Vermont Milk Commission Worksheet on Farm Bill Proposals

|  |  |  |  |
| --- | --- | --- | --- |
| Proposal | Expected outcome | Questions more information? | Recommend |
| MPP |  |  |  |
| Removing the 10% reduction in the feed cost calculation that was implemented in the 2014 Farm Bill, | More accurately reflect feed costs as part of the margin calculation. 10% reduction costing farmers $1 to $1.50 per hundredweight on the margin calculation, as calculated by Farm Credit Northeast. |  |  |
| Changing the calculation of the margin and payment from an every two-month occurrence to a one-month occurrence. | During the current Farm Bill – would have been more potential payments if a one-month calculation versus the 2-month average. One-month calculations under $8 out 12 out of 42 calculations. |  |  |
| Corn Price – NASS data is for corn sold by farmers and does not reflect the cost of processing corn and selling that to dairy farmers to feed cattle. USDA AMS does collect data on corn sold to farmers for feed. | Corn purchased and fed to dairy cattle is estimated to be 20% higher than as sold by a corn farmer. Improve the calculation of feed price – more accurately reflecting dairy farmer costs. |  |  |
| Hay Cost – data set includes all hay at a variety of feed quality levels. Dairy farmers must purchase high quality hay to maintain milk production. Quality of the hay should be reflected in the price calculation. | Improve the calculation of feed price – more accurately reflecting dairy farmer costs. |  |  |
| Soybean Meal – data set has used a pricing point in Illinois as an indicator for the whole nation. Data exists for 11 pricing points in the United States. All pricing point data should be averaged and used in the calculation. | Improve the calculation of feed price – more accurately reflecting dairy farmer costs. |  |  |
| The premiums to purchase further insurance should be reviewed and recalculated. 2014 Farm Bill work occurred over 5 years ago and fundamentals have changed. | More realistic premium levels for farmers who take part in the program. |  |  |
| Deadline for sign up for this program should be moved from September to December in each calendar year. | This would provide greater clarity for farmers to make informed insurance decisions. |  |  |
| Include Organic Feed and Pay prices in the program for organic dairy producers to manage risk. | Provide protection for organic dairy farmers. Would need to determine organic feed pricing and milk pricing information. |  |  |
| Change the margin range. Different proposals one $5 to $9 and one $6 to $10/cwt. | 2 – month calculation has only been under $8 margin 6 out of 21 total calculations. Average of 2-month calculations $9.927292. Lowest $5.76277. Highest $15.51136. |  |  |
| Keep premium level lower for top margins. Currently doubles at the top margin level. | Encourage sign up and coverage that would be meaningful. |  |  |
| Premium waivers for beginning farmers or socially disadvantaged farmers. | USDA definitions for both categories. Encourage use and protect those that are more vulnerable. |  |  |
| Famers not required to lock into the program for the whole life of the Farm Bill. | Flexibility to use the best program available. |  |  |
| Make Livestock Gross Margin -Dairy (LGM) more compatible with MPP | Flexibility to use either program – especially if not locked in. |  |  |
|  |  |  |  |
| Organic Program |  |  |  |
| Professional License for Organic Certifiers | Concerns that certifiers are treating farms differently and letting organic dairies slide – looking for consistency and equity across the US. |  |  |
| Consistent interpretation and implementation of Livestock Feed and Living conditions. | Concerns that certifiers are treating farms differently and letting organic dairies slide – looking for consistency and equity across the US. Especially pasture for large farm and ability to transition animals into the herd. 500 cow dairy herds and up must be inspected by licensed certifier shown above! |  |  |
| Organic Production Market and Data Initiative – fund and expand collection of organic data. $5 million per year nationally. | Used for market information, determining risk management tools, tracking production trends and export markets. |  |  |
| Change to Organic Food and Protection Act – within the Farm Bill  End the one year heifer and cow transition to organic. | One-time transition of heifers and cows to organic production over a 1 year term. Some farms and areas of the country continuing to transition cows on a yearly basis. End because organic industry is large enough to purchase cows – not transition. |  |  |
|  |  |  |  |
| Nutrition |  |  |  |
| Potential to change dietary guidelines for feeding programs to include whole milk dairy products. | New research shows that whole milk dairy products are positive for health and diabetes management. |  |  |
|  |  |  |  |