



Legislative Watch

Issues important to today's dairy farmers

House Members Reconstitute Congressional Dairy Farmer Caucus to Assist Dairy Farmers with Key Policy Challenges

As dairy farmers throughout the country continue to face a pressing financial crisis in their industry, dozens of members of the House of Representatives announced that they will reform and reactivate the Congressional Dairy Farmer Caucus.

Led by Caucus Co-Chairs Reps. Joe Courtney (CT), Peter Welch (VT), Devin Nunes (CA) and Tim Walz (MN), and joined by Caucus Vice Chairs Tom Petri (WI), Tom Rooney (FL), Chris Lee (NY) and Harry Teague (NM), the organization will help facilitate better interaction between elected officials and dairy producers from across the country. The bipartisan caucus will work with dairy industry leaders to reach common sense solutions to address both the current dairy crisis, as well as other issues of concern to the dairy producer community.

“The complexities of dairy policy, and the diverse size and scope of dairy farming in the U.S., means that we need a forum in Congress for dairy farmers to interact with their elected officials. The Dairy Farmer Caucus will help facilitate the communication between, and education of, members of Congress and the farmers they represent,” said Jerry Kozak, President and CEO of NMPF.

The Congressional Dairy Farmer Caucus was initially started

in 2006 to provide a bipartisan forum, involving both House and Senate members, to collaborate on policy issues that addressed the interests of dairy producers nationwide.

“Preserving a vibrant dairy producer community in America is essential to maintaining the health of rural communities across the country, and critical to securing continued access to wholesome, fresh, American-made foods,” Kozak said. “We appreciate the leaders of the Dairy Farmer Caucus investing their time and energies in this effort, and look forward to an ongoing dialogue with them about

the federal policies that can best help the American dairy producer community prosper.”

Kozak said that a national, bipartisan organization will help build consensus on Capitol Hill on the range of issues affecting farms of all sizes in all regions. He added that the Caucus would also help NMPF and its members communicate with the variety of regulatory agencies involved in milk production, such as the U.S. Department of Agriculture, the Food and Drug Administration, the Environmental Protection Agency, and the U.S. Trade Representative, among others.

NMPF Backs New Senate Legislation to Impose Tariffs on Milk Protein Imports

Schumer resumes fight against MPC, casein imports

The National Milk Producers Federation endorses new Senate legislation, S. 1542, which would impose tariffs on imports of Milk Protein Concentrate (MPC), casein and caseinates.

Sen. Chuck Schumer (D-NY) introduced the legislation called the Milk Import Tariff Equity Act, which would create tariff-rate quotas on foreign dairy proteins that currently come into the U.S. in unlimited quantities. Since 2001, NMPF has supported the passage of the MITEA in order to close a loophole in the U.S. dairy sector allowing certain dairy proteins, such as MPC and caseins, to enter the U.S. and disrupt farm-level prices.

The legislation contains language directing the U.S. government to ensure that the new TRQs are consistent with the U.S.'s World Trade Organization commitments. The tariff rates would be consistent with existing U.S. tariffs on similar products, such as nonfat dry milk.

Dairy Organizations Praise USDA on Dairy Export Incentive Program

NMPF and the U.S. Dairy Export Council (USDEC) applauded U.S. Department of Agriculture (USDA) Secretary Tom Vilsack for his announcement on July 8 regarding initial allocations under the Dairy Export Incentive Program (DEIP) for the new marketing year July 2009 - June 2010.

“This important action by Secretary Vilsack demonstrates his commitment to continue to offer support for dairy producers at a time when dairy prices are at their lowest in years,” said Jerry Kozak, President and CEO of NMPF.

In order to expedite DEIP allocations, USDA extended the remainder of the uncommitted bids from 2008-2009, making available 48,176 metric tons of nonfat dry milk, 19,235 metric tons of butterfat and 2,878 metric tons of cheese for the new 2009-2010 DEIP marketing year. These quantities will count towards the new marketing year that began July 1, 2009 and that ends June 30, 2010.

“We appreciate USDA’s prompt announcement,” said Kozak. “Unlike the short period of time given to exporters under last year’s DEIP announcement, this swift action by USDA will allow us to properly compete with other subsidized exporters. However, it is extremely important that USDA issue DEIP invitations immediately for all allowable categories of dairy products in a manner that maximizes exports so producers receive the full benefit.”

USDA will continue to work with other agencies to make the rest of the full DEIP allocations (20,025 metric tons of nonfat dry milk, 1,862 metric tons of butterfat and 152 metric tons of cheese) available at a later date.

“The FY 2008-09 and FY 2009-10 allocations of DEIP could remove more than 1.5 billion pounds of milk from the U.S. market,” said Kozak. “Coupled with actions being taken under our own Cooperatives Working Together program, this will help address, in a meaningful way, the imbalance currently present in our market.”

NMPF Supports Legislation to Improve Trucking Efficiency

NMPF is urging members of the House of Representatives to approve the Safe and Efficient Transportation Act (HR 1799). The bill would responsibly raise truck weight limits to allow American businesses to meet demand with fewer trucks-removing unnecessary trucks from the highway, reducing our carbon footprint and improving shipping productivity.

The legislation would allow individual states to increase their interstate vehicle weight limits to 97,000 pounds for vehicles equipped with a sixth axle. Following NMPF’s letter, several additional Representatives have joined as co-sponsors. NMPF will continue to work with interested members on advocating for this bill to help improve co-ops’ transportation efficiencies.

Dairy Industry Groups Participate in House Subcommittee Hearings

The House Agriculture Subcommittee on Livestock and Dairy hosted three hearings in July to examine the dire economic state of the dairy industry. Subcommittee Chairman David Scott (D-GA) had met with NMPF in June and expressed his desire to better understand the current dairy crisis.

As a result, twenty people representing myriad views testified before Congress within three weeks.

NMPF was represented at the initial hearing on July 14, 2009, by Board member Tom Wakefield of Bedford, PA. Wakefield outlined NMPF’s perspective on the causes of the crisis, and renewed the Federation’s request that Congress work with USDA to maximize the use of the Dairy Export Incentive Program (DEIP) and boost price support levels, which USDA subsequently did.

Wakefield also discussed the creation of the NMPF Strategic Planning Task Force, which, similar to the congressional hearings, is intended to build consensus across the dairy producer community with respect to the underlying factors affecting producer prices, and to examine ways in which the producer community can realistically work to address those factors.

For copies of each testimony submitted during the hearing process, please visit the House Agriculture Committee Web site at <http://agriculture.house.gov/hearings/statements.html>.