

maximize benefits for growers, processors and consumers.

SUBTITLE D—DAIRY

Sec.1601. Dairy product price support program.

Amends the milk price support program to support manufactured dairy products at prices that are equivalent to the following minimum purchase prices:

1. blocks of cheddar cheese at not less than \$1.13 per pound;
2. barrels of cheddar cheese at not less than \$1.10 per pound;
3. butter at not less than \$1.05 per pound; and
4. nonfat dry milk at not less than \$0.80 per pound.

Purchased manufactured dairy products may be sold at the prevailing market price but not less than 110 percent of the above minimum purchase prices.

Sec.1602. National dairy market loss payments.

Amends the Milk Income Loss Contract (MILC) program by increasing the payment factor to 45 percent from October 1, 2008 through August 31, 2012. The payment quantity limitation is increased from 2,400,000 pounds to 4,150,000 pounds from October 1, 2008 through August 31, 2012.

Sec.1603. Dairy export incentive and dairy indemnity programs.

Extends the Dairy Export Incentive Program (DEIP) through December 31, 2012 and the Dairy Indemnity Program (DIP) through September 30, 2012.

Sec.1604. Funding of dairy promotion and research program.

Extends the authority of the National Dairy Promotion and Research Board through September 30, 2012. The assessment on importers is not applied.

Sec.1605. Revision of Federal marketing order amendment procedures.

Sets statutory time limits to ensure that USDA decisions on proposed amendments to milk marketing orders are made within one year after initiating a hearing.

Sec.1606. Dairy forward pricing program.

Amends the former dairy forward pricing pilot program to establish a program that sunsets with the life of this farm bill. Program allows producers and cooperatives to voluntarily enter into forward price contracts with milk handlers. Includes safeguards to prevent producers from being coerced into entering contracts and maintains the right of producers to have their milk priced under the applicable federal milk marketing order. Forward contracts may be entered into until September 30, 2012, but may not extend beyond September 30, 2015.

Sec.1607. Report on Department of Agriculture reporting procedures for nonfat dry milk.

Requires the Secretary to submit a report, not later than 90 days after enactment, to the House and Senate Agriculture Committees regarding USDA reporting procedures on

Federal milk marketing orders minimum prices from July 1, 2006 through the date of enactment.

Sec.1608. Federal Milk Marketing Order Review Commission.

Establishes a Federal Milk Marketing Order Review Commission to review elements of the order system including: (1) ensuring the preservation of the competitiveness of dairy products with other products in the marketplace; (2) enhancing the competitiveness of U.S. dairy producer in world markets; (3) increasing Federal milk marketing order responsiveness to market forces; (4) streamlining the Federal milk marketing order amendment adoption process; (5) simplifying the Federal milk marketing order system; (6) evaluating the effectiveness of the Federal milk marketing order in serving the interests of the public, processors and producers; (7) evaluating whether Federal milk marketing orders operate in a manner to minimize cost to taxpayers and consumers; (8) evaluating the nutritional composition of milk including the benefits and costs of adjusting current milk content standards; and (9) economic benefits to milk producers of establishing a 2-class system of classifying milk consisting of a fluid milk class and a manufacturing grade milk class. The Commission is composed of 18 members selected to provide a range of opinions and perspectives on the order system.

SUBTITLE E—ADMINISTRATION

Sec.1701. Administration generally.

Authorizes the use of funds, facilities, and authorities of the Commodity Credit Corporation to carry out this title. Provides that determinations made by the Secretary are final and conclusive. Provides for the promulgation of regulations. Requires that the Secretary, to the maximum extent practicable, make adjustments in the amount of expenditures under subtitles A through E and this subtitle that are subject to the total allowable domestic support levels under the Uruguay Round Agreements, if the Secretary determines that those expenditures will exceed such allowable levels for any applicable reporting period. Applies provisions of the 2002 farm bill with respect to the treatment of advance payment option to this Act.

Sec.1702. Suspension of permanent price support authority.

Provides that certain provisions of the Agricultural Adjustment Act of 1938 and the Agricultural Act of 1949 do not apply to the 2008 through 2012 crops of covered commodities and sugar and milk through December 31, 2012. Suspends specific wheat quota provisions for the 2008 through 2012 crop years.

Sec.1703. Payment limitations.

Section 1703(a) amends the payment limitation provisions of the Food Security Act of 1985 (FSA) to extend the application of the provisions to the Food and Energy Security Act of 2007.

Section 1703(b)(1) amends section 1001(a) of the FSA (the definitions subsection) by –

- striking the definition for a “loan commodity”;
- defining “Family Member” as an individual to whom a member in the farming operation is related as lineal ancestor, lineal descendant, sibling or spouse;