



News Release

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

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NMPF Welcomes Release of Draft Legislative Version of Foundation for the Future Dairy Policy Package

Discussion Draft Paves Way for Further Congressional Consideration of Dairy Reforms

ARLINGTON, VA – The effort to make dramatic improvements in U.S. dairy policy took a big step forward Wednesday with the release of draft legislation incorporating the key elements of NMPF's Foundation for the Future program.

The discussion draft text has been made available by the House Agriculture Committee's Ranking Member Collin Peterson (D-MN) here: <http://democrats.agriculture.house.gov/>

"This is a long-anticipated and very welcome next step in the process of upgrading dairy policy to better provide farmers with protection, stability, and the opportunity for growth," said Jerry Kozak, President and CEO of NMPF. "We appreciate the attention that Congressman Peterson has brought to this issue, and we will be working with him and his colleagues on Capitol Hill to help advance and implement the concepts of Foundation for the Future."

The legislative language is termed a discussion draft, rather than a bill, as it now provides members of Congress with the opportunity to allow fellow congressmen, key stakeholders, and constituents the opportunity to view the language prior to the official introduction of a bill. It also allows backers of the draft to seek cosponsors who wish to affix their names to the bill, prior to it being formally introduced.

Kozak noted that the economic impact of the reforms contained in the Foundation for the Future proposal will save the government money, compared to current dairy program spending. Such a development "becomes a critical part of the effort to help us move it forward, because all of the talk in Washington lately has been about cutting spending, and specifically, which farm program expenditures can be reduced," Kozak said. "We now have a good answer to that question where dairy programs are concerned."

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NMPF RELEASE///PAGE TWO

The Congressional Budget Office has evaluated, or scored, the legislative draft to assess its budget impact, and that process necessitated two changes, compared to the original Foundation for the Future package as proposed by NMPF (which can be reviewed in this magazine describing the program: www.futurefordairy.com/pdfs/NMPF_FFTF%20Magazine-6-11.pdf).

With respect to the Dairy Producer Margin Protection Program, the amount of basic (no cost to the farmer) margin coverage has been adjusted to 75% of a producer's production history. This change saves money, compared to the current baseline for dairy. However, the DPMPP supplemental coverage option remains at 90% of the producer's production history, as NMPF had proposed.

In addition, due to a number of issues that deal with tax provisions and the overall federal budget deficit, CBO has determined that 50% of any dollars collected as a result of the implementation (i.e. "triggering in") of the Dairy Market Stabilization Program (DMSP) will be remitted to the Treasury, rather than being spent to purchase dairy products. This provision ensures a measure of cost savings sufficiently significant to reduce the overall cost of FFTF.

Kozak said that NMPF will spend the coming weeks building support for the legislative draft, in anticipation of the subsequent formal introduction of a bill in the House, "with an emphasis on obtaining bipartisan support from across the country for this critically-important improvement in dairy policy. We also hope the Senate will take up the charge, so that we can get the legislation passed and implemented as soon as possible."

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 31 cooperatives produce the majority of the U.S. milk supply, making NMPF the voice of more than 40,000 dairy producers on Capitol Hill and with government agencies. For more on NMPF's activities, visit our website at www.nmpf.org.