

# **Dairy Advisory Committee Meeting**

**April 13-15, 2010**

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**Paul Bourbeau**

**St. Albans, Vermont**



# What is in the best interest of the United States?

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- ❑ **Supply of nutrient packed milk**
- ❑ **Bio-Security**
  - **production in all regions of U.S.**
- ❑ **Economic**
  - **9 cows equals 1 job**
- ❑ **Regionalization**
- ❑ **Risk Management**
  - **Good for consumer & farmer**

# Why are we here?

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- **Volatility/unpredictability/uncertainty/  
administration's policy/lack of margin**
- **System requires changes**
  - **Short term**
  - **Long term**
- **To make immediate recommendations**
  - **Need short term actions to keep long term  
discussion necessary**

# **What tools/authority does USDA currently have that we can utilize?**

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- Dairy Export Incentive Program**
- Dairy Product Price Support Program**
  - Block Cheese**
- Dairy Promotion**
  - Nutritional value**
- Floor or decouple Class I mover**
- Mandate audits on dairy product price reporting**
- Humanitarian Aid/Food Banks**

# What actions is the industry taking?

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- **Cooperatives Working Together (CWT)**
- **Consensus building**
- **Independent study underway**
  - **Dairy Growth Management Initiative**
  - **Dairy Price Stabilization Program**
  - **Mandatory CWT**
  - **Marginal Milk Pricing**
  - **Dairy Producer Income Protection Plan**

# Additional steps needed

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- **Preparations for next Farm Bill**
- **Price discovery**
  - **Competitive pricing**
- **Analysis of higher milk solids standards**
- **Review of farm to retail price spreads**
- **Increased USDA involvement in growth management discussion**



# **Thank You**

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# **Questions?**



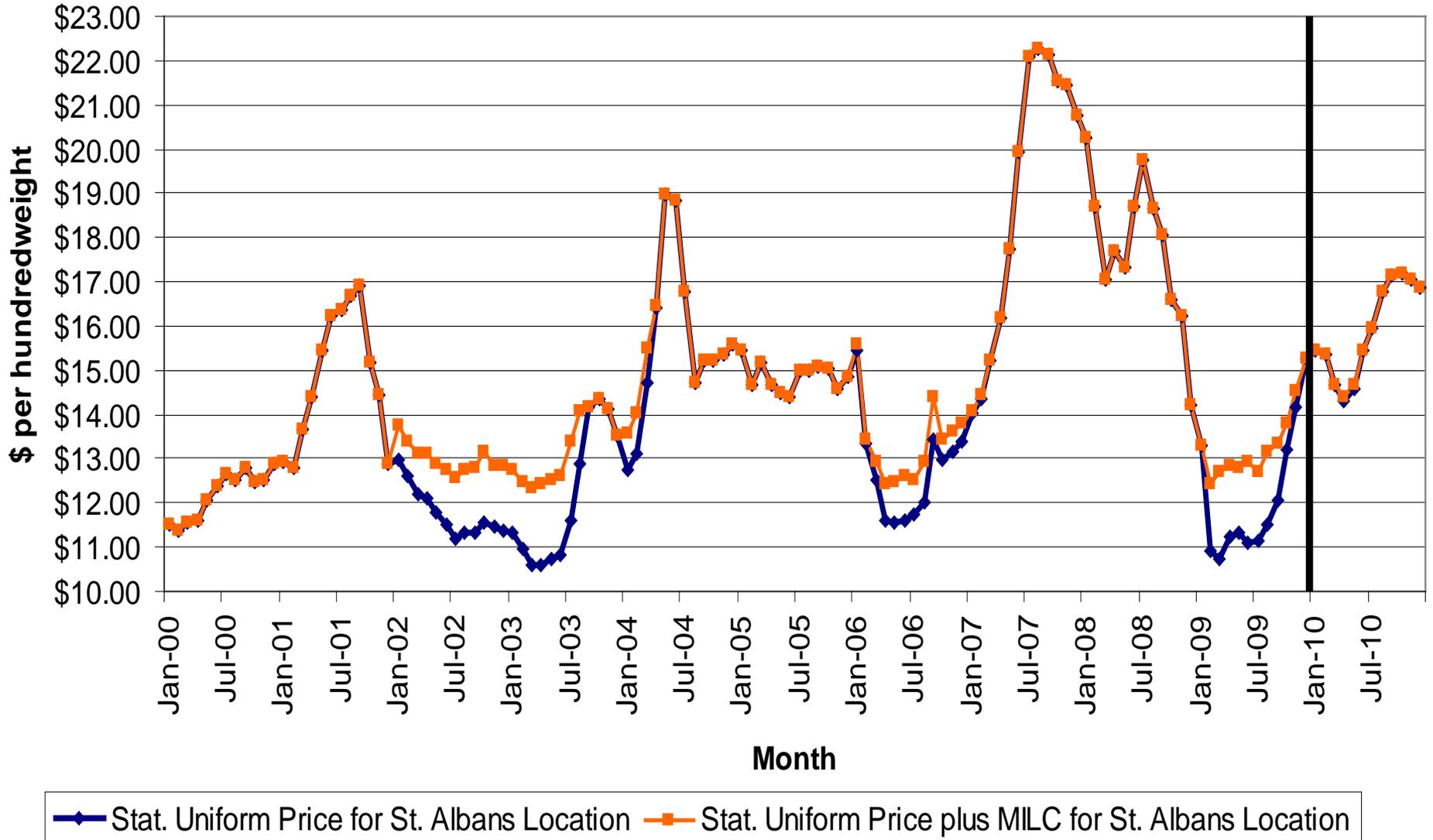


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- Additional slides for your review

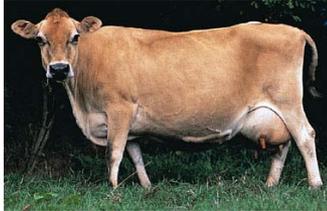
# Statistical Uniform Price for the St. Albans Location plus MLC

January 2000-December 2010

Forecasted Prices January 2010-December 2010



# Got Cows/Farms – Got Jobs



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**They say that every 9 cows equates to 1 job!**

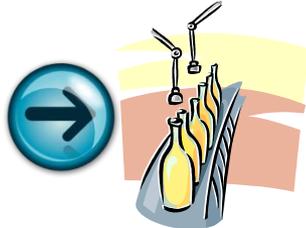
# Our Priorities

- **Ensure Margins**



- **Minimize Price Volatility**

- **Improve Equitability**



**\* Must be done before the 2012 Farm Bill**

# Points of Agreement



- **Market oriented-domestically & internationally**
- **Responsive to market conditions**
- **100 percent participation**
- **Consider impact of imports/exports**
- **National in scope with regional options**
- **Limited government involvement**

## • **Other Key Issues:**

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- **Free Trade Agreements**
- **Immigration Reform: Ag Jobs**
- **Renewable energy legislation**
- **Environmental legislation: Climate Change Bill**
- **Truck weights on interstate highways**
- **FY2011 USDA Budget**