



May 31, 2019



## CFU VP Calls on California Lawmakers to Support Dairy Supply Management



California Farmers Union Vice President George Davis traveled to Washington, DC earlier this month to meet with lawmakers to call for passage of nationwide farmer-led dairy supply management legislation. The inventory management plan would balance milk supply with market demand and establish equitable prices for dairy producers who have endured more than four years of depressed milk prices.

CFU VP George Davis met with California lawmakers including newly elected Representatives Josh Harder of Modesto and TJ Cox of Hanford along with Reps. Jared Huffman of Petaluma and Jerry McNerney of Stockton in addition to staff from numerous offices including House Speaker Nancy Pelosi.  
*(Pictured: George Davis meeting with Rep. McNerney)*

California Dairy Campaign and California Farmers Union have joined with National Farmers Union, Wisconsin Farmers Union, Holstein USA, National Farmers Organization and other organizations and dairy producers through the [Dairy Together](#) campaign to call for an effective nationwide inventory management system to provide incentives for dairy producers to manage milk production growth to meet market demand.

***It is critical that dairy producers follow-up with California lawmakers to show their support for supply management legislation. Call the Capitol Hill Switchboard today at 202-225-3121 and ask to speak with your member of Congress to urge their support for a nationwide farmer-led dairy inventory management program to match milk production with market demand.***

As we discussed at our [Dairy Together Roadshow](#) meeting in Modesto in April, even modest changes in milk production can have significant impacts on milk prices paid to dairy producers. When milk production declined by .4 percent in March, milk prices paid to dairy producers improved significantly. The decrease that month amounted to a decline in milk production equal to milk production from just one cow per dairy. That small decrease led to an increase in producer milk prices demonstrating the tremendous potential of a nationwide dairy inventory management system to improve milk prices and sustain dairies nationwide.

## MPP Refunds Available to Dairy Producers



During the last farm bill debate, California Dairy Campaign called on Congress to pass legislation to provide dairy producers with a refund for the premiums paid into the failing Margin Protection Program (MPP). CDC joined with National Farmers Union and others to call for MPP refund legislation which was later passed in the farm bill to pay dairy producers back for money spent on the failing MPP.

### **The details of the refund provision are:**

Dairy producers who participated in the Margin Protection Program (MPP) during any year between 2014 and 2017 are eligible to receive a refund for a portion of their insurance premiums.

The refund is equal to the difference between the total amount of premiums paid by the dairy operation for each year of coverage and the total amount of MPP payments it received. Recipients can choose to receive 50 percent of the calculated value as a cash refund or 75 percent as a credit to cover premiums for the Dairy Margin Coverage Program.

Those who are interested in receiving a refund must have their repayment calculated and verified by the U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) and choose one of the two repayment options by September 20, 2019.

Learn more and apply [here](#).

## USDA Announces Trade Assistance Package

Last week, the U.S. Department of Agriculture (USDA) released initial details for a new trade assistance package to support family farmers and ranchers struggling with oversupply and low prices due to escalating trade conflicts. The agency plans to allocate as much as \$16 billion from the Commodity Credit Corporation for the package, including \$14.5 billion in direct payments to producers of certain commodities 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).

USDA has already issued two rounds of payments via MFP to soybean, sorghum, wheat, corn, pork, dairy, cotton, almond, and sweet cherry producers starting last fall. All of those commodities are also included in the new package, in addition to wide range of other products that were affected by the trade war, either directly or indirectly. Eligibility and payment rates depend on the commodity. Most commodity grain producers will be compensated based on a flat county rate multiplied by total acreage of those crops in 2019, not to exceed 2018 plantings. In contrast, most specialty crop producers will receive payments based on 2019 production while dairy producers' payments will be based on historical production.

Payments will be distributed in three separate tranches, with the first expected in late July or early August. If USDA determines that additional assistance is still necessary, a second and third round of assistance may be implemented at a later date.

National Farmers Union (NFU) was encouraged by some of the improvements that the administration made over the previous trade aid package. "We are pleased that USDA will be providing payments for a broader range of commodities than were covered under last year's program," said NFU President Roger Johnson in a statement. "We also appreciate that producers of all covered commodities will receive equitable support."

Though the USDA's support is much-needed, it will not provide long-term solutions many producers will need to withstand the lasting effects of the trade war. "Our ongoing trade wars have destroyed our reputation as a reliable supplier and have left family farmers with swelling grain stores and empty pockets," said Johnson. **"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."**

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