

Farm Bill Implications for Dairy

Southern Dairy Conference

February 2, 2002

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Implications for Dairy

- Background work in developing a farm bill position proved that producers from all regions CAN actually agree on many issues
- Allowed producers to speak with one voice on “The Hill”--very important to legislators--also important to the image of our industry
- Sets a proper tone for future actions



Implications for Dairy

- Political
 - House set tough schedule and thorough process and stuck to it--Chairman Combest and Ranking Stenholm proved to be men of action and showed great bipartisan leadership--both will be PLAYERS in Conference
 - Administration did not become a player--in fact, angered Committee leaders
 - Senate effort delayed by events and then became very partisan, which was inevitable



Implications for Dairy

- Dairy price support program
 - \$9.90 is a safety net--not a stimulant of production
 - Time tested and effective
 - It's understandable
 - Has widespread and national dairy producer support



Implications for Dairy

- NE Dairy Market Loss Payments
 - “replaces” compact effort & expanded to 12 states
 - \$500 Mill, 45% x diff. Boston C1 I and \$16.94
- US Dairy Market Loss Payments
 - applied to rest of US
 - \$1.5 Bill, 40% x diff 5 yr avg and current qtr
- Same production limit applied to both
- Developed after Leahy initial effort failed



NMMPF take on New Dairy Plan

- Define “Equitable”
 - Must be national in scope
 - Not discriminate between states & regions
 - Not discriminate between farmers by limiting payments based on herd size
 - Must not cause competitive disadvantages or advantages between farmers
 - Should not increase production to negatively impact farm gate prices



Implications for Dairy

- MilkPEP refinements
 - removes sunset date
 - producers support promotion programs, including processor programs to build a bigger market for our dairy products
- Promotion program extended to imports
 - Equitable, legal, consistent with WTO
 - Other commodities have it



Implications for Dairy

- DEIP program re-authorized
- MAP (market access program) funding substantially increased, from current \$90 Mill year to \$200 M (\$190 M Senate) thereby showing continued commitment to trade expansion and development programs



Implications for Dairy

- Conservation title, EQIP
 - House significantly expanded and opened up availability, increasing payment limits from \$10K to \$50K year/\$200 total
 - Removes herd size caps
 - Wellstone amendment puts serious limitations on livestock producers ability to receive EQIP funding--livestock coalition opposes amendment



Implications for Dairy

- Johne's Disease Program is an authorization of a "starter" program--research, testing, education
- Not funded--will need to get annual appropriations
- Not nearly the ultimately desired program--but it is a start!



Implications for Dairy

- So where do we go from here?
 - Senate action likely next week?
 - Complete by Presidents' Day recess?
 - Conference for 3 weeks-month and complete by Easter Recess?

