

International Dairy Foods Association - Dairy Provisions in the Farm Bill 2/15/02

House-10 year Farm Bill	Senate- 5 year Farm Bill	IDFA Position	Rationale
Continuation of the Dairy Price Support Program at \$9.90/cwt through December 2011	Same; but through December 2006	Support; Prefer Senate timetable; Should be operated in a manner that minimizes govt. costs and market distortions	Expires May 2002; provides a “safety net” for dairy product prices
Removal of the sunset date for the Milk Processors Education and Promotion Program (MilkPEP)	Same, but with technical amendments	Support; Prefer Senate version	Expires December 2002
New 15 cent assessment on all dairy imports to fund the dairy producer check-off program	Same	Oppose	Most dairy imports do not benefit from the producer check-off program because of limits on increased imports; increases costs of imported ingredients
Mandatory reporting of dairy product inventories	Mandatory reporting of dairy product inventories with a technical amendment	Support; Prefer Senate position because it provides clearer direction for USDA	Clarifies that USDA must collect this information
Continuation of the Dairy Export Incentive Program (DEIP) through December 2011	Same, but through December 2006	Support	Expires May 2002
None	Creation of a four year \$2 billion federal subsidy for dairy farmers; \$500 million earmarked for Northeast and \$1.5 billion for the remaining U.S., payment cap to farmers at 8 mill/lbs yr.= 400 cows	Prefer House position	No additional program is needed; Adds to market imbalance and regional distortions
<b>Other Issues:</b>		<b>IDFA Position</b>	<b>Rationale</b>
Milk Protein Concentrate (MPC) Import Limitation		Oppose legislation that would impose new tariff-rate quotas on MPC and imported casein and casein products	Would substantially increase costs and restrict supply of these value-added dairy ingredients, which are not direct substitutes for nonfat dry milk
Interstate Dairy Compacts		Oppose the reauthorization or creation of new interstate dairy compacts, regional or national	Imposes expensive, regressive milk taxes; walls off competitive milk from entering the compact region; does not preserve family farms and hurts milk consumption
Advance Notice of CCC purchase price decisions		Oppose	Maintain USDA’s authority to manage program without political influence

\*For more information on the Farm Bill and dairy policy positions, contact IDFA Legislative Affairs at 202-737-4332.