

# Partial victory seen in passage of Mandatory Price Reporting, DPAC continues quest for 'daily,' not weekly reporting

By SHERRY BUNTING  
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WASHINGTON, D.C.—The Mandatory Price Reporting Act of 2010 (H.R. 5852) passed the House on voice vote under suspended rules Wednesday morning, Sept. 15 one day after Congress returned for its brief September session before they again recess to campaign before the November elections.

The Dairy Policy Action Coalition (DPAC) spent the day before the bill's passage in Washington D.C., meeting with Congressional ag staffers and looking for last minute options to amend the language to "daily" instead of weekly reporting for dairy product prices and sales volumes.

But to no avail. The table had been set by the House Ag Committee and the Senate's companion bill (S. 3656) had already been passed in similar "suspended rules" fashion last month.

Under "suspended rules," a bill passes without opportunity for amendment, and individual votes are not recorded. This process is reserved for non-controversial bills that have bipartisan support.

Truly, this bill was non-controversial in the House and Senate from the standpoint that it reauthorizes mandatory daily reporting for the beef, pork and livestock. It is also non-controversial from the standpoint that it directs USDA to establish a mandatory electronic reporting system for dairy.

But dairy producers were expecting to see their product reporting to also be daily, mainly because the 2008 Farm Bill includes a section (1510), which authorizes the establishment of electronic reporting and "more frequent" reporting, along with quarterly auditing of the processor price and volume reports. The industry already has a weekly report in the NASS Survey, so the logical meaning of "more frequent," is viewed by dairy producers and industry observers to mean "daily."

Congress, however, added the mandatory reporting language for dairy products to the bill passed Wednesday, but kept the frequency requirement as "weekly" instead of "daily." According to the bill language, the new electronic dairy report will be released every Wednesday for the previous week's sales. The net gain in timeliness is two days, as the current NASS Survey process for dairy product price reporting is already done on a weekly basis, but is issued Friday of each week for the previous week's sales.

The Mandatory Reporting Act moved to the fast track in the voting process for a few reasons. First, the authority for the existing beef and pork reporting was due to expire September 30, 2010. Staff for various members of the House and Senate Ag Committees DPAC spoke with Tuesday explained there was a desire to keep the bill non-controversial to avoid delays, which would have left the beef and pork industries without their mandatory reporting requirement.

The weekly (versus daily) reporting requirement for dairy was deemed necessary to avoid controversy from the dairy processing side, which could have delayed the bill from passage by Sept. 30.

For DPAC, the action is viewed as a partial victory. But as producer members told Congressional ag staffers Tuesday: "It really feels like a loss because the effort to gain 'daily' reporting was viewed as a key to diluting the influence of the CME on producer milk prices and a way to ensure greater marketplace transparency for dairy producers."



(Above) Dennis Wolff (right) spent the day in Washington Tuesday along with four DPAC board members (from left) Paul Horning, Cliff Hawbaker, Nelson Troutman, and Dan Z. Stoltzfus (not pictured). (Below) Tuesday was also the NFU fly-in, and the DPAC team partnered with the New York contingent: Deb Windecker, Kim Nelson, Art Graves, and Bradd Vickers, pictured here during their appointment with Kathryn Tanner at N.Y. Senator Kirsten Gillibrand's office. During a DPAC appointment earlier in the day with staff members from the offices of Representatives Tim Holden (D-Pa.), Glenn Thompson (R-Pa.), Kathy Dahlkeper (D-Pa.), and John Boccieri (D-Ohio), Windecker, Nelson, and Graves attended to add their support for DPAC's message on daily reporting, and they brought with them Shorty Miller, a dairy producer from Texas. Former DPAC board member Sheryl Vanco of Warren County, Pa. also attended that meeting. The day began at the office of Sen. Bob Casey (D-Pa.). Photos by Sherry Bunting



While in D.C., the dairymen also learned that "daily" reporting was something the International Dairy Foods Association (IDFA) absolutely did not want.

