



## Legislative Watch

Issues important to today's dairy farmers

### Bush Nominates Schafer as New Agriculture Secretary

Former North Dakota Governor Edward T. Schafer received President Bush's recommendation at the end of October to fill the cabinet post of agriculture secretary.

If the Senate votes to confirm his nomination, Schafer would assume control over the Department of Agriculture as it confronts important upcoming issues, such as the new Farm Bill that is up for a final decision in Congress in the next few months.

President Bush stated his confidence in Schafer's leadership on the Farm Bill in a speech he gave on October 31: "With Ed's leadership, we will work with Congress to pass a farm bill that provides farmers with a safety net, protects our lands and the environment and spends federal tax dollars wisely."

As the grandson of farmers, Schafer is familiar with the complexities of agriculture. He served two terms as North Dakota's Governor, where farming and ranching is by far the biggest economic sector.

Schafer will replace Deputy Secretary of Agriculture Chuck Conner, who has been the acting agriculture secretary since former agriculture secretary Mike Johanns stepped down to run in the Senate race in Nebraska.

### Pennsylvania Prohibits Hormone-Free Labels on Milk

Pennsylvania's state agriculture department announced last month that it is pressing fluid milk processors to drop such labeling language from their products.

Pennsylvania Agriculture Secretary Dennis Wolff announced on October 24 that milk labels could not claim to be free of artificial growth hormones, antibiotics, or pesticides because these kinds of claims are misleading. His office asserted that such milk labels, when professing to be hormone-free, antibiotic-free, or pesticide-free, imply that other milk products that do not have such labels are inferior, an occurrence that the state's Web site termed "absence labeling."

"Absence labeling" distinguishes one type of milk from another, and the Pennsylvania Department of Agriculture barred such labeling on the basis that there is no scientific evidence declaring that a difference exists between milk from cows with different production practices. All milk must pass approval before it can reach grocery store shelves, meaning that both types are deemed safe for consumers.

The state government sent letters to 16 companies selling products in the Keystone state, notifying them they were not in compliance with the new policy.

Dairies that were notified of mislabeled products will have until January 1 to comply with the new rule.

### NASS Urges Farmers to Count Their Farms Along With Their Blessings This Holiday Season

As farm families give thanks for another successful harvest this holiday season, the U.S. Department of Agriculture's National Agricultural Statistics Service (NASS) urges them to ensure their farm or ranch is counted in the 2007 Census of Agriculture. The Census is a crucial tool that provides farmers with a voice in the future of their community and all of agriculture.

Conducted every five years by the USDA, the Census is a complete count of the nation's farms and ranches and the people who operate them. The Census looks at land use and ownership, operator characteristics, production practices, income and expenditures and other topics. It provides the only source of uniform, comprehensive agricultural data for every county in the nation.

NASS will mail out Census forms on December 28, 2007 to collect data for the 2007 calendar year. Completed forms are due by February 4, 2008. Producers can return their forms by mail or, for the first time, they have the convenient option of filling out the Census online. For more information about the Census, visit [www.agcensus.usda.gov](http://www.agcensus.usda.gov) or call toll-free (888) 4AG-STAT or (888) 424-7828.

## Senate Agriculture Committee Approves Farm Bill Legislation Containing Many NMPF Priorities

*Bill Contains More Funding for Direct Payments, Conservation, Environment Programs*

The Senate Agriculture Committee approved a new Farm Bill on October 25 containing many of the priority programs sought by NMPF, including additional money for countercyclical payments, and programs to help farmers implement conservation and environmental improvements on their farms.

“This Senate legislation is a great step forward toward writing a new farm bill, and it is similar in many important respects to the Farm Bill approved earlier this summer by the House of Representatives,” said Jerry Kozak, President and CEO of NMPF. “But it doesn’t contain a provision to include imports in the dairy promotion and research program,” which is important to many farmers. That provision is already in the House Farm Bill and Kozak stated, “We will be working hard to ensure its inclusion in the final Farm Bill as was the case with the 2002 bill.”

“But perhaps the most significant achievement of getting this bill approved by the Senate Agriculture Committee is that it sends a clear signal that both chambers of Congress, and members of both parties on Capitol Hill, are ready to complete a new Farm Bill.” Kozak said completing a comprehensive bill that addresses the concerns and interests of dairy producers “is certainly preferable to extending the current farm program for another year or two.”

The Senate Ag committee’s farm bill expands the amount of funding available for conservation and environmental programs, including financial assistance for farm facilities converting animal manure to energy. The Senate bill goes beyond the more limited House bill in that regard, Kozak said.

In terms of dairy policy, the Senate farm bill contains the two key components of an economic safety net sought by NMPF: a revised dairy price support program that targets specific product prices; and the direct payment program

known as the Milk Income Loss Contract program.

The Senate bill continues the existing MILC program, but after the first year of the five-year bill, it raises the payment rate from 34 percent to 45 percent of the difference between \$16.94/cwt. and the monthly Class I milk price in Boston (which was the original payment rate when the MILC was created in 2001). After the first year, it also raises the annual milk volume qualifying for MILC payments, from 2.4 million pounds to 4.1 million pounds.

“Dairy farmers and their cooperatives appreciate members of the Senate Agriculture Committee working through these tough issues and devising a bill with many laudable features,” Kozak said. “It’s still a work in progress, and we are looking forward to improving the bill as it reaches the Senate floor, and then when leaders of the Senate and the House have to craft a compromise conference Farm Bill in the coming months.”

## Update on Farm Bill Progress

Senate consideration of the 2007 farm bill remained bogged down during the week of November 12 due to a disagreement among Senate leadership on the number and scope of amendments to be offered to the legislation. As of Thursday, Nov. 15 there were nearly 300 amendments filed on the bill. Debate on the measure was held sporadically throughout the week, but no votes were taken, and the Senate frequently suspended farm bill debate to take up other business.

Seeking to move forward on the legislation, Senate Majority Leader Harry Reid (D-Nev.) filed a cloture motion on the legislation; cloture,

which requires 60 votes to invoke, would limit debate on the measure to 30 hours and bar any amendments that are non-germane. The Senate voted on cloture on Friday morning, but the motion failed by a vote of 55-42.

With Congress leaving in a two-week recess for Thanksgiving, the farm bill will have to be taken up in early December, upon their return. After the Senate passes their version of the farm bill, the legislation will have to go to a conference committee to work out differences with the House. Also, the White House has stated that they intend to veto any final bill that does not contain

substantial changes from the House and Senate versions of the bill.

With an eye towards the extremely tight schedule, several Republican House members have introduced bills that would extend the current farm bill for one year.

To help keep members informed throughout the farm bill process on the status of the legislation, National Council of Farmer Cooperatives has launched a new Farm Bill Information Update web site, that can be accessed at <http://farmercoops.wordpress.com>. Members can also access information on National Milk Producers Federation’s web site at [www.nmpf.org](http://www.nmpf.org).