



## December 24 Update



### Farm Bill Signed By President Trump



Although the farm bill President Trump signed last week, passed by large margins in the House and Senate, the legislation fails to address the ongoing dairy crisis that is causing dairy farmers around the country to go out of business at an alarming rate. Milk prices have remained well below production costs for four years and are not expected to improve significantly any time soon. It is unprecedented in recent years for milk prices to remain this low for this long and yet Congress passed and the president just signed a status quo farm bill when substantial policy change is needed to ensure more dairies aren't forced out of operation.

During consideration of the last farm bill, there was a major debate over a modest inventory management plan, but this time around Congress completely dropped this critical issue. Until dairy farmers have the ability to manage their milk inventories nationwide, some regions will increase production beyond market demand depressing all milk prices causing more family dairy farms to go out of business. California Dairy Campaign is calling on lawmakers to pass legislation to establish a farmer-led nationwide inventory management plan to balance milk production with market demand and establish an equitable milk price.

### Support for Inventory Management Grows

Support for a nationwide dairy inventory management plan is growing because it is the



only real solution to end the dairy crisis. The next farm bill will lesson income losses through subsidized insurance, but won't restore profitability for dairy farmers. The next Congress and the

Trump Administration need to act quickly to pass legislation to give dairy farmers the ability to manage milk production nationwide to sustain dairies around the country and establish a fair milk price.

Dairy farmers in Canada have an inventory management program to match milk supply with market demand and their milk price is almost twice the amount U.S. dairy farmers here are paid. Consumer prices for dairy products in Canada are comparable to prices paid here, but because Canadian dairy farmers manage their milk inventories, dairy farmers in Canada are paid a greater share of the retail dollar. Today U.S. dairy farmers are paid 1980's prices for their milk while there is much profitability further up the food chain. The farm bill fails to address this fundamental flaw in our federal dairy pricing system.

California Dairy Campaign and California Farmers Union are joining Wisconsin Farmers Union and dairy farmers and farm organizations around the country through the *Dairy Together* coalition to call for a farmer-led inventory management plan to balance milk production with market demand and establish an equitable milk price for dairy farmers.

## Quota Implementation Plan (QIP)



Last week, the Producer Review Board met in the California Department of Food and Agriculture (CDFA) office in Sacramento to discuss finalizing procedures for submitting a petition for substantive amendments or termination of the Quota Implementation Plan (QIP). The board met with CDFA staff to finalize the process that would be followed to verify petition signatures. The meeting was well attended by dairy producers from around the state who had the opportunity to

make comments to the board about the petition process.

As was the case prior to the establishment of a California Federal Milk Marketing Order (CAFMMO), there is process by which dairy producers can petition to change the quota program. The board discussed formalizing the process to verify petition signatures. Once CDFA has verified that 25 percent of Grade A dairy producers signed a petition, it will be sent to the Producer Review Board which will then hold a public meeting to determine the merits of the petition, adopt findings and make a recommendation to the CDFA Secretary. The CDFA Secretary then makes a determination about whether to call for a statewide dairy producer referendum on the petition and notifies the petitioner, the Producer Review Board and posts on the CDFA web site.

During the fall CDC member meetings, CDC members discussed a petition that has been circulated to all the dairy producers in the state to call for the

elimination of the Quota Implementation Plan (QIP). As was the case under the state order, in order to make changes to the quota program, a statewide referendum of Grade A dairy producers must be held. Dairy producers that own more than one dairy are entitled to one vote. However, the volume of milk produced on all of the producer's farms and delivered to California plants will be combined to ensure the volume of milk represented meets the voting thresholds. In order for the the petition to pass, 51 percent of eligible producers must vote AND votes in favor must be submitted by either 65%, or more, of those who voted and produce at least 51% of the milk produced by those who voted OR 51%, or more, of those who voted and produce at least 65% of the milk produced by those who voted.

## Trade Payments Resume, but Still Fall Short



Following reports that the White House would delay or potentially cancel the second and final round of Market Facilitation Program (MFP) payments, the U.S. Department of Agriculture announced that the payments would, in fact, resume as initially planned. MFP was part of the administration's plan to provide relief to farmers and ranchers struggling with low farm prices due to trade volatility from the administration's trade war with China.

