

**State Agriculture and Rural Leaders
Resolution 2010-3
Resolution in Support of the US Dairy Industry**

WHEREAS: the dairy industry is a keystone industry which not only supports rural communities and valuable open space, water recharge areas, and enhances other sectors of agriculture, provides open space for recreation, sportsmen and women, and tourism; and

WHEREAS: the dairy industry provides an economic impact of an estimated \$14,000 per cow per year, primarily in the local economy; and

WHEREAS: the lack of stable prices, concentration of processing capacity, outdated regulations and labor shortages are creating a crisis in the industry; and

WHEREAS: a significant loss of capacity would create a dependence on imported milk and other dairy products, would cause prices to increase to consumers and reducing our nation's food security; and

WHEREAS: the 2008 Farm Bill created a review process for federal milk marketing orders;

NOW THEREFORE BE IT RESOLVED: that State Agricultural and Rural Leaders urge Congress and the administration to acknowledge the importance of the dairy industry nationwide, as well as the unique aspects of the dairy industry region by region through:

- Fully supporting the recently appointed dairy commission and encourage a timely process and regional hearings on all aspects of the industry including, but not limited to supply management ; and
- Requiring Milk Protein Concentrates (powdered milk products), regardless of their country of origin, to meet and document the same quality, animal health, inspection and production standards as a U.S. product; and
- Setting regional prices to reflect accurately and realistically the cost of production by addressing changes to the Federal Milk Marketing Order that returns consideration of regional costs of production in the federal milk pricing formula as provided by the 1937 Agricultural Marketing Agreement Act section 608 as well as the actual consumer price of milk, acknowledging that this policy change would be at no cost to consumers and save taxpayers money on MILC payments; and
- Addressing the problems of labor shortages within the dairy industry by providing more opportunity for training and education, as well as a fair and sensible approach to imported labor; and
- Adopting legislation that creates a uniform definition of the ownership of milk as it leaves the farm; and
- Ensuring that all dairy producers receive, with reasonable advance notice, the information related to any referendum on the Federal Milk Marketing Orders and have the opportunity to cast individual ballots on such referendum; and
- Permitting producer/processors to temporarily utilize off-farm milk at their existing level of supply in the event of an emergency interruption of the on-farm supply; and

BE IT FURTHER RESOLVED, that State Agricultural and Rural Leaders urge the Department of Justice and the Commodity Futures Trading Commission to pursue renewed inquiry into the concentration in the milk processing sectors of the dairy industry and to determine whether anti-competitive conduct is working to the detriment of producers and consumers, and

BE IT FURTHER RESOLVED, that State Agricultural and Rural Leaders urge the Attorneys General of the respective states to review the concentration in the dairy industry within their state borders for possible antitrust action and provide such information to the U.S. Department of Justice.