

**SENATE, No. 2772**

**STATE OF NEW JERSEY**  
**213th LEGISLATURE**

INTRODUCED MAY 4, 2009

**Sponsored by:**

**Senator JOSEPH PENNACCHIO**

**District 26 (Morris and Passaic)**

**Senator JOSEPH M. KYRILLOS, JR.**

**District 13 (Middlesex and Monmouth)**

**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.).  
3

4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:  
6

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-1 et  
27 seq.).  
28

29 2. This act shall take effect immediately.  
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32 STATEMENT  
33

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.

**S2772 PENNACCHIO, KYRILLOS**

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.