Given the ongoing financial difficulties family farmers and ranchers are enduring, the original rumor was met with significant frustration and disappointment from National Farmers Union (NFU). "Months ago, President Trump entered and escalated this trade war with China and much of the rest of the world, depressing already low farm prices and ruining America's reputation as a reliable trading partner," said NFU President Roger Johnson in a press release. "Now, during this period of significant financial strain, is not the time to renege on promises to farmers to help mitigate the losses."

However, the USDA's announcement doesn't do enough to assuage the organization's concerns. "Support through MFP is welcome news to family farmers and ranchers who are suffering the brunt of the retaliation from China and other trading partners, but this trade aid falls woefully short of the sort of support required to blunt current and future damages of the administration's trade wars," said Johnson in a second release. Because the farm economy will feel the effects of Trump's policies for years to come, Johnson emphasized that farmers needs far exceed that of a two-time payment. "The administration needs to understand the grave consequences of its international trade strategy for American family farmers and ranchers, and act in a meaningful way to support farm families during this time of significant financial strife."

*(National Farmers Union news release)*

## AMMP Application Period Begins December 28



The California Department of Food and Agriculture (CDFA) is expected to announce the next application period for the Alternative Manure Management Program (AMMP) on December 28, 2018. Applications will be accepted through April, 3, 2019. A number of CDC members have already received

AMMP grants and CDC Field Representative Joe Melo is working with more dairy producers on their AMMP applications in preparation for the next sign-up period.

### **What is the alternative manure management program?**

CDFA's Alternative Manure Management Program (AMMP) provides financial assistance for the implementation of non-digester manure management practices in California, which will result in reduced greenhouse gas emissions. CDFA received \$99 million from the Greenhouse Gas Reduction Fund in 2017 and plans to allocate between \$19-\$33 million for AMMP and \$61-\$75 million for DDRDP in 2018.

### **What is an alternative manure management practice?**

Alternative manure management practices involve handling manure in ways that don't involve using an anaerobic digester. Currently, eligible practices for funding through AMMP include: pasture-based based management; solid separation or conversion from flush to scrape in conjunction with some form of drying or composting of collected manure.

Dairy producers interested in more information about the AMMP can contact Joe Melo at 209-216-7615.

More details about the AMMP can be found online at [CDFA AMMP web site](#).

In addition applications will soon be accepted for the Healthy Soils Program - [Healthy Soils](#) and the State Water Efficiency and Enhancement Program - [SWEET](#).

**Contact the CDC office for more information about AMMP,  
Healthy Soils and SWEET  
at 209-632-0885.**

## **CDQAP 20 Year Anniversary**

The California Dairy Quality Assurance Program (CDQAP) just celebrated its 20 year anniversary. California Dairy Campaign has been a CDQAP partner organization since it began and this month's newsletter featuring the anniversary can be found online at [CDQAP Newsletter](#)

California Dairy Campaign has long been a member of Dairy Cares which recently concluded a California Sustainability Summit and information about the summit can be found online at [Dairy Cares](#).



**Join Us for Our Upcoming  
Annual Membership Meeting  
In Hanford, CA  
on January 23, 2019**

Each year during our Annual Meeting we come together to look back on our work throughout the year and ahead to set our



policy priorities for the New Year.  
We invite you to join us for our  
Annual Meeting on January 23 in Hanford.  
Friends and family are more than welcome.

## California Dairy Campaign and California Farmers Union Joint Annual Meeting

Date: Wednesday, January 23, 2019

Location: Hanford Fraternal Hall  
1015 N. 10<sup>th</sup> Street,  
Hanford, CA

*Contact Bertha Medina at 209-632-0885 to RSVP.*

## National Farmers Union Women's Conference in San Diego January 13-17 2019



National Farmers Union Women's Conference is just around the corner! We hope you can join us from January 13-17 at the Catamaran Resort Hotel and Spa in San Diego, California. The theme of this year's conference is "Farming in Community." Participants will have the opportunity to tour local farm, share their stories

with fellow attendees, and listen to experts present on topics such as business planning, running for office, accounting systems, food safety, activism, and more.

We hope you can join us for the 2019 Women's Conference, and in the meantime, please let me know if you have any questions.  
Contact Executive Director Lynne McBride at 209-632-0885  
for more information.

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## Merry Christmas

**The California Dairy  
Campaign and  
California Farmers  
Union Board and Staff  
wish everyone a very**

Merry Christmas!



**For More Information  
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