

107TH CONGRESS
1ST SESSION

S. 294

To amend the Agricultural Market Transition Act to establish a program to provide dairy farmers a price safety net for small- and medium-sized dairy producers.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 8, 2001

Mr. SANTORUM (for himself and Mr. KOHL) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To amend the Agricultural Market Transition Act to establish a program to provide dairy farmers a price safety net for small- and medium-sized dairy producers.

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 “National Dairy Farm-
5 ers Fairness Act of 2001”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that—

8 (1) dairy farm families of the United States are
9 enduring an unprecedented financial crisis;

1 (2) the price of raw milk sent to the market by
2 the dairy farm families has fallen to the levels re-
3 ceived in 1978; and

4 (3) the number of family-sized dairy operations
5 has decreased by almost 75 percent in the last 2
6 decades, with some States losing nearly 10 percent
7 of their dairy farmers in recent months.

8 **SEC. 3. DAIRY FARMERS PROGRAM.**

9 Chapter 1 of subtitle D of the Agricultural Market
10 Transition Act (7 U.S.C. 7251 et seq.) is amended by add-
11 ing at the end the following:

12 **“SEC. 153. DAIRY FARMERS PROGRAM.**

13 “(a) DEFINITIONS.—In this section:

14 “(1) APPLICABLE FISCAL YEAR.—The term ‘ap-
15 plicable fiscal year’ means each of fiscal years 2001
16 through 2008.

17 “(2) CLASS III MILK.—The term ‘Class III
18 milk’ means milk classified as Class III milk under
19 a Federal milk marketing order issued under section
20 8c of the Agricultural Adjustment Act (7 U.S.C.
21 608c), reenacted with amendments by the Agricul-
22 tural Marketing Agreement Act of 1937.

23 “(b) PAYMENTS.—For each applicable fiscal year, the
24 Secretary shall make a payment to producers on a farm

1 that, during the applicable fiscal year, produced milk for
 2 commercial sale, in the amount obtained by multiplying—

3 “(1) the payment rate for the applicable fiscal
 4 year determined under subsection (c); by

5 “(2) the payment quantity for the applicable
 6 fiscal year determined under subsection (d).

7 “(c) PAYMENT RATE.—

8 “(1) IN GENERAL.—Subject to paragraph (2),
 9 the payment rate for a payment made to producers
 10 on a farm for an applicable fiscal year under sub-
 11 section (b) shall be determined as follows:

“If the average price received by producers in the United States for Class III milk during the preceding fiscal year was (per hundredweight)—	The payment rate for a payment made to producers on a farm for the applicable fiscal year under subsection (b) shall be (per hundredweight)—
\$10.50 or less .....	.50
\$10.51 through \$11.00 .....	.42
\$11.01 through \$11.50 .....	.34
\$11.51 through \$12.00 .....	.26
\$12.01 through \$12.50 .....	.18.

12 “(2) INCREASED PAYMENT RATE.—If the pro-
 13 ducers on a farm produce during an applicable fiscal
 14 year a quantity of all milk that is not more than the
 15 quantity of all milk produced by the producers on
 16 the farm during the preceding fiscal year, the pay-
 17 ment rate for a payment to the producers on the
 18 farm for the applicable fiscal year under paragraph
 19 (1) shall be increased as follows:

“If the average price received by producers in the United States for Class III milk during the preceding fiscal year was (per hundredweight)—	The payment rate for a payment made to the producers on the farm for the applicable fiscal year under paragraph (1) shall be increased by (per hundredweight)—
\$10.50 or less .....	.30
\$10.51 through \$11.00 .....	.26
\$11.01 through \$11.50 .....	.22
\$11.51 through \$12.00 .....	.18
\$12.01 through \$12.50 .....	.14.

1 “(d) PAYMENT QUANTITY.—

2 “(1) IN GENERAL.—Subject to paragraph (2),
3 the quantity of all milk for which the producers on
4 a farm shall receive a payment for an applicable fis-
5 cal year under subsection (b) shall be equal to the
6 quantity of all milk produced by the producers on
7 the farm during the applicable fiscal year.

8 “(2) MAXIMUM QUANTITY.—The quantity of all
9 milk for which the producers on a farm shall receive
10 a payment for an applicable year under subsection
11 (b) shall not exceed 26,000 hundredweight of all
12 milk.

13 “(e) COMMODITY CREDIT CORPORATION.—The Sec-
14 retary shall carry out the program authorized by this sec-
15 tion through the Commodity Credit Corporation.”.

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