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

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NMPF Statement on Status of Farm Bill Negotiations over Dairy Title

From Jim Mulhern, President and Chief Executive Officer, NMPF:

During the past four years that NMPF has worked to revise federal dairy policy, we have evaluated a variety of proposals against two key criteria: 1) does it provide an effective safety net for all of the nation's dairy farmers?; and 2) does it protect taxpayers from the possibility of excessive program costs through the use of suitable incentives for those enrolled in the program?

The resulting Dairy Security Act measure, contained in the farm bills approved by the House and Senate Agriculture Committees in 2012 and again in 2013, is a loss-prevention margin insurance program that meets those objectives.

We were initially heartened that the four bi-partisan leaders of the House-Senate farm bill conference committee included the DSA language in the package that they were planning to present to the full conference. Despite the long-standing opposition to this plan from House Speaker John Boehner, we were confident we had the votes in the conference committee to defeat any amendment to strike the market stabilization program.

Unfortunately, the Speaker's threat that he would not allow a vote on a farm bill containing the market stabilization program has effectively served to kill our proposal within the committee.

We are now engaged in discussions with agriculture committee staff on an alternative approach to creating a dairy safety net that would contain inducements to help achieve a supply-demand balance and prevent catastrophic milk price collapses like we experienced in 2009.

At this point, it is conceivable that an alternative mechanism could be developed, relying upon adjustments to the program's margin insurance payout structure and participant premium rates, among other options. Any such approach must still offer an effective risk management tool to farmers, while containing suitable incentives to program enrollees to achieve cost controls. As always, the devil is in the details, and we will not support any program that does not effectively address the needs of our members throughout the U.S.

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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 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 for more information.