



FAMILY FARMING and DAIRY POLICY REFORM 2024 SPECIAL ORDER OF BUSINESS

Throughout 2023, milk prices paid to dairy farmers only covered about 50 percent of production costs to the farmer, leading to record Dairy Margin Coverage (DMC) payments. The dairy economy is now in severe crisis, with a record loss of dairy farms. Due to low dairy farm margins, the number of US dairy farms has decreased by more than 84 percent, or more than 131,000 farms, since 1992. As a result of widespread market concentration and consolidation, dairy farmers have little, if any, choice about where to ship their milk, further depressing milk prices paid.

To reduce dairy farm closures and improve the outlook for US dairy farmers, we call on Congress to:

- Establish a farmer-led incentive-based milk production growth plan to match milk supply with profitable market demand;
- Establish a price discovery formula at the producer level through a growth management program that incentivizes matching production with market demand;
- Re-evaluate the Federal Milk Marketing Order system in the United States and address the fear producers have to participate in the process, and the impact outside dollars and lawyers have in the current order system;
- Reform all Class formulas to reflect the value and volume of all dairy products sold in the market today as current milk pricing formulas fail to reflect the actual market value of dairy products, particularly higher moisture, and higher value cheese products;
- Establish a national make allowance that is adjustable to reflect the difference between milk prices and the producer's cost of production. This allowance should be generated from the market, not deducted from the established price through end-product pricing;
- Return to the "higher of" Class III or IV in the Class I pricing formula and update the Class I and Class II differentials;
- Pass legislation to restore the option of whole milk in school nutrition programs; and
- Require mandatory participation of processors in an audited National Agricultural Statistics Service (NASS) survey and in an audited cold storage report and use this data to report current price and cold storage capacity in real-time with producers.