

CALIFORNIA DAIRY CAMPAIGN

Dairymen working for Dairymen



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Dairy Margin Protection Program – The sign up for the Dairy Margin Protection Program (MPP) is likely to begin soon and more information is available about what the changes passed as part of the “*Bipartisan Budget Act*” will mean for California dairy producers. Because the changes did not address the fundamental flaw that the MPP does not reflect actual dairy farm margins, the projected margins in the MPP are \$6.86 or higher throughout 2018. Below please find MPP margin projections based on February 14 CME prices from the briefing paper titled, “*Changes to the Margin Protection Program for Dairy Producers*” by Andrew M. Novakovic* and Mark Stephenson.

Jan-18	\$ 8.1715	Jul-18	\$ 7.5314
Feb-18	\$ 7.3327	Aug-18	\$ 8.0268
Mar-18	\$ 6.9330	Sep-18	\$ 8.4635
Apr-18	\$ 6.8638	Oct-18	\$ 8.8541
May-18	\$ 6.9398	Nov-18	\$ 8.9788
Jun-18	\$ 7.1852	Dec-18	\$ 8.9880

According to the briefing paper, “In its first two years of operation, farmers paid \$96 million in fees and premiums but only \$12 million was paid in “indemnities” into the MPP. The changes decrease premiums for dairies of 220 cows or less, but premiums on any production over 5 million pounds remain unchanged. House Agriculture Committee Ranking Member Collin Peterson, D-Minn., is expected to propose additional changes to the MPP that would further decrease premiums for dairies of 220 cows or less and increase the available coverage level to \$9.50 per cwt. CDC is opposed to the changes because the MPP will fail to provide a safety net for dairies in California where the average herd size totals more than 1200 cows. CDC is calling for an incentive based dairy inventory management program that will enable dairy producers to be paid a fair price from the market.

Now is the time to work on an Alternative Manure Management Projects (AMMP) for your dairy: The California Department of Food and Agriculture (CDFA) is expected to open the application process for the AMMP program in March. Please find a link on the CDFA site for more information: <https://www.cdfa.ca.gov/oefi/ammp/>

Contact CDC Field Representative Joe Melo, a technical expert on the AMMP, to work with you on your AMMP application by phone at 209-216-7615.

California Delegation to National Farmers Union Convention: California Dairy Campaign President Joe Augusto, California Farmers Union Vice President George Davis, CDC and CFU Board Member Mark McAfee and Blaine McAfee will travel to Kansas City to participate in the National Farmers Union (NFU) Annual Convention in early March. California delegates will call for passage of a policy resolution in support of an incentive based inventory management program so that milk production is more responsive to market demand. During the last farm bill debate, when milk prices had reached record highs, legislation to establish a milk inventory management program was a key part of the debate, and CFU and CDC leaders believe it is the only solution to ensure that dairy farmers nationwide receive fair prices from the market.

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