



## Legislative Watch

Issues important to today's dairy farmers

### NMPF Achieved Legislative Accomplishments in 2006 Congress

National Milk Producers Federation has tallied up its Congressional achievements for 2006:

The most prominent dairy issue was passage and enactment of the Milk Regulatory Equity Act, which regulates large producer-handler milk bottlers. This had been a legislative priority of NMPF for the last two Congressional sessions. Under MREA, producers larger than 3 million pounds of milk monthly will have to pool their Class I sales. The legislation also regulated milk sales from a Federal Order area into a state order.

NMPF also pursued immigration reform, as part of a large coalition, seeking a balanced, comprehensive approach to the labor shortage problems in agriculture. While a compromise approach was not finalized by Congress, a provision including agricultural guest workers was included in the bill that passed the Senate this past summer. NMPF will continue its efforts in the House and Senate in the upcoming 110th Congress, where hopefully the atmosphere for immigration reform will be improved.

Another area of major activity was the effort by livestock groups to have Congress clarify its intent that animal manure was not meant to be regulated by the CERCLA and EP-CRA superfund laws. NMPF and

other farm groups garnered widespread support in Congress for bills to clarify those laws, but that effort will have to start again in January.

NMPF also worked to secure passage of favorable trade agreements with positive benefits for dairy, such as the Peru FTA and the Vietnam normal trade relations legislation. The Vietnam PNTR was included in legislation just prior to adjournment in mid-December.

2006 also saw the creation of a first-ever Congressional Dairy Farmer Caucus. This organization was formed by dairy friendly Senators and Representatives to advance the issues of dairy farmers. It has members from all areas of the country.

#### New Democrat-led Congress Begins

The 110th Congressional session began the first week of January, making history with the first-ever woman serving as Speaker of the House. Nancy Pelosi (D-CA) was elected to that position at the beginning of the session.

Democratic Congressional leaders have identified a host of issues they plan to tackle early on during this session, including raising the minimum wage. An early measure that passed the House was a reform of lobbying regulations, which NMPF is still analyzing. The Senate, under new Majority Leader Harry Reid (D-NV), is likely to also take action on this item, but has not yet moved to do so. Other issues that are likely to be addressed early this year by Congress include government oversight, energy issues, and efforts to balance the budget. Congress will also soon begin to work on writing the next Farm Bill.

New Committee Chairmen and Ranking Members were also named. Sen. Tom Harkin (D-IA) will chair the Senate Agriculture Committee, and Rep. Collin Peterson (D-MN) will chair the House Agriculture Committee. Rep. Tim Walberg (R-MI) will serve on the House Agriculture Committee. According to NMPF, both have a great deal of expertise in agricultural issues and have been involved in numerous Farm Bills. Michigan Senator Debbie Stabenow also serves on the Senate Agriculture Committee.

## Dairy Groups Pleased with Outcome of U.S./Panama FTA Negotiations

The National Milk Producers Federation (NMPF) and the U.S. Dairy Export Council (USDEC) expressed support for the recently-negotiated Free Trade Agreement between the United States and Panama.

The negotiations, which concluded in mid-December, will help the U.S. build on its export presence in Panama, once the agreement is approved by Congress.

"This is a great opportunity to expand U.S. dairy exports and improve the U.S. trade balance for dairy products," says Jaime Castaneda, NMPF senior vice president and USDEC senior policy advisor. He noted that Panama imports nearly half of its dairy products, and the U.S. stands to become a larger supplier once the FTA is finalized.

## Vietnam Trade Completed in Lame Duck Session

Just before leaving town for the end of 2006, Congress approved a trade package that included Permanent Normal Trade Relations with Vietnam. Passage of Vietnam PNTR means that the U.S. will be able to take advantage of the improved trading terms that Vietnam negotiated with WTO members as part of the concessions it made to join the organization.

The new trading terms include lower tariffs on dairy products

The terms of the FTA are expected to provide new exports for all categories of U.S. dairy products, including cheese, milk proteins and ice cream, among many others. Equally important to the preferential market access provisions contained in the agreement are portions of the FTA dealing with sanitary and phytosanitary (SPS) issues and the administration of new quotas. The FTA must effectively address these important non-tariff issues in order to allow for smoother market operations.

In 2004, Panama imported 167 million pounds, milk equivalent, of dairy products – the equivalent to 42 percent of Panama's milk production. In 2005, the U.S. exported \$3.5 million worth of dairy products to Panama.

entering Vietnam, a dairy-importing country. Tariffs on Vietnamese imports of whey products will be reduced from initial starting points ranging from 20 to 30 percent, down to a new level of 10 percent over a period of five years. Tariffs on cheeses will be reduced from a starting point of 20 percent down to 10 percent immediately. Tariffs on ice cream will be reduced from 50 percent down to 20 percent over a period of five years.

## Congress Introduces Ag Jobs Immigration Legislation

Although it's early in 110th Congress, efforts are already underway to pass immigration reform legislation focusing on agricultural guest workers. Better known as the AgJOBS legislation, the measure would reform the current temporary worker program and regulations of undocumented workers in order to provide agriculture with the work force it needs to operate efficiently.

In the House, the bill is designated as H.R. 371, and was introduced by Representatives Chris Cannon (UT), Adam Putnam (FL), Howard Berman (CA), George Radanovich (CA), Tom Reynolds (NY), Devin Nunes (CA).

The Senate AgJOBS bill is designated as S. 340. The lead co-sponsors of the Senate bill are Dianne Feinstein (CA) and Larry Craig (ID), along with key Judiciary committee leaders Sens. Patrick Leahy (VT) and Arlen Specter (PA).

The AgJOBS provision was included in the immigration reform bill that passed the Senate last year, but it was not part of the House immigration bill that was passed, but not conferenced together with the Senate version.

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