



# News Release

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*"Connecting Cows, Cooperatives, Capitol Hill, and Consumers"*

FOR IMMEDIATE RELEASE  
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## **New Economic Assessment of Farm Bill Dairy Security Act Says It's Better for Farmers and Taxpayers**

ARLINGTON, VA – A [new analysis](#) of the key Farm Bill dairy proposals under consideration in the House Agriculture Committee finds that the [Dairy Security Act](#) (DSA) is better for farmers – as well as taxpayers – compared to the Goodlatte-Scott alternative proposal that will be offered in the committee deliberations tomorrow.

The new report, prepared by University of Missouri agricultural economists Scott Brown and Daniel Madison, assessed how the Dairy Security Act would have affected farm-level economics during the period 2009 through 2012 compared with the impact of an alternative plan offered by Reps. Goodlatte and Scott (G-S). The DSA program offers dairy farmers margin insurance, coupled with a market stabilization mechanism that improves farm prices during low periods while also controlling the program's cost. The Goodlatte-Scott amendment lacks the market stabilization feature.

According to Brown and Madison's economic modelling, the DSA would have increased net farm revenues by \$0.55 per cwt. over the period studied, while the Goodlatte-Scott amendment would have raised farm revenue by only \$0.48 per cwt. More important from a budgetary standpoint, the Goodlatte-Scott proposal would have hiked government expenditures by \$1 billion over the 2009 to 2012 period compared to the DSA, because G-S would encourage more milk production – even at lower margins.

"This new analysis gets to the heart of the question that our lawmakers must answer: do they support a plan that will save the government money while helping farmers, or will they instead endorse an alternative that results in the worst of all worlds -- lower farm milk prices and higher taxpayer outlays?," said Jerry Kozak, President and CEO of NMPF. "Regardless of your politics, the Dairy Security Act is the more fiscally responsible choice."

Contrary to claims that the DSA would short the market of milk, affecting both the domestic and export aspects of the U.S. dairy sector, the Missouri report found that "Milk production on average is virtually unchanged under either option." Brown's report did note that the DSA's market stabilization program would slow milk output in response to market signals, but that it

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would not have been in place frequently enough to produce long-term changes in milk production.

The National Milk Producers Federation, based in Arlington, VA, develops and carries out policies that advance the well-being of dairy producers and the cooperatives they own. The members of NMPF's 30 cooperatives produce the majority of the U.S. milk supply, making NMPF the voice of more than 32,000 dairy producers on Capitol Hill and with government agencies. Visit [www.nmpf.org](http://www.nmpf.org) for more information.