

ARTICLE I. STATEMENT OF PURPOSE, FINDINGS AND DECLARATION OF POLICY.

SEC. 1. STATEMENT OF PURPOSE, FINDINGS AND DECLARATION OF POLICY.

THE PURPOSE OF THIS COMPACT IS TO RECOGNIZE BY CONSTITUTIONAL PREREQUISITE THE INTERSTATE CHARACTER OF THE NORTHEAST DAIRY INDUSTRY AND TO FORM AN INTERSTATE COMMISSION FOR THE NORTHEAST REGION. THE MISSION OF THE COMMISSION IS TO TAKE SUCH STEPS AS ARE NECESSARY TO ASSURE THE CONTINUED VIABILITY OF DAIRY FARMING IN THE NORTHEAST, AND TO ASSURE CONSUMERS OF AN ADEQUATE, LOCAL SUPPLY OF PURE AND WHOLESOME MILK.

THE PARTICIPATING STATES FIND AND DECLARE THAT THE DAIRY INDUSTRY IS THE PARAMOUNT AGRICULTURAL ACTIVITY OF THE NORTHEAST. DAIRY FARMS, AND ASSOCIATED SUPPLIERS, MARKETERS, PROCESSORS AND RETAILERS, ARE AN INTEGRAL COMPONENT OF THE REGION'S ECONOMY. THEIR ABILITY TO PROVIDE A STABLE, LOCAL SUPPLY OF PURE, WHOLESOME MILK IS A MATTER OF GREAT IMPORTANCE TO THE HEALTH AND WELFARE OF THE REGION.

THE PARTICIPATING STATES FURTHER FIND THAT DAIRY FARMS ARE ESSENTIAL TO THE REGION'S RURAL COMMUNITIES AND CHARACTER. THE FARMS PRESERVE OPEN SPACES, SCULPT THE LANDSCAPE AND PROVIDE THE LAND BASE FOR A DIVERSITY OF RECREATIONAL PURSUITS. IN DEFINING THE RURAL CHARACTER OF OUR COMMUNITIES AND LANDSCAPE, DAIRY FARMS ALSO PROVIDE A MAJOR DRAW FOR OUR TOURIST INDUSTRIES.

BY ENTERING INTO THIS COMPACT, THE PARTICIPATING STATES AFFIRM THAT THEIR ABILITY TO REGULATE THE PRICE WHICH NORTHEAST DAIRY FARMERS RECEIVE FOR THEIR PRODUCT IS ESSENTIAL TO THE PUBLIC INTEREST. ASSURANCE OF A FAIR AND EQUITABLE PRICE FOR DAIRY FARMERS ENSURES THEIR ABILITY TO PROVIDE MILK TO THE MARKET AND THE VITALITY OF THE NORTHEAST DAIRY INDUSTRY, WITH ALL THE ASSOCIATED BENEFITS.

RECENT DRAMATIC PRICE FLUCTUATIONS, WITH A PRONOUNCED DOWNWARD TREND, THREATEN THE VIABILITY AND STABILITY OF THE NORTHEAST DAIRY REGION. HISTORICALLY, INDIVIDUAL STATE REGULATORY ACTION HAS BEEN AN EFFECTIVE EMERGENCY REMEDY AVAILABLE TO FARMERS CONFRONTING A DISTRESSED MARKET. THE FEDERAL ORDER SYSTEM, IMPLEMENTED BY THE AGRICULTURAL MARKETING AGREEMENT ACT OF 1937, ESTABLISHES ONLY MINIMUM PRICES FOR DAIRY PRODUCTS, WITHOUT PREEMPTING THE POWER OF STATES TO REGULATE MILK PRICES ABOVE THE MINIMUM LEVELS SO ESTABLISHED. BASED ON THIS AUTHORITY, EACH STATE IN THE REGION HAS INDIVIDUALLY ATTEMPTED TO IMPLEMENT AT LEAST ONE REGULATORY PROGRAM IN RESPONSE TO THE CURRENT DAIRY INDUSTRY CRISIS.

IN TODAY'S REGIONAL DAIRY MARKETPLACE, COOPERATIVE RATHER THAN INDIVIDUAL STATE ACTION MAY ADDRESS MORE EFFECTIVELY THE MARKET DISARRAY UNDER OUR CONSTITUTIONAL SYSTEM, PROPERLY AUTHORIZED, STATES ACTING COOPERATIVELY MAY EXERCISE MORE POWER TO REGULATE INTERSTATE COMMERCE THAN THEY MAY ASSERT INDIVIDUALLY WITHOUT SUCH AUTHORITY.