

# AFBF Dairy Policy Update

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August 2023

**Daniel Munch**

Economist

[dmunch@fb.org](mailto:dmunch@fb.org)

860-908-3918



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# What and why?

- Federal Milk Marketing Orders establish minimum pay prices handlers pay farmers
  - This process is originally meant to ensure farmers receive a fair MARKET price for their milk in an industry where factors (like perishability) make unfair purchasing behavior more likely (also ensure orderly marketing of milk for consumers).
    - *Fair market price means what is the market valuing a product at based on supply and demand forces not necessarily what is a profitable price*
    - This price is a MINIMUM – handlers can pay more
      - Cooperatives are not required to pay FMMO minimum prices, but milk is classified and pooled like milk from other handlers
  - In order for milk to be sold as transformed products like butter, cheese, ice cream, or powders someone (i.e. the processing/manufacturing plant) must bear the costs of processing milk into that product.
  - How is this cost reflected in the current FMMO pricing structure? **Make Allowances**



# Make Allowances-What and why?

- **Make allowances are based on an estimate of the costs associated with converting a hundredweight of raw milk into commodity dairy products, including butter, cheese or dry milk powder, and are intended to be large enough to encourage the construction and maintenance of processing capacity.**
- **They include plant costs directly associated with transformation such as labor, utilities, non- dairy ingredients (like salty and cultures), testing, and packaging.**
- **They do not include costs of transportation, marketing, storage or other pre/post processing expenses for dairy products.**
- **Because they act as a credit to cover processing expenses, make allowances act as a deduction from the price producers receive.**
- **Make allowances are multiplied with a yield factor (estimate of how much product can be produced from processing one pound of component). (i.e. how much butter from a pound of butterfat).**

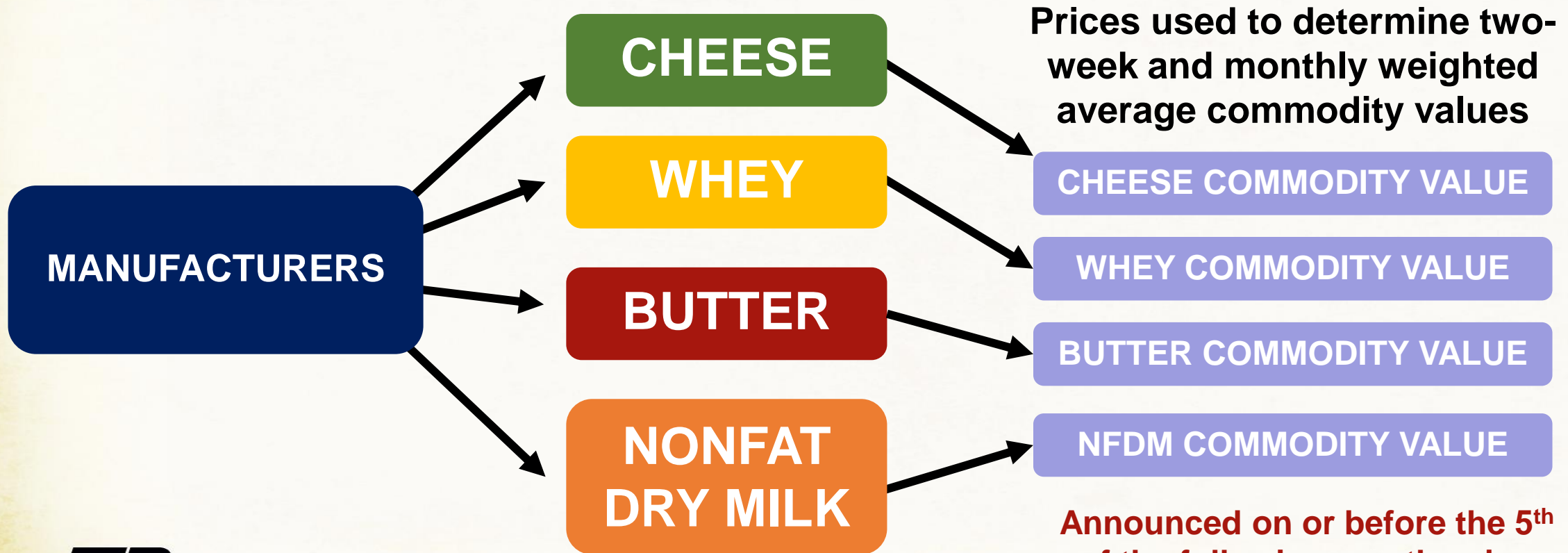




# STEP ONE

## Mandatory Price Reporting of Commodity Prices

- Dairy manufacturers report the value and sales volume of wholesale butter, cheddar cheese, nonfat dry milk, and dry whey to the USDA

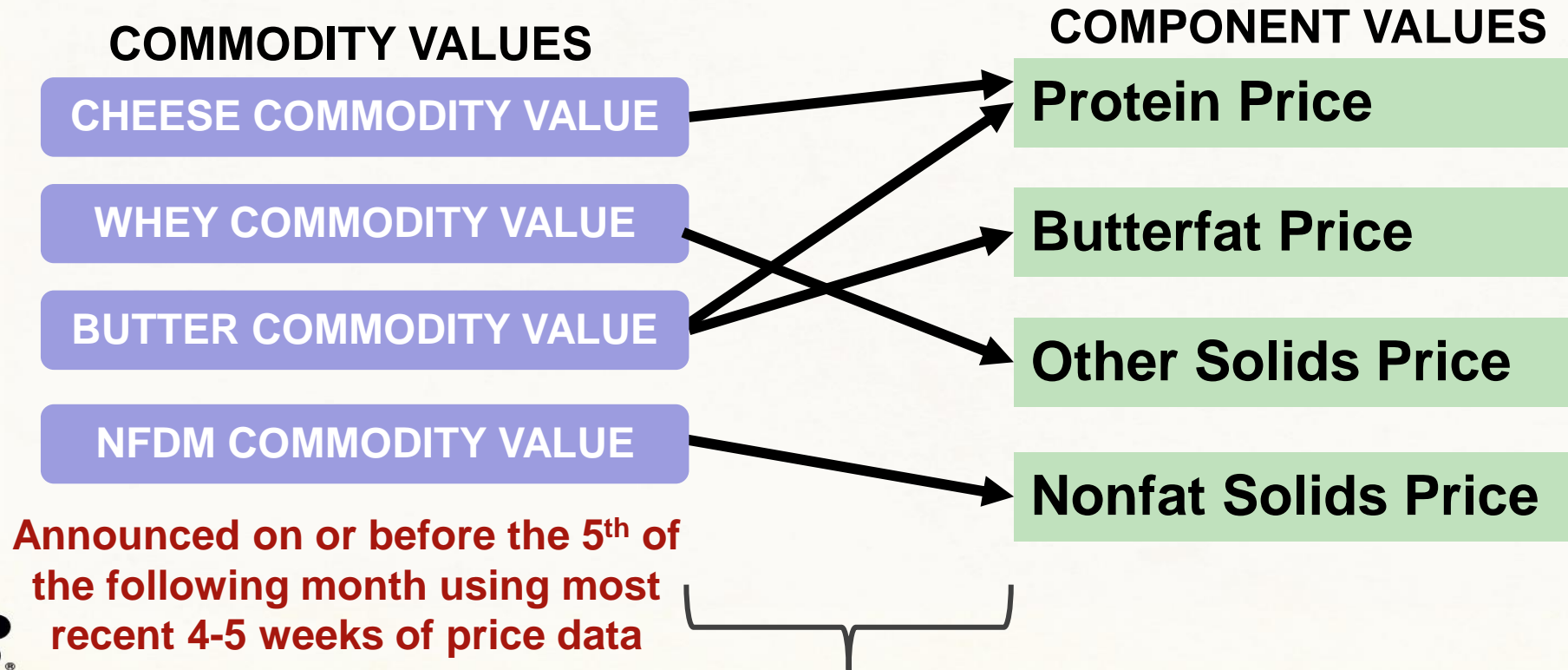


**Announced on or before the 5<sup>th</sup> of the following month using most recent 4-5 weeks of price data**

# STEP TWO

## Commodity Values Used to Calculate Component Values

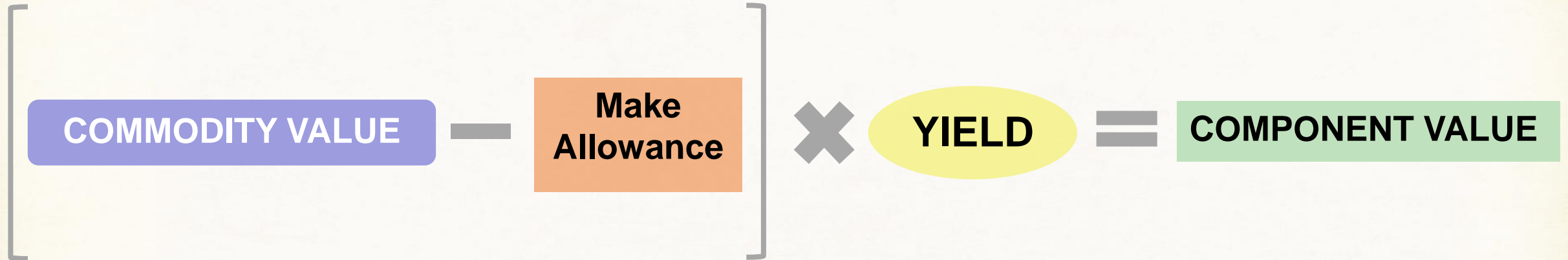
- Component values are calculated using commodity values and predetermined variables known as the make allowance and yield factor
- Yield factor corresponds to how much of the commodity can be made from milk
- Make allowance corresponds to the manufacturing cost of processing milk into the commodity



# STEP TWO

## Commodity Values Used to Calculate Component Values

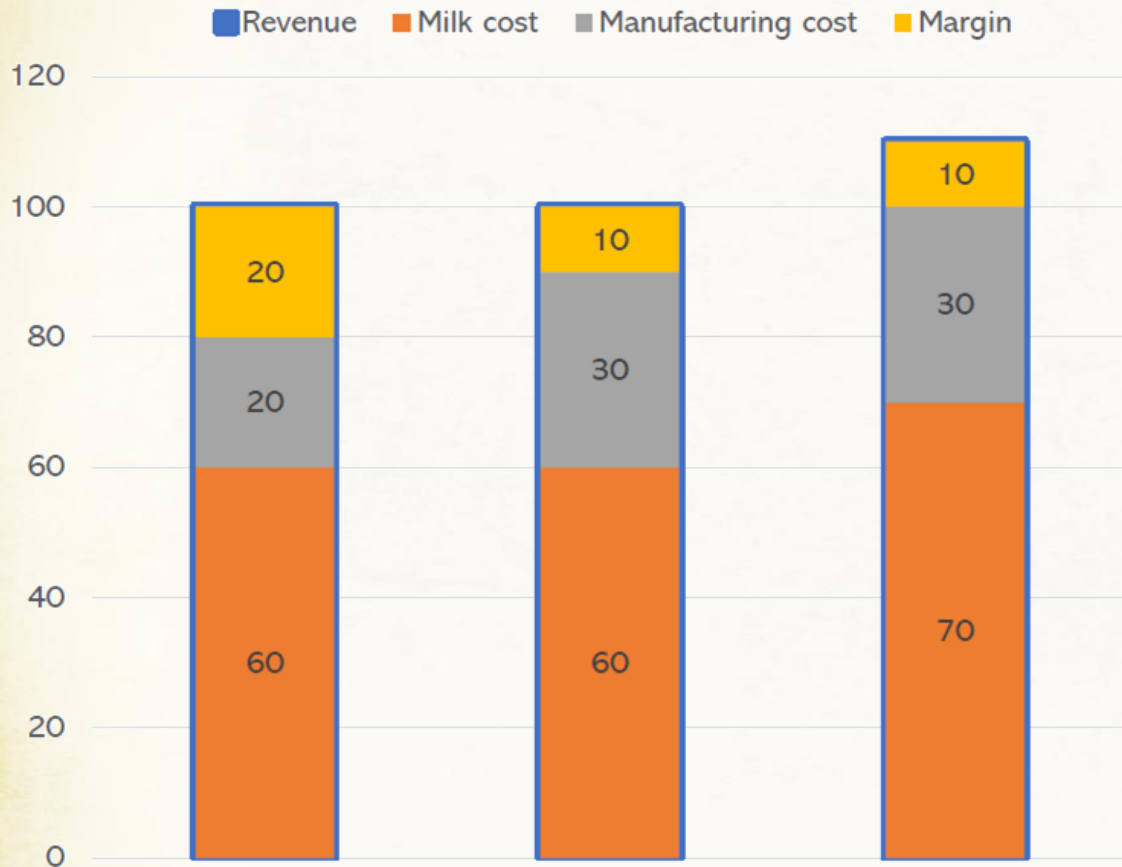
- **General Component Pricing Formula**
- \*Protein price component formula varies slightly (uses cheese and butter commodity values)



