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2101 Wilson Blvd., Suite 400, Arlington, VA 22201  
703-243-6111 • [www.nmpf.org](http://www.nmpf.org)

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

FOR IMMEDIATE RELEASE  
Friday, December 18, 2015

Contact: Christopher Galen  
(703) 243-6111 ext. 356  
Email: [CGalen@nmpf.org](mailto:CGalen@nmpf.org)

### **NMPF Praises Inclusion of COOL Repeal, Tax Relief for Farmers In Year-End Federal Government Spending Bill**

ARLINGTON, VA – Several crucial items for dairy farmers were approved by Congress in a massive year-end spending bill adopted Friday, including permanent tax relief for agricultural equipment purchases and the prevention of retaliatory tariffs on U.S. dairy products, the National Milk Producers Federation said today.

The must-pass omnibus spending bill for Fiscal Year 2016, coupled with a major tax package, together were used as catch-all vehicles for a number of items important to the dairy sector, including:

- Repeal of Country-of-Origin Labeling (COOL) for beef and pork, the existence of which threatened to generate new tariffs on U.S. dairy products exported to Canada and Mexico;
- A permanent extension of the Section 179 tax credit, which allows farms and other small businesses to write off capital purchases immediately, instead of over time;
- A five-year extension of the 50% bonus depreciation, which allows companies to lower the cost of capital for investment in qualified assets while increasing the cash flow for their businesses.

The House and Senate each approved the combined spending and tax bill on Friday.

"The package features key items that will help make Christmas a little merrier for the nation's dairy farmers," said Jim Mulhern, President and CEO of NMPF. "In particular, the tax measures will help farmers' budgets in a year when they've been squeezed financially by low milk prices. Making the Section 179 credit permanent is a very welcome outcome after several years of short-term extensions of the provision."

Mulhern said the COOL repeal was important "to prevent new tariffs on U.S. dairy products at a particularly challenging time for our industry, given the depressed global market."

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“Repealing the six-year-old Country-of-Origin Labeling program for beef and pork prevents the loss of millions of dollars of U.S. dairy exports that would have resulted from the World Trade Organization ruling,” Mulhern said.

The WTO said earlier this month that parts of the COOL labeling program violate international trade rules, and that Canada and Mexico could respond by penalizing U.S. exports by more than \$1 billion. Both countries had indicated their intention to include American dairy products on their retaliation lists.

The spending bill omitted other important policy objectives sought by NMPF, including a federal preemption of mandatory state GMO labeling laws; reforms to child nutrition programs to ensure increased access to nutritious dairy options in schools; halting the EPA’s efforts to enforce the Waters of the U.S. (WOTUS) rule; and a proposal creating a manure nutrient recovery tax credit.

Mulhern said NMPF will work with Congress to address these and other issues in the new year. Senate agriculture leaders have already pledged to work on the reauthorization of the Child Nutrition Act early in 2016, while the WOTUS rule is likely to face continued opposition in Congress, even as its implementation is suspended nationwide for the time being because of a federal court challenge.

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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 trusted voice of dairy producers on Capitol Hill and with government agencies. Visit [www.nmpf.org](http://www.nmpf.org) for more information.