable income statistics, consumer price indices, and  
 8 wholesale price indices;

9 (c) The cost factors in producing milk, which shall  
 10 include among other things the prices paid by farmers  
 11 generally (as used in parity calculations of the United  
 12 States Department of Agriculture), prices paid by farmers  
 13 for dairy feed in particular and farm wage rates in this  
 14 state;

15 (d) The alternative opportunities, both farm and  
 16 nonfarm, open to milk producers, which shall include among  
 17 other things, prices received by farmers for all products  
 18 other than milk, prices received by farmers for beef cattle,  
 19 and the percentage of unemployment in the state and nation  
 20 as determined by appropriate state and federal agencies;

21 (e) The prices of butter-nonfat dry milk, and cheese;

22 (f) The cost factors in distributing milk, which shall  
 23 include among other things the prices paid by distributors  
 24 for equipment of all types required to process and market  
 25 milk and prevailing wage rates in this state;

1 (g) The cost factors in jobbing milk, which shall  
 2 include among other things raw product and ingredient costs,  
 3 carton or other packaging cost, processing cost and that  
 4 part of general administrative costs of the supplying  
 5 distributor which may properly be allocated to the handling  
 6 of milk to the point at which such milk is at the supplying  
 7 distributor's dock, equipment of all types required to  
 8 market milk, and prevailing wage rates in the state;

9 (h) The need, if any, for freight or transportation  
 10 charges to be deducted by distributors from producer prices  
 11 for bulk milk;

12 (i) A reasonable return on necessary investment to all  
 13 ordinarily efficient and economical milk dealers.

14 (6) If the board at any time proposes to base all or  
 15 any part of any official order establishing or revising any  
 16 milk pricing formulas upon facts within its own knowledge,  
 17 as distinguished from evidence which may be presented to it  
 18 by the consuming public or the milk industry, the board  
 19 shall, when publishing notice of proposed ~~rate-making~~  
 20 rulemaking under authority of this section, cause notice to  
 21 be given to the consuming public and the milk industry of  
 22 the specific facts within its own knowledge which it will  
 23 consider, so that all interested parties will have  
 24 opportunity to be heard and to question or rebut such facts  
 25 as a matter of record.

1 (7) The board, after consideration of the evidence  
 2 produced, shall make written findings and conclusions and  
 3 shall fix by official rule:

4 (a) The formula whereby minimum producer prices for  
 5 milk in classes I, II, and III shall be computed.

6 (b) The formula whereby minimum wholesale prices for  
 7 milk in class I shall be computed.

8 (c) The formula whereby minimum jobber prices for milk  
 9 in class I shall be computed.

10 (d) The formula whereby minimum retail prices for milk  
 11 in class I shall be computed.

12 (8) This section shall not be construed as requiring  
 13 the board to promulgate any specific number of formulas, but  
 14 shall be construed liberally so that the board may adopt any  
 15 reasonable method of expression to accomplish the objective  
 16 set forth in (a), (b), (c), and (d) above. If the evidence  
 17 presented to the board at any public hearing for the  
 18 establishment or revision of milk pricing formulas is found  
 19 by the board to require the establishment of separate and  
 20 varying wholesale prices for any particular uses, the board  
 21 shall designate the reasons therefor and establish such  
 22 separate formulas.

23 (9) Each rule establishing or revising any milk  
 24 pricing formulas shall classify milk by forms, classes,  
 25 grades, or uses as the board may deem advisable and shall

1 specify the minimum prices therefor.

2 (10) The milk produced in one natural marketing area  
3 and sold in another natural marketing area shall be paid for  
4 by a distributor or dealer in accordance with the pricing  
5 order of the area where produced at the price therein  
6 specified of the class or use in which it is ultimately used  
7 or sold.

8 ~~(11) No allowance for freight, other than freight for~~  
9 ~~transportation of milk from the farm to plant, shall be~~  
10 ~~charged to a producer by a distributor or dealer unless it~~  
11 ~~is found and ordered by the board, after notice and hearing~~  
12 ~~in the manner hereinbefore specified, that such an~~  
13 ~~additional freight allowance is necessary to permit the~~  
14 ~~movement of milk in the public interest.~~

15 (11) The board shall adopt rules after notice and  
16 hearing in the manner prescribed by the Montana  
17 Administrative Procedure Act to regulate transportation  
18 rates which distributors, contract haulers, and others  
19 charge producers for both farm-to-plant and interplant  
20 transportation of milk. No allowance for transportation of  
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25 by a distributor shall be purchased on a uniform basis. The

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2 producers and the distributors of the area have been  
3 consulted.

4 (13) The board may amend any official rule in the same  
5 manner provided herein for the original establishment of  
6 milk pricing formulas; provided, further, the board may in  
7 its discretion, when it determines the need exists, notice  
8 and hold state-wide statewide public hearings affecting  
9 establishment or revision of milk pricing formulas in all  
10 market areas of the state.

11 (14) Upon petition of a distributor or a majority of  
12 his producers, the board shall hold a hearing to receive and  
13 consider evidence regarding the advisability and need for a  
14 base or quota plan as a method of payment by that  
15 distributor of producer prices; and if the board finds that  
16 the evidence adduced at such hearing warrants the  
17 establishment of a base or quota plan, the board shall  
18 proceed by official order to establish the same.

19 (15) Upon petition by any producer,  
20 producer-distributor, or distributor in any marketing area,  
21 the board shall hold a hearing to receive and consider  
22 evidence regarding the advisability and need for an  
23 area-wide areawide or state-wide statewide pooling  
24 arrangement as a method of payment of producer prices,  
25 provided that at such hearing the board shall among other

1 things specifically receive and consider evidence concerning  
2 production and marketing practices which have historically  
3 prevailed in the area concerned or ~~state-wide statewide~~, as  
4 the case may be; and if the board finds that the evidence  
5 adduced at such hearing warrants the establishment of such  
6 an ~~area-wide areawide~~ or ~~state-wide statewide~~ pooling  
7 arrangement, the board shall proceed by official order to  
8 establish the same, but such official order shall be of no  
9 force or effect until it is approved in a referendum  
10 conducted by the board among affected producers,  
11 producer-distributors, and distributors.

12 (16) The requirements hereinabove set forth concerning  
13 notices of hearings for the establishment of milk pricing  
14 formulas shall apply to any hearings regarding base or quota  
15 plans or ~~area-wide areawide~~ AREAWIDE or ~~state-wide statewide~~  
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17 (17) Rules adopted pursuant to this section shall be  
18 enforced and audited for compliance by the milk control  
19 division of the department of business regulation."

20 Section 3. Section 82A-406.1, R.C.M. 1947, is  
21 repealed.

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