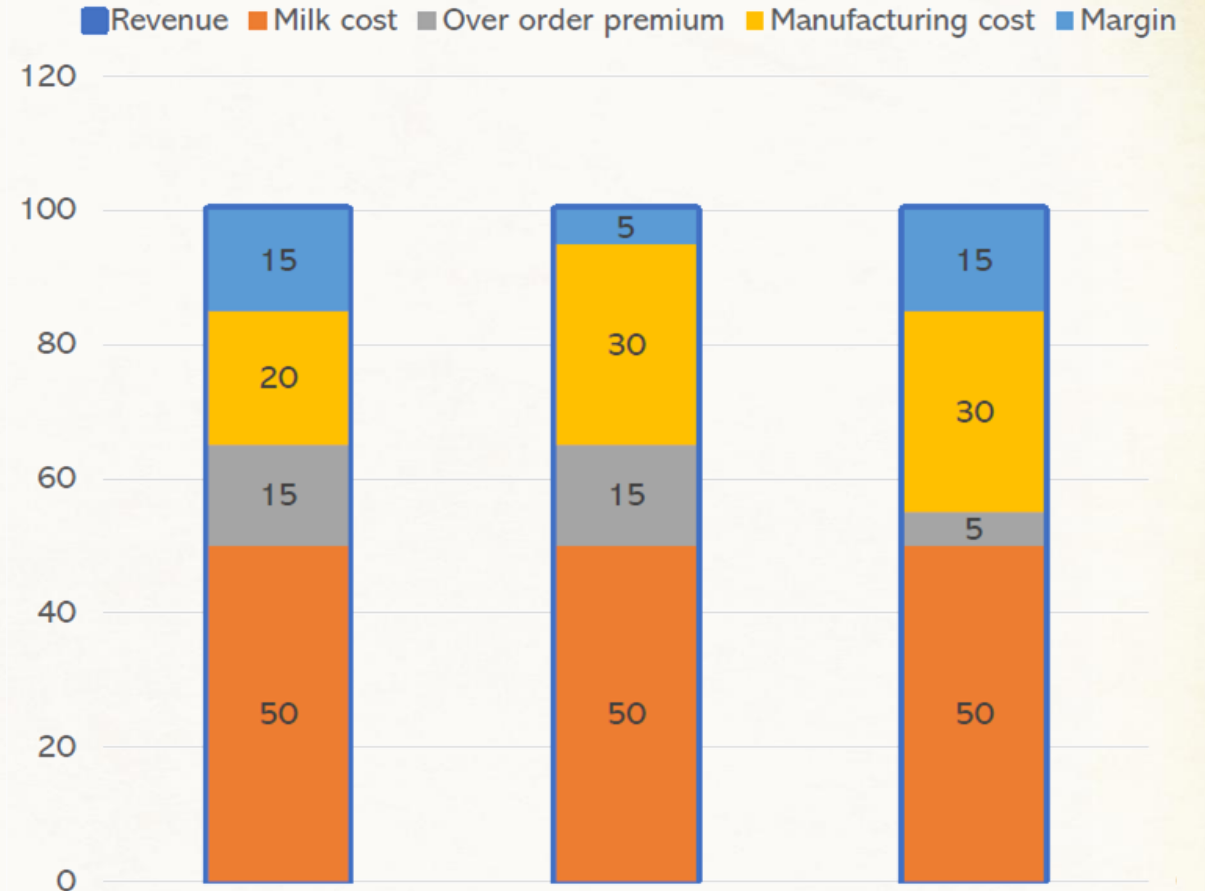
Commodity	Make Allowance	Yield Factor
Cheese	\$0.2003/lb	1.383
Whey	\$0.1991/lb	1.030
Butter	\$0.1715/lb	1.211
NFDM	\$0.1678/lb	0.990



## Why can't they increase prices?



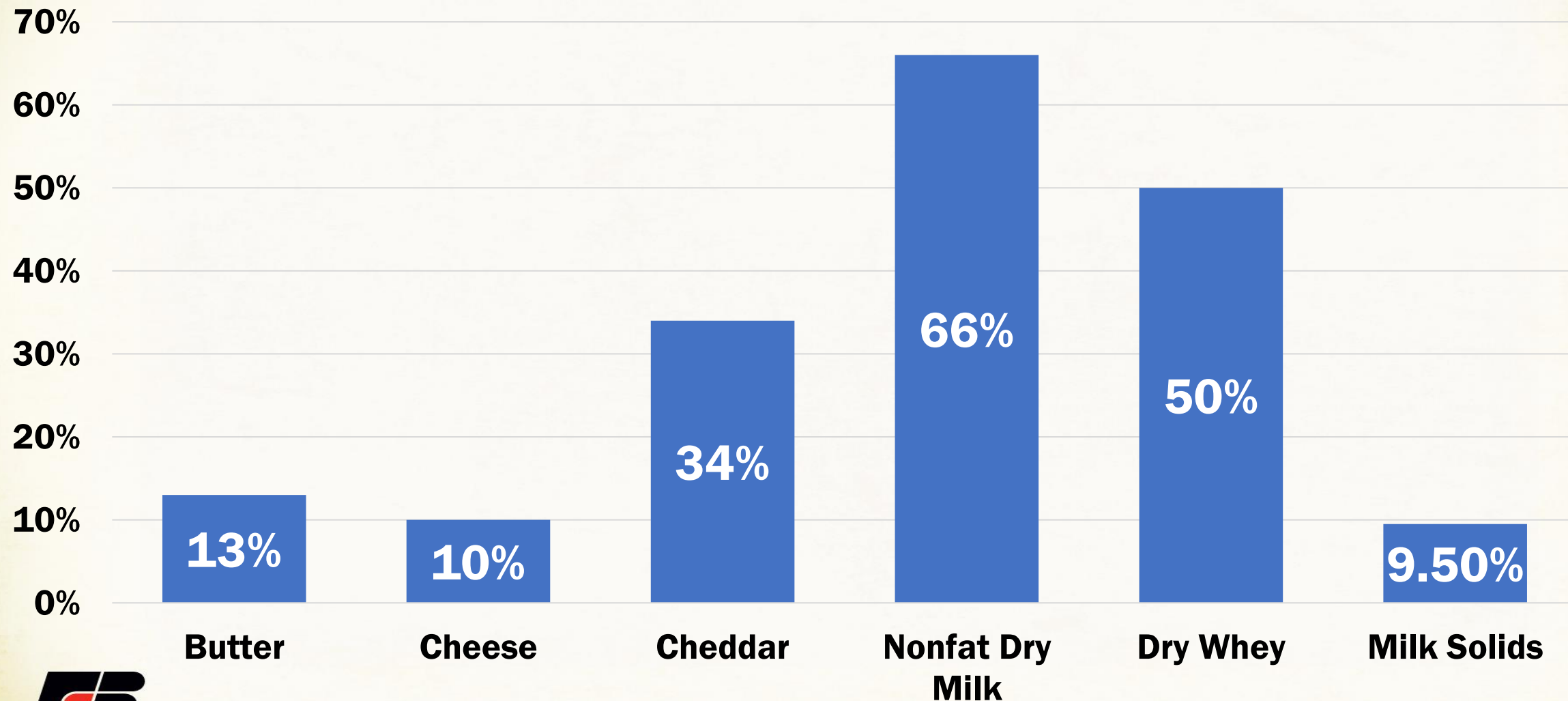
## How have they been able to last this long?





# But...

## Percentage of Dairy Product Production Captured in USDA's Dairy Mandatory Price Reporting







Via U.S. Mail and Email

March 28, 2023

Ms. Dana Coale, Deputy Administrator  
USDA - AMS - Dairy Programs  
1400 Independence Avenue, SW  
Washington, D.C. 20250-0225  
[Dana.Coale@usda.gov](mailto:Dana.Coale@usda.gov)

**Re: Petition of the International Dairy Foods Association  
Amend Federal Milk Marketing Orders**

Dear Deputy Administrator Coale:

The International Dairy Foods Association (“IDFA”) hereby to institute a proceeding to amend all current Federal Milk Marketing Orders 1000–1135. This Petition supports a Petition filed by the Wisconsin Cheese Makers Association (“WCMA”). The petitions seek to relieve the economic hardships and whey manufacturers due to dramatically higher costs of production at the USDA last established manufacturing cost factors (make allowances) from 2005–2006.

## PETITIONS MADE



WISCONSIN  
CHEESE MAKERS  
ASSOCIATION

March 28, 2023

Ms. Dana Coale, Deputy Administrator  
USDA - AMS - Dairy Programs  
1400 Independence Avenue, S.W.  
Washington, D.C. 20250-0225

**Re: Petition of the Wisconsin Cheese Makers Association (“WCMA”) For a Hearing to  
Amend Federal Milk Marketing Orders**

Dear Deputy Administrator Coale:

The Wisconsin Cheese Makers Association (“WCMA”) submits this Petition to the United States Department of Agriculture (“USDA”), Agricultural Marketing Service (“AMS”) Dairy Programs seeking a hearing to amend all make allowances in the Federal Milk Marketing Order (“FMMO”) program administered by Dairy Programs.

Accurate and up-to-date make allowances are absolutely critical to a properly functioning FMMO program. For Class III (cheese) and Class IV (butter and nonfat dry milk) products, a manufacturer is legally required by the FMMO to pay the farmers supplying it milk the money the manufacturer receives from selling its finished products to customers (as determined by monthly audited surveys of actual finished product prices for the core Class III and IV



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# New USDA Dairy Processing Cost Study | Make Allowances

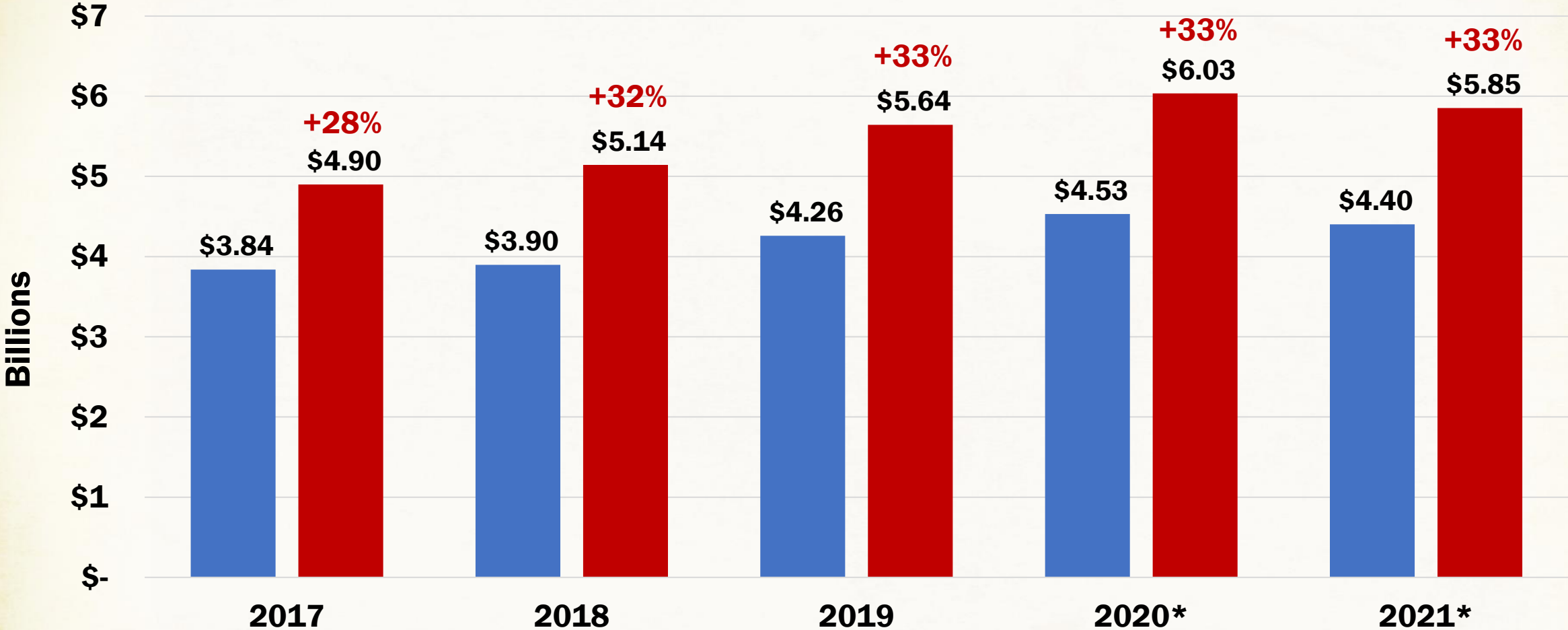
Commodity	Current Make Allowance (\$/lb.)	Cost Study Results Value (\$/lb.)	Change
Butter	\$0.1715	\$0.1411	-\$0.03
Cheese	\$0.2003	\$0.2476	\$0.05
NFDM	\$0.1678	\$0.2933	\$0.13
Whey	\$0.1991	\$0.2650	\$0.07

