

# CALIFORNIA DAIRY CAMPAIGN

*Dairymen working for Dairymen*



January 12, 2018



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**CFU Vice President George Davis meets with members of Congress:** This week, California Farmers Union (CFU) President George Davis met with California lawmakers in their Washington, DC offices to discuss the farm bill and other key issues. During his visits CFU VP Davis called for the following reforms to the dairy title of the next farm bill:

**Incentives Based Inventory Management:**

California Dairy Campaign and California Farmers Union urge Congress to develop a comprehensive dairy program to allow dairy producers across the nation to receive a profitable return on their investment. The dairy industry nationwide generates nearly \$40 billion per year, yet since the last farm bill, dairy farmers have paid more in premiums than have been paid out and any sort of price safety net has been eliminated. It is critically important for U.S. dairy farmers to balance milk supply and demand through a long-term supply management program. In the next farm bill, we call for a nationwide program to be established that includes voluntary producer assessments for an industry-managed program that will stabilize and increase producer prices. The program will provide an incentive payment to domestic producers who agree to voluntary production limits. Funding should be provided by those producers who increase production from the previous year beyond the prevailing demand for dairy products. Far more funds have been paid into the failing Dairy Margin Protection Program (DMPP) than have been paid out since the program began. The DMPP margins have no relevance to actual dairy farm margins in California. Dairy producers deserve an effective safety net and the DMPP has been a total failure with just one dairy in California signed up for coverage beyond the \$4 catastrophic level in 2017.

**Proposed DMPP amendments further disadvantage California dairy producers:**

**According to the last available California Department of Food and Agriculture data, the average cost of production was \$17.66 per cwt while the January overbase price totals just \$13.37 per cwt. Dairy producers around California are incurring losses as an alarming rate and yet the latest DMPP margin totals \$10.38 per cwt.** The U.S. Senate Appropriations Committee dairy package would make the program even worse for California dairy producers because it would lower the premium costs for dairies with 5 million pounds of annual milk production or less or approximately 223 or fewer cows. The average herd size in California totals 1249 cows. For milk production of less than 5 million pounds annually, the committee voted to eliminate premium rates for the \$4.50 to \$5.00 coverage levels and reduce premiums by as much as 80 percent at the higher margin coverage levels. By comparison, the premium rates on milk production above 5 million pounds average approximately 10 times the amount paid at production below 5 million pounds which would greatly disadvantage California dairy producers.

**We hope you will join us for our Annual Meeting and Social  
Thursday, January 18, 2018 At St. John's Hall at 8301 8 1/2 Avenue in Hanford, CA**  
Friends and Family are more than welcome and a delicious dinner will be served!

*Our social hour begins at 5:00 p.m. and dinner will be served at 6 p.m.*

We will discuss our efforts to establish a federal order for California, the farm bill, environmental, trade, labor and other issues. We are privileged to have California Assembly Member Rudy Salas of Hanford and National Farmers Union President Roger Johnson as our speakers.

RSVP to CDC Office Coordinator Bertha Medina at 209-632-0885

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