

**Report and Recommendations of the**  
**Vermont Milk Commission**

**January 2018**



**VERMONT**

---

Agency of Agriculture, Food and Markets

# **Report and Recommendations of the Vermont Milk Commission for the 2018 Federal Farm Bill**

## **Executive Summary**

The Vermont Milk Commission was required by the Vermont Legislature in 2017 to review and recommend items for the 2018 Federal Farm Bill that would assist dairy farmers and the dairy industry in Vermont. The Legislature requires a report and recommendations be provided to the Federal Congressional Delegation and the Vermont Legislature.

The Vermont Milk Commission completed a series of seven meetings that included testimony and presentations by 54 individuals representing 47 organization and 4 individuals. With the compilation of this report and recommendations for the 2018 Federal Farm Bill, the Milk Commission has met its legislative charge from the 2017 session “*to review and evaluate proposals that enhance and stabilize the dairy industry in Vermont and New England and that may be appropriate for inclusion in the federal Farm Bill 2018.*”

The Vermont Milk Commission makes the following recommendations for the 2018 Federal Farm Bill.

## **Title 1 – Commodities -Dairy**

### **Margin Protection Program – *This is a high priority of the Milk Commission.***

The Milk Commission supports the following changes:

- Remove the 10% reduction in the feed cost calculation that was implemented in the 2014 Farm Bill.
- Corn, Soybean and Hay Prices –Utilize USDA Agricultural Marketing Service data on corn sold to farmers for feed, average the 11 pricing points for soybean meal in the United States and use a price for high quality hay for the feed cost calculation.
- Change in the Margin Protection Program to a one-month calculation and payment versus the current two-month approach.
- Waiving the premium for Beginning and Socially Disadvantage Farmers as defined by USDA to take part in the Margin Protection Program.
- Allow flexibility to move in and out of the Margin Protection Program for famers to use other risk management programs. Dairy farmers would not be required to enroll for the life of the Farm Bill.
- Reinvest dairy farmer premium payments into the Margin Protection Program for potential indemnity payments to farmers – not into the federal government general fund.
- The Milk Commission reviewed supply management concerns closely and determined not to recommend any specific supply management program.

### **Federal Order Reform – Class I Fluid Milk Pricing - *This is a high priority of the Milk Commission.***

The Milk Commission supports the following:

The National Milk Producers Federation (NMPF) and the International Dairy Foods Association (IDFA) have a proposal to adjust the calculation for the Class I fluid milk price within the Federal Order System for all Federal Orders.

Higher Solids Standards in Fluid Milk - *This is a high priority of the Milk Commission.*

The Milk Commission supports the following:

- An updated study on the impact of expanding milk solids standards nationally for 2017.
- The requirement that all fluid milk sold nationally meets the higher milk solids standards.
- If not successful in getting higher milk solids standard nationally, should be considered for Federal Order Number 1 in the Northeast.

**Title 2 – Conservation**

Conservation Title – Land Conservation Ag Conservation Easement Program (ACEP) and Ag Land Easement Program (ALE) - *This is a high priority of the Milk Commission.*

The Milk Commission supports the following changes to the ACEP program:

- Restore funding nationally for this program to \$500 million which would increase the ability to conserve more farms in Vermont.
- Allow for state or region-specific deed terms to improve flexibility.
- Remove the ALE plan as part of minimum deed terms which addresses the concern of flexibility to meet on-farm changes in management.
- The ability for local entities to become certified to manage the conservation easement process should be continued to maintain and improve efficiencies.

Regional Conservation Partnership Program (RCCP) - *This is a high priority of the Milk Commission.*

The Milk Commission supports the continuation of the Regional Conservation Partnership Program and a waiver for the match requirement for non-profit organizations in the 2018 Federal Farm Bill.

USDA Environmental Quality Investment Program (EQIP) - *This is a high priority of the Milk Commission.*

The Milk Commission supports the following changes to the EQIP program:

- The opportunity to waive the requirement of an agreement by the farmer to implement the whole farm plan over the life of a Farm Bill should be added. The plan should be developed but the farmer can prioritize implementation over the life of the Farm Bill and can continue the plan into a subsequent Farm Bill cycle.
- USDA EQIP payment cap should be increased to \$1,000,000 for the life of the Farm Bill.
- Edge of field monitoring costs should not be counted against the funding cap within the EQIP program.
- Add the ability to have pre-approval of some project costs – able to begin project before contract is complete. USDA should explore the use of performance bonding with contractors to allow payment of costs during the work of the project. Contractors need to cover costs while implementing the project and many do not have the capacity to wait until the end of the project for payment.
- Allow partner organizations working on common goals with USDA Natural Resources Conservation Service to share specific farm data to improve efficiency and to further environmental conservation activities.

USDA Conservation Reserve Enhancement Program (CREP) - *This is a high priority of the Milk Commission.*

The Milk Commission supports continued funding of the CREP program and the requests to improve rental rates for this program to more specific Vermont rates.

**Title 3 -Trade**

Foreign Market Development Program

**The Vermont Milk Commission supports continued funding of the Market Access Program at \$400 million per year.**

USDA Secretary Perdue recently provided to the Report to the President of the United States from the Task Force on Agriculture and Rural Prosperity. This report supports increased access to global markets.

**Title 4 – Nutrition**

USDA Food Programs and the Women, Infants and Children's (WIC)- *This is a high priority of the Milk Commission.*

The Milk Commission supports the inclusion of milk and dairy products as part of all USDA Food Programs and would encourage flexibility and ability for choice within these programs to provide a full range of fat levels in milk and dairy products to participants. The Milk Commission also supports full funding of all USDA Food Programs in the 2018 Farm Bill.

