

1 (2) SUGAR BEETS.—Section 156(b)(2) of the
2 Federal Agriculture Improvement and Reform Act of
3 1996 (7 U.S.C. 7272(b)(2)) is amended by striking
4 “2012” and inserting “2018”.

5 (3) EFFECTIVE PERIOD.—Section 156(i) of the
6 Federal Agriculture Improvement and Reform Act of
7 1996 (7 U.S.C. 7272(i)) is amended by striking
8 “2012” and inserting “2018”.

9 (b) FLEXIBLE MARKETING ALLOTMENTS FOR
10 SUGAR.—

11 (1) SUGAR ESTIMATES.—Section 359b(a)(1) of
12 the Agricultural Adjustment Act of 1938 (7 U.S.C.
13 1359bb(a)(1)) is amended by striking “2012” and
14 inserting “2018”.

15 (2) EFFECTIVE PERIOD.—Section 359l(a) of
16 the Agricultural Adjustment Act of 1938 (7 U.S.C.
17 1359ll(a)) is amended by striking “2012” and in-
18 serting “2018”.

19 **Subtitle D—Dairy**

20 **PART I—DAIRY PRODUCTION MARGIN PROTEC-**
21 **TION AND DAIRY MARKET STABILIZATION**
22 **PROGRAMS**

23 **SEC. 1401. DEFINITIONS.**

24 In this part:

1 (1) ACTUAL DAIRY PRODUCTION MARGIN.—The
2 term “actual dairy production margin” means the
3 difference between the all-milk price and the average
4 feed cost, as calculated under section 1402.

5 (2) ALL-MILK PRICE.—The term “all-milk
6 price” means the average price received, per hun-
7 dredweight of milk, by dairy operations for all milk
8 sold to plants and dealers in the United States, as
9 determined by the Secretary.

10 (3) ANNUAL PRODUCTION HISTORY.—The term
11 “annual production history” means the production
12 history determined for a participating dairy oper-
13 ation under section 1413(b) whenever the partici-
14 pating dairy operation purchases supplemental pro-
15 duction margin protection.

16 (4) AVERAGE FEED COST.—The term “average
17 feed cost” means the average cost of feed used by
18 a dairy operation to produce a hundredweight of
19 milk, determined under section 1402 using the sum
20 of the following:

21 (A) The product determined by multiplying
22 1.0728 by the price of corn per bushel.

23 (B) The product determined by multiplying
24 0.00735 by the price of soybean meal per ton.

1 (C) The product determined by multiplying
2 0.0137 by the price of alfalfa hay per ton.

3 (5) BASIC PRODUCTION HISTORY.—The term
4 “basic production history” means the production
5 history determined for a participating dairy oper-
6 ation under section 1413(a) for provision of basic
7 production margin protection.

8 (6) CONSECUTIVE 2-MONTH PERIOD.—The term
9 “consecutive 2-month period” refers to the 2-month
10 period consisting of the months of January and Feb-
11 ruary, March and April, May and June, July and
12 August, September and October, or November and
13 December, respectively.

14 (7) DAIRY OPERATION.—

15 (A) IN GENERAL.—The term “dairy oper-
16 ation” means, as determined by the Secretary,
17 1 or more dairy producers that produce and
18 market milk as a single dairy operation in
19 which each dairy producer—

20 (i) shares in the pooling of resources
21 and a common ownership structure;

22 (ii) is at risk in the production of milk
23 on the dairy operation; and

1 (iii) contributes land, labor, manage-
2 ment, equipment, or capital to the dairy
3 operation.

4 (B) ADDITIONAL OWNERSHIP STRUC-
5 TURES.—The Secretary shall determine addi-
6 tional ownership structures to be covered by the
7 definition of dairy operation.

8 (8) HANDLER.—

9 (A) IN GENERAL.—The term “handler”
10 means the initial individual or entity making
11 payment to a dairy operation for milk produced
12 in the United States and marketed for commer-
13 cial use.

14 (B) PRODUCER-HANDLER.—The term in-
15 cludes a “producer-handler” when the producer
16 satisfies the definition in subparagraph (A).

17 (9) PARTICIPATING DAIRY OPERATION.—The
18 term “participating dairy operation” means a dairy
19 operation that—

20 (A) signs up under section 1412 to partici-
21 pate in the production margin protection pro-
22 gram under subpart A; and

23 (B) as a result, also participates in the sta-
24 bilization program under subpart B.

1 (10) PRODUCTION MARGIN PROTECTION PRO-
2 GRAM.—The term “production margin protection
3 program” means the dairy production margin pro-
4 tection program required by subpart A.

5 (11) SECRETARY.—The term “Secretary”
6 means the Secretary of Agriculture.

7 (12) STABILIZATION PROGRAM.—The term
8 “stabilization program” means the dairy market sta-
9 bilization program required by subpart B for all par-
10 ticipating dairy operations.

11 (13) STABILIZATION PROGRAM BASE.—The
12 term “stabilization program base”, with respect to a
13 participating dairy operation, means the stabilization
14 program base calculated for the participating dairy
15 operation under section 1431(b).

16 (14) UNITED STATES.—The term “United
17 States”, in a geographical sense, means the 50
18 States, the District of Columbia, American Samoa,
19 Guam, the Commonwealth of the Northern Mariana
20 Islands, the Commonwealth of Puerto Rico, the Vir-
21 gin Islands of the United States, and any other ter-
22 ritory or possession of the United States.

1 **SEC. 1402. CALCULATION OF AVERAGE FEED COST AND AC-**
2 **TUAL DAIRY PRODUCTION MARGINS.**

3 (a) CALCULATION OF AVERAGE FEED COST.—The
4 Secretary shall calculate the national average feed cost for
5 each month using the following data:

6 (1) The price of corn for a month shall be the
7 price received during that month by farmers in the
8 United States for corn, as reported in the monthly
9 Agricultural Prices report by the Secretary.

10 (2) The price of soybean meal for a month shall
11 be the central Illinois price for soybean meal, as re-
12 ported in the Market News—Monthly Soybean Meal
13 Price Report by the Secretary.

14 (3) The price of alfalfa hay for a month shall
15 be the price received during that month by farmers
16 in the United States for alfalfa hay, as reported in
17 the monthly Agricultural Prices report by the Sec-
18 retary.

19 (b) CALCULATION OF ACTUAL DAIRY PRODUCTION
20 MARGINS.—

21 (1) PRODUCTION MARGIN PROTECTION PRO-
22 GRAM.—For use in the production margin protection
23 program under subpart A, the Secretary shall cal-
24 culate the actual dairy production margin for each
25 consecutive 2-month period by subtracting—

1 (A) the average feed cost for that consecu-
2 tive 2-month period, determined in accordance
3 with subsection (a); from

4 (B) the all-milk price for that consecutive
5 2-month period.

