

113TH CONGRESS  
1ST SESSION

# S. 670

To improve Federal dairy programs.

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IN THE SENATE OF THE UNITED STATES

APRIL 9, 2013

Mrs. GILLIBRAND (for herself and Ms. COLLINS) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

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## A BILL

To improve Federal dairy programs.

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. SHORT TITLE.**

4 This Act may be cited as the “Dairy Pricing Reform  
5 Act of 2013”.

6 **SEC. 2. DEFINITION OF SECRETARY.**

7 In this Act, the term “Secretary” means the Sec-  
8 retary of Agriculture.

1 **SEC. 3. FEDERAL MILK MARKETING ORDER PROGRAM PRE-**  
2 **HEARING PROCEDURE FOR CLASS III PRIC-**  
3 **ING.**

4 (a) IN GENERAL.—The Secretary shall use the pre-  
5 hearing procedure described in this section to determine  
6 to conduct a hearing to consider alternative formulas for  
7 Class III milk product pricing under section 8c of the Ag-  
8 ricultural Adjustment Act (7 U.S.C. 608c), reenacted with  
9 amendments by the Agricultural Marketing Agreement  
10 Act of 1937.

11 (b) REQUESTS FOR PROPOSALS.—

12 (1) IN GENERAL.—Not later than 60 days after  
13 the date of enactment of this Act, the Secretary  
14 shall issue a request for the submission by interested  
15 persons of preliminary proposals for replacement of  
16 the Class III milk product pricing formula.

17 (2) PRELIMINARY PROPOSALS.—Preliminary  
18 proposals submitted under paragraph (1)—

19 (A) may include competitive pay price for-  
20 mulas; and

21 (B) shall provide sufficient detail in con-  
22 cept to serve as the basis for the convening by  
23 the Secretary of a public information session  
24 for review and discussion in accordance with  
25 section 900.24 of title 7, Code of Federal Regu-  
26 lations (as in effect on the date of enactment of

1           this Act), but need not conform with the other  
2           procedural requirements of part 900 of title 7,  
3           Code of Federal Regulations (as in effect on the  
4           date of enactment of this Act).

5           (c) PRE-HEARING INFORMATION SESSION RE-  
6 VIEW.—

7           (1) IN GENERAL.—Not later than 180 days  
8           after the date of enactment of this Act, the Sec-  
9           retary shall convene a public information session  
10          under section 900.24 of title 7, Code of Federal  
11          Regulations (as in effect on the date of enactment  
12          of this Act).

13          (2) REQUIREMENTS.—The Secretary shall re-  
14          view all preliminary proposals submitted under this  
15          section that are of sufficient conceptual detail to  
16          allow for the review described in paragraph (1).

17          (d) HEARING DETERMINATION.—

18          (1) IN GENERAL.—Not later than 90 days after  
19          the conduct of the public information session under  
20          subsection (c), the Secretary shall determine whether  
21          to conduct a formal hearing in accordance with part  
22          900 of title 7, Code of Federal Regulations (as in ef-  
23          fect on the date of enactment of this Act).

24          (2) HEARING TO BE CONDUCTED.—If the Sec-  
25          retary determines under paragraph (1) to conduct a

1 formal hearing, the Secretary shall issue notice and  
2 conduct the hearing in accordance with part 900 of  
3 title 7, Code of Federal Regulations (as in effect on  
4 the date of enactment of this Act).

5 (3) HEARING NOT TO BE CONDUCTED.—If the  
6 Secretary determines under paragraph (1) not to  
7 conduct a formal hearing, not later than 90 days  
8 after that determination, the Secretary shall submit  
9 to the Committee on Agriculture of the House of  
10 Representatives and the Committee on Agriculture,  
11 Nutrition and Forestry of the Senate a written re-  
12 port that explains the basis for the decision.

13 (e) PROCEEDING WITH A HEARING AT ANY TIME.—  
14 Consistent with the purposes of this section, the Secretary  
15 may dispense with the pre-hearing requirements of this  
16 section and initiate at any time a formal hearing under  
17 part 900 of title 7, Code of Federal Regulations (as in  
18 effect on the date of enactment of this Act).

19 **SEC. 4. FEDERAL MILK MARKETING ORDERS.**

20 Not later than 180 days after the date of enactment  
21 of this Act, the Secretary shall conduct hearings—

22 (1) to analyze the implications of transitioning  
23 from a 4-class system for milk products to a 2-class  
24 system;

1           (2) to explore methods to improve signals for  
2 price discovery in the short- and long-term to allow  
3 dairy producers to better use risk management tools;  
4 and

5           (3) to assess whether a 2-class competitive pay  
6 pricing system for milk products would be more or  
7 less transparent than the system in effect as of the  
8 day before the date of enactment of this Act.

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