Classified Value	Current Make Allowance (\$/cwt) at 3.5% Butterfat	Cost Study Results Value (\$/cwt) at 3.5% Butterfat	Change
Class I	\$2.67	\$3.56	\$0.89
Class II	\$2.17	\$3.12	\$0.95
Class III	\$3.17	\$4.00	\$0.83
Class IV	\$2.17	\$3.12	\$0.95



# TOTAL MAKE ALLOWANCE FOR FMMO POOLED MILK AT 3.5% BUTTERFAT

Current Make Allowance vs. 2021 USDA Cost Study Adjusted



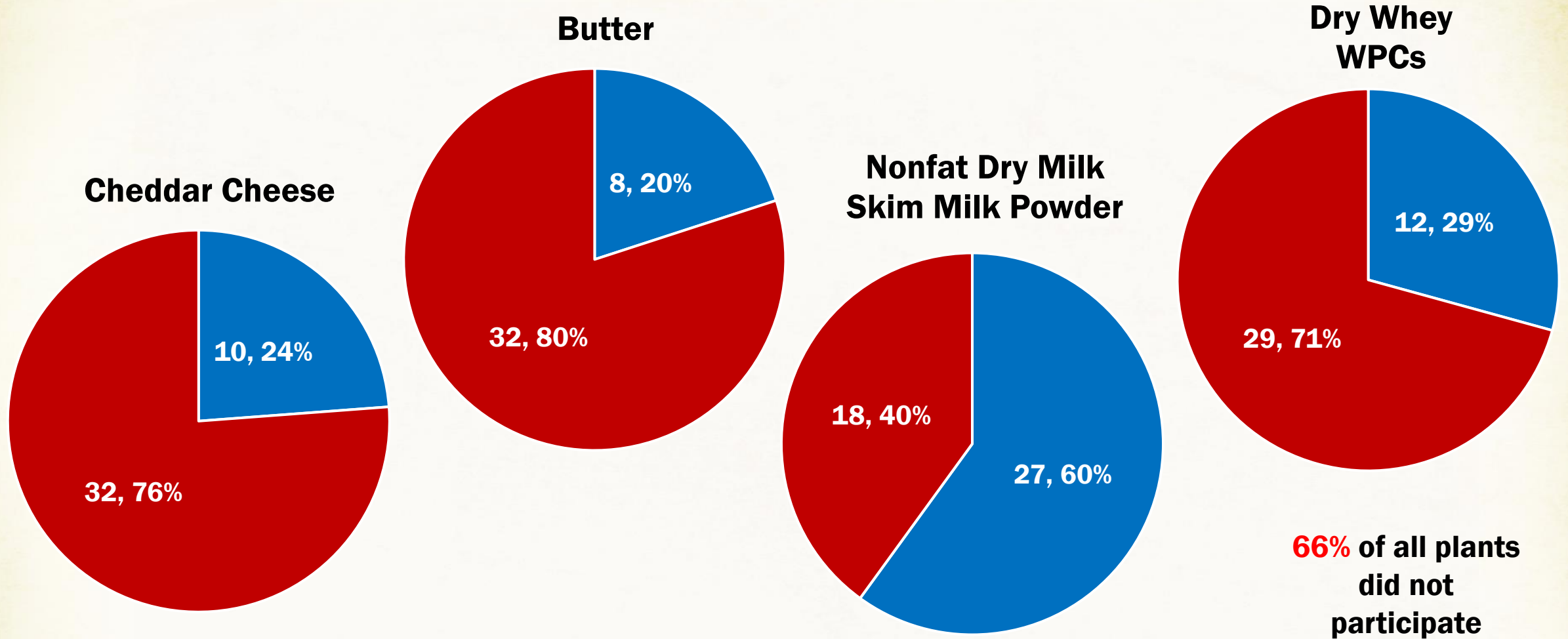
■ Current Make Allowance    ■ Adjusted Make Allowance

\*Class III Adjusted for De-pooling



# PERCENT OF DAIRY PROCESSORS NOT PROVIDING COST DATA

Number of Plants, Percentage of Total | 2021 Cost of Processing Survey



 **Plants Voluntarily Participating in Survey**  **Plants Not Participating**



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Source: Cost of Processing in Cheese, Whey, Butter and Nonfat Dry Milk Plants, Mark Stephenson Ph.D. 2021



# New Make Allowance Policies

- Changes to make allowance provisions that would accomplish the following:
  - **Develop a process to ensure make allowances are reviewed more frequently through legislation directing USDA to conduct mandatory and audited plant-cost of studies every two years;**
  - **Makes processing cost surveys of plants mandatory and audited by USDA to ensure the accurate data;**
  - **Updates dairy product manufacturing allowances contained in the USDA milk price formulas;**
  - **The consideration of an additional or different make allowance that compensate for the costs incurred by co-ops and manufacturers for balancing the market;**
  - **Regular yield factor reporting**





Agri-Mark, Inc.  
 Associated Milk Producers Inc.  
 Bongards' Creameries  
 Burnett Dairy Cooperative  
 California Dairies, Inc.  
 Cayuga Marketing Cooperative Milk Producers Association  
 Dairy Farmers of America, Inc.  
 Ellsworth Cooperative Creamery  
 FarmFirst Dairy Cooperative  
 First District Association  
 Foremost Farms USA  
 Land O'Lakes, Inc.  
 Lone Star Milk Producers  
 Maryland & Virginia Milk Producers Cooperative Association

## National Milk Producers Federation

2107 Wilson Blvd., Suite 600, Arlington, VA 22201 | (703) 243-6111 | www.nmpf.org

**OPPOSITION EXPRESSED**

March 29, 2023

Mr. Bruce Sumr  
 Administrator  
 Agricultural Ma  
 U.S. Departmen  
 1400 Independ  
 Washington, DC

Dear Administr

I am writing to  
 dairy processor  
 Wisconsin Chee  
 Marketing Orde  
 FMMO pricing f



**AMERICAN FARM BUREAU FEDERATION\***

600 Maryland Ave. SW | Suite 1000W | Washington, DC 20024

ph. 202.406.3600  
 f. 202.406.3602  
 www.fb.org

April 5, 2023

The Honorable Thomas J. Vilsack  
 Secretary, U.S. Department of Agriculture  
 200A Whitten Building  
 1400 Independence Avenue, S.W.  
 Washington, D.C. 20250

RE: IDFA/WCMA Petitions for FMMO Hearing on Make Allowances

Dear Secretary Vilsack,

On behalf of Farm Bureau members across the country, I would like to express our appreciation for the U.S. Department of Agriculture's continuing efforts to help provide price stability and transparency to dairy farmers. You and I both understand the financial challenges that face U.S.

ociation (IDFA), in  
 in Cheese Makers  
 Marketing Order  
 pricing formulas.



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# Current Status? Dairy Pricing Opportunity Act

- **SEC. 3. MANDATORY REPORTING OF DAIRY PRODUCT PROCESSING COSTS .**
- **Amend 7 USC 1637b as follows:**
- **At the end of (b)(1)(A)(ii), delete “and”,**
- **At the end of (b)(1), add**
- **“(C) for each manufacturer required to report under paragraph (1)(A) for any product, require such manufacturer to report such cost and yield information as defined by the Secretary, for all products processed in the same facility or facilities; and**
- **(D) as determined and defined by the Secretary, require any manufacturer of other dairy products to report cost and yield information in the same manner, for the purposes of providing information for the regulatory or administrative establishment of pricing rules.**
- **At the end of (d)(2), delete “.” and add “, except that the Secretary shall publish reports containing the information obtained under paragraph (b)(1)(C) no less frequently than every 2 calendar years, and the information obtained under paragraph (b)(1)(D) as determined by the Secretary.”**





Shown Here:  
Introduced in House (03/23/2023)

118<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1756

To require the Secretary of Agriculture to initiate hearings to review Federal milk marketing orders relating to pricing of Class I skim milk, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

MARCH 23, 2023

Mr. LANGWORTHY (for himself, Mr. MORELLE, Mr. KELLY of Mississippi, Mrs. CHAVEZ-DeREMER, Mrs. MILLER of Illinois, Mr. MEUSER, Mr. WILLIAMS of New York, Mr. STEWART, Mrs. MILLER-MEEKS, and Ms. TENNEY) introduced the following bill; which was referred to the Committee on Agriculture

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## A BILL

To require the Secretary of Agriculture to initiate hearings to review Federal milk marketing orders relating to pricing of Class I skim milk, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

### SECTION 1. SHORT TITLE.

This Act may be cited as the “Dairy Pricing Opportunity Act of 2023”.

**FARM BILL PLAY**

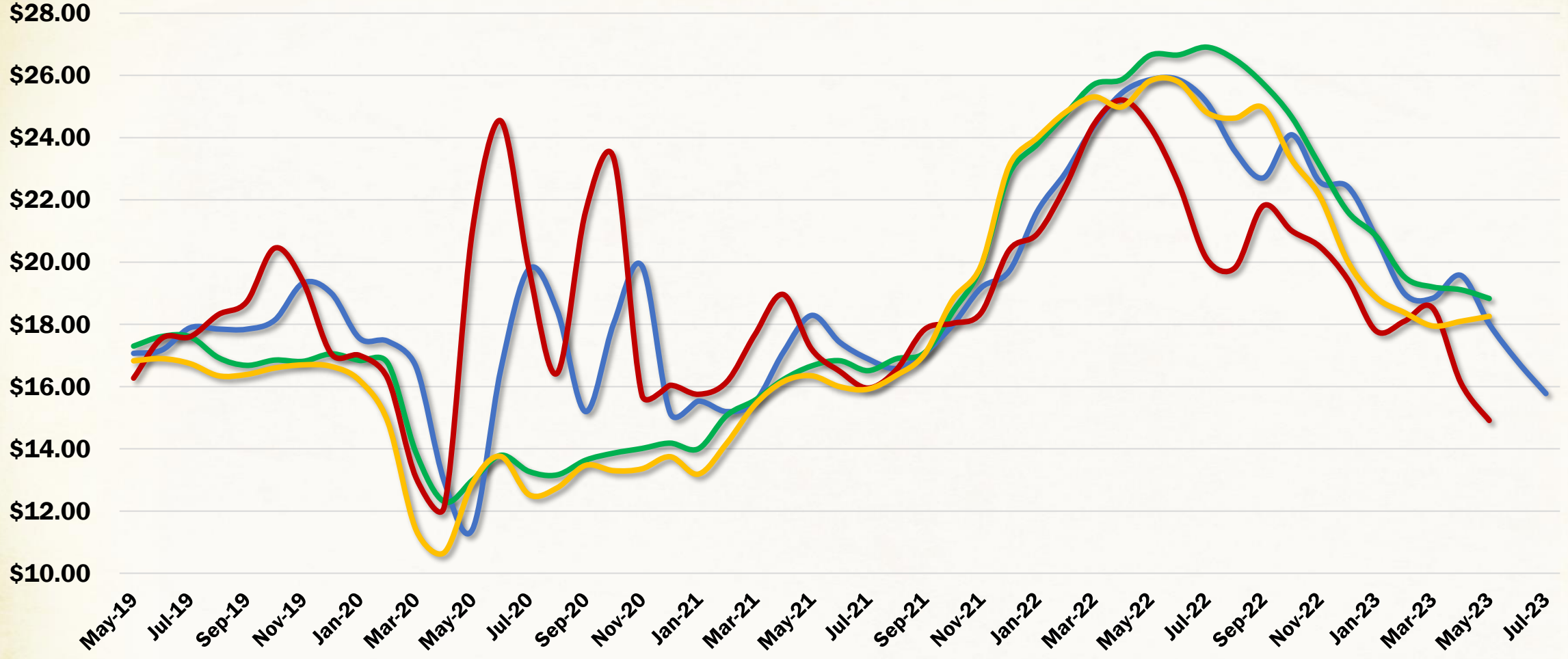


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# MILK PRICES BY CLASS

Dollars per Hundredweight | 2019 - Present



— Advanced Average + .74 — Class II Price — Class III Price — Class IV Price



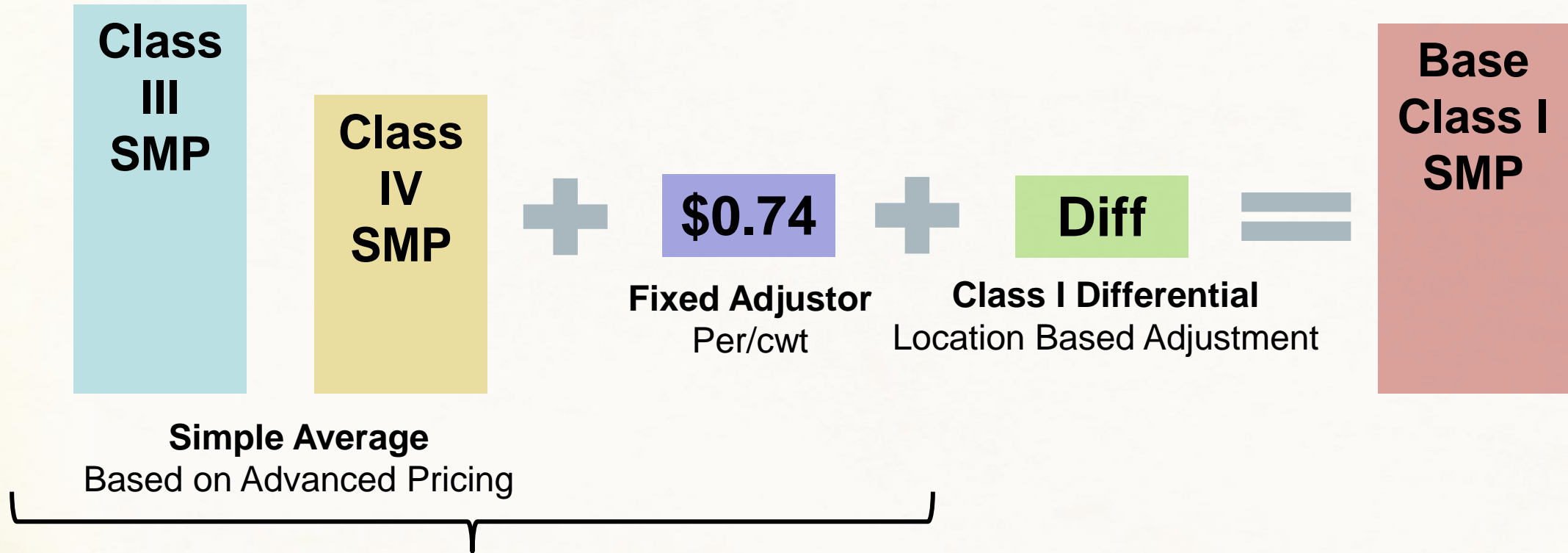
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# Current System: Status Quo

