

114TH CONGRESS
2D SESSION

H. R. 4896

To amend the Agricultural Act of 2014 to require the Secretary of Agriculture to use data from each State to calculate average feed cost and actual dairy production margins, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 11, 2016

Mr. GIBSON (for himself, Mr. COURTNEY, and Mr. WELCH) introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend the Agricultural Act of 2014 to require the Secretary of Agriculture to use data from each State to calculate average feed cost and actual dairy production margins, and for other purposes.

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 Margin Insur-
5 ance Location Calculation Act of 2016” or the “Dairy
6 MILC Act of 2016”.

7 **SEC. 2. FINDINGS.**

8 Congress finds the following:

1 (1) Section 1403 of the Agricultural Act of
2 2014 (7 U.S.C. 9053) established the margin protec-
3 tion program to protect dairy producers from harm-
4 fully low actual dairy production margins and ensure
5 sustainable dairy production in every region of the
6 United States.

7 (2) However, the margin protection program
8 omits factors such as energy, transportation, and
9 labor prices in calculating average feed cost.

10 (3) Such omitted factors contribute to variation
11 in the feed prices paid by dairy producers.

12 (4) Section 1402 of the Agricultural Act of
13 2014 (7 U.S.C. 9052) uses the average national feed
14 cost to calculate the actual dairy production margin
15 used by the margin protection program.

16 (5) A recent analysis by Farm Credit East
17 showed that the average price of feed paid by pro-
18 ducers in the Northeast could be 20 percent higher
19 than the average national feed cost.

20 (6) Data from each State on average feed
21 prices, average energy prices, average transportation
22 prices, and average labor prices are therefore nec-
23 essary to accurately calculate average feed cost.

24 (7) The Secretary of Agriculture should use
25 data from each State on the feed prices paid by

1 dairy producers to calculate the actual dairy produc-
2 tion margin to better protect dairy farmers from
3 harmfully low actual dairy production margins.

4 **SEC. 3. CALCULATION OF AVERAGE FEED COST.**

5 (a) IN GENERAL.—Section 1402(a) of the Agricul-
6 tural Act of 2014 (7 U.S.C. 9052(a)) is amended to read
7 as follows:

8 “(a) CALCULATION OF AVERAGE FEED COST.—

9 “(1) IN GENERAL.—The Secretary shall cal-
10 culate the average feed cost using, from each of the
11 50 States and each territory or possession of the
12 United States specified in section 1401(11), the fol-
13 lowing data:

14 “(A) The price of corn for a month.

15 “(B) The price of soybean meal for a
16 month.

17 “(C) The price of alfalfa hay for a month.

18 “(2) FURTHER CONSIDERATIONS.—For the
19 purpose of calculating the average feed cost under
20 paragraph (1), the Secretary shall also take into
21 consideration energy costs, transportation costs, and
22 labor costs.”.

23 (b) EFFECTIVE DATE.—The amendment made by
24 this section shall take effect on the first day of the first
25 consecutive 2-month period (as defined in section 1401 of

- 1 the Agricultural Act of 2014 (7 U.S.C. 9051)) that begins
- 2 after 180 days after the date of the enactment of this Act.

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