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NFU responds to proposed dairy legislation

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National Farmers Union

The [National Farmers Union](#) (NFU) Board of Directors has passed a resolution in response to U.S. House of Representatives Committee on Agriculture Ranking Member Collin Peterson's recent dairy reform proposal. The proposal, based on the National Milk Producers Federation's proposed "Foundation for the Future," attempts to resolve a number of critical issues that prevent the current dairy safety net from functioning adequately.

For more, see [House dairy reform draft legislation released](#) and [Dairy draft legislation criticized, proponents push back](#).

"While we are very appreciative of Ranking Member Peterson's proposal to initiate meaningful and necessary dairy reform, our Board of Directors feels that the proposal in its current form is inadequate," said NFU President Roger Johnson. "The current proposal would not provide a safety net for all dairy farmers, particularly family-sized operators. A fundamental problem with this proposal is that it appears that the largest farmers will reap the greatest benefits at the expense of smaller family farms."

The resolution outlines several solutions that would benefit all U.S. dairy farmers, including:

- An effective supply management program that utilizes a fixed base, which is critical to reforming the current dairy safety net. Combined with the current Milk Income Loss Contract (MILC) program, such a supply management program would provide a fiscally responsible way to manage risk in dairy production at minimal or no cost to the American taxpayer.
- A refundable assessment collected on all milk at all times, not only when margins are low, and adjustment of the current Dairy Product Support Price Program to reflect an adequate safety net level.
- Implementation of a variable make allowance. When the market price is strong, the make allowance would increase correspondingly. When depressed, the make allowance would shrink so both farmers and processors have an incentive to raise milk prices.
- Maintain the existing federal milk marketing order system with the addition of a price discovery mechanism such as a Consumer Price Index (CPI) formula.

"It is encouraging that the issue of reform in the dairy industry is being taken up in Congress, but it is clear that this legislation is not the answer," said Johnson. "We will continue working with policymakers to ensure that any proposed dairy policy reforms do not exacerbate an already dire situation. We must be certain that the cure is not worse than the disease."

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