

SENATE CONCURRENT RESOLUTION 50

At the request of Mr. HUTCHINSON, the names of the Senator from Alabama [Mr. SHELBY] and the Senator from Washington [Mr. GORTON] were added as cosponsors of Senate Concurrent Resolution 50, a concurrent resolution condemning in the strongest possible terms the bombing in Jerusalem on September 4, 1997.

SENATE CONCURRENT RESOLUTION 51

At the request of Mr. HELMS, the names of the Senator from Arkansas [Mr. HUTCHINSON] and the Senator from Indiana [Mr. LUGAR] were added as cosponsors of Senate Concurrent Resolution 51, a concurrent resolution expressing the sense of Congress regarding elections for the legislature of the Hong Kong Special Administrative Region.

SENATE RESOLUTION 96

At the request of Mr. CRAIG, the names of the Senator from Montana [Mr. BAUCUS], the Senator from Georgia [Mr. COVERDELL], the Senator from Connecticut [Mr. DODD], the Senator from Kentucky [Mr. FORD], the Senator from Iowa [Mr. GRASSLEY], the Senator from North Carolina [Mr. HELMS], the Senator from Vermont [Mr. JEFFORDS], the Senator from Idaho [Mr. KEMPTHORNE], the Senator from Louisiana [Ms. LANDRIEU], the Senator from Florida [Mr. MACK], the Senator from Illinois [Ms. MOSELEY-BRAUN], the Senator from Colorado [Mr. CAMPBELL], the Senator from Ohio [Mr. DEWINE], the Senator from North Carolina [Mr. FAIRCLOTH], the Senator from Florida [Mr. GRAHAM], the Senator from Utah [Mr. HATCH], the Senator from South Dakota [Mr. JOHNSON], the Senator from Wisconsin [Mr. KOHL], the Senator from Mississippi [Mr. LOTT], the Senator from Kentucky [Mr. MCCONNELL], and the Senator from New Jersey [Mr. TORRICELLI] were added as cosponsors of Senate Resolution 96, a resolution proclaiming the week of March 15 through March 21, 1998, as "National Safe Place Week."

SENATE RESOLUTION 111

At the request of Mr. THURMOND, the names of the Senator from Nebraska [Mr. KERREY], the Senator from California [Mrs. FEINSTEIN], and the Senator from California [Mrs. BOXER] were added as cosponsors of Senate Resolution 111, a resolution designating the week beginning September 14, 1997, as "National Historically Black Colleges and Universities Week," and for other purposes.

AMENDMENT NO. 1078

At the request of Mr. DURBIN, the names of the Senator from North Dakota [Mr. DORGAN], the Senator from Louisiana [Ms. LANDRIEU], and the Senator from New Mexico [Mr. BINGAMAN] were added as cosponsors of amendment No. 1078 proposed to S. 1061, an original bill making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1998, and for other purposes.

AMENDMENT NO. 1085

At the request of Mr. DURBIN, the name of the Senator from North Dakota [Mr. DORGAN] was added as a cosponsor of amendment No. 1085 proposed to S. 1061, an original bill making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1998, and for other purposes.

AMENDMENT NO. 1086

At the request of Mr. DURBIN, the name of the Senator from North Dakota [Mr. DORGAN] was added as a cosponsor of amendment No. 1086 proposed to S. 1061, an original bill making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1998, and for other purposes.

AMENDMENT NO. 1095

At the request of Ms. LANDRIEU the names of the Senator from Michigan [Mr. LEVIN], the Senator from South Dakota [Mr. JOHNSON], the Senator from Ohio [Mr. DEWINE], and the Senator from West Virginia [Mr. ROCKEFELLER] were added as cosponsors of amendment No. 1095 proposed to S. 1061, an original bill making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1998, and for other purposes.

AMENDMENT NO. 1101

At the request of Mr. HARKIN the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of amendment No. 1101 proposed to S. 1061, an original bill making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1998, and for other purposes.

AMENDMENT NO. 1109

At the request of Mr. SPECTER the names of the Senator from Delaware [Mr. ROTH], and the Senator from New York [Mr. MOYNIHAN] were added as cosponsors of amendment No. 1109 proposed to S. 1061, an original bill making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1998, and for other purposes.

AMENDMENT NO. 1117

At the request of Mr. FORD the names of the Senator from Tennessee [Mr. THOMPSON] and the Senator from Tennessee [Mr. FRIST] were added as cosponsors of amendment No. 1117 proposed to S. 1061, an original bill making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1998, and for other purposes.

AMENDMENT NO. 1121

At the request of Mr. SPECTER the name of the Senator from New Mexico [Mr. DOMENICI] was added as a cosponsor of amendment No. 1121 proposed to

S. 1061, an original bill making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1998, and for other purposes.

AMENDMENT NO. 1122

At the request of Mr. GORTON the name of the Senator from Oregon [Mr. SMITH] was added as a cosponsor of amendment No. 1122 proposed to S. 1061, an original bill making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1998, and for other purposes.