6 (2) STABILIZATION PROGRAM.—For use in the
7 stabilization program under subpart B, the Sec-
8 retary shall calculate each month the actual dairy
9 production margin for the preceding month by sub-
10 tracting—

11 (A) the average feed cost for that pre-
12 ceding month, determined in accordance with
13 subsection (a); from

14 (B) the all-milk price for that preceding
15 month.

16 (3) TIME FOR CALCULATIONS.—The calcula-
17 tions required by paragraphs (1) and (2) shall be
18 made as soon as practicable using the full month
19 price of the applicable reference month.

20 **Subpart A—Dairy Production Margin Protection**
21 **Program**

22 **SEC. 1411. ESTABLISHMENT OF DAIRY PRODUCTION MAR-**
23 **GIN PROTECTION PROGRAM.**

24 Effective not later than 120 days after the effective
25 date of this subtitle, the Secretary shall establish and ad-

1 minister a dairy production margin protection program
2 under which participating dairy operations are paid—

3 (1) basic production margin protection program
4 payments under section 1414 when actual dairy pro-
5 duction margins are less than the threshold levels
6 for such payments; and

7 (2) supplemental production margin protection
8 program payments under section 1415 if purchased
9 by a participating dairy operation.

10 **SEC. 1412. PARTICIPATION OF DAIRY OPERATIONS IN PRO-**
11 **DUCTION MARGIN PROTECTION PROGRAM.**

12 (a) **ELIGIBILITY.**—All dairy operations in the United
13 States shall be eligible to participate in the production
14 margin protection program, except that a participating
15 dairy operation shall be required to register with the Sec-
16 retary before the participating dairy operation may re-
17 ceive—

18 (1) basic production margin protection program
19 payments under section 1414; and

20 (2) if the participating dairy operation pur-
21 chases supplemental production margin protection
22 under section 1415, supplemental production margin
23 protection program payments under such section.

24 (b) **REGISTRATION PROCESS.**—

1 (1) IN GENERAL.—The Secretary shall specify
2 the manner and form by which a participating dairy
3 operation may register to participate in the produc-
4 tion margin protection program.

5 (2) TREATMENT OF MULTIPRODUCER DAIRY
6 OPERATIONS.—If a participating dairy operation is
7 operated by more than 1 dairy producer, all of the
8 dairy producers of the participating dairy operation
9 shall be treated as a single dairy operation for pur-
10 poses of—

11 (A) registration to receive basic production
12 margin protection and election to purchase sup-
13 plemental production margin protection;

14 (B) payment of the participation fee under
15 subsection (d) and producer premiums under
16 section 1415; and

17 (C) participation in the stabilization pro-
18 gram under subtitle B.

19 (3) TREATMENT OF PRODUCERS WITH MUL-
20 TIPLE DAIRY OPERATIONS.—If a dairy producer op-
21 erates 2 or more dairy operations, each dairy oper-
22 ation of the producer shall separately register to re-
23 ceive basic production margin protection and pur-
24 chase supplemental production margin protection

1 and only those dairy operations so registered shall
2 be covered by the stabilization program.

3 (c) TIME FOR REGISTRATION.—

4 (1) EXISTING DAIRY OPERATIONS.—During the
5 15-month period beginning on the date of the initi-
6 ation of the registration period for the production
7 margin protection program, a dairy operation that is
8 actively engaged as of such date may register with
9 the Secretary—

10 (A) to receive basic production margin pro-
11 tection; and

12 (B) if the dairy operation elects, to pur-
13 chase supplemental production margin protec-
14 tion.

15 (2) NEW ENTRANTS.—A dairy producer that
16 has no existing interest in a dairy operation as of
17 the date of the initiation of the registration period
18 for the production margin protection program, but
19 that, after such date, establishes a new dairy oper-
20 ation, may register with the Secretary during the 1-
21 year period beginning on the date on which the dairy
22 operation first markets milk commercially—

23 (A) to receive basic production margin pro-
24 tection; and

1 (B) if the dairy operation elects, to pur-
2 chase supplemental production margin protec-
3 tion.

4 (d) TRANSITION FROM MILC TO PRODUCTION MAR-
5 GIN PROTECTION.—

6 (1) DEFINITION OF TRANSITION PERIOD.—In
7 this subsection, the term “transition period” means
8 the period during which the milk income loss pro-
9 gram established under section 1506 of the Food,
10 Conservation, and Energy Act of 2008 (7 U.S.C.
11 8773) and the production margin protection pro-
12 gram under this subtitle are both in existence.

13 (2) NOTICE OF AVAILABILITY.—Not later than
14 30 days after the date of enactment of this Act, the
15 Secretary shall publish a notice in the Federal Reg-
16 ister to inform dairy operations of the availability of
17 basic production margin protection and supple-
18 mental production margin protection, including the
19 terms of the protection and information about the
20 option of dairy operations during the transition pe-
21 riod to make an election described in paragraph (3).

22 (3) ELECTION.—Except as provided in para-
23 graph (4), a dairy operation may elect to participate
24 in either the milk income loss program established
25 under section 1506 of the Food, Conservation, and

1 Energy Act of 2008 (7 U.S.C. 8773) or the produc-
2 tion margin protection program under this subtitle
3 for the duration of the transition period.

4 (4) TRANSFER TO PRODUCTION MARGIN PRO-
5 TECTION.—A dairy operation that elects to partici-
6 pate in the milk income loss program established
7 under section 1506 of the Food, Conservation, and
8 Energy Act of 2008 (7 U.S.C. 8773) during the
9 transition period may, at any time, make a perma-
10 nent transfer to the production margin protection
11 program.

12 (e) ADMINISTRATION FEE.—

13 (1) ADMINISTRATION FEE REQUIRED.—Except
14 as provided in paragraph (5), a participating dairy
15 operation shall—

16 (A) pay an administration fee under this
17 subsection to register to participate in the pro-
18 duction margin protection program; and

19 (B) pay the administration fee annually
20 thereafter to continue to participate in the pro-
21 duction margin protection program.

22 (2) FEE AMOUNT.—The administration fee for
23 a participating dairy operation for a calendar year
24 shall be based on the pounds of milk (in millions)

1 marketed by the participating dairy operation in the
 2 previous calendar year, as follows:

Pounds Marketed (in millions)	Administration Fee
less than 1	\$100
1 to 5	\$250
more than 5 to 10	\$350
more than 10 to 40	\$1,000
more than 40	\$2,500.

3 (3) DEPOSIT OF FEES.—All administration fees
 4 collected under this subsection shall be credited to
 5 the fund or account used to cover the costs incurred
 6 to administer the production margin protection pro-
 7 gram and the stabilization program and shall be
 8 available to the Secretary, without further appro-
 9 priation and until expended, for use or transfer as
 10 provided in paragraph (4).

