

AGRIVOICE ENTERPRISES

VENTURE DEVELOPMENT, COMMUNICATIONS, & MARKETING SERVICES FOR PROGRESSIVE AGRIBUSINESS

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ESprouts: Support GOODLATTE-SCOTT Amendment in Dairy Title Debate of Farm Bill! Out with the misleading Dairy Security Act!! Call - or Email - your Congressman TODAY!

Much flurry is taking place this week in Washington, DC, crucial to the future of southeast Agriculture and our food futures. The House Farm Bill comes to Floor Debate and discussion, and the dairy sector is expected to be the focus of much contention. The Southeast and Eastern Dairy Farm Industry, as well as the future of the rural communities which they serve, are at risk if the current Dairy Title in the Farm Bill isn't changed, in the opinion of many industry economists.

The debates have been vigorous, and long. Up front: Here is an easy access link – just follow the cues - to contact your Representative in the House of Representatives: <http://www.contactingthecongress.org/>

Please read what many true producer advocates, believe are the top reasons to consider why supporting GOODLATTE-SCOTT is in the best interest of 53,350 dairy producers, and their extended rural supply businesses and related jobs, in the United States, including those in the Southeast and the Eastern regions of the country. .

- 1.) The **Goodlatte-Scott** amendment will allow dairy farmers **access to margin insurance subsidies** (complicated enough, but that is the new 'safety net') **WITHOUT production restrictions**. The Dairy Security Act Title (current language offers margin insurance subsidy, but ONLY with supply management sign-up) should be REPLACED with Goodlatte-Scott / Dairy Freedom Act Language in a new Dairy Title in the House version of the Farm Bill. **Key Factor to remember:** POUNDS of milk trigger of the Supply Management restrictions in the DSA, and only 1,650 mega-producers control 50% of milk pounds, therefore, it makes sense your destiny is really out of your control.
- 2.) Dairy Margin Insurance, subsidized by the government, is in both GOODLATTE-SCOTT and the DSA, but **individual producer freedoms are infinitely more flexible with Goodlatte-Scott** which has no production restrictions for individual farmers!! On-farm decision-making will be much easier without figuring in production limits!
- 3.) **Dairy Security Act language in reality serves only the 3% of producers who own mega-herds that produce 50% or more of the nation's milk.** Those are located largely in the far western United States. With only 55,000 herds in the United States, that's only 1,650 operations (several of which are multiple herds owned by one producer) who will control the destiny of the other 53,350 herds. Which category do you fall in?
- 4.) The smaller farms (herds of 1,000-1,500 cows and less, median size of less than 200 cows), are predominantly in the Eastern and Southeastern United States, but generally have decent equity positions. They will be at the mercy of large western herds on two counts under these considerations of the "Dairy Security Act" title:
 - a. There is a little-discussed clause that will allow owners of multiple herds (more common than you might think) to have one herd in the program, and one herd out, thus playing the system on both sides - taxpayer dollars on one side, and consumer dollars on the other. A single herd owner cannot play both sides, which can and will be done by 'shifting' pounds from herd to herd of multiple-herd owners. Pounds can be manipulated either by moving cows from one herd to another, or by changing feeding systems or other management practices, and only 1650 large operations could change the nation's total pounds, maybe by as much as 20% due to volume.
 - b. Here is the rule itself, found on pgs. 85-86 of the Chairman's Mark of the House Farm Bill: **"(3) TREATMENT OF PRODUCERS WITH MULTIPLE DAIRY OPERATIONS.-If a dairy producer operates 2 or more dairy operations, each dairy operation of the producer shall separately register to receive basic production margin protection and purchase supplemental production margin protection and only those dairy operations so registered shall be covered by the stabilization program."**

