

106TH CONGRESS
2D SESSION

H. R. 5649

To require the Secretary of Agriculture to make emergency market loss payments to dairy producers for any month in which the national average price for Class III milk under Federal milk marketing orders is less than a target price of \$11.50 per hundredweight.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 8, 2000

Mr. OBEY (for himself, Mr. KIND, and Ms. BALDWIN) introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To require the Secretary of Agriculture to make emergency market loss payments to dairy producers for any month in which the national average price for Class III milk under Federal milk marketing orders is less than a target price of \$11.50 per hundredweight.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. EMERGENCY MARKET LOSS PAYMENTS TO**
4 **DAIRY PRODUCERS IN RESPONSE TO LOW**
5 **CLASS III MILK PRICES.**

6 (a) DEFINITIONS.—In this section:

1 (1) FEDERAL MILK MARKETING ORDER.—The
2 term “Federal milk marketing order” means a milk
3 marketing order issued under section 8c of the Agri-
4 cultural Adjustment Act (7 U.S.C. 608c), reenacted
5 with amendments by the Agricultural Marketing
6 Agreement Act of 1937.

7 (2) CLASS III MILK.—The term “Class III
8 milk” means milk classified as Class III milk under
9 a Federal milk marketing order.

10 (3) SECRETARY.—The term “Secretary” means
11 the Secretary of Agriculture, acting through the
12 Farm Service Agency.

13 (b) PAYMENTS REQUIRED.—Using the funds, facili-
14 ties, and authorities of the Commodity Credit Corporation,
15 the Secretary shall make an emergency market loss pay-
16 ment under this section to dairy producers on a farm in
17 the 48 contiguous States whenever the national average
18 price for Class III milk under Federal milk marketing or-
19 ders for a month is less than a target price of \$11.50 per
20 hundredweight for milk containing 3.5 percent butterfat.

21 (c) PAYMENT AMOUNTS.—

22 (1) BASIS FOR PAYMENT.—The amount of the
23 payment made under subsection (b) to dairy pro-
24 ducers on a farm covered by a Federal milk mar-
25 keting order region for a month shall be based on

1 the Class III milk utilization rates within the order.
2 In the case of payments to dairy producers on a
3 farm outside of the Federal milk marketing order
4 system, the Secretary shall determine the utilization
5 rate for milk used for cheese production for the
6 State in which the farm is located. Payments shall
7 make up the difference between the average Class
8 III price for the month and the target price specified
9 in subsection (b).

10 (2) PAYMENT LIMITATION.—Notwithstanding
11 paragraph (1), producers on a farm may not receive
12 payments under this section for more than 216,666
13 pounds of milk produced on that farm during a
14 month.

15 (d) TIME FOR PAYMENTS.—Payments required
16 under this section for a month shall be made not later
17 than the 21st day after the end of the month.

18 (e) FARM RECONSTITUTION.—The Secretary shall
19 carry out this section in such a manner that there are
20 no additional outlays under this section as a result of the
21 reconstitution of a farm that the Secretary determines oc-
22 curred in whole or in part for the purpose of increasing
23 the amounts received as payments under this section.

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