**Average of Advanced Class III (cheese) and Class IV (milk powders) + \$0.74/cwt fixed premium**

- Suspected of causing negative PPD's in 2020 due to link of Class I to both Class IV and Class III prices
- Advanced SMP Pricing Factors are released on or before the 23<sup>rd</sup> of the previous month



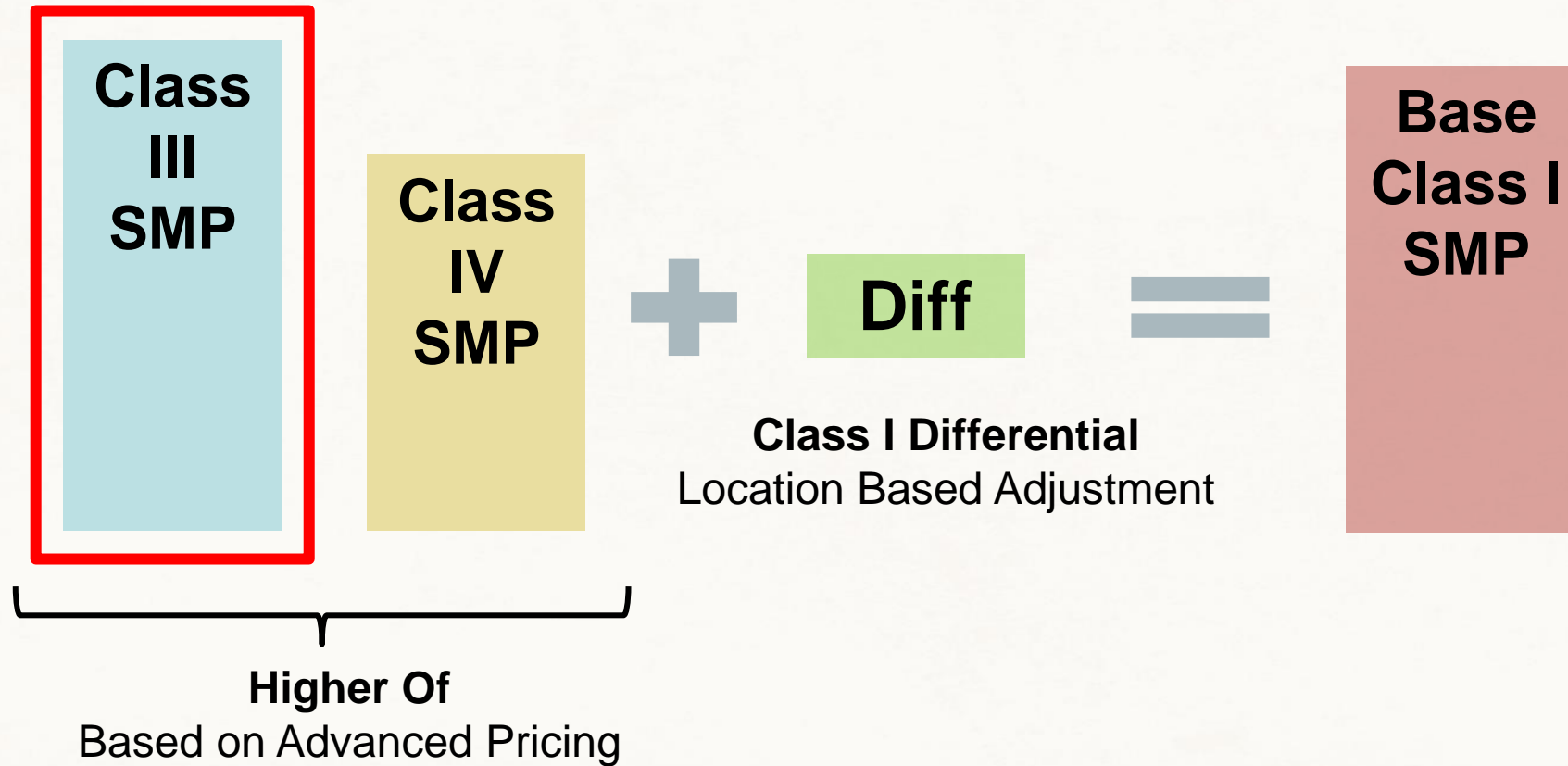
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**Focus of Proposals**

**SMP = Skim Milk Price**

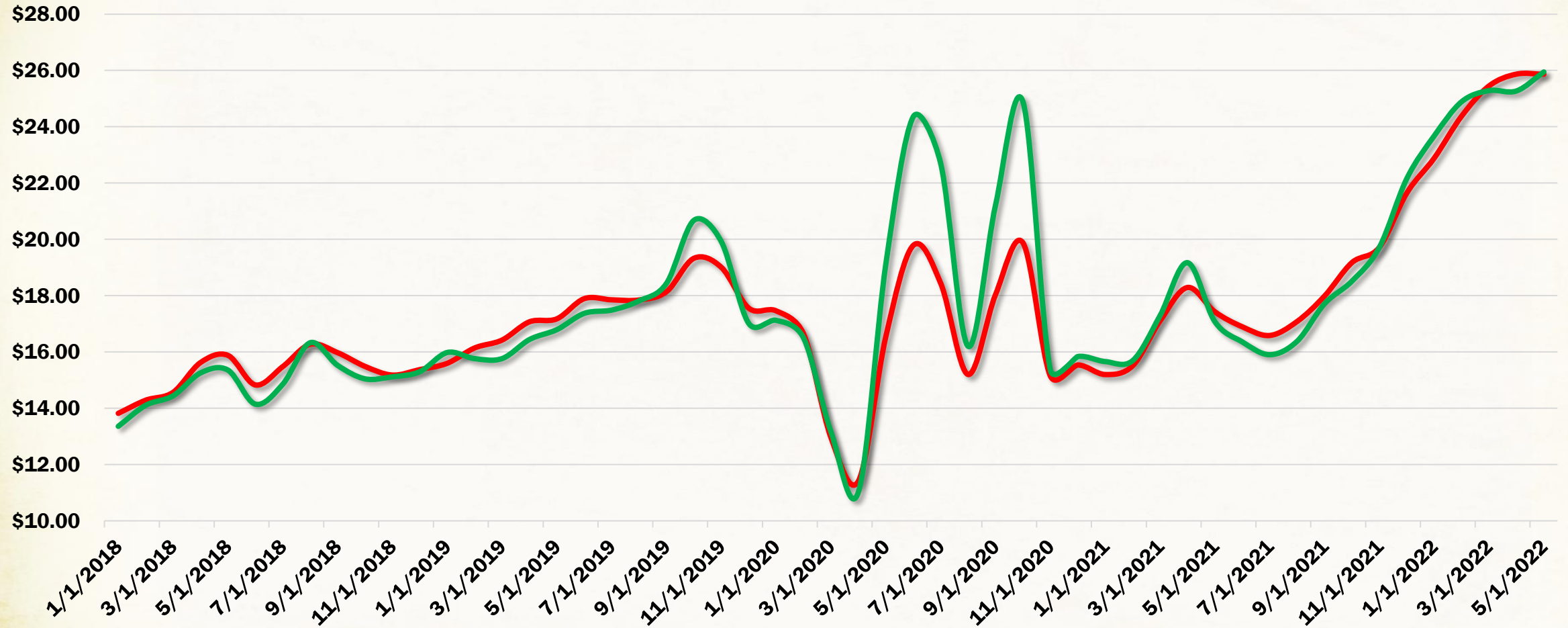
# Old School: Before 2018 Farm Bill

Higher of Advanced Class III (cheese) and Class IV (milk powders)



