



News Release

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NMPF REVIEWS MERITS OF ITS COMPREHENSIVE FARM BILL PROPOSAL DURING SENATE HEARING

WASHINGTON, DC – The National Milk Producers Federation today urged the Senate to develop a new farm bill that is more predictable and market-oriented, and presented members of the Senate Agriculture Committee with a comprehensive package of new farm policy proposals to achieve those objectives.

In testimony Tuesday to the Senate, NMPF President and CEO Jerry Kozak said that “we firmly believe that a multi-faceted approach is necessary in order to create a more effective, market-oriented safety net.” Kozak said NMPF’s highly-detailed plan “was created with extensive input and discussion by dairy producers throughout the nation, taking into consideration the concerns of producers of all sizes. We have taken ideas that have been successful in the past and, where appropriate, built on them.”

Examples of these improvements include NMPF’s proposal for the dairy price support program. NMPF is recommending that it be changed to a program whereby the USDA purchases specific dairy products at specific price levels, in contrast to the current program, under which the USDA is given vaguer discretion to support farm-level milk prices. NMPF’s more definitive program will make the program “more predictable than the status quo,” Kozak said.

The same is true for NMPF’s recommendation for a direct payment program. The current Milk Income Loss Contract (MILC) program will be less valuable to farmers in the future. That’s why NMPF is recommending a new milk producer security payment in place of the MILC. NMPF’s program would be decoupled from milk production and price levels, meaning it would generate payments to farmers regardless of market prices.

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Because dairy policy needs to address more than just economics, NMPF is backing expansions of the existing Environmental Quality Incentives Program and the Conservation Reserve Program. Such programs need to place added emphasis on helping dairy farmers invest in technologies that convert animal waste to electricity. Digesters that convert methane into power “represent a win-win opportunity, as they help generate power from what is now a waste product, and they improve the environment at the same time,” Kozak said. With the greater interest in biofuels in America, the next farm bill should address ways of capitalizing on new sources of renewable fuels, and in so doing, improve air and soil quality and create economic growth in rural communities.

Kozak said the farm bill must also continue emphasize America’s animal health infrastructure, particularly in an era with a greater focus on food safety and the looming threat of bioterrorism. He advocated the continuation of programs to help eradicate cattle diseases and improve the overall health of the nation’s dairy herd. In addition, Congress should create a new program to help manage the disposal of potentially high-risk animal products.

Kozak also urged the Senate to work with the USDA to finalize the implementation of an item included in the 2002 Farm Bill, but never put into place: a promotional assessment on imported dairy products. That item has been hung up in the USDA for the past five years, and needs to be finalized again in the new farm bill to ensure its implementation.

NMPF’s farm bill proposal also includes creation of a forward contracting program for manufactured classes of milk. The organization’s support for such a program is contingent on certain farmer-friendly safeguards, and is predicated on passage of the other farm bill elements that NMPF is seeking.

A copy of NMPF’s farm bill package can be found at www.nmpf.org.

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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