



# News Release

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

## FOR IMMEDIATE RELEASE

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### **NMPF Supports Legislative Provisions to Improve Dairy Safety Net, Expand Risk Management Tools** *Organization Lauds Bipartisan Congressional Effort to Make Badly Needed Changes*

ARLINGTON, VA – The National Milk Producers Federation today said the proposed dairy policy reforms included in the newly unveiled congressional disaster assistance package are “much-needed improvements to the dairy safety net,” according to NMPF President and CEO Jim Mulhern, and come at a time when many of America’s dairy farmers are struggling financially after a third year of stagnant prices.

NMPF [sent a letter](#) Thursday to the leaders of the Senate and House of Representatives, urging passage of the larger spending bill that contains reforms to the dairy Margin Protection Program (MPP) and provides access to additional risk management tools from the Agriculture Department (USDA). These key dairy-related elements in the bill will create \$1.2 billion in baseline spending for the next Farm Bill, paving the way for additional improvements to the MPP.

The dairy provisions are part of a spending package announced Wednesday night by Majority Leader Mitch McConnell and Minority Leader Chuck Schumer. In the NMPF letter sent to McConnell, Schumer, House Speaker Paul Ryan, and House Minority Leader Nancy Pelosi, NMPF outlined the difficult economic situation facing dairy producers today, including declining milk prices and global export challenges. The proposed dairy policy changes will better help farmers weather this challenging environment, the letter said.

The MPP reforms included in the dairy package include:

- Raising the catastrophic coverage level from \$4.00 to \$5.00 for the first tier of covered production for all dairy farmers;
- Adjusting the first tier of covered production to include every dairy farmer’s first five million pounds of annual milk production (about 217 cows) instead of four million pounds, a recognition of the growth in herd sizes across the country;
- Reducing the premium rates, effective immediately, for every producer’s first five million pounds of production, to better enable dairy farmers to afford the higher levels of coverage that will provide more meaningful protection against low margins;
- Modifying the margin calculation to a monthly (from bi-monthly) basis, to make the program

- more accurate and responsive to producers in difficult months;
- Waiving the annual \$100 administrative fees for underserved farmers;
- Directing USDA to immediately reopen the program signup for 2018.

The disaster package also lifts the \$20 million annual cap on all livestock insurance, including the Livestock Gross Margin (LGM) program. This will allow USDA to develop a wider variety of additional risk management tools that will be especially important for larger dairy producers and can complement the MPP.

“We applaud Sens. Patrick Leahy (D-VT) and Debbie Stabenow (D-MI) for spearheading the badly needed reforms to the MPP, which will make the program a more effective safety net for dairy producers,” said Mulhern. “These critical provisions are based on their proposal that was approved by the Senate Appropriations Committee last summer in a bipartisan vote. The reforms also reflect the assistance of Sens. Thad Cochran (R-MS) and Pat Roberts (R-KS), as well as key members of the House.”

“Similarly, we commend Reps. Mike Conaway (R-TX) and Collin Peterson (D-MN) for crafting important language to remove the existing cap on livestock insurance products, including the Livestock Gross Margin-Dairy program. This will give dairy farmers the opportunity to access a variety of additional risk management tools that can complement MPP, and it garnered bipartisan support from our Senate allies. Taken together, these changes will provide important risk management tools for dairy farm operations of all sizes.”

Assuming these dairy provisions – and additional funding for the cotton program – are approved as part of the budget deal this week, NMPF will then focus on working with the Senate and House agriculture committees on shaping the 2018 Farm Bill. The added resources established by the fixes to the MPP and LGM program “help pave the way for final adjustments to the dairy safety net for the next five years as Congress crafts a new Farm Bill,” Mulhern said.

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The National Milk Producers Federation (NMPF), 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 dairy producers on Capitol Hill and with government agencies. For more on NMPF’s activities, visit our website at [www.nmpf.org](http://www.nmpf.org).