11 (4) USE OF FEES.—The Secretary shall use ad-
 12 ministration fees collected under this subsection—

13 (A) to cover administrative costs of the
 14 production margin protection program and sta-
 15 bilization program; and

16 (B) to cover costs of the Department of
 17 Agriculture relating to reporting of dairy mar-
 18 ket news, carrying out the amendments made
 19 by section 1476, and carrying out section 273
 20 of the Agricultural Marketing Act of 1946 (7

1 U.S.C. 1637b), to the extent funds remain
2 available after operation of subparagraph (A).

3 (5) WAIVER.—The Secretary shall waive or re-
4 duce the administration fee required under para-
5 graph (1) in the case of a limited-resource dairy op-
6 eration, as defined by the Secretary.

7 (f) LIMITATION.—A dairy operation may only partici-
8 pate in the production margin protection program or the
9 livestock gross margin for dairy program under the Fed-
10 eral Crop Insurance Act (7 U.S.C. 1501 et seq.), but not
11 both.

12 **SEC. 1413. PRODUCTION HISTORY OF PARTICIPATING**
13 **DAIRY OPERATIONS.**

14 (a) PRODUCTION HISTORY FOR BASIC PRODUCTION
15 MARGIN PROTECTION.—

16 (1) DETERMINATION REQUIRED.—For purposes
17 of providing basic production margin protection, the
18 Secretary shall determine the basic production his-
19 tory of a participating dairy operation.

20 (2) CALCULATION.—Except as provided in
21 paragraph (3), the basic production history of a par-
22 ticipating dairy operation for basic production mar-
23 gin protection is equal to the highest annual milk
24 marketings of the participating dairy operation dur-
25 ing any 1 of the 3 calendar years immediately pre-

1 ceding the calendar year in which the participating
2 dairy operation first signed up to participate in the
3 production margin protection program.

4 (3) ELECTION BY NEW DAIRY OPERATIONS.—In
5 the case of a participating dairy operation that has
6 been in operation for less than a year, the partici-
7 pating dairy operation shall elect 1 of the following
8 methods for the Secretary to determine the basic
9 production history of the participating dairy oper-
10 ation:

11 (A) The volume of the actual milk mar-
12 ketings for the months the participating dairy
13 operation has been in operation extrapolated to
14 a yearly amount.

15 (B) An estimate of the actual milk mar-
16 ketings of the participating dairy operation
17 based on the herd size of the participating dairy
18 operation relative to the national rolling herd
19 average data published by the Secretary.

20 (4) NO CHANGE IN PRODUCTION HISTORY FOR
21 BASIC PRODUCTION MARGIN PROTECTION.—Once
22 the basic production history of a participating dairy
23 operation is determined under paragraph (2) or (3),
24 the basic production history shall not be subse-
25 quently changed for purposes of determining the

1 amount of any basic production margin protection
2 payments for the participating dairy operation made
3 under section 1414.

4 (b) ANNUAL PRODUCTION HISTORY FOR SUPPLE-
5 MENTAL PRODUCTION MARGIN PROTECTION.—

6 (1) DETERMINATION REQUIRED.—For purposes
7 of providing supplemental production margin protec-
8 tion for a participating dairy operation that pur-
9 chases supplemental production margin protection
10 for a year under section 1415, the Secretary shall
11 determine the annual production history of the par-
12 ticipating dairy operation under paragraph (2).

13 (2) CALCULATION.—The annual production his-
14 tory of a participating dairy operation for a year is
15 equal to the actual milk marketings of the partici-
16 pating dairy operation during the preceding calendar
17 year.

18 (3) NEW DAIRY OPERATIONS.—Subsection
19 (a)(3) shall apply with respect to determining the
20 annual production history of a participating dairy
21 operation that has been in operation for less than a
22 year.

23 (c) REQUIRED INFORMATION.—A participating dairy
24 operation shall provide all information that the Secretary
25 may require in order to establish—

1 (1) the basic production history of the partici-
2 pating dairy operation under subsection (a); and

3 (2) the production history of the participating
4 dairy operation whenever the participating dairy op-
5 eration purchases supplemental production margin
6 protection under section 1415.

7 (d) TRANSFER OF PRODUCTION HISTORIES.—

8 (1) TRANSFER BY SALE OR LEASE.—In promul-
9 gating the rules to initiate the production margin
10 protection program, the Secretary shall specify the
11 conditions under which and the manner by which the
12 production history of a participating dairy operation
13 may be transferred by sale or lease.

14 (2) COVERAGE LEVEL.—

15 (A) BASIC PRODUCTION MARGIN PROTEC-
16 TION.—A purchaser or lessee to whom the Sec-
17 retary transfers a basic production history
18 under this subsection shall not obtain a dif-
19 ferent level of basic production margin protec-
20 tion than the basic production margin protec-
21 tion coverage held by the seller or lessor from
22 whom the transfer was obtained.

23 (B) SUPPLEMENTAL PRODUCTION MARGIN
24 PROTECTION.—A purchaser or lessee to whom
25 the Secretary transfers an annual production

1 history under this subsection shall not obtain a
2 different level of supplemental production mar-
3 gin protection coverage than the supplemental
4 production margin protection coverage in effect
5 for the seller or lessor from whom the transfer
6 was obtained for the calendar year in which the
7 transfer was made.

8 (e) MOVEMENT AND TRANSFER OF PRODUCTION
9 HISTORY.—

10 (1) MOVEMENT AND TRANSFER AUTHOR-
11 IZED.—Subject to paragraph (2), if a participating
12 dairy operation moves from 1 location to another lo-
13 cation, the participating dairy operation may trans-
14 fer the basic production history and annual produc-
15 tion history associated with the participating dairy
16 operation.

17 (2) NOTIFICATION REQUIREMENT.—A partici-
18 pating dairy operation shall notify the Secretary of
19 any move of a participating dairy operation under
20 paragraph (1).

21 (3) SUBSEQUENT OCCUPATION OF VACATED LO-
22 CATION.—A party subsequently occupying a partici-
23 pating dairy operation location vacated as described
24 in paragraph (1) shall have no interest in the basic
25 production history or annual production history pre-

1 viously associated with the participating dairy oper-
2 ation at such location.

3 **SEC. 1414. BASIC PRODUCTION MARGIN PROTECTION.**

4 (a) PAYMENT THRESHOLD.—The Secretary shall
5 make a payment to participating dairy operations in ac-
6 cordance with subsection (b) whenever the average actual
7 dairy production margin for a consecutive 2-month period
8 is less than \$4.00 per hundredweight of milk.

