



News & Views

The latest dairy news

October Class III Price Up 71 Cents

The October Class III price is \$12.82, up 71 cents from September. Though down \$4.24 from a year ago, October's Class III price is the highest price since December 2008. The October Class IV price for this month is \$11.86, also up 71 cents but down \$1.76 from October 2008 and the highest since November 2008.

Producers scoring 95 percent or more on Grade A Surveys and Federal Check Ratings

MMPA Carney BTU

October 2009

Sherwin Wilson*
Karen Ann & John Strohl*
Milton Patz
Scott, Gladys & Paul Mellgren
Sandahl Dairy Farm
Getz-Milk Dairy LLC
Brad Pellegrini
Robert Paidl

* Scored 100 percent

USDA Decision on Large Producer-Handler Milk Bottlers Victory for Dairy Farmers

NMPF's long-term objective of limiting the pricing advantage enjoyed by the largest farms that bottle their own milk was realized with an October 21 decision by the U.S. Department of Agriculture (USDA) to close the loophole for the largest such bottlers.

In a decision published in the Federal Register, the USDA recommended that the producer-handler definitions in all Federal Milk Marketing Orders be amended so that only farms with bottled milk sales of three million pounds or less per month remain exempt from the pooling and pricing provisions. Producer-handlers with sales more than that will be treated the same as other bottling operations not owned by farmers, and will have to share their Class I proceeds with other farmers in their respective Federal Order Regions. The recommended decision will be open to public comment for 60 days.

"Once it is finalized, this ruling will accomplish what NMPF sought in its initial petition: to stop about a half-dozen large producer-handlers from cherry-picking Class I milk sales at the expense of other producers in Federal Order pools, and to discourage other handlers from growing through the use of this unfair exemption," said Jerry Kozak, President and CEO of NMPF. "These largest operations should no longer enjoy a regulatory loophole intended for smaller players. Once you're bottling three million pounds of milk monthly, you're a large plant, and should contribute to the marketing pools just like any other large Class I handler."

Under present rules, a milk bottler of any size can avoid paying into the Federal Order pools in its market if it produces all of its own milk. This regulatory exemption provides a large pricing advantage, and reduces average pay prices for other producers who lose out on shared Class I revenue.

In addition to ending the exemption for farm-owned bottlers, the decision would also tighten the requirements in the Arizona and Pacific Northwest Federal Order markets, which previously had limited producer-handlers to three million pounds of sales in each market. The USDA's decision supports NMPF's position and frequently cites NMPF's testimony in its conclusions.

Upcoming Events

December

15 MMPA Advisory Committee – Novi

January

MMPA Local Meetings

27 MMPA Resolutions Committee – Novi

NMPF Comments on Conservation Stewardship Program Interim Final Rule

In comments to USDA's Natural Resources Conservation Service NMPF stated that many dairy farming systems in use today in various parts of the U.S. are well suited to participation in the Conservation Stewardship Program (CSP).

NMPF is a founding member of the Innovation Center for U.S. Dairy, a collaborative effort to develop a roadmap for reducing greenhouse gas emissions by 20 percent by year 2020 within the dairy industry. The council is comprised of producers, processors, manufacturers, retailers, and other dairy industry stakeholders. The Innovation Center is working to implement and obtain funding for the 12 approved project plans that were endorsed in January, along with several other projects that are undergoing further analysis and refinement.

NMPF stressed that the fundamental goal in the final rulemaking must be to make it simple and easy for CSP to be of real, concrete, and practical assistance to farmers struggling to deal with their real and immediate conservation and environment needs and challenges. NMPF also encouraged NRCS, under the flexibility granted to the Secretary in the statute, to ensure that everything has been done to support this objective.



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