

106TH CONGRESS
2^D SESSION

H. R. 5052

To ensure that milk producers in the United States receive a fair price for milk marketed for domestic consumption based on the cost of production and other appropriate marketing factors and to establish a National Milk Pricing Board consisting of industry and farmer representatives to assist the Secretary of Agriculture in determining production costs and milk prices.

IN THE HOUSE OF REPRESENTATIVES

JULY 27, 2000

Mr. KLINK (for himself, Mr. HOLDEN, Mr. LATOURETTE, Mr. KANJORSKI, Mr. DOYLE, Mr. HINCHEY, Mr. BALDACCI, and Mr. MURTHA) introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To ensure that milk producers in the United States receive a fair price for milk marketed for domestic consumption based on the cost of production and other appropriate marketing factors and to establish a National Milk Pricing Board consisting of industry and farmer representatives to assist the Secretary of Agriculture in determining production costs and milk prices.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Fairness for Dairy
3 Farmers Act of 2000”.

4 **SEC. 2. BASE PRICE FOR MILK TO REFLECT COST OF PRO-**
5 **DUCTION.**

6 (a) **COST BASIS FOR BASE PRICE.**—Notwithstanding
7 any other provision of law, the Secretary of Agriculture
8 shall require milk handlers that are subject to a Federal
9 or State milk marketing order or that are otherwise en-
10 gaged in the business of receiving fluid milk for processing
11 and distribution to retail or wholesale outlets to pay milk
12 producers a base price for milk marketed for domestic con-
13 sumption that reflects the producers’ costs of production
14 as well as other appropriate marketing factors.

15 (b) **DETERMINATION OF COST OF PRODUCTION.**—(1)
16 Not less than quarterly, the Secretary shall determine the
17 cost of milk production in—

18 (A) every Federal milk marketing order area;

19 (B) every State milk marketing order area out-
20 side of the Federal milk marketing order system;
21 and

22 (C) every other area in the United States in
23 which milk is produced, but that is not included in
24 a Federal or State milk marketing order.

25 (2) In determining the cost of milk production under
26 paragraph (1) in an area, the Secretary shall take into

1 consideration the latest cash cost of milk production, as
2 estimated by the Secretary, in that area.

3 **SEC. 3. ESTIMATION OF ANNUAL MILK PRODUCTION AND**
4 **DOMESTIC CONSUMPTION LEVELS.**

5 (a) ANNUAL ESTIMATE.—On an annual basis, the
6 Secretary of Agriculture shall estimate—

7 (1) the quantity of milk to be produced in the
8 United States and marketed for commercial use milk
9 during the next 12 months; and

10 (2) the quantity of milk necessary to satisfy do-
11 mestic consumption, including Government nutrition
12 assistance programs, during the next 12 months.

13 (b) RULES FOR ESTIMATE.—When making an esti-
14 mate under this section, the Secretary shall—

15 (1) consider any existing inventory management
16 programs to balance domestic supply and demand;
17 and

18 (2) consider import projections of all dairy
19 products.

20 **SEC. 4. NATIONAL MILK PRICING BOARD.**

21 (a) APPOINTMENT OF BOARD.—The Secretary of Ag-
22 riculture shall appoint a National Milk Pricing Board to
23 carry out the duties specified in subsection (c).

24 (b) MEMBERSHIP.—The Board shall consist of the
25 following:

1 (1) At least one milk producer from each Fed-
2 eral milk marketing order area and from each State
3 with separate State milk marketing order areas.

4 (2) A lesser number of persons appointed by
5 the Secretary from among individuals who have a
6 demonstrable expertise in the dairy industry, includ-
7 ing at least one consumer advocate.

8 (c) DUTIES OF THE BOARD.—The Board shall assist
9 the Secretary—

10 (1) in establishing the base price (either region-
11 ally or nationally) for milk under section 2;

12 (2) in determining cost of production for an
13 area under section 2;

14 (3) in determining the quantity of milk needed
15 for domestic consumption, as required by section 3;
16 and

17 (4) in carrying out the supply management au-
18 thority provided in section 5.

19 **SEC. 5. SUPPLY MANAGEMENT AUTHORITY.**

20 (a) LIMITS ON AVAILABILITY OF BASE PRICE.—A
21 milk producer shall be eligible to receive the base price
22 established under section 2 only on the greater of—

23 (1) the percentage of the producer's previous
24 year's production corresponding to that producer's
25 share of the quantity of milk estimated under sec-

1 tion 3(a)(2) as necessary to satisfy domestic con-
2 sumption, as determined by the Board; or

3 (2) 216,666 pounds of milk per month.

4 (b) TREATMENT OF MILK PRODUCED IN EXCESS OF
5 DOMESTIC NEEDS.—The Board shall oversee the pur-
6 chase of excess milk by the Commodity Credit Corporation
7 at the world market price. The excess milk shall be made
8 available for use in domestic and international nutrition
9 assistance programs.

10 **SEC. 6. REPORT REQUIREMENTS.**

11 (a) DAIRY PRODUCT STOCKS.—The Secretary of Ag-
12 riculture shall prepare a national monthly report of Gov-
13 ernment and commercial stocks of dairy products.

14 (b) DOMESTIC PRODUCTION AND IMPORTS.—The
15 Secretary of Agriculture shall prepare an annual report
16 of United States milk production and milk product im-
17 ports. In the case of milk product imports, the Secretary
18 shall identify the county of origin for the imports and
19 evaluate the impact dairy imports (particularly imports of
20 ultrafiltered milk) have on United States milk producers.

○