

Section-by-Section Summary of Dairy Advancement Act of 2011

Sec. 1 Title

Sec. 2 Repeal of Dairy Product Price Support Program

Repeals the Dairy Product Price Support Program

Sec. 3 Livestock Gross Margin Insurance for Dairy

Allows dairy producer to choose between receiving either MILC payments or a subsidy for LGM-Dairy, for the first 3 million pounds with a \$1.50 deductible. Producers could buy-up coverage at their own expense. Selection is for the life of the Farm Bill.

Sec. 4 Federal Milk Marketing Orders

Creates a 2-class system for milk, using component pricing, with a fluid class and a manufacturing class. Secretary must submit proposed amendment to Congress at least 6 months prior to deadline of September 30, 2014. Secretary must also carry out an economic assessment of the milk-feed ratio, and any proposed changes in the Federal Milk Marketing Orders.

Sec. 5 Dairy Processing Equipment Loan Guarantee Fund

Provides up to \$15 million per fiscal year to make and guarantee loans for dairy processors and cooperatives for equipment. Authorizes bank for cooperatives to use up to \$15 million per fiscal year to give lines of credit or accounts receivable financing to cooperatives to access export markets.

Sec. 6 Mandatory Reporting of Dairy Commodities

Defines reportable commodities. Defines dairy processor. Requires daily, weekly and monthly reporting of commodities by processors. Secretary must publish the report daily, weekly and monthly as applicable. Requires reporting of stored commodities and prices paid by processors. Exempts small facilities. Requires Secretary to audit reported information.