



National
Milk Producers
Federation

News for Dairy Co-Ops

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Market Prices

Nunes Legislation Passed by House in Big Victory for Dairy Cooperatives

After three years of effort to close a serious loophole in milk marketing regulations, NMPF, working with a broad-based dairy industry coalition, was successful in helping to pass the Milk Regulatory Equity Act in the House of Representatives.

On a vote April 4th of 285 to 128, the House passed a bill, S. 2120, that legislates an end to the exemption that very large producer-handlers have from milk marketing regulations. At issue was whether one of the largest dairy farms in the country could also bottle its milk but not pay Class I revenues into the Arizona-Las Vegas regional pool, thereby reducing the milk prices of all the other farms in that region.

The bill also closes another loophole allowing unregulated sales of milk from a Federal Milk Marketing Order region into a state order, an issue that was a major concern to farmers in the largest dairy state, California.

"Had this legislation failed to pass, it would have invited further legal challenges to USDA's ability to enforce restrictions on the pooling exemptions that producer-handlers have enjoyed. It also could have encouraged the growth of larger fluid milk producer-distributors using the same loophole in other parts of the country," said Jerry Kozak, President and CEO of NMPF.

"This vote by Congress was a clear statement that no one is above having to play by the same rules that the majority must follow." Kozak acknowledged the effort put forth by the bill's chief sponsor, Rep. Devin Nunes (R-CA). His legislation is identical to a bill, sponsored by Sen. Jon Kyl (R-AZ), that passed last year in the Senate. They will now be sent to President Bush for his signature.

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Immigration Reform Discussions Still In Progress

A bipartisan compromise bill in the Senate to reform immigration laws foundered last Friday in Washington, meaning that negotiations will continue in the coming weeks even while the Senate recesses for Easter.

The initial immigration bill passed last month by the Senate Judiciary Committee, S. 2454, addresses a key concern of farm groups like NMPF: continued access to agricultural workers. Senator Dianne Feinstein (D-CA) collaborated with the AgJOBS bill's sponsor, Sen. Larry Craig (R-ID), to include an AgJOBS provision in the Judiciary Committee's legislation. The Committee bill also includes a provision inserted by Sen. Pat Leahy (D-VT) that modifies the current H-2A guest worker program for agriculture, making it more workable for dairy by significantly lengthening the time period that H-2A dairy guest workers are allowed to remain in the U.S. Because of this, the current

version of S. 2454 appears to satisfy the key requirements that NMPF's Board declared must be included in a satisfactory immigration reform bill.

Senators Chuck Hagel (R-NE), Mel Martinez (R-FL) and John McCain (R-AZ) then forged a compromise approach that was supported among a number of Republicans and Democrats, but failed to win final approval from the full Senate. This compromise would differentiate between those here illegally, depending on how long they have been in the U.S. At this point, that provision does not appear to impact the AgJOBS 2006 portion of the bill in any way. Despite support for this approach among many Senators, the full Senate was unable to pass a final bill last Friday due to controversy over various amendments being offered to the bill. Therefore, the Senate is expected to resume debate on this issue when they return from Easter Recess at the end of April.

Once the Senate approves a final bill, the legislation will need to go to a House/Senate Conference committee, where members of the House and Senate will try to reach a compromise between the Senate and the House bill passed late last year. It is unknown when this year Conference would occur. The differences between the House bill and the version the Senate is considering are extreme. The House bill would be devastating for all sectors that rely on immigrant labor, including dairy, while the current Senate bill at this point appears to lay out a reasonable and workable way forward for agriculture.

You are still strongly encouraged to contact your Senators about this important issue. Use the NMPF [Dairy GREAT website](#) to locate the phone numbers and let your voice be heard.

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Congressional Dairy Farmer Caucus Launched

Members of Congress announced last week the creation of the first Congressional Dairy Farmer Caucus, which will help focus legislators' attention on major policy issues affecting dairy producers. The purpose of the Dairy Farmer Caucus is to provide a bipartisan forum, involving both House and Senate members, to collaborate on issues of interest to dairy producers nationwide.

The Dairy Farmer Caucus is being co-chaired by Senators Arlen Specter (R-PA) and Dianne Feinstein (D-CA) on the Senate side, and by Representatives Devin Nunes (R-CA), Collin Peterson (D-MN), Rick Larsen (D-WA), and Randy Kuhl (R-NY) on the House side. The Chairs will now be seeking other members of the Senate and House to join the caucus, to get active in dairy issues.

The Congressional Dairy Farmer Caucus will seek to build upon the unity that the U.S. dairy producer community has developed through the National Milk Producers Federation on many issues over the past few years. It will provide an organized group that will be able to quickly respond to issues of importance to dairy producers and dairy producer families, a goal that will be particularly important as Congress begins to write the next Farm Bill.

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NMPF, Global Dairy Alliance Send Letter to WTO Urging End to Export Subsidies

NMPF and the U.S. Dairy Export Council joined with the Global Dairy Alliance (GDA) to send a letter to officials in the World Trade Organization urging an end to export subsidies as part of the WTO's plans to reform world trade rules, while also reforming

market access provisions.

The letter was sent recently to WTO Director General Pascal Lamy and Agricultural Negotiating Group Chairman Crawford Falconer. It emphasized the desire of the U.S. dairy sector, along with other major dairy nations, to see an effective formula for eliminating dairy export subsidies and significant progress in leveling the playing field through reform of market access in the Doha Round. The GDA includes the dairy industries of Argentina, Australia, Brazil, Chile, New Zealand and Uruguay.

The letter stressed the importance of ensuring that a substantial part of the elimination of export subsidies be achieved by 2010. But the dairy industries pointed out that progress on export subsidies must be linked to a good outcome on market access that provides meaningful access into all markets and brings down higher tariffs by a greater proportion than lower tariffs, such as those in the United States.

The letter also expressed concern at the slow progress in agriculture negotiations in Geneva and the short time available before the April 30 deadline for reaching agreement on the modalities for reforming trade in agriculture.

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USDA Releases Summary of Farm Bill Listening Sessions

Agriculture Secretary Mike Johanns announced that USDA has completed a summary of the public comments submitted during USDA's Farm Bill Forum listening tour. The summaries will serve as a basis for USDA policy review and analysis in preparation for the 2007 farm bill. The summaries are available on the [USDA website](#).

In a related development, NMPF is finalizing the input it received at its three Dairy Producer Conclave meetings this past winter, and will be sending a copy of the final summary document to its members late this month.

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Johanns Announces Next Steps in Animal ID System

U.S. Department of Agriculture Secretary Mike Johanns announced last week the release of an [updated Strategies for Implementation of NAIS plan](#) that outlines timelines and benchmarks for the establishment of the National Animal Identification System (NAIS). The implementation plan hopes to ensure full implementation of a national animal ID system by 2009. It establishes benchmarks for accomplishing the remaining implementation goals to enable the NAIS to be operational by 2007, and to achieve full producer participation by 2009. These include:

USDA Operational Milestones:

- August 2005: Achieved Operational Premises Registration Systems
- March 2006: AIN Management System Operational
- June 2006: Cooperative Agreements with Private/State Animal Tracking Databases
- February 2007: Private and State Animal Tracking Databases and Animal Trace Monitoring System Operational

USDA Benchmarks for Progress:

