

NMPF Statement on Status of Farm Bill Negotiations over Dairy Title

From Jim Mulhern, President and Chief Executive Officer, NMPF:

During the past four years that NMPF has worked to revise federal dairy policy, we have evaluated a variety of proposals against two key criteria: 1) does it provide an effective safety net for all of the nation's dairy farmers?; and 2) does it protect taxpayers from the possibility of excessive program costs through the use of suitable incentives for those enrolled in the program?

The resulting Dairy Security Act measure, contained in the farm bills approved by the House and Senate Agriculture Committees in 2012 and again in 2013, is a loss-prevention margin insurance program that meets those objectives.

We were initially heartened that the four bi-partisan leaders of the House-Senate farm bill conference committee included the DSA language in the package they were planning to present to the full conference. Despite the long-standing opposition to this plan from House Speaker John Boehner, we were confident we had the votes in the conference committee to defeat any amendment to strike the market stabilization program.

Unfortunately, the Speaker's threat that he would not allow a vote on a farm bill containing the market stabilization program has effectively served to kill our proposal within the committee.

We are now engaged in discussions with agriculture committee staff on an alternative approach to creating a dairy safety net that would contain inducements to help achieve a supply-demand balance and prevent catastrophic milk price collapses like we experienced in 2009.

At this point, it is conceivable an alternative mechanism could be developed, relying upon adjustments to the program's margin insurance payout structure and participant premium rates, among other options. Any such approach must still offer an effective risk management tool to farmers, while containing suitable incentives

to program enrollees to achieve cost controls. As always, the devil is in the details, and we will not support any program that does not effectively address the needs of our members throughout the U.S.

(Information current as of press deadline. Visit www.nmpf.org for the most up-to-date information on the farm bill's progress.)

ANNUAL MEETING UNITED DAIRY INDUSTRY OF MICHIGAN

The United Dairy Industry of Michigan invites you to attend the

85th Annual Meeting of the
Dairy Council of Michigan
and the 71st Annual Meeting of the
American Dairy Association of Michigan.

THURSDAY, FEBRUARY 20, 2014

University Club of MSU
Heritage Room
3435 Forest Road
Lansing, Michigan 48910

To RSVP, please contact Michelle Hart
by **February 14th, 2014** at
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