# COMPARING CLASS I MILK PRICE OPTIONS

Dollars per Hundredweight | 2018 - Present



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— Current Method

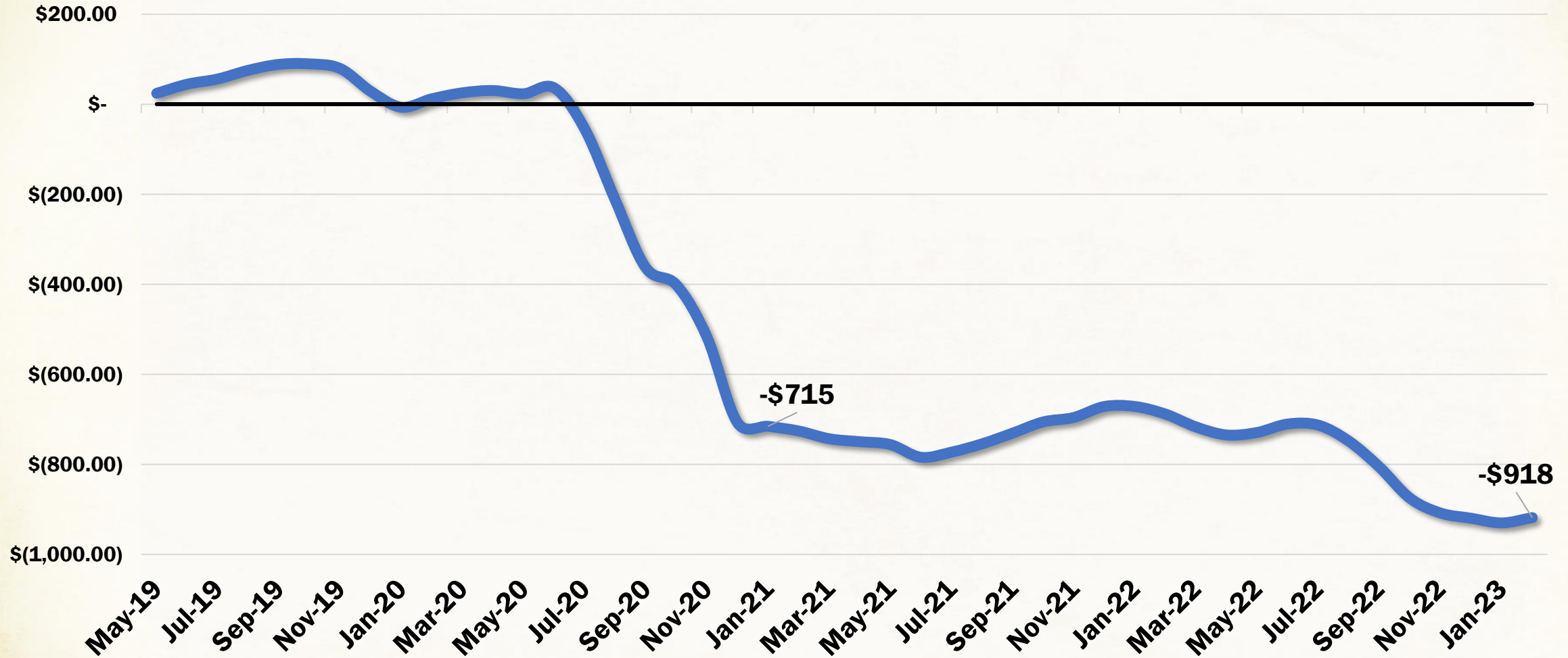
— Higher Of

Source: USDA NASS



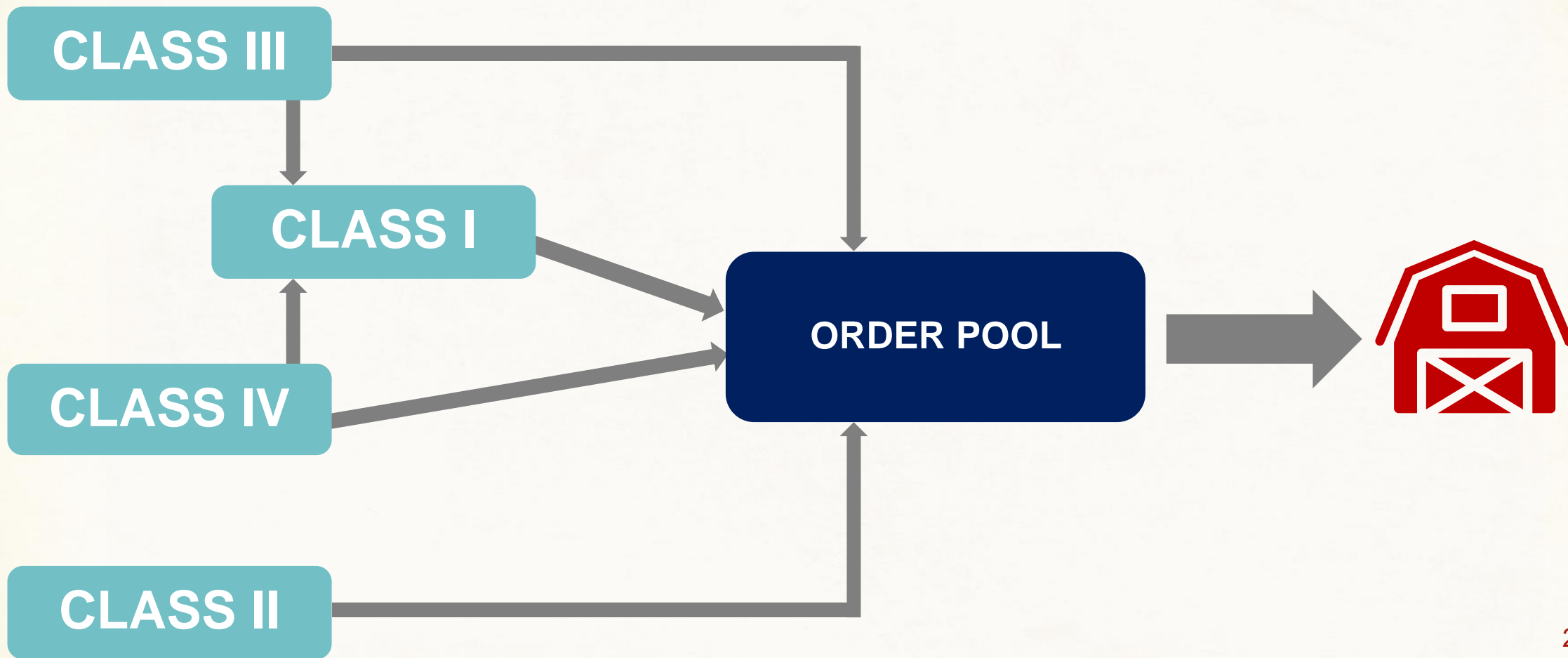
# CUMULATIVE FEDERAL ORDER POOL LOSSES DUE TO CLASS I MOVER CHANGE

\$ Millions



# STEP FOUR

- Prices pooled in FMMO region to ensure farmers receive uniform price for milk



# FMMO Mover Backdrop

1.2.1.12: Revisions to the FMMO, including fluid milk pricing, progress through the normal channels at USDA that will provide thorough economic analysis and public hearings for producers to be engaged, rather than through legislative override. Except for switching back to the higher- of.



# AFBF's New Class I Mover Policy

**USDA developing an improved method to determine the Class I milk mover base price that is not reliant solely on manufacturing dairy products, better reflects local market conditions, provides more appropriate economic incentives to fluid milk producers and processors, recognizes the costs in servicing a fluid milk market and continues to ensure fluid milk consumers have a quality and adequate supply of fresh fluid milk.**

**Until an improved method is developed, we support going back to the "higher of" the class III or class IV plus 74 cents in price calculating the monthly FMMO Class I mover**

**FARM BILL? HEARING?**





# A COMPREHENSIVE FMMO HEARING?

**CLASS I DIFFERENTIALS?**

**COMPONENT FACTORS?**

**ADVANCED PRICING?**

**NDPSR SURVEY?**



# April 28<sup>th</sup>- USDA Requests More Information from IDFA and WCMA....

**While IDFA and WCMA referenced cost study numbers calculated by the Dairy Institute of California, as well as a cost study currently being updated, but not yet completed, by Dr. Mark Stephenson, they did not provide specific proposed make allowances values to be considered.**

**For this reason, “USDA requests additional information regarding the specific make allowance values to be considered to assist the Secretary in deciding whether to initiate an FMMO rulemaking proceeding on this issue.”**

**Time to review NMPF proposal?**



# May 1<sup>st</sup> – NMPF Petitions USDA

- 1. Increase make allowances in the component price formulas to the following levels:**
  - 1. Butter \$0.21 per pound (a change from \$0.1715)**
  - 2. Nonfat dry milk \$0.21 per pound (a change from \$0.1678)**
  - 3. Cheese \$0.24 per pound (a change from \$0.2003)**
  - 4. Dry Whey \$0.23 per pound (a change from \$0.1991)**
- 2. Discontinue use of barrel cheese in the protein component price formula**
- 3. Return to the “higher-of” Class I mover**
- 4. Update the milk component factors for protein, other solids, and nonfat solids in the Class III and Class IV skim milk price formulas**
  - 1. Protein: from 3.1 to 3.35**
  - 2. Other Solids: from 5.9 to 6.01**
  - 3. Nonfat Solids: from 9.0 to 9.36**
- 5. Update the Class I differential pricing surface throughout the United States**





**AMERICAN FARM BUREAU FEDERATION®**

600 Maryland Ave. SW | Suite 1000W | Washington, DC 20024

ph. 202.406.3600

f. 202.406.3602

www.fb.org

May 9, 2023

Ms. Dana H. Coale  
Deputy Administrator, Dairy Program  
Agricultural Marketing Service  
U.S. Department of Agriculture  
1400 Independence Avenue, S.W.  
Washington, D.C. 20250-0225

RE: NMPF Petition for FMMO Hearing on milk prices

Dear Ms. Coale:

On behalf of our Farm Bureau members across the country, we thank you and Secretary Vilsack for your leadership and support as the dairy industry strives to make needed updates and improvements to the Federal Milk Marketing Order (FMMO) system. Based on our policy positions, developed by our farmer members through an in-depth grassroots process, we urge you to accept the petition of the National Milk Producers Federation for a comprehensive FMMO hearing, based on a recognition that USDA currently has the authority to collect processing cost and yield data from dairy manufacturers crucial to updating make allowances fairly.

o Stakeholder Letters

- [American Farm Bureau Federation \(pdf\)](#)
- [Bongards Creameries \(pdf\)](#)
- [Cooperative Milk Producers Association \(pdf\)](#)
- [Ellsworth Cooperative Creamery \(pdf\)](#)
- [Farm First Dairy Cooperative \(pdf\)](#)
- [Indiana Dairy Producers \(pdf\)](#)
- [Land O' Lakes \(pdf\)](#)
- [Michigan Milk Producers Association \(pdf\)](#)
- [Milk Producers Council \(pdf\)](#)
  
- [Northeast Dairy Producers Association \(pdf\)](#)
- [Ohio Dairy Producers Association \(pdf\)](#)
- [Southeast Milk, Inc. \(pdf\)](#)



# June 1<sup>st</sup>- USDA Releases Tentative Action Plan

<b>Pre-Hearing Steps</b>	<b>Anticipated Timeframe</b>
Additional Proposals Requested	Additional proposals must be received by 5:00 p.m. (ET), Wednesday, June 14, 2023
Virtual Pre-hearing Information Session	Friday, June 16, 2023 – 10:00 a.m. (ET)
Modified Proposals Due	Tuesday, June 20, 2023 – 5:00 p.m. (ET)
Hearing Notice Published in Federal Register	Late July 2023
Tentative Hearing Start Date	August 23, 2023

- Farmers, and farmers only, will be able to testify virtually
- A change in the farm bill supersedes process
- The hearing will convene at 9:00 a.m. ET on Wednesday, August 23, 2023, at the 502 East Event Centre, 502 East Carmel Drive, Carmel, Indiana, 46032.
- 21 Proposals will be considered



# **Four of AFBF's additional proposals are included in the scope of the announced hearing including:**

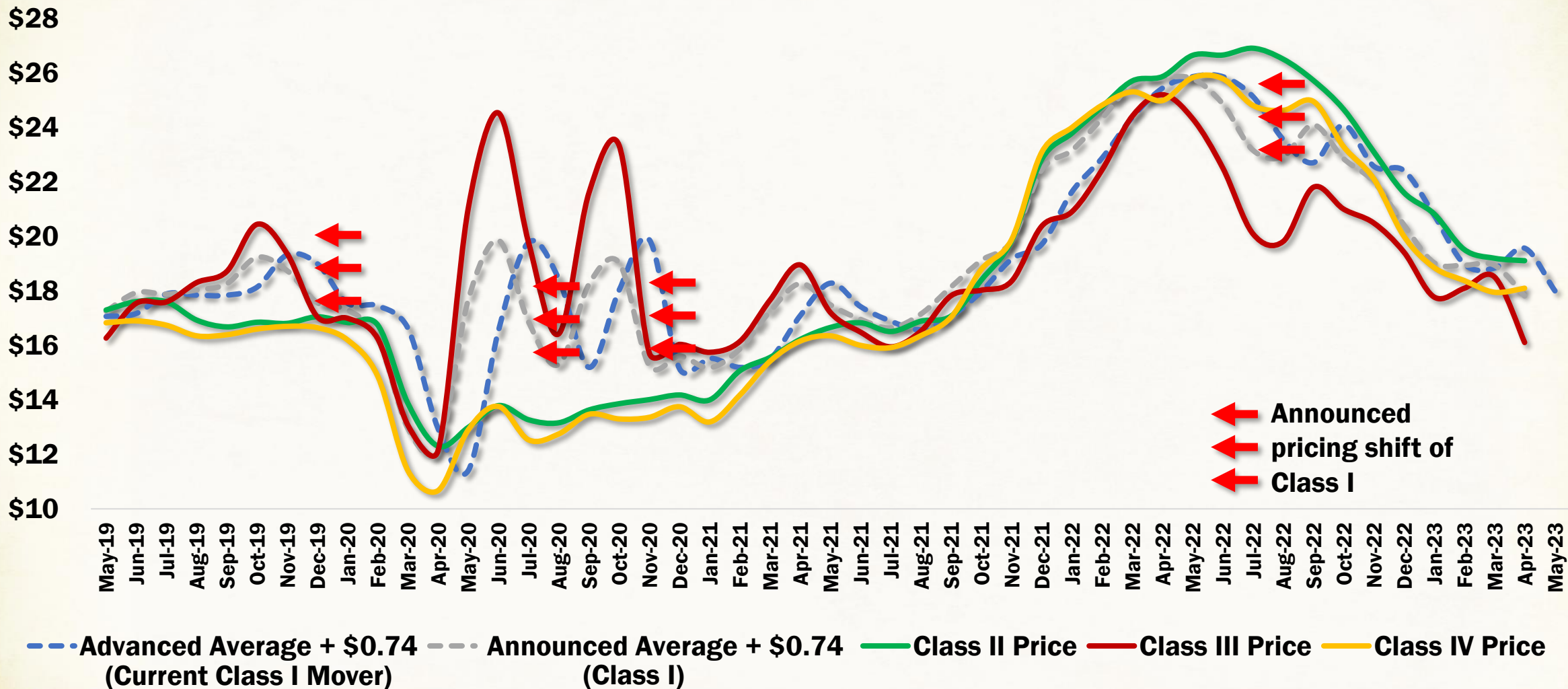
- 1. Adding 640-pound Cheddar cheese blocks to the protein price formula.**
- 2. Adding unsalted butter to the butterfat and protein price formulas.**
- 3. The elimination of advanced pricing of Class I milk and components, and Class II skim milk and components.**
- 4. Increasing the Class II differential to \$1.56.**

