

105TH CONGRESS
1ST SESSION

H. R. 1190

To require the Secretary of Agriculture to consider the feasibility of basing the basic formula price for milk under Federal milk marketing orders on the costs of production for dairy farmers and the benefits to farmers and consumers of such a pricing approach.

IN THE HOUSE OF REPRESENTATIVES

MARCH 20, 1997

Mr. OBEY introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To require the Secretary of Agriculture to consider the feasibility of basing the basic formula price for milk under Federal milk marketing orders on the costs of production for dairy farmers and the benefits to farmers and consumers of such a pricing approach.

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. USE OF COSTS OF PRODUCTION IN CALCULA-**
4 **TION OF BASIC FORMULA PRICE FOR MILK.**

5 (a) CONSIDERATION.—As part of the review of meth-
6 ods used (or proposed to be used) to calculate the basic
7 formula price for milk under Federal milk marketing or-

1 ders, which is being undertaken as part of the consolida-
2 tion and reform of such orders under section 143 of the
3 Agricultural Market Transition Act (7 U.S.C. 7253), the
4 Secretary of Agriculture shall consider—

5 (1) the feasibility of basing the basic formula
6 price on the costs incurred by dairy farmers to
7 produce milk; and

8 (2) the benefits to farmers and consumers of
9 such a pricing approach.

10 (b) DEFINITION.—In this section, the term “Federal
11 milk marketing orders” means the milk marketing orders
12 issued under section 8c of the Agricultural Adjustment
13 Act (7 U.S.C. 608c), reenacted with amendments by the
14 Agricultural Marketing Agreement Act of 1937.

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