9 (b) BASIC PRODUCTION MARGIN PROTECTION PAY-
10 MENT.—The basic production margin protection payment
11 for a participating dairy operation for a consecutive 2-
12 month period shall be equal to the product obtained by
13 multiplying—

14 (1) the difference between the average actual
15 dairy production margin for the consecutive 2-month
16 period and \$4.00, except that, if the difference is
17 more than \$4.00, the Secretary shall use \$4.00; by

18 (2) the lesser of—

19 (A) 80 percent of the production history of
20 the participating dairy operation, divided by 6;
21 or

22 (B) the actual quantity of milk marketed
23 by the participating dairy operation during the
24 consecutive 2-month period.

1 **SEC. 1415. SUPPLEMENTAL PRODUCTION MARGIN PROTEC-**
2 **TION.**

3 (a) ELECTION OF SUPPLEMENTAL PRODUCTION
4 MARGIN PROTECTION.—A participating dairy operation
5 may annually purchase supplemental production margin
6 protection to protect, during the calendar year for which
7 purchased, a higher level of the income of a participating
8 dairy operation than the income level guaranteed by basic
9 production margin protection under section 1414.

10 (b) SELECTION OF PAYMENT THRESHOLD.—A par-
11 ticipating dairy operation purchasing supplemental pro-
12 duction margin protection for a year shall elect a coverage
13 level that is higher, in any increment of \$0.50, than the
14 payment threshold for basic production margin protection
15 specified in section 1414(a), but not to exceed \$8.00.

16 (c) COVERAGE PERCENTAGE.—A participating dairy
17 operation purchasing supplemental production margin
18 protection for a year shall elect a percentage of coverage
19 equal to not more than 90 percent, nor less than 25 per-
20 cent, of the annual production history of the participating
21 dairy operation.

22 (d) PREMIUMS FOR SUPPLEMENTAL PRODUCTION
23 MARGIN PROTECTION.—

24 (1) PREMIUMS REQUIRED.—A participating
25 dairy operation that purchases supplemental produc-

tion margin protection shall pay an annual premium
equal to the product obtained by multiplying—

(A) the coverage percentage elected by the
participating dairy operation under subsection
(c);

(B) the annual production history of the
participating dairy operation; and

(C) the premium per hundredweight of
milk, as specified in the applicable table under
paragraph (2) or (3).

(2) PREMIUM PER HUNDREDWEIGHT FOR FIRST
4 MILLION POUNDS OF PRODUCTION.—For the first
4,000,000 pounds of milk marketings included in
the annual production history of a participating
dairy operation, the premium per hundredweight
corresponding to each coverage level specified in the
following table is as follows:

Coverage Level	Premium per Cwt.
\$4.50	\$0.01
\$5.00	\$0.02
\$5.50	\$0.035
\$6.00	\$0.045
\$6.50	\$0.09
\$7.00	\$0.40
\$7.50	\$0.60
\$8.00	\$0.95.

(3) PREMIUM PER HUNDREDWEIGHT FOR PRO-
DUCTION IN EXCESS OF 4 MILLION POUNDS.—For
milk marketings in excess of 4,000,000 pounds in-

1 cluded in the annual production history of a partici-
 2 pating dairy operation, the premium per hundred-
 3 weight corresponding to each coverage level is as fol-
 4 lows:

Coverage Level	Premium per Cwt.
\$4.50	\$0.02
\$5.00	\$0.04
\$5.50	\$0.10
\$6.00	\$0.15
\$6.50	\$0.29
\$7.00	\$0.62
\$7.50	\$0.83
\$8.00	\$1.06.

5 (4) TIME FOR PAYMENT.—In promulgating the
 6 rules to initiate the production margin protection
 7 program, the Secretary shall provide more than 1
 8 method by which a participating dairy operation that
 9 purchases supplemental production margin protec-
 10 tion for a calendar year may pay the premium under
 11 this subsection for that year in any manner that
 12 maximizes participating dairy operation payment
 13 flexibility and program integrity.

14 (e) PREMIUM OBLIGATIONS.—

15 (1) PRO-RATION OF PREMIUM FOR NEW DAIRY
 16 OPERATIONS.—A participating dairy operation de-
 17 scribed in section 1412(c)(2) that purchases supple-
 18 mental production margin protection for a calendar
 19 year after the start of the calendar year shall pay
 20 a pro-rated premium for that calendar year based on

1 the portion of the calendar year for which the par-
2 ticipating dairy operation purchases the coverage.

3 (2) LEGAL OBLIGATION.—A participating dairy
4 operation that purchases supplemental production
5 margin protection for a calendar year shall be legally
6 obligated to pay the applicable premium for that cal-
7 endar year, except that the Secretary may waive
8 that obligation, under terms and conditions deter-
9 mined by the Secretary, for 1 or more producers in
10 any participating dairy operation in the case of
11 death, retirement, permanent dissolution of a par-
12 ticipating dairy operation, or other circumstances as
13 the Secretary considers appropriate to ensure the in-
14 tegrity of the program.

15 (f) SUPPLEMENTAL PAYMENT THRESHOLD.—A par-
16 ticipating dairy operation with supplemental production
17 margin protection shall receive a supplemental production
18 margin protection payment whenever the average actual
19 dairy production margin for a consecutive 2-month period
20 is less than the coverage level threshold selected by the
21 participating dairy operation under subsection (b).

22 (g) SUPPLEMENTAL PRODUCTION MARGIN PROTEC-
23 TION PAYMENTS.—

24 (1) IN GENERAL.—The supplemental produc-
25 tion margin protection payment for a participating

1 dairy operation is in addition to the basic production
2 margin protection payment.

3 (2) AMOUNT OF PAYMENT.—The supplemental
4 production margin protection payment for the par-
5 ticipating dairy operation shall be determined as fol-
6 lows:

7 (A) The Secretary shall calculate the dif-
8 ference between the coverage level threshold se-
9 lected by the participating dairy operation
10 under subsection (b) and the greater of—

11 (i) the average actual dairy production
12 margin for the consecutive 2-month period;
13 or

14 (ii) \$4.00.

15 (B) The amount determined under sub-
16 paragraph (A) shall be multiplied by the per-
17 centage selected by the participating dairy oper-
18 ation under subsection (c) and by the lesser of
19 the following:

20 (i) The annual production history of
21 the participating dairy operation, divided
22 by 6.

23 (ii) The actual amount of milk mar-
24 keted by the participating dairy operation
25 during the consecutive 2-month period.

1 **SEC. 1416. EFFECT OF FAILURE TO PAY ADMINISTRATION**
2 **FEES OR PREMIUMS.**

3 (a) LOSS OF BENEFITS.—A participating dairy oper-
4 ation that fails to pay the required administration fee
5 under section 1412 or is in arrears on premium payments
6 for supplemental production margin protection under sec-
7 tion 1415—

8 (1) remains legally obligated to pay the admin-
9 istration fee or premiums, as the case may be; and

10 (2) may not receive basic production margin
11 protection payments or supplemental production
12 margin protection payments until the fees or pre-
13 miums are fully paid.