## **Title 6 Rural Development**

### **Telecommunication and Infrastructure Loans and Loan Guarantees**

The Milk Commission supports increased funding for the Telecommunication and Infrastructure Loans and Loan Guarantees to continue to expand and strengthen broadband coverage in rural communities.

USDA Secretary Perdue recently provided to the Report to the President of the United States from the Task Force on Agriculture and Rural Prosperity. In this report, there is a renewed commitment to the expansion of greater broadband connectivity in rural communities.

### **Rural Business- Cooperative Service**

The Milk Commission supports continued funding of the Rural Business- Cooperative Services programs within USDA Rural Development to provide needed funding sources for the dairy industry and cooperatives in Vermont.

## **Title 7 – Research and Extension**

The Milk Commission supports the following proposals for Research and Extension:

- Title 7 Research and Extension was underfunded in the last Farm Bill.
  - Support infrastructure upgrades at all land grant college for agricultural teaching and research.
  - Expand research funding to Extension nationally to address climate and weather extremes.
- Develop focused research, Extension and education initiatives for on-farm robotics, ag technology, innovation and workforce development to address farm labor shortages as well as dairy product research and development. Increased funding would benefit University of Vermont Extension to be able to take on these initiatives.

## **Title 9 – Energy**

### **Rural Energy for America Program -Renewable Energy Systems & Energy Efficiency Improvement Loans & Grants**

The Milk Commission supports the Rural Energy for America Program and supports funding for Vermont dairy farmers to install anaerobic manure digesters on their farms. Funding should be returned to \$50 million per year level in the 2018 Farm Bill.

## **Title 11 – Crop Insurance**

### **Noninsured Crop Disaster Assistance Program (NAP)**

The Milk Commission supports allowing flexibility to determine a regional range for Relative Feed Value (RFV) on mixed hay and haylage for the Northeast that would be more representative of the feed used on Dairy Farm for milk production. USDA would need to determine what documentation was acceptable to set a regional RFV range within the NAP crop disaster insurance program.

## **Title 12 – Miscellaneous – *This is a high priority of the Milk Commission.***

### **Animal Health – Bovine Johne’s Disease**

The Milk Commission would recommend that the Johne’s Disease Control Program be reinstated in the 2018 Farm Bill and be funded at \$100 million and that USDA implement a goal of eradication of Johne’s Disease by 2030 in the United States.

### **Animal Health – National Animal Health Laboratory Network**

The Vermont Milk Commission supports the expansion of the authorization for the National Animal Health Laboratory Network and continued funding and authorization for collaborative work.

## **Other Legislative Issues not addressed in a Title of the Farm Bill**

### **Immigration Reform**

Due to Vermont dairy farmer’s reliance on immigrant labor, the Milk Commission supports a federal guest worker program be included and implemented in any comprehensive immigration reform.

### **Organic Standards**

The Milk Commission supports the following changes to organic standards:

- Proposal from organic industry for all certifying agents to be licensed and trained by USDA, with expectations to consistently inspect dairy farms to organic standards, with specific attention to the access to pasture requirement and transition of livestock to organic production.
- Organic Production Market and Data Initiative Proposal should be funded and expand collection of organic data at a cost of \$5 million per year nationally.

### **Food Safety Modernization Act**

- The Vermont Milk Commission recommends the Food and Drug Administration consider a granting program to upgrade feed mills to meet new requirements.

## **Nonmilk Beverages – Truth in Labeling – *This is a high priority of the Milk Commission.***

The Milk Commission supports truth in labeling of beverages to remove the word milk from nut and plant-based beverage containers and marketing materials.

## **USDA Insurance Program – Milk as a Commodity**

Funding for all insurance program is an important issue within the Farm Bill. At this point, milk is in a category with livestock and a request is being made to move milk to a commodity status which would increase the federal funding available for the American Farm Bureau Revenue Insurance program. If this change cannot be completed prior to negotiations on the Federal Farm bill, the Milk Commission supports inclusion of milk as a commodity in the 2018 Farm Bill.

## **Rural Opiate Issue**

The Milk Commission recognizes the issue of opiate addiction impacts everyone in the state of Vermont including those involved in agriculture. USDA Secretary Perdue recently provided Report of the Task Force on Agriculture and Rural Prosperity. Within this report, one of the recommendation is to modernize healthcare access which includes: *Improved access to mental and behavioral care, particularly access to prevention, treatment, and recovery resources is vital to address the nationwide opioid crisis and other substance misuse in rural communities.* The Milk Commission supports this recommendation and funding for this vital initiative.<sup>1</sup>

## **Staffing Levels and Hiring Freeze for USDA in State Offices**

There were overall concerns with USDA FSA and NRCS staffing levels in Vermont. Nationally USDA FSA and NRCS has been under a hiring freeze and if attrition occurs, there is a national level process of filling the vacancy. The hiring freeze is adversely impacting the ability of the Vermont office to assist farmers in implementing environmental conservation practices. The national level process of hiring does not benefit employees that are in the Vermont offices that may wish to move up into vacant positions, but the national level process is slow and cumbersome, and the local employee may not be selected. These may not be Farm Bill issues but are impacting Vermont farmers that wish to implement environmental conservation activities on their farms.

---

<sup>1</sup> Report to the President of the United States from the Task Force on Agriculture and Rural Prosperity - Secretary Sonny Perdue, Chair – p.24. <https://www.usda.gov/sites/default/files/documents/rural-prosperity-report.pdf>