



May 24, 2019



## USDA Announces Details of Trade Assistance Package, NFU Urges Adoption of Supply Management Policies



On May 23, the U.S. Department of Agriculture (USDA) released initial details for a trade assistance package to support family farmers and ranchers struggling with oversupply and low prices due to international trade conflicts. The agency plans to allocate as much as \$16 billion, including \$14.5 billion in direct payments to producers through the Market Facilitation Program (MFP). Additionally, USDA has designated \$1.4 billion for commodity purchases through the Food Purchase and Distribution Program (FPDP) as well as \$100 million for the development of new export markets through the Agricultural Trade Promotion Program (ATP).

National Farmers Union (NFU) supports efforts to address China's unfair and manipulative trade practices and has repeatedly urged the administration to provide necessary assistance to farmers caught in the cross hairs. NFU President Roger Johnson issued the following statement in response to the agency's announcement:

*"Family farmers and ranchers have been grappling with low commodity prices and excess production for many years now, and the trade war with China and other major trading partners has compounded both problems. We appreciate USDA's work to mitigate family farmers' losses as a result of these trade disputes. However, while this trade aid package is an improvement over last year's Market Facilitation Program, by definition it fails to provide predictable, consistent and adequate relief across American agriculture.*

*"We are pleased that USDA will be providing payments for a broader range of commodities than were covered under last year's program. We also appreciate that producers of all covered commodities will receive equitable support. At the same time, basing payments on 2019 planted acres fails to*

*help those who have faced or are facing impossible planting conditions.*

*“Ultimately, this package is only a short-term fix for a very long-term problem. Farmers rely on markets to make a living. Our ongoing trade wars have destroyed our reputation as a reliable supplier and have left family farmers with swelling grain stores and empty pockets. The very least we can do is provide our country’s struggling food producers with the certainty of a longer-term plan that also addresses the persistent and pernicious problem of oversupply.”*

## Over 200 Farm, Food and Rural Groups Support Agribusiness Merger Moratorium Bills



Representative Mark Pocan (D-WI).

A broad-based coalition including California Dairy Campaign and California Farmers Union totaling 219 farm, food, rural, faith and consumer advocacy organizations delivered a letter to Congress endorsing food and agribusiness merger moratorium bills introduced by Senators Cory Booker (D-NJ) and Jon Tester (D-MT) and

The Food and Agribusiness Merger Moratorium and Antitrust Review Act of 2019 would initiate a moratorium on large agriculture, food and beverage manufacturing and grocery retail mergers to allow time to assess the impact corporate consolidation has on farmers, workers, consumers and communities. It also recommends improvements to antitrust enforcement. The bills were also introduced in the House and Senate in 2018.

“Over the past several decades, lax antitrust enforcement has greatly reduced competition in the industries that supply and buy from family farmers and ranchers, saddling them with higher input costs, fewer choices, and less innovation,” said National Farmers Union President Roger Johnson. “After a recent wave of agribusiness mega-mergers, Senator Booker and Representative Pocan’s legislation would provide a much-needed opportunity to evaluate the damage and establish stronger safeguards to prevent this level of consolidation in the future. We heartily support this merger moratorium, and we urge Congress to do so as well by passing it swiftly.”

The letter outlines the impacts of a merger and acquisition spree that has swept through food and agriculture in the last decade, with mergers between major seed, fertilizer, food processing and grocery retail giants. This wave of consolidation has contributed to falling farm prices, declining farm incomes, stagnant wages for food workers, rising food prices and economic stagnation in rural communities.

The Booker-Pocan bill would put a strategic pause on merger combinations of over \$160 million in sales or assets and establish a commission to study the impacts of consolidation in the food and agricultural sectors on farmers, rural communities, workers and consumers. The commission would also recommend

any necessary changes to federal antitrust statutes or other laws and regulations to restore a fair and competitive agricultural marketplace.

The letter, signed by groups from 46 states, urged other Members of Congress to cosponsor the legislation to stop the mergers that threaten independent family farmers, consumers and communities. *The full release can be found [here](#).*

## CDFA Announces QIP Petition Did Not Meet Required 25% Threshold



Earlier this week, the California Department of Food and Agriculture (CDFA) announced that a petition calling for the elimination of the Quota Implementation Plan (QIP) did not meet the required 25% threshold for further consideration. Similar to the requirements of the former California state order, the QIP requires signatures indicating support from 25% of Grade A California dairy producers before CDFA will move forward with consideration of a petition for

changes to the quota program.

The CDFA notice stated: The Department performed a review of the 283 signatures submitted as part of the petition. Of those, 243 signatures were validated. During its review, the Department utilized a variety of source documents to determine if the signatures submitted were valid under the requirements of the QIP and various Food and Agriculture Code sections (62716, 62717, 61834, 61836) pertaining to referendums. Signatures disqualified included Grade B shippers, dairy farms that had gone out of business, signatures that did not have the petition text included, signatures that did not match Department producer files, and signatures from individuals that were not listed as an owner per Department ownership files. When the 243 signatures were merged for common ownership, this resulted in signatures from 197 producers. The result of the petition review process revealed that nearly twenty percent (20%), or 197 of the 992 market milk producers submitted valid signatures.

*The complete CDFA Notice can be found on the CDFA web site linked [here](#).*

## Online Dairy Margin Coverage (DMC) Tool



Recently USDA launched a [new web-based tool](#) – developed in partnership with the University of Wisconsin – to help dairy producers evaluate various scenarios using different coverage levels through the new [Dairy Margin Coverage](#) (DMC) program.

The 2018 Farm Bill authorized DMC, a voluntary risk management program that offers financial protection to dairy producers when the difference between the all milk price and the average feed cost (the margin) falls below a certain dollar amount selected by the producer. It replaces the program previously known as the Margin Protection Program for Dairy. Sign up for this USDA Farm Service Agency (FSA) program opens on June 17.



The University of Wisconsin launched the decision support tool in cooperation with FSA and funded through a cooperative agreement with the USDA Office of the Chief Economist. The tool was designed to help producers determine the level of coverage under a variety of conditions that will provide them with the strongest financial safety net. It allows farmers to simplify their coverage level selection by combining operation data and other key variables to calculate coverage needs based on price projections.

The decision tool assists producers with calculating total premiums costs and administrative fees associated with participation in DMC. It also forecasts payments that will be made during the coverage year. (Source: USDA)



**Wishing All a Happy Memorial Day Weekend  
Honoring All Those Who Have Served.**

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