14 (b) ENFORCEMENT.—The Secretary may take such
15 action as necessary to collect administration fees and pre-
16 mium payments for supplemental production margin pro-
17 tection.

18 **Subpart B—Dairy Market Stabilization Program**

19 **SEC. 1431. ESTABLISHMENT OF DAIRY MARKET STABILIZA-**
20 **TION PROGRAM.**

21 (a) PROGRAM REQUIRED; PURPOSE.—Effective not
22 later than 120 days after the effective date of this subtitle,
23 the Secretary shall establish and administer a dairy mar-
24 ket stabilization program applicable to participating dairy
25 operations for the purpose of assisting in balancing the

1 supply of milk with demand when participating dairy oper-
2 ations are experiencing low or negative operating margins.

3 (b) ELECTION OF STABILIZATION PROGRAM BASE
4 CALCULATION METHOD.—

5 (1) ELECTION.—When a dairy operation signs
6 up under section 1412 to participate in the produc-
7 tion margin protection program, the dairy operation
8 shall inform the Secretary of the method by which
9 the stabilization program base for the participating
10 dairy operation will be calculated under paragraph
11 (3).

12 (2) CHANGE IN CALCULATION METHOD.—A
13 participating dairy operation may change the sta-
14 bilization program base calculation method to be
15 used for a calendar year by notifying the Secretary
16 of the change not later than a date determined by
17 the Secretary.

18 (3) CALCULATION METHODS.—A participating
19 dairy operation may elect either of the following
20 methods for calculation of the stabilization program
21 base for the participating dairy operation:

22 (A) The volume of the average monthly
23 milk marketings of the participating dairy oper-
24 ation for the 3 months immediately preceding

1 the announcement by the Secretary that the
2 stabilization program will become effective.

3 (B) The volume of the monthly milk mar-
4 ketings of the participating dairy operation for
5 the same month in the preceding year as the
6 month for which the Secretary has announced
7 the stabilization program will become effective.

8 **SEC. 1432. THRESHOLD FOR IMPLEMENTATION AND RE-**
9 **DUCTION IN DAIRY PAYMENTS.**

10 (a) WHEN STABILIZATION PROGRAM REQUIRED.—
11 Except as provided in subsection (b), the Secretary shall
12 announce that the stabilization program is in effect and
13 order reduced payments by handlers to participating dairy
14 operations that exceed the applicable percentage of the
15 participating dairy operation's stabilization program base
16 whenever—

17 (1) the actual dairy production margin has been
18 \$6.00 or less per hundredweight of milk for each of
19 the immediately preceding 2 months; or

20 (2) the actual dairy production margin has been
21 \$4.00 or less per hundredweight of milk for the im-
22 mediately preceding month.

23 (b) EXCEPTION.—If any of the conditions described
24 in section 1436(b) have been met during the 2-month pe-
25 riod immediately preceding the month in which the an-

1 nouncement under subsection (a) would otherwise be made
2 by the Secretary in the absence of this exception, the Sec-
3 retary shall—

- 4 (1) suspend the stabilization program;
- 5 (2) refrain from making the announcement
6 under subsection (a) to implement order the sta-
7 bilization payment; or
- 8 (3) order reduced payments.

9 (c) EFFECTIVE DATE FOR IMPLEMENTATION OF
10 PAYMENT REDUCTIONS.—Reductions in dairy payments
11 shall commence beginning on the first day of the month
12 immediately following the date of the announcement by
13 the Secretary under subsection (a).

14 **SEC. 1433. MILK MARKETINGS INFORMATION.**

15 (a) COLLECTION OF MILK MARKETING DATA.—The
16 Secretary shall establish, by regulation, a process to collect
17 from participating dairy operations and handlers such in-
18 formation that the Secretary considers necessary for each
19 month during which the stabilization program is in effect.

20 (b) REDUCE REGULATORY BURDEN.—When imple-
21 menting the process under subsection (a), the Secretary
22 shall minimize the regulatory burden on participating
23 dairy operations and handlers.

1 **SEC. 1434. CALCULATION AND COLLECTION OF REDUCED**
2 **DAIRY OPERATION PAYMENTS.**

3 (a) REDUCED PARTICIPATING DAIRY OPERATION
4 PAYMENTS REQUIRED.—During any month in which pay-
5 ment reductions are in effect under the stabilization pro-
6 gram, each handler shall reduce payments to each partici-
7 pating dairy operation from whom the handler receives
8 milk.

9 (b) REDUCTIONS BASED ON ACTUAL DAIRY PRO-
10 Duction MARGIN.—

11 (1) REDUCTION REQUIREMENT 1.—If the Sec-
12 retary determines that the average actual dairy pro-
13 duction margin has been less than \$6.00 but greater
14 than \$5.00 per hundredweight of milk for 2 consecu-
15 tive months, the handler shall make payments to a
16 participating dairy operation for a month based on
17 the greater of the following:

18 (A) 98 percent of the stabilization program
19 base of the participating dairy operation.

20 (B) 94 percent of the marketings of milk
21 for the month by the participating dairy oper-
22 ation.

23 (2) REDUCTION REQUIREMENT 2.—If the Sec-
24 retary determines that the average actual dairy pro-
25 duction margin has been less than \$5.00 but greater
26 than \$4.00 for 2 consecutive months, the handler

1 shall make payments to a participating dairy oper-
2 ation for a month based on the greater of the fol-
3 lowing:

4 (A) 97 percent of the stabilization program
5 base of the participating dairy operation.

6 (B) 93 percent of the marketings of milk
7 for the month by the participating dairy oper-
8 ation.

9 (3) REDUCTION REQUIREMENT 3.—If the Sec-
10 retary determines that the average actual dairy pro-
11 duction margin has been \$4.00 or less for any 1
12 month, the handler shall make payments to a par-
13 ticipating dairy operation for a month based on the
14 greater of the following:

15 (A) 96 percent of the stabilization program
16 base of the participating dairy operation.

17 (B) 92 percent of the marketings of milk
18 for the month by the participating dairy oper-
19 ation.

20 (c) CONTINUATION OF REDUCTIONS.—The largest
21 level of payment reduction required under paragraph (1),
22 (2), or (3) of subsection (b) shall be continued for each
23 month until the Secretary suspends the stabilization pro-
24 gram and terminates payment reductions in accordance
25 with section 1436.

1 (d) PAYMENT REDUCTION EXCEPTION.—Notwith-
2 standing any preceding subsection of this section, a han-
3 dler shall make no payment reductions for a participating
4 dairy operation for a month if the participating dairy oper-
5 ation's milk marketings for the month are equal to or less
6 than the percentage of the stabilization program base ap-
7 plicable to the participating dairy operation under para-
8 graph (1), (2), or (3) of subsection (b).

