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News for Dairy Co-Ops

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Market Prices

NMPF Issues Positive Report Card on 2002 Farm Bill

During a Senate Agriculture Committee hearing last Thursday on the state of U.S. dairy policy, NMPF told the Senate that the current Farm Bill, created in 2002, "is a reasonable, rational and fair approach to farm policy," according to Charles Beckendorf, Chairman of NMPF. The Senate held the hearing today to examine what has happened in the dairy industry since the passage four years ago of the current Farm Bill.

Beckendorf, who is a dairy farmer from Tomball, TX, said that most of the policy positions advocated by NMPF were included in the 2002 Farm Bill. They included:

- Extending the dairy price support program through the five-year lifespan of the 2002 Farm Bill;
- Reauthorizing the Dairy Export Incentive Program, which is the U.S. industry's primary tool to counter export subsidies used by Europe's dairy industry;
- Funding animal health programs, such as a Johne's Disease Control program, along with a new veterinary lab in Iowa, and;
- Expanding the usefulness of the Environmental Quality Incentives Program, which is the primary federal resource for helping farmers make environmental improvements in their operations.

Beckendorf told the Senate panel it is important that Congress establish an economic safety net for dairy producers, which it did four years ago through the reauthorization of the dairy price support program. He told the committee that the program "is the most effective, efficient and equitable safety net program" for farmers, and is one that doesn't discriminate based on milk production, farm size or location.

He also told the Senate that NMPF remains a strong supporter of the Federal Milk Marketing Order program, and that, while the program could be streamlined to make it more efficient, "it remains an essential part of federal dairy policy."

While most of the Senate hearing was oriented toward examining economic policy issues, Beckendorf reminded the Ag Committee that NMPF views farm policy holistically, in that it must incorporate a broad-based perspective on agriculture. From NMPF's standpoint, the Farm Bill must also address issues including animal health, environmental compliance, trade policy, along with energy and rural development.

Beckendorf also explained that the dairy industry's three year old self-help program, Cooperatives Working Together, is not intended to take the place of federal government, but rather is "a complement to, not a replacement of, farm programs."

He also reminded the Senate members that one of the key determinants of what may happen in the future with U.S. farm policy is dependent on trade agreements made with other countries.

"Congress should be involved in carefully reviewing future trade agreements," he said, because "trade policy plays a significant role in impacting the effectiveness of government dairy programs," Beckendorf said.

He concluded by urging the Senate to stay involved in monitoring U.S. farm policy. "Our message to the Senate is that dairy farmers are not looking for a handout. Nor are we looking for a hand up; what farmers are looking for from government is a handshake," Beckendorf said. "Dairy farmers want a sign of commitment, such as a handshake, indicating, when times are tough, that there will be a modest safety net in place to help catch those who are vulnerable."

A full copy of the NMPF testimony is available at www.nmpf.org.

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NMPF Support New Bill to Clarify That Dairy Farms Should Not Be Regulated Like Superfund Waste Sites

NMPF expressed its support for a new bill introduced in the Senate to clarify laws regulating industrial waste sites. At issue is whether dairy farms and other livestock operations should be governed by the same laws that were intended to address Superfund toxic waste sites.

The new bill, S. 3681, amends the so-called Superfund laws passed more than 20 years ago to affirm that those laws do not, and should not, regulate animal manure as a toxic waste.

"Manure happens on farms, and there are plenty of existing federal and state laws, including the Clean Water Act, that help ensure the nation's waterways are protected from any negative impacts from the nutrients found in animal waste," said Jerry Kozak, President and CEO of NMPF. "But Congress never intended for the CERCLA and EPCRA laws to be applied to farming, and this new legislation will help ensure that the laws remain focused on regulating and cleaning up industrial waste sites."

The lead sponsors of the Senate bill are Republicans Pete Domenici (NM) and Larry Craig (ID), along Democratic Blanche Lincoln (AR). Already, 20 other Senators have signed onto the legislation. The Senate bill is identical to H.R. 4341, a bill introduced earlier this year in the House of Representatives, which now has 174 cosponsors.

CERCLA is the Comprehensive Environmental Response, Compensation and Liability Act. EPCRA is the Emergency Planning and Community Right to Know Act. Both have been used in the recent past to regulate nutrient emissions alleged to have come from farms, including some dairy operations in Texas.

"If current trends continue, regulators and activists are going to step up their efforts to put farms out of business using these Superfund laws. The good news is that Congress created these laws, and they can also amend them to prevent the continued exploitation of them for purposes for which the laws were not intended," Kozak said.

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NMPF And USDEC Disappointed By Cessation Of WTO Negotiations

The decision by the World Trade Organization to suspend efforts aimed at achieving a breakthrough in world trade talks "is a disappointment for America's dairy farmers, who

were hoping to use the WTO as a way of leveling the playing field while increasing their opportunities for future exports," said Tom Suber, President and U.S. Dairy Export Council. "We applaud our negotiators for seeking an ambitious conclusion of the Doha Round, which seeks to reduce the current inequities," Suber added.

Last Monday, the director general of the organization, Pascal Lamy, suspended further discussions among major negotiating powers, citing the inability of the U.S. and the European Union to bridge gaps in their positions that are mostly centered on agricultural products.

At issue for the U.S. dairy industry was the ongoing effort by the EU to protect its sizable and lucrative dairy market with continued high tariff barriers. The European Union wanted to keep its market closed to the U.S. and other exporters. It is clear that the European Union was unwilling to do its part in these negotiations, according to U.S. dairy industry officials.

Jerry Kozak, President and CEO of the National Milk Producers Federation, praised the dedication and skill of the U.S. negotiating team. "To their credit, our government's negotiators understood that a bad deal is worse than no deal for our dairy industry and the United States, and rather than tinker at the margins, they agreed to walk away for now."

Both Kozak and Suber said the U.S. dairy industry remains fully committed to the Doha Round, and the promise that it holds for addressing many of the problems plaguing the global dairy industry.

"A delay in the WTO negotiations means that our producers and processors must continue to wait for an answer to the serious trading inequities that hamper our industry's ability to most effectively compete, such as export subsidies, exorbitant tariff levels and domestic support imbalances," added USDEC's Suber.

The duration of the cessation in the WTO talks is unknown at this point, making it increasingly likely that the President's Trade Promotion Authority will need to be extended next summer in order to finish the Doha Round. Because of the continued existence of the many unfair and damaging trading practices around the world, the U.S. dairy industry would strongly support an effort by the Administration to extend Trade Promotion Authority in order to provide another shot at addressing these important issues, Kozak of NMPF added.

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Bruce Knight Receives Positive Reviews from the Senate and NMPF

The Senate Agriculture committee held a confirmation hearing last Wednesday to consider the nomination of Bruce Knight to take the position of Deputy Secretary for Marketing and Regulatory Programs. NMPF sent a letter to the Committee supporting his nomination and urging confirmation.

Mr. Knight will assume his new duties upon confirmation of the full Senate, which is expected to take place before Congress adjourns for the August Recess. He received praise from both Republicans and Democrats during the recent hearings.

Mr. Knight will oversee programs vital to the health and prosperity of the U.S. dairy industry such as federal milk marketing orders, standards and grading, and animal health inspection services.