- c. Since more than 50% of the pounds are produced in the western US, and **the supply management provisions in the Dairy Security Act are triggered on pounds, those mega-herds will be able to control the program/taxpayer dollars, program participation, and pounds produced in the U.S.**, and keep a damper on and limit growth of dairies close to Eastern U.S. population centers.
 - d. **How will this affect consumers?** With the population status and projected growth in the Southeast, our current dairies actually have an opportunity to grow and serve that market, but the extremely misnamed Dairy Security Act would prevent that due to the pounds manipulation factor. **Do consumers in the South, even the East, want to be subject to ever-increasing fuel costs added to retail prices of milk that will the result if the majority of milk for the East is produced in the West, thus having to be hauled into our region – in the form of either dairy products or fresh fluid milk?**
 - e. **How to solve this?** **GOODLATTE-SCOTT will eliminate this ability of large herds to manipulate the pounds**, because the 'supply management language' will be removed, and thus eliminate this 'treatment of owners of multiple herds' rule which will automatically allow gaming.
- 5.) **Rural economies in the East, already in decline, will be severely harmed**, as those farms would essentially be experiencing 'taxation without representation.' They can't vote, or compete, with their pounds of milk relative to the mega-herds. **Related agriculture supply and service jobs will be lost as the cows go away.**
- 6.) **Producers just like you** - whose farm future is at stake, and who are skilled with balancing on-farm numbers with industry events - **have spent countless hours analyzing this bill and reading the 'nitty-gritty'** of the dairy language in the Farm Bill. They **continue to find reasons to SUPPORT the GOODLATTE-SCOTT Amendment**, and to oppose the Dairy Security Act, which greatly benefits the Western states much moreso than the Southeast and Eastern herds. Therefore, it is their belief that that to SUPPORT GOODLATTE-SCOTT is to support the FUTURE of the Eastern Dairy Farm Industry.
- 7.) **Views of Producer GROUPS and ASSOCIATIONS:** Many Producer Associations have also spent extraordinary amounts of time looking at each policy asking 'what's OK, and what's wrong?' They, too, have come to truly understand the intricacies associated with the nationwide dairy industry, and believe that **GOODLATTE-SCOTT is BY FAR** the best alternative at this point for single-herd owners whose herds have less than 1500 cows.
- a.) The **SOUTHEAST DAIRY COALITION, a multi-state dairy discussion group**, is and has been in strong consensus **AGAINST** supply management (contained in the **Dairy Security Act**) due largely to the constraints its detrimental effect will have on the already fluid-deficit Southeast milk marketplace. Additionally, some large, multi-herd SE owners are on official record as in **FAVOR** of GOODLATTE-SCOTT!
 - b.) The **Kentucky Dairy Development Council**, who represents herds and rural economies and communities similar to those across the South, is opposed to the Dairy Security Act.
 - c.) **Other groups** include National All-Jersey, Inc., the Wisconsin Dairy Business Association (Wisconsin has a herd-size profile similar to the Southeast's), and the Dairy Policy Action Committee (members from NY to Ohio and Indiana), and grass-roots producers across the country.
- 8.) Comparison to Crop Insurance: How would grain farmers like to be told they could only grow and sell so much grain in order to receive crop insurance subsidies? (That is the comparable scenario with the Dairy Security Act.)
- 9.) With all due respect for Congressman Peterson and other legislators and groups who have only four years of 'work,' on this legislation, they have placed at **RISK GENERATIONS** of **FAMILY DAIRY FARMS** and their past and continued **WORK** and **CONTRIBUTIONS** to rural economies all across the nation!

CONTACT YOUR CONGRESSMAN – DO NOT HESITATE!!! VOTE MAY BE WEDNESDAY:

Link to phone and emails - follow the cues: <http://www.contactingthecongress.org/>

Suggestion: If you email – make the subject line simple; "PLEASE SUPPORT GOODLATTE-SCOTT" (If that is your belief.)

These thoughts are based on actual visits to DC, countless interactions of many kinds with producers and producer groups across the country and the Southeast Region, and actual review of the facts, knowledge of industry factors, and industry trends. They are not the 'official' position of Valley Farmers Co-op, U.S. Milk, or any other groups which provide compensation to AgriVoice Enterprises.