9 **SEC. 1435. REMITTING FUNDS TO THE SECRETARY AND USE**
10 **OF FUNDS.**

11 (a) REMITTING FUNDS.—As soon as practicable after
12 the end of each month during which payment reductions
13 are in effect under the stabilization program, each handler
14 shall remit to the Secretary an amount equal to the
15 amount by which payments to participating dairy oper-
16 ations are reduced by the handler under section 1434.

17 (b) DEPOSIT OF REMITTED FUNDS.—All funds re-
18 ceived under subsection (a) shall be available to the Sec-
19 retary, without further appropriation and until expended,
20 for use or transfer as provided in subsection (c).

21 (c) USE OF FUNDS.—

22 (1) AVAILABILITY FOR CERTAIN COMMODITY
23 DONATIONS.—Not later than 90 days after the
24 funds described in subsection (a) are due as deter-

1 mined by the Secretary, the Secretary shall obligate
2 the funds for the purpose of—

3 (A) purchasing dairy products for donation
4 to food banks and other programs that the Sec-
5 retary determines appropriate; and

6 (B) expanding consumption and building
7 demand for dairy products.

8 (2) NO DUPLICATION OF EFFORT.—The Sec-
9 retary shall ensure that expenditures under para-
10 graph (1) are compatible with, and do not duplicate,
11 programs supported by the dairy research and pro-
12 motion activities conducted under the Dairy Produc-
13 tion Stabilization Act of 1983 (7 U.S.C. 4501 et
14 seq.).

15 (3) ACCOUNTING.—The Secretary shall keep an
16 accurate account of all funds expended under para-
17 graph (1).

18 (d) ANNUAL REPORT.—Not later than December 31
19 of each year that the stabilization program is in effect,
20 the Secretary shall submit to the Committee on Agri-
21 culture of the House of Representatives and the Com-
22 mittee on Agriculture, Nutrition, and Forestry of the Sen-
23 ate a report that provides an accurate accounting of—

24 (1) the funds received by the Secretary during
25 the preceding fiscal year under subsection (a);

1 (2) all expenditures made by the Secretary
2 under subsection (b) during the preceding fiscal
3 year; and

4 (3) the impact of the stabilization program on
5 dairy markets.

6 (e) ENFORCEMENT.—If a participating dairy oper-
7 ation or handler fails to remit or collect the amounts by
8 which payments to participating dairy operations are re-
9 duced under section 1434, the participating dairy oper-
10 ation or handler responsible for the failure shall be liable
11 to the Secretary for the amount that should have been
12 remitted or collected, plus interest. In addition to the en-
13 forcement authorities available under section 1437, the
14 Secretary may enforce this subsection in the courts of the
15 United States.

16 **SEC. 1436. SUSPENSION OF REDUCED PAYMENT REQUIRE-**
17 **MENT.**

18 (a) DETERMINATION OF PRICES.—For purposes of
19 this section:

20 (1) The price in the United States for cheddar
21 cheese and nonfat dry milk shall be determined by
22 the Secretary.

23 (2) The world price of cheddar cheese and skim
24 milk powder shall be determined by the Secretary.

1 (b) SUSPENSION THRESHOLDS.—The stabilization
2 program shall be suspended or the Secretary shall refrain
3 from making the announcement under section 1432(a) if
4 the Secretary determines that—

5 (1) the actual dairy production margin is great-
6 er than \$6.00 per hundredweight of milk for 2 con-
7 secutive months;

8 (2) the actual dairy production margin is equal
9 to or less than \$6.00 (but greater than \$5.00) for
10 2 consecutive months, and during the same 2 con-
11 secutive months—

12 (A) the price in the United States for
13 cheddar cheese is equal to or greater than the
14 world price of cheddar cheese; or

15 (B) the price in the United States for non-
16 fat dry milk is equal to or greater than the
17 world price of skim milk powder;

18 (3) the actual dairy production margin is equal
19 to or less than \$5.00 (but greater than \$4.00) for
20 2 consecutive months, and during the same 2 con-
21 secutive months—

22 (A) the price in the United States for
23 cheddar cheese is more than 5 percent above
24 the world price of cheddar cheese; or

1 (B) the price in the United States for non-
2 fat dry milk is more than 5 percent above the
3 world price of skim milk powder; or

4 (4) the actual dairy production margin is equal
5 to or less than \$4.00 for 2 consecutive months, and
6 during the same 2 consecutive months—

7 (A) the price in the United States for
8 cheddar cheese is more than 7 percent above
9 the world price of cheddar cheese; or

10 (B) the price in the United States for non-
11 fat dry milk is more than 7 percent above the
12 world price of skim milk powder.

13 (c) IMPLEMENTATION BY HANDLERS.—Effective on
14 the day after the date of the announcement by the Sec-
15 retary under subsection (b) of the suspension of the sta-
16 bilization program, the handler shall cease reducing pay-
17 ments to participating dairy operations under the sta-
18 bilization program.

19 (d) CONDITION ON RESUMPTION OF STABILIZATION
20 PROGRAM.—Upon the announcement by the Secretary
21 under subsection (b) that the stabilization program has
22 been suspended, the stabilization program may not be im-
23 plemented again until, at the earliest—

1 (1) 2 months have passed, beginning on the
2 first day of the month immediately following the an-
3 nouncement by the Secretary; and

4 (2) the conditions of section 1432(a) are again
5 met.

6 **SEC. 1437. ENFORCEMENT.**

7 (a) **UNLAWFUL ACT.**—It shall be unlawful and a vio-
8 lation of the this subpart for any person subject to the
9 stabilization program to willfully fail or refuse to provide,
10 or delay the timely reporting of, accurate information and
11 remittance of funds to the Secretary in accordance with
12 this subpart.

13 (b) **ORDER.**—After providing notice and opportunity
14 for a hearing to an affected person, the Secretary may
15 issue an order against any person to cease and desist from
16 continuing any violation of this subpart.

17 (c) **APPEAL.**—An order of the Secretary under sub-
18 section (b) shall be final and conclusive unless an affected
19 person files an appeal of the order of the Secretary in
20 United States district court not later than 30 days after
21 the date of the issuance of the order. A finding of the
22 Secretary in the order shall be set aside only if the finding
23 is not supported by substantial evidence.

24 (d) **NONCOMPLIANCE WITH ORDER.**—If a person
25 subject to this subpart fails to obey an order issued under

1 subsection (b) after the order has become final and
2 unappealable, or after the appropriate United States dis-
3 trict court has entered a final judgment in favor of the
4 Secretary, the United States may apply to the appropriate
5 United States district court for enforcement of the order.
6 If the court determines that the order was lawfully made
7 and duly served and that the person violated the order,
8 the court shall enforce the order.

