

115TH CONGRESS
2D SESSION

S. 2555

To amend the Agricultural Act of 2014 to establish the Dairy Farm Sustainability Price Loss Coverage Program, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 14, 2018

Mrs. GILLIBRAND introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To amend the Agricultural Act of 2014 to establish the Dairy Farm Sustainability Price Loss Coverage Program, 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 Farm Sustain-
5 ability Act of 2018”.

6 **SEC. 2. DAIRY FARM SUSTAINABILITY PRICE LOSS COV-**
7 **ERAGE PROGRAM.**

8 Part I of subtitle D of title I of the Agricultural Act
9 of 2014 is amended by inserting after section 1408 (7
10 U.S.C. 9058) the following:

1 **“SEC. 1408A. DAIRY FARM SUSTAINABILITY PRICE LOSS**
 2 **COVERAGE PROGRAM.**

3 “(a) DEFINITIONS.—In this section:

4 “(1) CONTRACTING DAIRY OPERATION.—The
 5 term ‘contracting dairy operation’ means a partici-
 6 pating dairy operation that enters into a contract
 7 under subsection (b)(1).

8 “(2) MINIMUM MILK PRICE.—The term ‘min-
 9 imum milk price’ means \$23.34 per hundredweight
 10 of milk, as adjusted by the Secretary for each half
 11 of each calendar year to reflect changes in the Con-
 12 sumer Price Index for All Urban Consumers pub-
 13 lished by the Bureau of Labor Statistics of the De-
 14 partment of Labor.

15 “(3) PAYMENT QUANTITY.—The term ‘payment
 16 quantity’ means the payment quantity established
 17 for a contracting dairy operation under subsection
 18 (c)(3).

19 “(b) CONTRACTS.—

20 “(1) IN GENERAL.—The Secretary shall offer to
 21 enter into a contract with a participating dairy oper-
 22 ation under which the participating dairy operation
 23 may receive payments under subsection (c).

24 “(2) SIGNUP.—The Secretary shall offer to
 25 enter into contracts under paragraph (1) during the
 26 period that a dairy operation may register to partici-

1 pate in the margin protection program established
2 under section 1404(b).

3 “(3) DURATION OF CONTRACTS.—

4 “(A) IN GENERAL.—Except as provided in
5 subparagraph (B), a contract entered into
6 under paragraph (1) shall cover milk marketed
7 by the contracting dairy operation during the
8 period beginning on the first day of the month
9 during which the contract is entered into and
10 ending on December 31, 2023.

11 “(B) VIOLATIONS.—If a contracting dairy
12 operation violates a contract entered into under
13 paragraph (1), the Secretary may—

14 “(i) terminate the contract and allow
15 the contracting dairy operation to retain
16 any payments received under the contract;
17 or

18 “(ii) allow the contract to remain in
19 effect and require the contracting dairy op-
20 eration to repay a portion of the payments
21 received under the contract, based on the
22 severity of the violation.

23 “(c) PAYMENTS.—

24 “(1) IN GENERAL.—The Secretary shall provide
25 to a contracting dairy operation a payment for a

1 month under this subsection and not under the mar-
 2 gin protection program if the amount of the pay-
 3 ment to the contracting dairy operation for that
 4 month under this section is greater than the amount
 5 that the contracting dairy operation would receive
 6 under the margin protection program.

7 “(2) AMOUNT.—The amount of a payment to a
 8 contracting dairy operation under this subsection
 9 shall be equal to the product obtained by multi-
 10 plying, as determined by the Secretary—

11 “(A) the payment quantity during the ap-
 12 plicable month;

13 “(B) the difference obtained by sub-
 14 tracting—

15 “(i) the minimum milk price; and

16 “(ii) the ‘All Milk’ price per hundred-
 17 weight under the applicable Federal milk
 18 marketing order; and

19 “(C) 45 percent.

20 “(3) PAYMENT QUANTITY.—

21 “(A) IN GENERAL.—Subject to subpara-
 22 graph (B), the payment quantity for a con-
 23 tracting dairy operation for a month shall be
 24 equal to the hundredweight of milk marketed by

1 the contracting dairy operation during the
2 month.

3 “(B) LIMITATION.—The payment quantity
4 described in subparagraph (A) for any month
5 for a contracting dairy operation shall not ex-
6 ceed 4,166 hundredweight of milk.

7 “(4) TIMING OF PAYMENTS.—The Secretary
8 shall make a payment to a contracting dairy oper-
9 ation under this subsection not later than 60 days
10 after the last day of the month for which the pay-
11 ment is made.”.

12 **SEC. 3. EXTENSION OF MARGIN PROTECTION PROGRAM**
13 **FOR DAIRY PRODUCERS.**

14 Section 1409 of the Agricultural Act of 2014 (7
15 U.S.C. 9059) is amended by striking “2018” and insert-
16 ing “2023”.

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