

# CALIFORNIA DAIRY CAMPAIGN

*Dairymen working for Dairymen*



April 13, 2018



325 Mitchell Ave. Turlock Ca. 95380 — Phone: 209 632-0885 Fax: 209 632 0706

**CDC Board and Members Meet with USDA staff to discuss California Federal Order** - We would like to thank everyone who participated in our meeting with USDA staff in the CDC Turlock office earlier this week to discuss the final decision on a federal milk marketing order (FMMO) for California. **USDA has mailed ballots to all eligible dairy producers and voting continues through May 5, 2018.** On Tuesday, April 10, USDA held an informational meeting in Clovis to provide details about the final proposal for a California Federal Milk Marketing Order (FMMO) and a series of meeting throughout the week. The Clovis meeting can be viewed online at <https://www.youtube.com/watch?v=3IFiywAojRY> and the entire hearing record, including the Regulatory Economic Impact Analysis, is available online at [www.ams.usda.gov/caorder](http://www.ams.usda.gov/caorder).

For decades, California Dairy Campaign has called for California to join the federal milk marketing order system to bring milk prices paid to dairy producers and the process for determining prices in line with the rest of the federal order system. California dairy producers are routinely paid some of the lowest mailbox prices in the country, but by joining the federal order system milk prices in California will be brought in alignment with other dairy producing regions in the rest of the federal order system. The USDA economic analysis of the final federal order proposal indicates that the California federal order proposal will raise the average price paid to dairy producers in California by 43 cents per hundredweight. The final proposal would ensure that the statewide quota program would continue to operate under the federal order system. California dairy producers voted overwhelmingly with 87% voting in favor of the Quota Implementation Plan (QIP) which will continue the statewide quota program administered by the California Department of Food and Agriculture.

The final proposal that dairy producers will vote on until May 5 represents the 12<sup>th</sup> step in the 12 step process to establish a federal order in California. The timeline to establish a federal order is lengthy in order to maximize participation among dairy producers in the process. **CDC urges dairy producers to vote "Yes" in the ongoing statewide referendum to ensure that milk prices in California are brought in line with prices paid in the federal order system.** The final proposal will address the longstanding issue of out of state fluid milk sales that have evaded the statewide pooling system. In the federal order, all Class I or fluid milk sales are required to be part of the federal order pool. The final proposal would ensure California milk price formulas incorporate the uniform prices for manufactured milk that are included throughout the federal order system. *For more information about the final federal order proposal contact CDC Executive Director Lynne McBride at 925-385-0217.*

**House Agriculture Committee Releases Farm Bill Proposal** – The House Agriculture Committee introduced the Agriculture and Nutrition Act of 2018 (H.R. 2). The Margin Protection Program is renamed the Dairy Risk Management (DRM) program. The first 5 million pounds of milk production on a dairy is made eligible for higher coverage levels at lower premiums. Milk production not covered under DRM is made fully eligible for a comparable crop insurance policy. Finally, feed costs are studied to ensure accuracy in the DRM, and class I milk calculations are adjusted to help dairy farmers better manage risk in the futures market. (Source: US House Agriculture Committee)

*California Dairy Campaign is opposed to the dairy provisions in the proposed farm bill because they will disadvantage dairy operations larger than 5 million lbs. of production, do not reflect accurate on farm margins and fail to incorporate incentive based inventory management to balance milk supply with market demand. Dairy producers are urged to contact California members of the committee*

**Contact California U.S. House Agriculture Committee Members:**

Rep. Jeff Denham, R-10

Staff: Tracey Chow 202-225-4540

Rep. Jim Costa, D-16

Staff: Ben Goldeen 202-225-3341

Rep. Doug LaMalfa, R-1

Staff: Colleen McGowen 202-225-3076

Rep. Jimmy Panetta, D-20,

Staff: Brandon Honeycutt 202-225-2861

**Dairy Margin Protection Program (DMPP) Sign up through June 1, 2018** – Dairy producers can sign up for the DMPP throughout June 1, 2018. The DMPP was changed by the “Bipartisan Budget Act” which lowers premium rates for dairies producing 5 million pounds of milk or less. Dairy producers are eligible to sign up for both the DMPP and the Livestock Gross Margin (LGM) program which is a risk management program. More information is available online at: <https://www.fsa.usda.gov/programs-and-services/farm-bill/farm-safety-net/dairy-programs/mpp-decision-tool/index>

**California Dairy Campaign (CDC) to Host Two Workshops Next Week on the CDFA Alternative Manure Management Practices (AMMP) Program:** The California Department of Food and Agriculture’s (CDFA) second round of Alternative Manure Management Practices (AMMP) Program will provide \$19 to \$33 million in grants to California dairy or livestock producers for using manure management practices that reduce methane emissions and maximize environmental benefits. **CDFA will fund up to 100% of the total project cost with a maximum grant award of \$750,000 per project.** To be eligible, the current baseline manure management practices must include the anaerobic decomposition of volatile solids stored in a lagoon or other predominantly liquid anaerobic environment.

**Upcoming California Dairy Campaign Workshops on AMMP:****Turlock**

**California Dairy Campaign Office  
325 Mitchell Avenue  
Turlock, CA 95380**

**Date: Monday April 16, 2018****Time: 10 am to 12:00 pm Noon****Hanford**

**UC Cooperative Extension Office  
680 Campus Dr Suite A  
Hanford, CA 93230**

**Date: Tuesday April 17, 2018****Time: 10:00 am to 12:00 pm Noon**

**Next week, CDFA will hold a workshop on Monday and a webinar on Tuesday:  
Modesto – Monday, April 16, 2018, 1:00 p.m. – 3:00 p.m.**

Stanislaus County Agricultural Building  
3800 Cornucopia Way, Suite B  
Modesto, CA 95358

**Online CDFA Webinar – Tuesday April 17<sup>th</sup> from 2-4 pm.**

Register online for the webinar at <https://www.cdfa.ca.gov/oefi/ammp/>

**More details about the AMMP can be found online at <https://www.cdfa.ca.gov/oefi/AMMP/>**