9 **SEC. 1438. AUDIT REQUIREMENTS.**

10 (a) AUDITS OF DAIRY OPERATION AND HANDLER
11 COMPLIANCE.—

12 (1) AUDITS AUTHORIZED.—If determined by
13 the Secretary to be necessary to ensure compliance
14 by participating dairy operations and handlers with
15 the stabilization program, the Secretary may con-
16 duct periodic audits of participating dairy operations
17 and handlers.

18 (2) SAMPLE OF DAIRY OPERATIONS.—Any
19 audit conducted under this subsection shall include,
20 at a minimum, investigation of a statistically valid
21 and random sample of participating dairy oper-
22 ations.

23 (b) SUBMISSION OF RESULTS.—The Secretary shall
24 submit the results of any audit conducted under sub-
25 section (a) to the Committee on Agriculture of the House

1 of Representatives and the Committee on Agriculture, Nu-
2 trition, and Forestry of the Senate and include such rec-
3 ommendations as the Secretary considers appropriate re-
4 garding the stabilization program.

5 **SEC. 1439. STUDY; REPORT.**

6 (a) IN GENERAL.—The Secretary shall direct the Of-
7 fice of the Chief Economist to conduct a study of the im-
8 pacts of the program established under section 1431(a).

9 (b) CONSIDERATIONS.—The study conducted under
10 subsection (a) shall consider—

11 (1) the economic impact of the program
12 throughout the dairy product value chain, including
13 the impact on producers, processors, domestic cus-
14 tomers, export customers, actual market growth and
15 potential market growth, farms of different sizes,
16 and different regions and States; and

17 (2) the impact of the program on the competi-
18 tiveness of the United States dairy industry in inter-
19 national markets.

20 (c) REPORT.—Not later than December 1, 2017, the
21 Office of the Chief Economist shall submit to the Com-
22 mittee on Agriculture of the House of Representatives and
23 the Committee on Agriculture, Nutrition, and Forestry of
24 the Senate a report that describes the results of the study
25 conducted under subsection (a).

1 **Subpart C—Administration**

2 **SEC. 1451. DURATION.**

3 The production margin protection program and the
4 stabilization program shall end on December 31, 2018.

5 **SEC. 1452. ADMINISTRATION AND ENFORCEMENT.**

6 (a) IN GENERAL.—The Secretary shall promulgate
7 regulations to address administrative and enforcement
8 issues involved in carrying out the production margin pro-
9 tection, supplemental production margin protection, and
10 market stabilization programs.

11 (b) RECONSTITUTION AND ELIGIBILITY ISSUES.—

12 (1) RECONSTITUTION.—Using authorities under
13 section 1001(f) and 1001B of the Food Security Act
14 of 1985 (7 U.S.C. 1308(f), 1308–2), the Secretary
15 shall promulgate regulations to prohibit a dairy pro-
16 ducer from reconstituting a dairy operation for the
17 sole purpose of the dairy producer—

18 (A) receiving basic margin protection;

19 (B) purchasing supplemental margin pro-
20 tection; or

21 (C) avoiding participation in the market
22 stabilization program.

23 (2) ELIGIBILITY ISSUES.—Using authorities
24 under section 1001(f) and 1001B of the Food Secu-
25 rity Act of 1985 (7 U.S.C. 1308(f), 1308–2), the
26 Secretary shall promulgate regulations—

- 1 (A) to prohibit a scheme or device;
2 (B) to provide for equitable relief; and
3 (C) to provide for other issues affecting eli-
4 gibility and liability issues.

5 (3) ADMINISTRATIVE APPEALS.—Using authori-
6 ties under section 1001(h) of the Food Security Act
7 of 1985 (7 U.S.C. 1308(h)) and subtitle H of the
8 Department of Agriculture Reorganization Act (7
9 U.S.C. 6991 et seq.), the Secretary shall promulgate
10 regulations to provide for administrative appeals of
11 decisions of the Secretary that are adverse to par-
12 ticipants of the programs described in subsection
13 (a).

14 **PART II—DAIRY MARKET TRANSPARENCY**

15 **SEC. 1461. DAIRY PRODUCT MANDATORY REPORTING.**

16 (a) DEFINITIONS.—Section 272(1)(A) of the Agricul-
17 tural Marketing Act of 1946 (7 U.S.C. 1637a(1)(A)) is
18 amended by inserting “, or any other products that may
19 significantly aid price discovery in the dairy markets, as
20 determined by the Secretary” after “of 1937”.

21 (b) MANDATORY REPORTING FOR DAIRY PROD-
22 UCTS.—Section 273(b) of the Agricultural Marketing Act
23 of 1946 (7 U.S.C. 1637b(b)) is amended—

24 (1) by striking paragraph (1) and inserting the
25 following new paragraph:

1 “(1) IN GENERAL.—In establishing the pro-
2 gram, the Secretary shall only—

3 “(A)(i) subject to the conditions described
4 in paragraph (2), require each manufacturer to
5 report to the Secretary, more frequently than
6 once per month, information concerning the
7 price, quantity, and moisture content of dairy
8 products sold by the manufacturer and any
9 other product characteristics that may signifi-
10 cantly aid price discovery in the dairy markets,
11 as determined by the Secretary; and

12 “(ii) modify the format used to provide the
13 information on the day before the date of enact-
14 ment of this subtitle to ensure that the infor-
15 mation can be readily understood by market
16 participants; and

17 “(B) require each manufacturer and other
18 person storing dairy products (including dairy
19 products in cold storage) to report to the Sec-
20 retary, more frequently than once per month,
21 information on the quantity of dairy products
22 stored.”; and

23 (2) in paragraph (2), by inserting “or those
24 that may significantly aid price discovery in the
25 dairy markets” after “Federal milk marketing

1 order” each place it appears in subparagraphs (A),
2 (B), and (C).

3 **SEC. 1462. FEDERAL MILK MARKETING ORDER INFORMA-**
4 **TION.**

5 (a) INFORMATION CLEARINGHOUSE.—

6 (1) IN GENERAL.—The Secretary shall, on be-
7 half of each milk marketing order issued under the
8 Agricultural Adjustment Act (7 U.S.C. 601 et seq.),
9 reenacted with amendments by the Agricultural
10 Marketing Agreement Act of 1937, establish an in-
11 formation clearinghouse for the purposes of edu-
12 cating the public about the Federal milk marketing
13 order system and any marketing order referenda, in-
14 cluding proposal information and timelines that shall
15 be kept current and updated as information becomes
16 available.

