

SENATE, No. 1786

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 13, 2020

Sponsored by:
Senator JOSEPH PENNACCHIO
District 26 (Essex, Morris and Passaic)

SYNOPSIS

Authorizes use of retail coupons for purchase of milk by consumers.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning the use of coupons for the purchase of milk and
2 supplementing P.L.1941, c.274 (C.4:12A-1 et seq.).

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4 BE IT ENACTED by the Senate and General Assembly of the State
5 of New Jersey:

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7 1. Notwithstanding any provision of law to the contrary, the
8 director shall establish a program to allow for the use of discount
9 coupons in promotional and marketing campaigns of milk for
10 consumer use and benefit. The use of coupons in promotional or
11 marketing campaigns shall be subject to the approval of the director
12 and shall not be predatory towards any New Jersey dairy farmer
13 who directly markets and sells his own milk to the consumer. The
14 use of coupons may result in the sale of milk at a price that is below
15 the minimum price fixed by the director to be charged the consumer
16 if the coupon is issued by or on behalf of the particular store at
17 which the coupon may be redeemed, provided any such coupon is
18 brand neutral.

19 The director shall adopt, pursuant to the "Administrative
20 Procedure Act," P.L. 1968, c.410 (C.52:14B-1 et seq.), rules and
21 regulations necessary to carry out the provisions of this section
22 within 180 days after the effective date of P.L. , c. (C.)
23 (pending before the Legislature as this bill).

24 Nothing in this section shall be construed to affect the minimum
25 price to be paid to producers, milk dealers, processors or subdealers
26 as fixed by the director pursuant to P.L.1941, c.274 (C.4:12A-
27 1 et seq.).

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29 2. This act shall take effect immediately.

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32 STATEMENT

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34 This bill authorizes the use of retail coupons for the purchase of
35 milk.

36 Since the Great Depression, the federal government and
37 approximately three quarters of the states have enacted some form
38 of milk pricing regulation. At that time, the demand for milk
39 dropped precipitously and farmers found themselves in great
40 economic distress. Because milk is an important commodity,
41 federal and state milk marketing orders were developed to stabilize
42 the market and ensure that farmers and producers receive a
43 reasonable return and are able to continue supplying milk for public
44 consumption. Many state regulations took marketing controls a
45 step further and fixed wholesale and retail prices. While many
46 states retain the authority to control milk markets, this regulation
47 has declined significantly over the last decade.

1 The dairy industry remains a vital part of New Jersey agriculture.
2 It is important to maintain a healthy industry to provide New Jersey
3 citizens with fresh, wholesome milk. It is also important to
4 encourage retailers to make this important commodity available to
5 consumers at reasonable prices.

6 New Jersey is one of the few states that continues to regulate
7 minimum retail prices for milk. In connection with this regulation,
8 New Jersey is among only 11 states that restrict the use of discount
9 coupons in retail promotional and marketing campaigns. Such
10 regulation fails to protect dairy farmers in any significant way, and
11 may contribute to high prices for consumers. While it may be
12 important to ensure minimum prices at the producer, dealer,
13 processor and subdealer levels to maintain a stable market, retailers
14 should be free to make a business decision regarding the promotion
15 and marketing of their products to consumers.

16 This bill does not change the price fixing authority of the
17 Division of Marketing and Development within the Department of
18 Agriculture. However, the bill relaxes the restriction on the use of
19 retail coupons. Under the bill, retailers would be authorized to
20 issue discount coupons for use in their stores, provided that the
21 coupon is generic as to the brand of milk to be discounted.