



Speak Up for the Dairy Producers

Below is an Article published by Pro Ag explaining Senate Bill s-1640 known as the Federal Milk Marketing Improvement Act. The Act is up for possible reintroduction. Calling your senators and congress men and woman and telling them to reintroduce this bill is important for allowing our local Dairy producers to sustainably produce and market their milk.

MESHOPPEN, Pa. — Officials of the Progressive Agriculture Organization (Pro-Ag) are sending out their original work piece explaining the Federal Milk Marketing Improvement Act. Arden Tewksbury said today, “Since we’ve been announcing the possible reintroduction of the Act, many people are contacting us regarding the content within the Act. Therefore, we are sending out our original 18 points which explain the Federal Milk Marketing Improvement Act.”

The Act will still price milk to the dairy farmers at their cost of production (COP) and contain a base excess plan geared to help keep the production of milk in line with the needs of the real market.

The bill still contains language that would give dairy farmers an opportunity to cover their costs and make a profit.

The bill needs to be reintroduced by a Senator and a member of the US Congress. Please contact your Senators and member of Congress and ask them to reintroduce this bill.

Listed below are the important 18 points of the bill:

THE FOLLOWING IS A SUMMARY OF
“THE FEDERAL MILK MARKETING IMPROVEMENT ACT”
THE SPECTER-CASEY BILL: S – 1640

- 1.) ALL milk produced in the United States will be priced on the national average cost of producing milk on the dairy farms.
- 2.) ALL milk used for fluid purposes will be classified as Class I.
- 3.) ALL milk used for manufacturing purposes will be classified as Class II.
- 4.) The Class II price will be the national average cost of production. This price will be uniform in all federal and state orders as well as unregulated areas. The Class I price will be determined by using the Class II price plus the existing Class I differentials that are currently in place in each federal order. The state of California and other unregulated areas will be assigned a Class I differential by the US Secretary of Agriculture.
- 5.) ALL Federal and State Milk Marketing Orders will remain intact. Each Milk Marketing Order will be responsible for determining the component value of milk.
- 6.) This Proposal prohibits any cost of operating milk manufacturing plants (commonly called “Make Allowance”) to be levied on dairy farmers.
- 7.) The U. S. Secretary of Agriculture will adjust the value of milk four times a year.
- 8.) This Proposal calls for an inventory supply management program. The program is aimed at preventing a build-up of domestic milk products and prevents foreign milk products from destroying dairy farmer prices.
- 9.) The inventory management program cannot be implemented unless the exports of dairy products exceed the imports of dairy products.
- 10.) ALL dairy farmers will fund the inventory management program. If and only if the program is necessary, then all dairy farmers will receive a lower price on up to 5% of their production. This price will be half of the value of manufactured milk. However, the dairy farmers will receive the correct price on 95% of their milk. Please remember if the inventory management program is not implemented, then the dairy farmers will receive the full price. Also, the U. S. Secretary of Agriculture may decide that only a reduction of one or two percent of total production may be sufficient.

11.) If this reduction is insufficient to reduce excess production, the Secretary shall reduce the price for producers who have increased production over the average production of the three (3) previous years. This reduction only applies to the volume of increased production.

12.) A new producer may produce milk up to 3 million pounds in the Milk Marketing Order he is regulated under before he is subject to the provisions of the inventory management program described in point "11." This relates only to his first year.

13.) The intent of this Proposal is not to tell dairy farmers how much milk they can produce. However, over-production will be addressed in the inventory management program.

14.) An inventory management program is necessary to prevent a small amount of milk from forcing \$20.00 per hundredweight milk down to \$12.00 per cwt.

15.) The beauty of this Proposal is that this program will be farmer-funded and will NOT cost the USDA any direct cost. The dairy farmer's reward for funding the program (if necessary) is for the first time the dairy farmers will receive fair/stable prices for his/her efforts.

16.) Rejection of proposed FMMO amendments will not result in the elimination of the FMMO.

17.) This Proposal allows milk hauling charges to be levied on dairy farmers. The cost of production figures by the USDA pick up the hauling charges. Again, the dairy farmers' hauling costs are in the cost of production figures.

18.) This Proposal mandates that the Secretary of Agriculture must notify both the Senate and the House Agriculture Committees before he can implement the supply management provision and/or before he can make any adjustment to the milk price paid to dairy farmers.

–Arden Tewksbury, Manager
[Progressive Agriculture Organization](#)