As for National Milk Producers Federation (NMPF), they were more-or-less sidelined by the fact that they are working with IDFA on future Farm Bill dairy policy, so they were content to compromise and accept the weekly reporting language, instead of daily reporting.

DPAC was asked to be satisfied with that, but the Coalition will continue to press forward for other options on the Appropriations side of the House and Senate and to keep price discovery at the forefront of future dairy policy in the 2012 Farm Bill.

As DPAC visitors to the Capitol pointed out: "We already have weekly reporting with the NASS Survey. This bill simply moves the day of reporting from Friday to Wednesday, but the report will still be reflecting only the previous week's sales activity."

Another reason given for the compromise on weekly reporting was that the cost for daily would be more than weekly.

However, as DPAC producers explained, they had met with USDA officials in April to get a price tag for daily electronic reporting, along with the quarterly auditing as authorized in Section 1510 of the current Farm Bill. USDA officials pegged the cost at \$600,000 to retrofit the beef industry's "daily" reporting software for use in the dairy reporting, and another \$400,000 to educate the processors on how to use the software.

USDA officials in April also noted that another million would be required to separately implement the quarterly auditing portion of Section 1510 of the 2008 Farm Bill because

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the Farm Bill provision for quarterly auditing, which is another part of Section 1510, for which DPAC seeks implementation.

DPAC board members Cliff Hawbaker, Paul Horning, Nelson Troutman and Dan Stoltzfus accompanied government relations consultant Dennis Wolff to Tuesday's meetings with staff from Senator Bob Casey's office and the offices of Representatives Tim Holden (D-Pa.), Glenn Thompson (R-Pa.), Kathy Dahlkeper (D-Pa.), and John Boccieri (D-Ohio).

Dairy members of National Farmers Union (NFU)—Deb Windecker, Kim Nelson, and Art Graves, all from New York, Shorty Miller from Texas and Sheryl Vanco from Pennsylvania—joined the DPAC dairy producers for the frank discussion on "daily" reporting with Congressional ag staffers.

"We used to have a lot of buyers and a better market for milk, but we don't have that anymore," said Windecker. "That's why we need new price discovery. As dairy farmers, we cannot continue to have our price move according to the less than one percent of product traded on the CME."

As one Congressional staff member noted, the last Farm Bill provides tools for producers to manage their risk.

"But the biggest problem with that," replied Wolff, "is the dairy farmers do not have good price discovery to have confidence that those tools offer a fair price for their product. These dairy producers (DPAC) have not come to Congress asking for \$20 milk. They have spent the past nine months and three or four trips to Washington to bring out the simple point of taking a step already authorized by the current Farm Bill to improve market transparency and their opportunity to be fairly compensated. This market is certainly something that needs the sunlight on it. It is a complex system that seems to take advantage of dairy farmers."

One thing was clear from the visits, there is no question that DPAC's attention to this part of the 2008 Farm Bill is what pushed the Mandatory Reporting at least this far. Producers need to continue to build unity and action because getting done what's already in the previous Farm Bill has proven, itself, to be a battle.

auditing of the current NASS Survey reporting is done on an annual basis at this time.

Yet, the DPAC members heard Tuesday that a new number had been floating around the subject in Washington: \$3.5 million.

The measure passed by the House Wednesday and the Senate last month does not include

Since DPAC formed in November 2009, donations have come in from dairy producers and producer organizations in 13 states and agribusinesses and producer groups in five states.



DPAC is organized into action groups and is **operated by dairy producers for dairy producers**. Policy Action are the key words that make DPAC stand out from other farm organizations. DPAC is not a reactive organization. It is focused on being proactive. Visit [www.DPAC.net](http://www.DPAC.net) to learn more.

Contributions are payable to the **Dairy Policy Action Coalition**  
890 North Reading Road  
Ephrata, PA 17522  
800.422.8335

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