

Provisions of the bill s.1645 (Specter Casey Bill)

**Federal Milk Marketing Improvement Act of 2009**

- Links the base milk price paid to farmers to a national average cost of production using USDA ERS monthly calculations
- Federal Order Class I differentials remain in place along with pooling
- Federal Orders stay in place to administrate
- Eliminates Dairy Product Price Supports
- Eliminates tax payer funded MILC payments to farmers
- Eliminates Make allowances that are currently deducted from the milk price as a margin paid to manufacturers
- Addresses the importation of milk protein concentrates by including a threshold of balanced imports and exports before "supply management" function can be used
- Provides incentives for young farmers by exempting supply management function in their first year of operation (under 3 million pounds annual production)
- Uses two tiered pricing approach to supply management where up to 5% of each producer's milk production can be discounted up to 50% of the national average cost of production price with the remaining 95% still priced at national average cost of production.
- \*provide incentives for young farmers
- Discontinues cooperative "block voting" on USDA Federal Order Changes