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FarmFirst Dairy Cooperative Applauds Farm Bill Passage

Madison, Wis. [December 20, 2018] – FarmFirst Dairy Cooperative applauds the recent passage of the 2018 Farm Bill, having received its final approval with President Trump’s signature.

“For the first time since 1990, Congress has passed a new farm bill in the same year that the legislation was introduced,” says John Rettler, president of FarmFirst Dairy Cooperative. “Members of Congress heard our concerns for dairy farmers and they listened by including several of the reforms we sought. Passage of the 2018 Farm Bill provides a bit of certainty during these challenging times for dairy farmers.”

The new risk management program, known as the Dairy Margin Coverage (DMC) program, provides greater flexibility in coverage options for dairy farmers.

“In today’s economy, dairy farmers are incredibly vigilant in knowing where their costs and revenue potential. With greater flexibility and expanded options, dairy farmers are equipped with risk management tools that can be tailored to fit their operation as they choose for that year,” says Jeff Lyon, general manager of FarmFirst Dairy Cooperative. “Risk management options are not a one-size-fits-all, and this increased flexibility allows farmers to mix and match this new DMC program with other risk management tools.”

“In the old program, dairy farms producing five million pounds or less could only protect a margin between \$4 and \$8. Now, that protected margin can be \$9.50 at a cost of just \$0.15,” says Rettler. “Had this same level of protection been available at the start of the program, these farms would have seen a payment every month.”

“This new program also includes several incentives, including a 25% reduction in premiums for those that sign up for the same margin protection and percentage of milk covered for the next five years,” says Lyon. “Additionally, farmers who were signed up under MPP can get a credit for 75% of the premiums paid minus any compensation received and use that to pay premiums under the new program, or they can ask for 50% of the premiums paid minus compensation in cash now.”

The reforms made to the Farm Bill’s original risk management program include:

- Affordable higher coverage levels will permit all dairy producers to insure margins above \$8.00 on their Tier I (first five million pounds) production history.

- The bill will reduce the cost of \$5.00 margin coverage by roughly 88 percent. This aids larger producers and is critically important in times of catastrophically low milk prices.
- Greater flexibility to allow producers of all sizes to access Tier I premium rates.
- Expanded access to additional risk management tools, allowing producers to participate in both the DMC and the Livestock Gross Margin insurance program.

“The passage of the 2018 Farm Bill with these valuable reforms showcases the importance of grassroots input from dairy farmers across the U.S., including members of FarmFirst Dairy Cooperative across the Midwest,” says Lyon. “Now our efforts switch to working with our partners in Washington, D.C. to ensure the USDA implements the bill as intended.”

Implementing the new changes will take some time, however the new rates and coverage will be effective beginning January 1, 2019. Once producers sign up their coverage will be retroactive to the beginning of 2019, just as was the case when Congress enacted changes in the program earlier this year that were made retroactively effective for all of 2018.

“Getting to this point with the Farm Bill fully passed before the new year begins is no small feat, and we thank our congressional leaders who took the lead on getting these important measures passed including Senator Agriculture Committee Chairman Pat Roberts (R-KS), Ranking Member Debbie Stabenow (D-MI), House Agriculture Committee Chairman Mike Conaway (R-TX) and Ranking Member Collin Peterson (D-MN),” says Lyon. “Thank you for keeping the interests of our U.S. farmers and ranchers as a priority in getting the 2018 Farm Bill passed with these valuable reforms included.”

For more information, please visit www.FarmFirstDairyCooperative.com for a comparison chart, resources and several letters that were sent advocating for many of these changes now a part of the dairy title in the 2018 Farm Bill.

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FarmFirst Dairy Cooperative, established in 2013 and based in Madison, Wis., represents farmers in Wisconsin, Minnesota, South Dakota, Michigan, Iowa, Illinois and Indiana by providing legislative and regulatory advocacy, dairy marketing services, disaster protection, laboratory testing opportunities and industry promotion. FarmFirst Dairy Cooperative is a merger of three long-time prominent Wisconsin cooperatives.

View the Full Press Release online, [here](#). Access cooperative logos and photos, [here](#).