**As well as all five of NMPPF's proposals, 4 of which AFBF supports directly.**



# DISINCENTIVIZE DE-POOLING AND NEGATIVE PPDs

ADVANCED AVERAGE OF + \$0.74 CLASS I MOVER VS. ANNOUNCED | \$/CWT



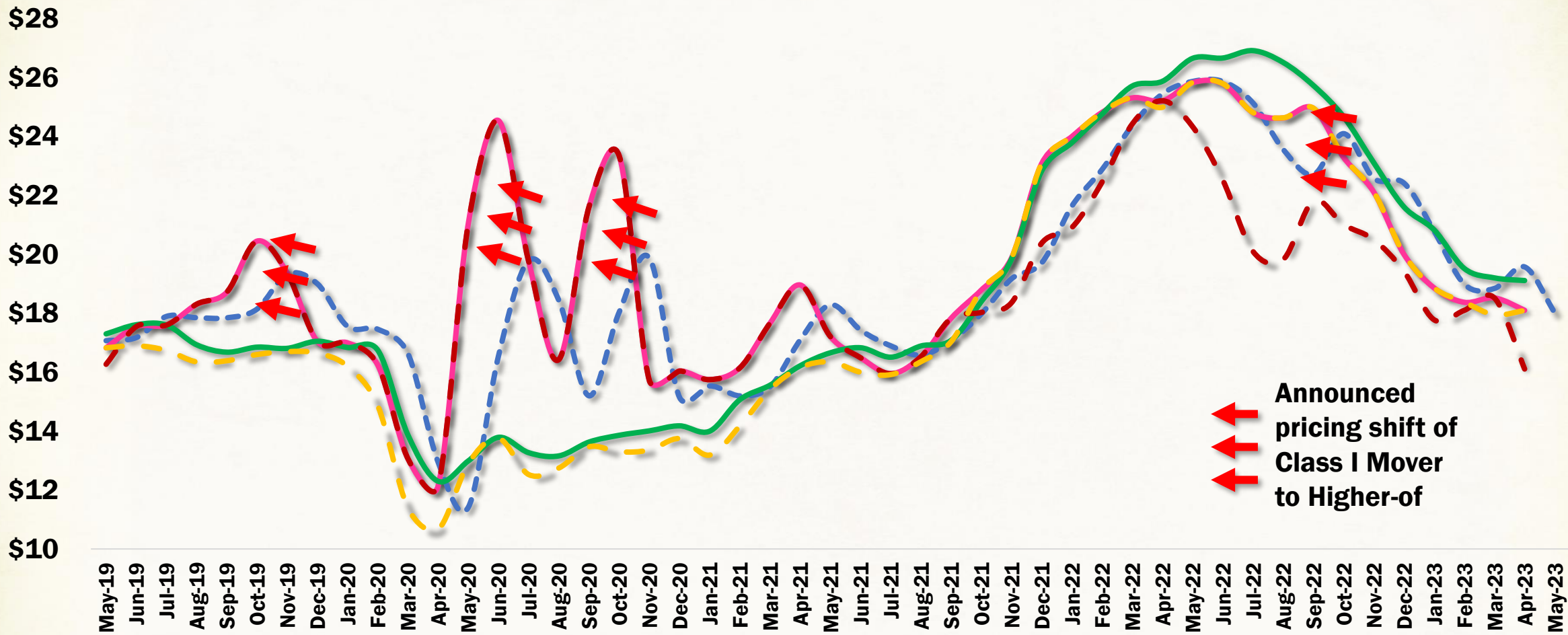
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Source: Farm Bureau Compilations, USDA AMS



# ADVANCED AVERAGE OF + \$0.74 CLASS I MOVER VS. ANNOUNCED

\$/CWT



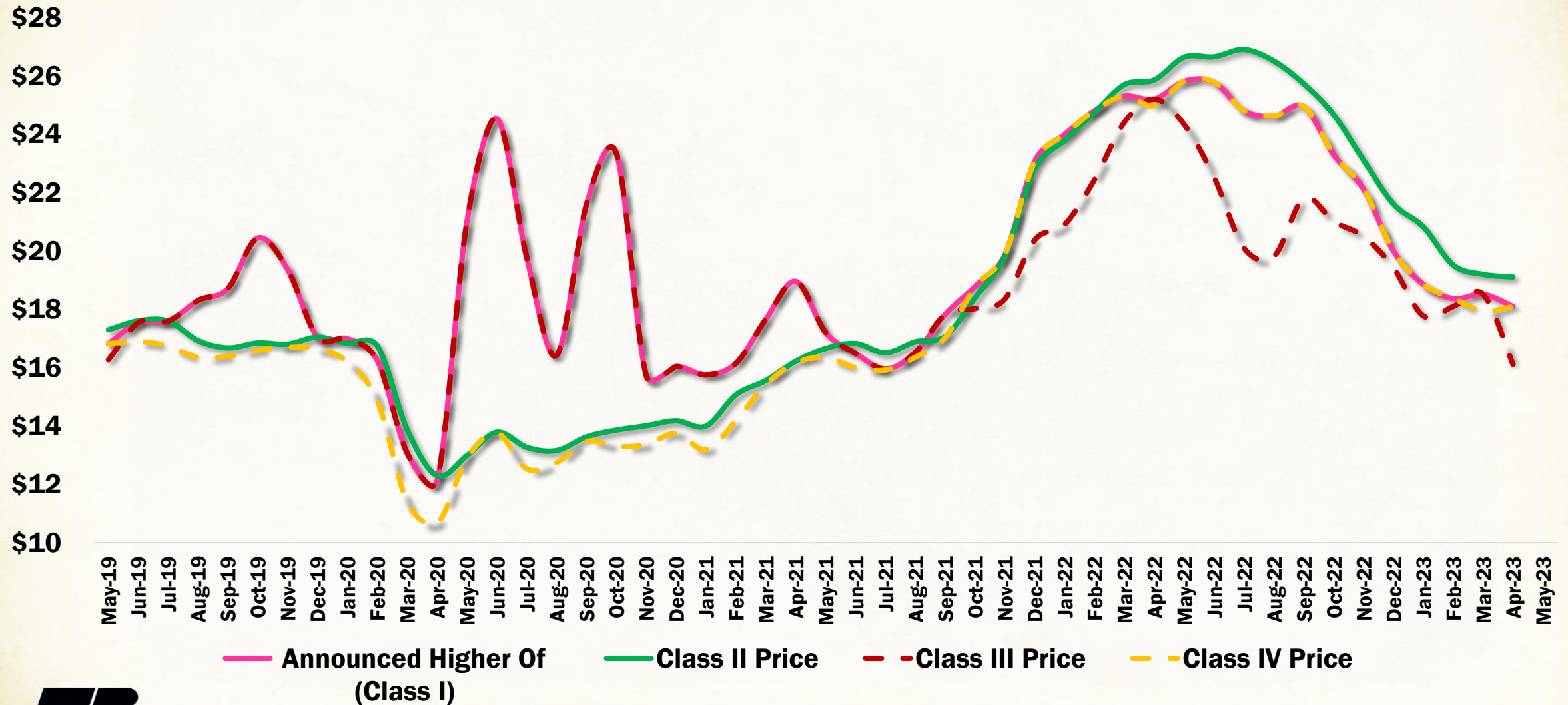



**Announced pricing shift of Class I Mover to Higher-of**

- - - Advanced Average + \$0.74 (Current Class I Mover)   
 — Announced Higher Of (Class I)   
 — Class II Price   
 - - - Class III Price   
 - - - Class IV Price



# ADVANCED AVERAGE OF + \$0.74 VS. ANNOUNCED HIGHER OF

\$/CWT | Class Prices



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Source: Farm Bureau Compilations, USDA AMS

# Dairy Farmer Testimony Information

- Can be in-person any time during the hearing, or virtually on Fridays.
- Starting Friday, September 1, 2023, and each Friday following until the hearing concludes, beginning at 12:00pm ET, dairy farmers may testify virtually in 15-minute time slots. Additional time may be available upon request.
- There will be 10 slots for virtual testimony each Friday.
- To testify virtually, dairy farmers must pre-register. Registration for Friday time slots will be available starting Monday of the same week on this page.
- The link to testify on Friday, September 1st, will be available on Monday, August 28th.
- To submit exhibits into the record, exhibits must be sent to [FMMOHearing@usda.gov](mailto:FMMOHearing@usda.gov) by 8:00am ET on the day of scheduled testimony.





## Formal Rulemaking: Steps for Amending a Federal Milk Marketing Order

### 1 USDA Receives A Proposal.

USDA has **30 days** to issue an "action plan" to complete the hearing within **120 days**, request additional information from proponent(s), or deny a request. USDA may decide to hold a pre-hearing information session in response to a proposal. Information sessions provide an opportunity for interested parties to present their proposal to a USDA panel.

### 2 USDA Issues a Notice of Hearing.

A Notice of Hearing is published in the Federal Register, and can be found online at: [www.federalregister.gov](http://www.federalregister.gov)

Once the Notice of Hearing is issued, the *ex parte* period begins. During this time, USDA employees may not discuss the merits of the proposal(s) with interested persons or their representatives unless all parties are given notice and allowed to participate.

### 3 Proponents Request USDA Data.

Requests for preparation of USDA data to be used at a hearing must be received at least **10 days** before the beginning of the hearing. If a hearing is announced less than **10 days** prior to the start of the hearing, data requests must be submitted within **2 days** following the publication of the Notice of Hearing.

### 4 Witnesses submit Testimony in Advance.

Those proposing amendments and participating in a hearing as witnesses must make copies of their testimony and any other exhibits available to USDA officials before the hearing begins on their expected day of testimony. Individual dairy farmers are not subject to this requirement.

### 5 USDA Holds Public Hearing.

The USDA Secretary appoints a presiding official to oversee a public hearing conducted in accordance with the rules of practice for formal rulemaking.

### 6 USDA Makes the Hearing Record Available.

The hearing record is made available within **2 weeks** of the completion of the hearing and can be found online at: [www.ams.usda.gov/rules-regulations/moa/dairy](http://www.ams.usda.gov/rules-regulations/moa/dairy).

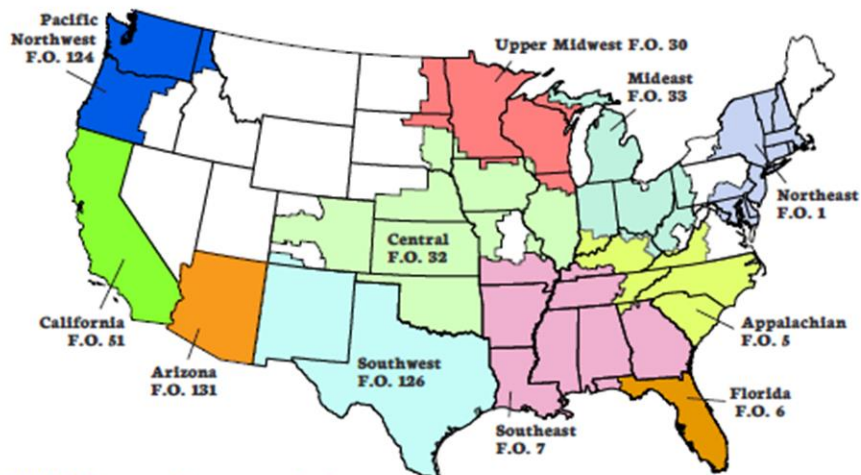
### 7 Parties File Corrections to Transcript.

Interested persons may file suggested corrections to the transcript of testimony by a date determined by the presiding official, not to exceed **30 days** after the hearing record is made available.

### 8 Participants File Post-Hearing Briefs.

Interested persons may file proposed findings and conclusions, and written arguments or briefs, by a date determined by the presiding official, not to exceed **60 days** after completion of the hearing.

## 11 Federal Milk Marketing Order Areas



### 9 USDA Issues a Recommended Decision.

USDA shall issue a recommended decision or, when applicable, a tentative final decision, not later than **90 days** after the deadline for submission of post-hearing briefs. The decision is published in the **Federal Register**.

### 10 Parties File Comments and Exceptions to Recommended Decision.

Comments and exceptions to a recommended decision may be filed with the USDA Hearing Clerk not later than **60 days** after publication of the recommended decision in the **Federal Register**, unless otherwise specified in that decision. Comments and exceptions may also be filed online using the Federal eRulemaking portal at: [www.regulations.gov](http://www.regulations.gov).

### 11 USDA Issues a Final Decision.

USDA shall issue a final decision not later than **60 days** after the deadline for submission of comments and exceptions to the recommended decision. The final decision is published in the **Federal Register**.

### 12 USDA Holds a Referendum and Implements the Amendments.

Through a referendum process, producers are able to approve the Federal order(s) as amended, or reject the proposed changes, effectively terminating the Federal order(s). If approved by producers, the amendment(s) to the order(s) are published in the **Federal Register** as a final rule. The publication of the final rule announces when the amendment(s) become effective and concludes the rulemaking process.



