



News Release

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

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Senate Agriculture Committee Approves Dairy Policy Reforms in Farm Bill

WASHINGTON, DC – The Senate Agriculture Committee today approved a farm bill draft that contains critically-needed improvements in dairy programs, according to the National Milk Producers Federation (NMPF). The bill passed by a vote of 16 to 5, and now will proceed to the full Senate for consideration.

The Senate legislation includes a new, voluntary margin protection program, endorsed by NMPF, to better safeguard farmers against disastrously low margins, such as those generated by the low milk prices and high feed costs that cost dairy farmers \$20 billion in net worth between 2007 and 2009.

"The Senate has taken a huge step in the right direction by including the dairy reforms modeled after NMPF's [Foundation for the Future](#) program," said Jerry Kozak, President and CEO of NMPF. "We commend Senators Stabenow and Roberts for their leadership and diligence in shepherding the farm bill past this point."

Kozak said the dairy title contains a better safety net for farmers in the form of the Dairy Production Margin Protection Program, which offers them a basic level of coverage against low margins, as well as a supplemental insurance plan offering higher levels of protection jointly funded by government and farmers. Those who opt to enroll in the margin program will also be subject to the Market Stabilization program that asks them to reduce milk output when margins are poor.

The Committee approved two amendments to the dairy title of the farm bill: one, offered by Sens. Johanns (R-NE) and Casey (D-PA), that authorizes a review of the Market Stabilization program at the end of the five-year farm bill lifespan; and a second, offered by Sen. Gillibrand (D-NY), that extends the MILC program through June 2013, at a reduced rate, so there is a safety net in place while the USDA implements the new dairy margin insurance program. The bill was not amended in any way that diminishes the value of the margin protection or market stabilization elements, according to Kozak.

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NMPF RELEASE///PAGE TWO

"We're very appreciative that members of the Agriculture Committee have preserved the carefully-crafted economic and political compromises that went into the creation of Foundation for the Future. We look forward to working with the full Senate as it considers this legislation later this spring," Kozak said.

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 30 cooperatives produce the majority of the U.S. milk supply, making NMPF the voice of more than 32,000 dairy producers on Capitol Hill and with government agencies. Visit www.nmpf.org for more information.