Media Release

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Farm Bill Reauthorization

Midwest Dairy Coalition Praises Senate Ag Committee Work on Dairy Provisions

WASHINGTON, D.C. — The Midwest Dairy Coalition today praised the Senate Committee on Agriculture, Nutrition and Forestry for its work on the dairy reform provisions as part of the Farm Bill reauthorization process.

"We recognize the work that the Committee has done to address the concerns raised by Midwest Dairy Coalition members," said Steve Etka, coordinator, Midwest Dairy Coalition. "The modifications take into account the economic needs of most of our region's dairy producers."

Earlier this month, the Midwest Dairy Coalition wrote to the Senate Ag Committee leadership outlining the concerns it had with the original Dairy Security Act (H.R. 3062), the legislation introduced by Rep. Collin Peterson (D-Minn.) that has served as the basis for dairy negotiations over the last year.

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Acknowledging that the original Dairy Security Act (DSA) made many important reforms to address the realities of higher input costs that dairy farmers are currently facing relative to 2008 when the last Farm Bill was enacted, the Midwest Dairy Coalition nevertheless told leadership of both the Senate and House Ag Committees in an April 9th letter that it was unable to endorse the measure as introduced. The Coalition stated that the DSA did not adequately address the economic needs of most Midwest dairy producers. "Further, we believe the federal milk marketing order reform provisions of the original Peterson bill exacerbate the regional inequities already existing under the current FMMO system," noted Steve Etka, coordinator for the Midwest Dairy Coalition.

Of primary concern to the Midwest Dairy Coalition were three modifications it sought to the original DSA bill:

- Removal of federal milk marketing order provisions and exclusion of any FMMO provisions that artificially deflate the value of milk used for manufactured dairy products.
- Addition of a two-tier premium structure to the Supplemental Margin Protection Program provisions, allowing for lower premiums for the first 4 million pounds of a producer's annual production. This would reduce the cost of margin insurance for all participating dairy farmers, but would be particularly helpful for farmers who are transitioning from the Milk Income Loss Contract (MILC) program, which is eliminated under the bill.
- Inclusion of provisions to reinforce that a producer's production base under the Dairy Market Stabilization Program would be a temporary, rolling base and would in no way limit a producer's long-term production decisions and options.

The Coalition also asked for inclusion of provisions to allow for a continued safety net for dairy producers in the interim period following passage of the new dairy legislation until it has been implemented by the USDA, suggesting that either the current MILC program be extended or other interim measure taken.

"We appreciate the Committee's willingness to address these concerns as it worked through the dairy provisions of the Farm Bill," Etka said. "We believe these modifications will make for an improved program that better meets the needs of dairy producers in today's economically challenging environment."

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