**FEDERAL MILK MARKETING**

**ORDER  
FORUM**

**KANSAS  
CITY, MO**

**OCTOBER  
14-16**

**FARM BUREAU®**



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# Federal Order Hearing Policy- Statutory Changes

**1.2.1.14. Dairy farmers being able to vote independently and confidentially during an FMMO approval or referendum process;**

**1.2.1.15. Eliminating provisions on a “no” vote on a referendum causing elimination of the entire FMMO;**

**1.2.1.16. Modifying the referendum approval threshold to require a two-thirds majority of the voting producers **and** two-thirds majority of the voting milk volume to amend or issue an FMMO;**

**1.2.1.24. A change to bloc voting that would require cooperatives to give notice to members of their intended vote and the member’s right to opt out of that vote and vote independently and confidentially.**

**FARM BILL PRIORITIES!**



# FIGURE 3: COMPARISON OF BLOC AND MODIFIED BLOC VOTING

USDA Issues a Final Decision After a Federal Order Hearing  
USDA Holds a Referendum on the Final Decision

## Bloc Voting

Cooperative Determines Whether or Not to Bloc Vote on Behalf of Members



### Bloc Vote

Cooperative votes on behalf of all members

### Not Bloc Vote

Cooperative requests all members receive individual ballots

## Modified Bloc Voting

Cooperative Notifies Membership of How Cooperative Intends to Cast Ballot and Procedures to Request Own Ballot



Producer Casts Own Ballot

Producer Does Not Cast Own Ballot



Cooperative Votes on Behalf of Remaining Producers



# Policy on Milk Check Transparency

**1.2.1.3. A more transparent and consistent format for processors to use on milk checks to producers including listing percentage of pooled and de-pooled milk by each processor and PPD calculations;**

**1.2.1.4. Farmers being paid in a timely manner, every two weeks, and with no more than three weeks lag. Advance checks should be paid in accordance with what is known about the current month's prices;**

**1.2.1.5. No special deals should be allowed. Incentive payments offered to one patron must be offered to all patrons meeting the processor's same criteria, including but not limited to differences for farm location, size and quality;**

**1.2.1.6. A review and audit of the PPD on milk;**

**FARM BILL? HEARING?**



# Dairy Margin Coverage Policies

**8.2.1.1.9. Updated production history once every five years based on the highest of a prior three-year history, until then we support supplemental Dairy Margin Coverage (DMC) production history changes;**

**8.2.1.1.10. Retaining the current DMC with supplemental and feed cost updates;**

- (1) Making tier levels more affordable;**
- (2) Increasing the catastrophic margin level from \$4.00 to \$5.00 and adding the ability to buy up to \$12.00 margin coverage**
- (3) Making strategic adjustments to the feed formula;**
- (4) Using the regional or state level all milk and feed price rather than national level price estimates in the calculation of margin over feed cost for the purpose of calculating DMC program payouts; and**
- (5) Increasing Tier 1 production cap**



# Labeling of Plant-Based Milk Alternatives and Voluntary Nutrient Statements: Guidance for Industry

## *Draft Guidance*

This guidance is being distributed for comment purposes only.

## DAIRY PRIDE ACT

### S. 549

IN THE SENATE OF THE UNITED STATES

FEBRUARY 28, 2023

Ms. BALDWIN (for herself, Mr. RISCH, Ms. COLLINS, Mr. WELCH, Mr. KING, Ms. STABENOW, Mr. CRAPO, Mr. MARSHALL, Ms. SMITH, Mr. LUIÁN, and Mr. ROUNDS) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions



AMERICAN FARM BUREAU FEDERATION\*

600 Maryland Ave. SW | Suite 1000W | Washington, DC 20024

ph. 202.406.3600  
f. 202.406.3606  
www.fb.org

April 24, 2023

Robert M. Califf M.D.  
Commissioner, U.S. Food and Drug Administration  
10903 New Hampshire Ave  
Silver Spring, MD 20993-0002

Re. Docket No. FDA-2023-D-0451, Labeling of Plant-Based Milk Alternatives and Voluntary Nutrient Statements: Guidance for Industry; Request for Comments

Dear Commissioner Califf,

## A BILL

tives.

tatives of the United States of America in Congress assembled,

nitations and Replacements of Yogurt, Milk, and Cheese To Promote Regular Intake of Dairy Everyday

## FARM BILL PRIORITIES!

[Home](#) » [Media Center](#) » [Press Releases](#)

## **Reps. Thompson, Schrier Introduce Whole Milk For Healthy Kids Act**

February 21, 2023 | Press Release

***Bipartisan bill will put whole milk in school cafeterias***

WASHINGTON, D.C. – U.S. Representatives Glenn “GT” Thompson (R-PA) and Kim Schrier (D-WA) today, along with 36 members, introduced the Whole Milk for Healthy Kids Act, which will allow for unflavored and flavored whole milk to be offered in school cafeterias.

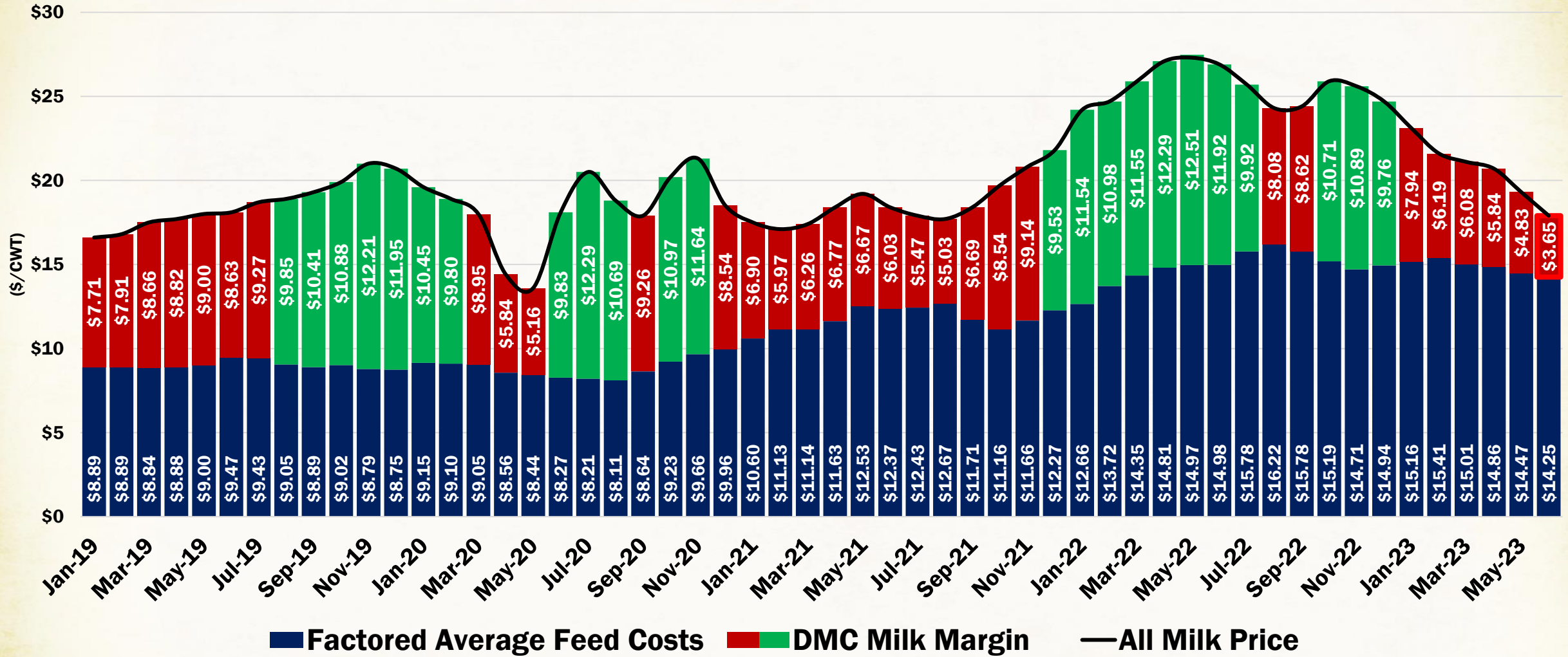
**COMMITTEE ON EDUCATION AND THE  
WORKFORCE???**



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# DAIRY MARGIN COVERAGE TRIGGERED FOR 6<sup>th</sup> CONSECUTIVE MONTH

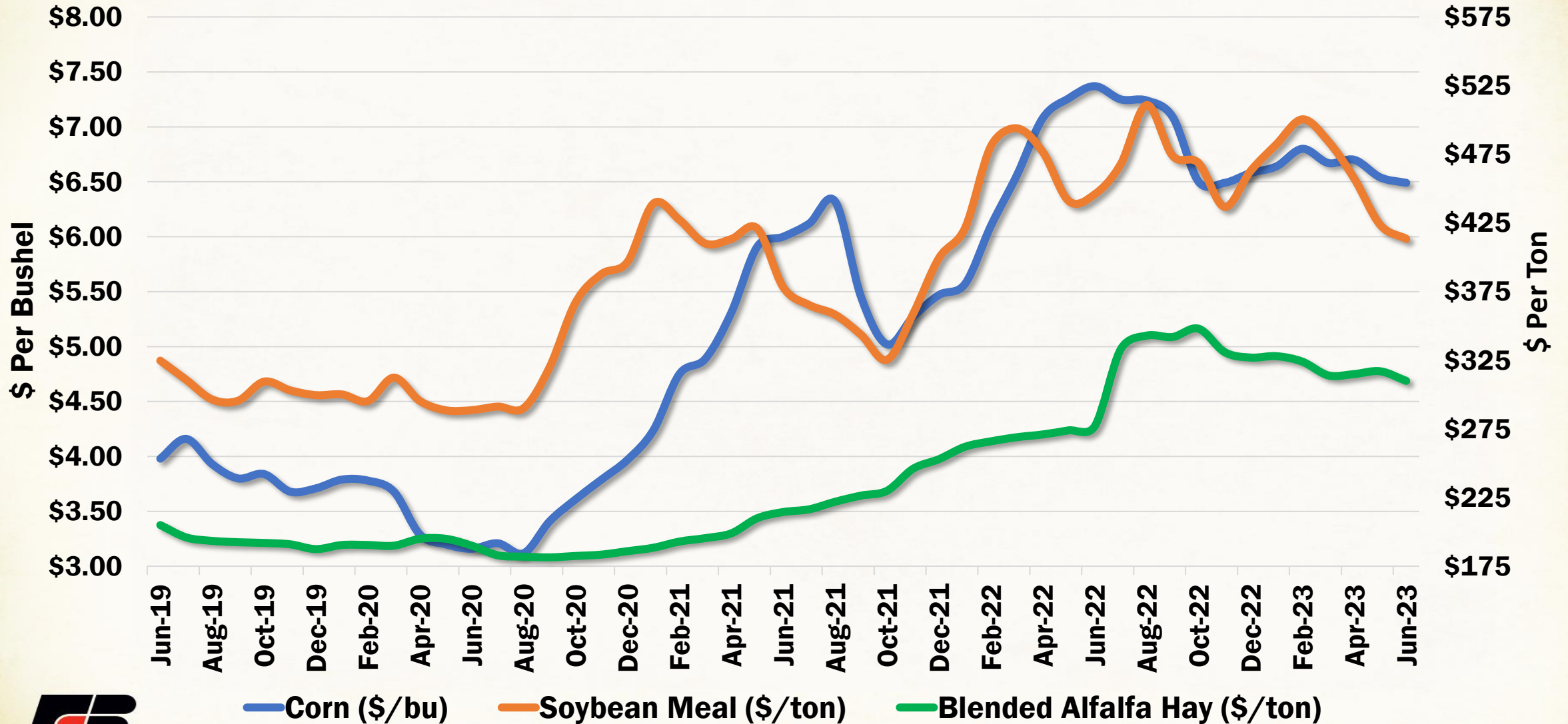
Lowest margin in program history | Premium feed cost adjusted



(at least one coverage level triggered)

