



# News Release

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## **SENATE AGRICULTURE COMMITTEE APPROVES FARM BILL LEGISLATION CONTAINING MANY NMPF PRIORITIES**

Bill Contains More Funding for Direct Payments, Conservation, Environment Programs

ARLINGTON, VA – The Senate Agriculture Committee approved a new Farm Bill Thursday containing many of the priority programs sought by NMPF, including additional money for countercyclical payments, and programs to help farmers implement conservation and environmental improvements on their farms.

“This Senate legislation is a great step forward toward writing a new farm bill, and it is similar in many important respects to the Farm Bill approved earlier this summer by the House of Representatives,” said Jerry Kozak, President and CEO of NMPF. “But it doesn’t contain a provision to include imports in the dairy promotion and research program,” which is important to many farmers. That provision is already in the House Farm Bill and Kozak stated, “We will be working hard to ensure its inclusion in the final Farm Bill as was the case with the 2002 bill.”

“But perhaps the most significant achievement of getting this bill approved by the Senate Agriculture Committee is that it sends a clear signal that both chambers of Congress, and members of both parties on Capitol Hill, are ready to complete a new Farm Bill.” Kozak said completing a comprehensive bill that addresses the concerns and interests of dairy producers “is certainly preferable to extending the current farm program for another year or two.”

The Senate Ag committee’s farm bill expands the amount of funding available for conservation and environmental programs, including financial assistance for farm facilities converting animal manure to energy. The Senate bill goes beyond the more limited House bill in that regard, Kozak said.

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In terms of dairy policy, the Senate farm bill contains the two key components of an economic safety net sought by NMPF: a revised dairy price support program that targets specific product prices; and the direct payment program known as the Milk Income Loss Contract program.

The Senate bill continues the existing MILC program, but after the first year of the five-year bill, it raises the payment rate from 34% to 45% of the difference between \$16.94/cwt. and the monthly Class I milk price in Boston (which was the original payment rate when the MILC was created in 2001). After the first year, it also raises the annual milk volume qualifying for MILC payments, from 2.4 million pounds to 4.1 million pounds.

“Dairy farmers and their cooperatives appreciate members of the Senate Agriculture Committee working through these tough issues and devising a bill with many laudable features,” Kozak said. “It’s still a work in progress, and we are looking forward to improving the bill as it reaches the Senate floor, and then when leaders of the Senate and the House have to craft a compromise conference Farm Bill in the coming months.”

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 32 cooperatives produce the majority of the U.S. milk supply, making NMPF the voice of nearly 50,000 dairy producers on Capitol Hill and with government agencies.

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