

NORTH CAROLINA GENERAL ASSEMBLY  
1977 SESSION

CHAPTER 426  
SENATE BILL 562

AN ACT TO AMEND CERTAIN SECTIONS OF THE NORTH CAROLINA MILK  
COMMISSION LAW.

The General Assembly of North Carolina enacts:

**Section 1.** G.S. 106-266.6(8) is rewritten to read as follows:

"(8) 'Milk' means the lacteal secretion obtained by the milking of one or more cows and reconstituted milk products derived from the recombining of dry milk solids, evaporated or condensed milk with water, and which is pasteurized, standardized or otherwise processed with a view of selling it as fluid milk in its several forms, whether cultured or with added bacteria or other ingredients, regardless of grade or fat content, including whole milk, lowfat milk, cream, chocolate milk, plain buttermilk, cream buttermilk, skim milk, special or premium milk, flavored milk or drinks, concentrated milk, sterile milk, dietary modified milk, liquid milk shake mix, half and half, eggnog, other milk-cream mixtures and the milk portion of any imitation milk. Said term excludes the lacteal secretion of one or more dairy cows where the secretion is to be sold for any other purpose."

**Sec. 2.** G.S. 106-266.8(3) is rewritten to read as follows:

"(3) To supervise and regulate the transportation, processing, storage, distribution, delivery and sale of milk for consumption; provided that nothing in this Article shall be interpreted as giving the commission any power to limit the quantity of milk that any producer can produce nor the power to prohibit or restrict the admission of new producers. To classify milk on the basis of use or form; to adopt or approve base plans for allocating classes of milk and to provide for the pooling on a market-wide or statewide plan the total utilization of licensed distributors, or may assign base and /or milk in order to obtain the highest utilization possible for producers and /or associations of producers supplying milk to the market; and the commission may provide for an equalization payment in order that producer milk will not be paid for in a lower class through the recombining of water and milk constituents."

**Sec. 3.** G.S. 106-266.8(10)d. is rewritten to read as follows:

"d. In determining the reasonableness of prices to be paid or charged in any market, the commission shall be guided by the cost of production and distribution, including compliance with all sanitary regulations in force in such market or markets, necessary operating, processing, storage and delivery charges, the prices of other foods and other commodities, and the welfare of the general public. The commission may adopt a formula incorporating such of these economic factors as well as other pertinent economic factors relevant to the production of milk which will determine automatically the prices to be paid producers or associations of producers by distributors in any market

or markets, and then provide for the periodic automatic readjustment of such prices according to the result obtained by the use of this formula. Public hearings shall be held for adoption, or amendment of the formula itself, but shall not be required for price adjustments which are made based upon use of the formula."

**Sec. 4.** G.S. 106-266.18 is rewritten to read as follows:

**"§ 106-266.18. Limitations upon power of commission.** — Nothing in this Article shall be interpreted as giving the commission any power to limit the quantity of milk that any producer can produce, nor the power to prohibit or restrict the admission of new producers, nor the power to restrict the marketing area of any producer, except as provided in G.S. 106-266.8(3)."

**Sec. 5.** This act shall become effective upon ratification.

In the General Assembly read three times and ratified, this the 23rd day of May, 1977.