



News Release

National Milk Producers Federation • 2101 Wilson Blvd., Arlington, VA 22201 • 703-243-6111
FAX 703-841-9328

FOR IMMEDIATE RELEASE
Thursday, February 1, 2007

Contact: Christopher Galen
(703) 243-6111 ext. 356
E-Mail: Cgalen@nmpf.org

USDA FARM BILL PROPOSALS REFLECT NMPF DIRECTION

Main Features Are Price Supports, Direct Payments, Renewable Energy and Import Assessment

ARLINGTON, VA – The U.S. Department of Agriculture’s blueprint for the future of farm policy focuses on issues similar to those that NMPF has been addressing in preparation for the upcoming Farm Bill, a fact which drew plaudits today from the National Milk Producers Federation.

Agriculture Secretary Mike Johanns mentioned the value of maintaining the dairy price support program Wednesday as he unveiled the USDA’s list of items it will ask Congress to consider adopting. NMPF also supports continuing the general framework of the price support program in the next Farm Bill.

“We are greatly encouraged that the USDA will advocate the continuation of the dairy price support program,” said Jerry Kozak, President and CEO of NMPF. “Our organization is still working on its own detailed proposals for the future of the price support program, and it’s heartening to know that we appear to be on the same wavelength as the Agriculture Department when it comes to the need to keep this safety net program.”

Kozak said that NMPF staff will be reviewing the full details of the USDA proposal in the coming days to better understand the approach that Agriculture Secretary Johanns announced on Wednesday.

The USDA is also proposing a new system of direct payments in lieu of the Milk Income Loss Contract (MILC) program. Kozak noted that NMPF understands that there is no single program that addresses all of the industry’s complex needs.

-more-

NMPF NEWS RELEASE///PAGE TWO

Because of this, the upcoming Farm Bill must take a hybrid approach by encompassing a package of safety net programs, including some form of direct payment, along with incentives for on-farm renewable energy development.

“We are pleased to see that the USDA has not only recognized the pain inflicted on our dairy farmers by the twin troubles of low prices and high input costs, but that it also is attempting to alleviate that distress with its farm bill proposal,” said Kozak. “Our challenge now is to build upon NMPF’s proposal, along with USDA’s, in order to find common ground. We look forward to working both with the Department and members of Congress to fashion a comprehensive package of dairy and related programs that address the needs of producers in all regions and regardless of size.”

Kozak said he was also encouraged by USDA’s plan to implement a promotion assessment on imported dairy products. NMPF worked include the import assessment in the 2002 Farm Bill, but it was never implemented because not all U.S. dairy farmers currently pay the 15 per hundredweight promotion checkoff. The few farmers in Alaska, Hawaii and Puerto Rico are exempt, which will change in the new Farm Bill.

“We have argued for six years that it’s a matter of basic fairness that if imported products enjoy access to our consumers, they should help pay the same promotion assessment that our own farmers pay to develop the U.S. dairy market. So, we are very thankful that the USDA will work with us in asking Congress to make the necessary adjustments to implement the import assessment.”

Kozak also said that the next Farm Bill should focus on renewable energy with an eye toward spurring the use of technologies that farmers can use to convert animal waste to electricity – “a development that is a win-win for consumers, farmers and the environment,” Kozak said. He said NMPF also will be suggesting ways that the government can provide incentives to spur such technologies.

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.

###