# FEED COSTS REMAIN ELEVATED

Price Received



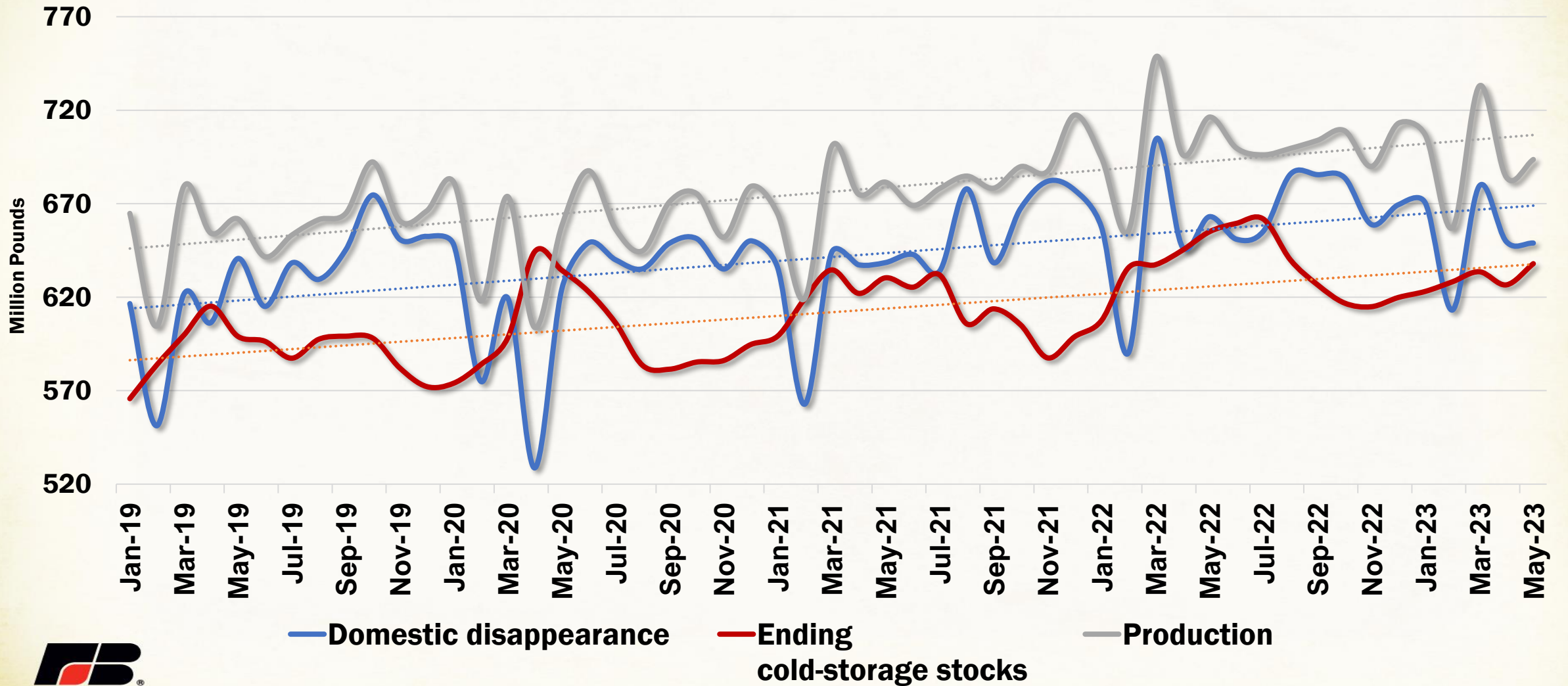
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Source: USDA Farm Service Agency



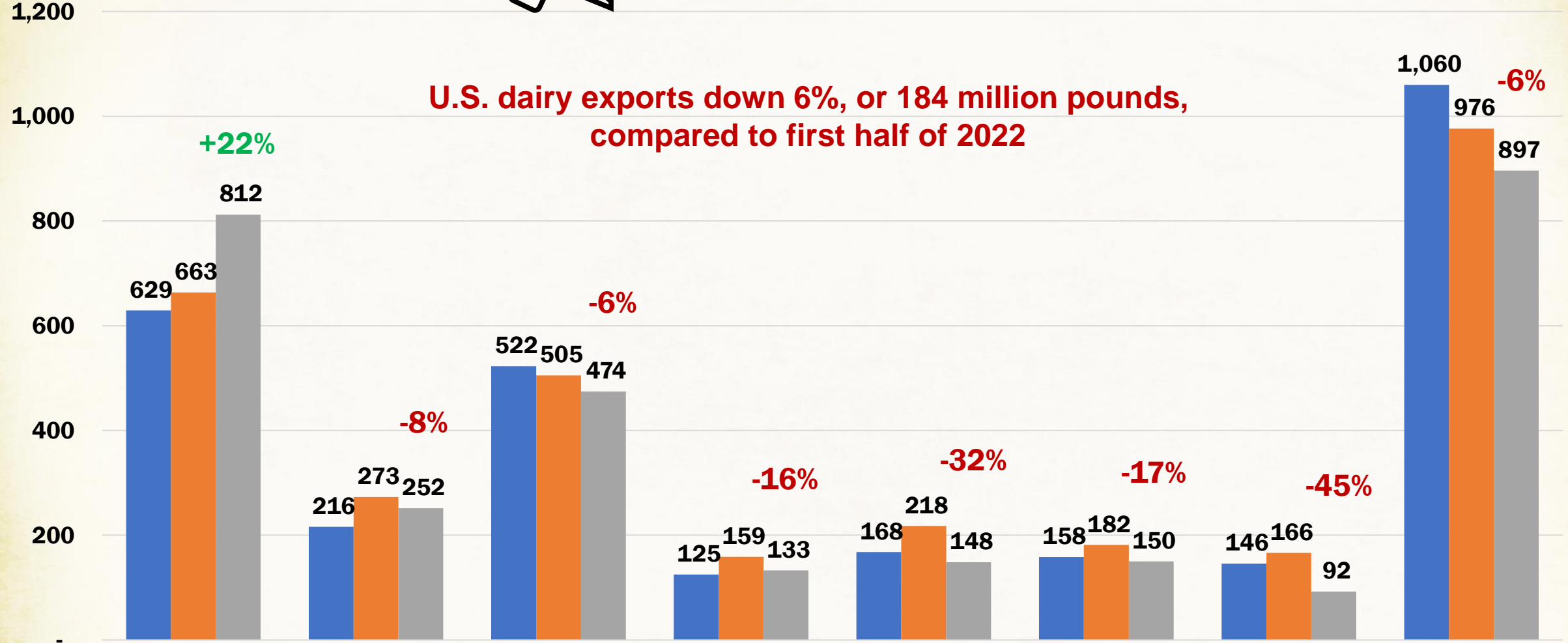
# DOMESTIC PRODUCTION, COMMERCIAL USE & ENDING STOCKS OF CHEESE

Million pounds | Other than American

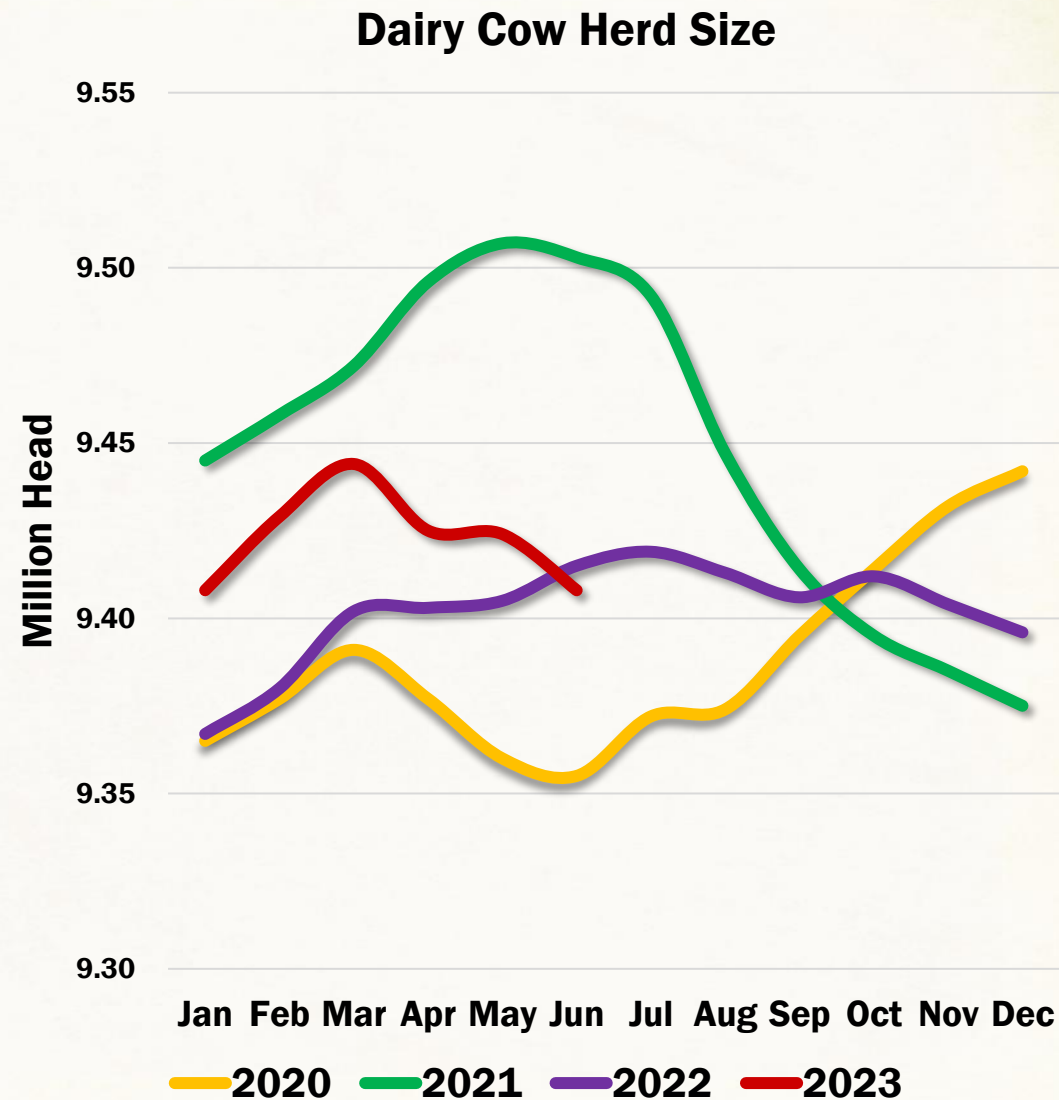
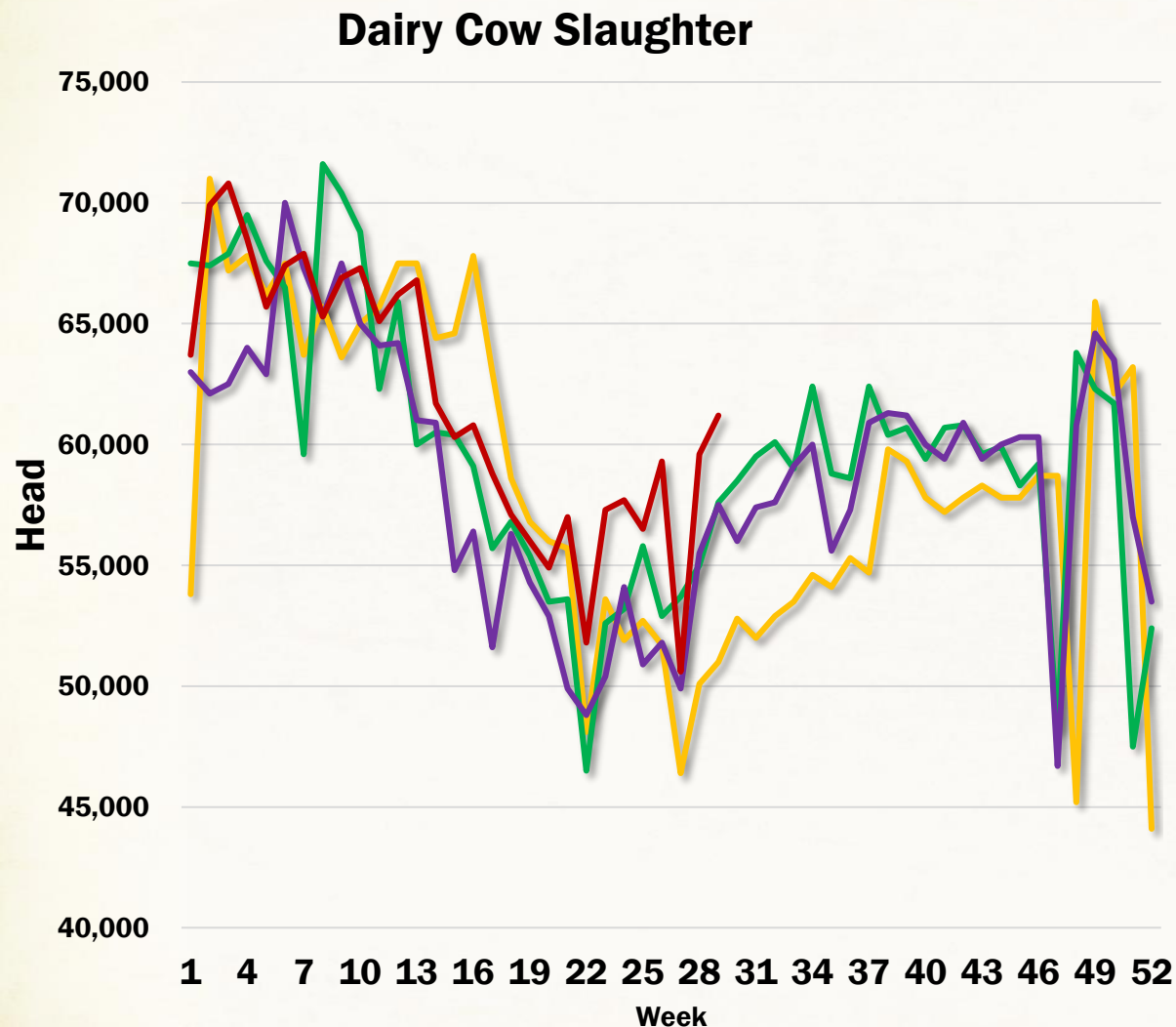


# UNITED STATES EXPORTS OF DAIRY PRODUCTS BY QUANTITY

January – June | Million Pounds



# FIGURE 5: WEEKLY DAIRY COW SLAUGHTER AND MONTHLY DAIRY COW HERD SIZE



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Source: AFBF Calculations, USDA NASS



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