17 (2) REQUIREMENTS.—Information under para-
18 graph (1) shall include—

19 (A) information on procedures by which
20 cooperatives vote;

21 (B) if applicable, information on the man-
22 ner by which producers may cast an individual
23 ballot;

24 (C) in applicable, instructions on the man-
25 ner in which to vote online;

1 (D) due dates for each specific referendum;

2 (E) the text of each referendum question

3 under consideration;

4 (F) a description in plain language of the

5 question;

6 (G) any relevant background information

7 to the question; and

8 (H) any other information that increases

9 Federal milk marketing order transparency.

10 (b) NOTIFICATION LIST FOR UPCOMING REF-

11 ERENDUM.—Each Federal milk marketing order shall—

12 (1) make available the information described in

13 subsection (b) through an Internet site; and

14 (2) publicize the information in major agri-

15 culture and dairy-specific publications on upcoming

16 referenda.

17 (c) STUDY.—

18 (1) IN GENERAL.—The Secretary shall conduct

19 a study of the feasibility of establishing 2 classes of

20 milk, a fluid class and a manufacturing class, to re-

21 place the 4-class system in effect on the date of en-

22 actment of this Act in administering Federal milk

23 marketing orders.

24 (2) FEDERAL MILK MARKET ORDER REVIEW

25 COMMISSION.—The Secretary may elect to use the

1 Federal Milk Market Order Review Commission es-
2 tablished under section 1509(a) of the Food, Con-
3 servation, and Energy Act of 2008 (Public Law
4 110–246; 122 Stat. 1726), or documents of the
5 Commission, to conduct all or part of the study.

6 (3) REPORT.—Not later than 180 days after
7 the date of enactment of this Act, the Secretary
8 shall submit to the Committee on Agriculture of the
9 House of Representatives and the Committee on Ag-
10 riculture, Nutrition, and Forestry of the Senate a
11 report that describes the results of the study re-
12 quired under this subsection, including any rec-
13 ommendations.

14 **PART III—REPEAL OR REAUTHORIZATION OF**
15 **OTHER DAIRY-RELATED PROVISIONS**

16 **SEC. 1471. REPEAL OF DAIRY PRODUCT PRICE SUPPORT**
17 **AND MILK INCOME LOSS CONTRACT PRO-**
18 **GRAMS.**

19 (a) REPEAL OF DAIRY PRODUCT PRICE SUPPORT
20 PROGRAM.—Section 1501 of the Food, Conservation, and
21 Energy Act of 2008 (7 U.S.C. 8771) is repealed.

22 (b) REPEAL OF MILK INCOME LOSS CONTRACT PRO-
23 GRAM.—

24 (1) PAYMENTS UNDER MILK INCOME LOSS CON-
25 TRACT PROGRAM.—Section 1506(c)(3) of the Food,

1 Conservation, and Energy Act of 2008 (7 U.S.C.
2 8773(e)(3)) is amended—

3 (A) in subparagraph (A), by inserting
4 “and” after the semicolon;

5 (B) in subparagraph (B), by striking “Au-
6 gust 31, 2013, 45 percent; and” and inserting
7 “June 30, 2014, 45 percent.”; and

8 (C) by striking subparagraph (C).

9 (2) EXTENSION.—Section 1506(h)(1) of the
10 Food, Conservation, and Energy Act of 2008 (7
11 U.S.C. 8773(h)(1)) is amended by striking “Sep-
12 tember 30, 2013” and inserting “June 30, 2014”.

13 (3) REPEAL.—Effective July 1, 2014, section
14 1506 of the Food, Conservation, and Energy Act of
15 2008 (7 U.S.C. 8773) is repealed.

16 **SEC. 1472. REPEAL OF DAIRY EXPORT INCENTIVE PRO-**
17 **GRAM.**

18 (a) REPEAL.—Section 153 of the Food Security Act
19 of 1985 (15 U.S.C. 713a–14) is repealed.

20 (b) CONFORMING AMENDMENTS.—Section 902(2) of
21 the Trade Sanctions Reform and Export Enhancement
22 Act of 2000 (22 U.S.C. 7201(2)) is amended—

23 (1) by striking subparagraph (D); and

24 (2) by redesignating subparagraphs (E) and
25 (F) as subparagraphs (D) and (E), respectively.

1 **SEC. 1473. EXTENSION OF DAIRY FORWARD PRICING PRO-**
2 **GRAM.**

3 Section 1502(e) of the Food, Conservation, and En-
4 ergy Act of 2008 (7 U.S.C. 8772(e)) is amended—

5 (1) in paragraph (1), by striking “2012” and
6 inserting “2018”; and

7 (2) in paragraph (2), by striking “2015” and
8 inserting “2021”.

9 **SEC. 1474. EXTENSION OF DAIRY INDEMNITY PROGRAM.**

10 Section 3 of Public Law 90–484 (7 U.S.C. 450l) is
11 amended by striking “2012” and inserting “2018”.

12 **SEC. 1475. EXTENSION OF DAIRY PROMOTION AND RE-**
13 **SEARCH PROGRAM.**

14 Section 113(e)(2) of the Dairy Production Stabiliza-
15 tion Act of 1983 (7 U.S.C. 4504(e)(2)) is amended by
16 striking “2012” and inserting “2018”.

17 **SEC. 1476. EXTENSION OF FEDERAL MILK MARKETING**
18 **ORDER REVIEW COMMISSION.**

19 Section 1509(a) of the Food, Conservation, and En-
20 ergy Act of 2008 (Public Law 110–246; 122 Stat. 1726)
21 is amended by inserting “or other funds” after “Subject
22 to the availability of appropriations”.

1 **PART IV—FEDERAL MILK MARKETING ORDER**

2 **REFORM**

3 **SEC. 1481. FEDERAL MILK MARKETING ORDERS.**

4 (a) AMENDMENTS.—The Secretary shall provide an
5 analysis on the effects of amending each Federal milk
6 marketing order issued under section 8c of the Agricul-
7 tural Adjustment Act (7 U.S.C. 608c), reenacted with
8 amendments by the Agricultural Marketing Agreement
9 Act of 1937 (in this part referred to as a “milk marketing
10 order”), as required by this section.

11 (b) USE OF END-PRODUCT PRICE FORMULAS.—In
12 carrying out subsection (a), the Secretary shall—

13 (1) consider replacing the use of end-product
14 price formulas with other pricing alternatives; and

15 (2) submit to the Committee on Agriculture of
16 the House of Representatives and the Committee on
17 Agriculture, Nutrition, and Forestry of the Senate a
18 report describing the findings of the Secretary on
19 the impact of the action considered under paragraph
20 (1).

21 **PART V—EFFECTIVE DATE**

22 **SEC. 1491. EFFECTIVE DATE.**

23 Except as otherwise provided in this subtitle, this
24 subtitle and the amendments made by this subtitle take
25 effect on October 1, 2013.