



News Release

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NMPF Calls On USDA to Finally Implement Promotion Assessment on Dairy Imports Misinformation, Pressure from Foreign Interests Causing Unnecessary Delays

ARLINGTON, VA – The National Milk Producers Federation (NMPF) today called on the USDA to finally implement the long-delayed promotion checkoff on dairy imports, seven years after the measure was first passed into law.

The USDA issued a Proposed Rule in May, and invited public comment on the measure, which was first written into law in the 2002 Farm Bill, and was later affirmed in the 2008 Farm Bill. But a year after the most recent Farm Bill was approved, the import assessment is still languishing. Now, some have called for a farmer referendum on the entire promotion checkoff in order to justify the assessment on imports.

"The history of efforts to implement the assessment is filled with denial, disinformation, and delay," said Jerry Kozak, President and CEO of NMPF. "All we have ever wanted is to have importers of foreign products pay to help promote the U.S. dairy market from which they benefit, the same as our farmers do. But importers continue to grasp at every straw they can to further impede the process."

Kozak said that some comments submitted to USDA as part of its rulemaking process suggest that the department should hold a national farmer referendum before implementing the import assessment. These comments argue that the promotion program approved in previous referenda is not the same program as will exist once USDA implements the import assessment. Other comments also have expressed concern that state- and regionally-specific promotions, such as those administered by the Wisconsin Milk Marketing Board and the California Milk Advisory Board, may no longer be allowed if imports are assessed.

NMPF said such comments "are part of the continuing misinformation being spread to scuttle this initiative, and have no merit. There is no valid reason to conduct a lengthy and expensive referendum process that ultimately is paid for by our farmers," Kozak said. "Given the extensive history behind implementing this import assessment, any referendum would only serve to further delay implementation since any referendum will most certainly pass."

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He said the new producers who would vote in a referendum are the small number of farmers in Alaska, Hawaii, and Puerto Rico (the District of Columbia is also covered, but it has no farms) — areas “where relatively few producers produce a limited volume of milk. To conduct a referendum among the entire industry because roughly 20 additional producers will be assessed is a waste of farmers’ money. Producers in these areas have enjoyed the benefits of the promotion program and will now pay into it as producers do in the rest of the country,” Kozak said.

The same is true of importers, although unlike the domestic producers mentioned above, importers account for a very substantial and ever-increasing share of milk on the U.S. market.

Kozak said the contention that the national promotion program as approved in multiple past referenda “is somehow different than it will be once the Proposed Rule is implemented is simply not true. The difference is only that dairy products from *all* sources, U.S. and foreign, will now be assessed and promoted. Those producers who will now be assessed will also enjoy representation on the National Dairy Board and a say in decisions related to the program.”

He said that regional and state promotions, including those in Wisconsin and California, will continue to drive demand for dairy products, and the program will, in all substantive respects, continue to run as it has. Kozak pointed out that the USDA has stated that the dairy import assessment will be administered so as to continue to permit state and regional promotions.

“To the extent any confusion concerning this matter exists, USDA should review the language of the Proposed Rule prior to implementation to clearly state what USDA has already clarified — that state and regional promotions will continue to be allowed. In fact, the Proposed Rule clearly affirms the ability to direct assessments to qualified national, regional and state promotion programs.

Kozak said that state checkoff boards “are creations of state law. They will continue to exist and operate regardless of what happens with the national program. So nothing occurring with respect to the Proposed Rule prevents state checkoff boards, such as the California Milk Advisory Board or the Wisconsin Milk Marketing Board, from operating and conducting successful promotions as they have been doing all along,” he said.

The National Milk Producers Federation, based in Arlington, VA, develops and carries out policies that advance the well being of dairy producers and the cooperatives they own. The members of NMPF’s 31 cooperatives produce the majority of the U.S. milk supply, making NMPF the voice of more than 40,000 dairy producers on Capitol Hill and with government agencies. Visit www.nmpf.org for more information.