

108TH CONGRESS  
1ST SESSION

# H. R. 455

To require the Secretary of Agriculture to use the Department of Agriculture's preferred Option 1B as the price structure for Class I fluid milk under Federal milk marketing orders, to provide emergency market loss payments to dairy producers for any calendar year quarter in which the national average price for Class III milk under Federal milk marketing orders is less than a target price of \$11.50 per hundredweight, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 29, 2003

Mr. GREEN of Wisconsin (for himself and Mr. RYAN of Wisconsin) 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 use the Department of Agriculture's preferred Option 1B as the price structure for Class I fluid milk under Federal milk marketing orders, to provide emergency market loss payments to dairy producers for any calendar year quarter in which the national average price for Class III milk under Federal milk marketing orders is less than a target price of \$11.50 per hundredweight, and for other purposes.

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 “National Dairy Policy  
3 Act of 2003”.

4 **SEC. 2. USE OF DEPARTMENT OF AGRICULTURE’S PRE-**  
5 **FERRED OPTION 1B AS PRICE STRUCTURE**  
6 **FOR CLASS I MILK UNDER FEDERAL MILK**  
7 **MARKETING ORDERS.**

8 Section 1 of H.R. 3428 of the 106th Congress, as  
9 enacted into law by section 1000(a)(8) of Public Law 106–  
10 113 (Appendix H; 113 Stat. 1501A–517; 7 U.S.C. 7253  
11 note), is amended—

12 (1) in subsection (b), by striking “this Act” and  
13 inserting “the National Dairy Policy Act of 2003”;  
14 and

15 (2) by striking subsection (c) and inserting the  
16 following new subsection (c):

17 “(c) USE OF OPTION 1B FOR PRICING CLASS I  
18 MILK.—As specified in the final rule, the Secretary of Ag-  
19 riculture shall price fluid or Class I milk under the Federal  
20 milk marketing orders using the Class I price differentials  
21 known as Option 1B.”.

22 **SEC. 3. EMERGENCY MARKET LOSS PAYMENTS TO DAIRY**  
23 **PRODUCERS.**

24 (a) DEFINITIONS.—In this section:

25 (1) FEDERAL MILK MARKETING ORDER.—The  
26 term “Federal milk marketing order” means a milk

1 marketing order issued under section 8c of the Agri-  
2 cultural Adjustment Act (7 U.S.C. 608c), reenacted  
3 with amendments by the Agricultural Marketing  
4 Agreement Act of 1937.

5 (2) CLASS III MILK.—The term “Class III  
6 milk” means milk classified as Class III milk (milk  
7 used to produce cheese) under a Federal milk mar-  
8 keting order.

9 (3) SECRETARY.—The term “Secretary” means  
10 the Secretary of Agriculture, acting through the  
11 Farm Service Agency.

12 (b) PAYMENTS REQUIRED.—Using the funds, facili-  
13 ties, and authorities of the Commodity Credit Corporation,  
14 the Secretary shall make an emergency market loss pay-  
15 ment under this section to dairy producers on a farm in  
16 the 48 contiguous States, including producers on farms  
17 not covered by a Federal milk marketing order, whenever  
18 the national average price for Class III milk under Federal  
19 milk marketing orders for a calendar year quarter is less  
20 than a target price of \$11.50 per hundredweight for milk  
21 containing 3.5 percent butterfat.

22 (c) PAYMENT AMOUNTS.—

23 (1) BASIS FOR PAYMENT.—Subject to para-  
24 graph (2), payments under subsection (b) to dairy  
25 producers on a farm for a calendar year quarter

1 shall be based on the total quantity of milk mar-  
2 keted by the producers during that quarter and de-  
3 signed to ensure that the producers receive not less  
4 than the target price for that milk.

5 (2) PAYMENT AND VOLUME LIMITATIONS.—The  
6 Secretary may impose maximum payments per farm  
7 or volume limitations on the quantity of the pro-  
8 ducers' quarterly production on which payments will  
9 be made under this section.

10 (d) TIME FOR PAYMENTS.—Payments required  
11 under this section for a month shall be made not later  
12 than the 21st day after the end of a calendar year quarter  
13 for which payments are required.

14 (e) FARM RECONSTITUTION.—The Secretary shall  
15 carry out this section in such a manner that there are  
16 no additional outlays under this section as a result of the  
17 reconstitution of a farm that the Secretary determines oc-  
18 curred in whole or in part for the purpose of increasing  
19 the amounts received as payments under this section.

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