SENATE RESOLUTION 119—
RELATIVE TO MILK PRODUCERS

Mr. FEINGOLD (for himself, Mr. SPECTER, Mr. MOYNIHAN, Mr. KOHL, Mr. BREAUX, Ms. LANDRIEU, Mr. D'AMATO, and Mr. WELLSTONE) SUBMITTED THE FOLLOWING RESOLUTION; WHICH WAS REFERRED TO THE COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY:

S. RES. 119

Whereas the basic formula price for milk established by the Secretary of Agriculture under Federal milk marketing orders fell to a 6-year low of \$10.70 in May 1997 following months of substantial price volatility and remained at similarly low levels throughout the summer of 1997;

Whereas the basic formula price for milk announced for each month since April 1997 has been below the cost of producing milk for milk producers in all regions of the United States, as calculated by the Department of Agriculture;

Whereas income losses to milk producers resulting from low milk prices have imposed economic hardship on milk producers in all regions of the United States;

Whereas lost income to milk producers may create economic losses to businesses and result in loss of jobs in rural communities;

Whereas milk producers, rural residents, and agribusinesses in rural areas have petitioned the Secretary of Agriculture to implement an emergency milk price floor to provide price relief to milk producers;

Whereas the Secretary of Agriculture has authority under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to establish minimum prices paid to milk producers covered by Federal milk marketing orders; and

Whereas the Secretary of Agriculture has authority under section 143 of the Agricultural Market Transition Act (7 U.S.C. 7253) to use informal rulemaking to reform Federal milk marketing orders: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Secretary of Agriculture should immediately use the authority of the Secretary under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to establish a temporary emergency minimum milk price that—

(1) is equitable to all producers nationwide; and

(2) provides price relief to economically distressed milk producers.

Mr. FEINGOLD. Mr. President, I rise to submit a resolution which I hope all of my colleagues will support. Milk is

produced in every State of this country and in recent months the dairy farmers who produce that milk have suffered from unusually low milk prices. I am pleased to be joined in offering this resolution by the Senator from Pennsylvania [Mr. SPECTER], my senior Senator from Wisconsin [Mr. KOHL], the Senator from New York [Mr. MOYNIHAN], and both Senators from Louisiana [Mr. BREAU and Ms. LANDRIEU] all of whom have worked hard over the past 10 months to find solutions to the problem of low milk prices.

The resolution we are introducing today expresses the sense of the Senate that the Secretary of Agriculture should use his administrative authority under the Agricultural Marketing Agreement Act of 1937 to set a temporary emergency price floor under milk prices.

Mr. President, as I am sure many Members are aware, milk prices have fallen in the past several months to levels far below the amount it costs many dairy farmers to produce that milk. In fact, the basic formula price for milk as calculated by USDA for every month since April has been below the cost of producing milk for all regions of the country—including the lowest cost milk producers in California. This situation might be bearable if dairy farmers had any assurance that prices might rebound—that the financial strain they are under would be alleviated—but many predictions about milk prices over the past 10 months have simply proven inaccurate.

Last fall, milk prices fell from \$14.13 per hundred pounds in October to \$11.61 in November. This dramatic decline in milk prices was nearly unprecedented. And while milk prices were strong prior to the milk price collapse last fall, the higher prices of mid-1996 reflected the extremely high cost of feed last year which left dairy farmers with little to show from those high milk prices. Feed is the single most important, and most expensive, input to milk production. It is frequently the case that the cost of the input—in this case, forage and feed grains such as corn—is reflected in the cost of the output—milk. So while some dairy producers may have found 1996 to be a good year, many more were struggling under high feed bills that still had to be paid long after the strong milk prices had evaporated.

Despite the milk price crash late last year, many dairy farmers had expressed optimism for 1997 as milk prices incrementally rose early this year, and were expected to continue to rise throughout the year. Many of my colleagues joined me and other dairy State Senators in asking the Secretary of Agriculture to take administrative steps to shore up milk prices, such as making advance purchases of cheese and other dairy products for the school lunch and breakfast programs and to export more dairy products under the Dairy Export Incentive Program. The Secretary took a number of steps in

that regard that may have facilitated the slight increase in milk prices and we thank him for his efforts.

Unfortunately, the milk price recovery was not sustained and in May, the basic formula price for milk hit a 6-year low of \$10.70 per hundredweight and remained at roughly that level throughout the summer. Even the mailbox milk prices—that is, the milk prices that farmers are actually paid including all premiums—were below the cost of production for many milk producing regions of the country this summer. These tight margins have squeezed even the most efficient operators and have placed a great deal of financial stress on small- to mid-size family dairy farms who are less able to absorb the price shocks.

While the recently announced basic formula price for August increased milk prices by about \$1.00 per hundredweight, few farmers believe this is enough for them to continue to pay their bills through the fall and many farmers are skeptical that prices will increase much beyond this level.

Mr. President, it has been a long summer for dairy farmers who have come to Washington today to demand our action and our support. They have brought with them thousands of petitions from farmers, rural residents, and agribusinesses seeking emergency price relief for milk producers. It is in response to those petitions, the hard work that has gone into gathering the signatures, and the months of exasperatingly low milk prices that we introduce this resolution today.

Mr. President, I urge my colleagues to support their dairy farmers by supporting this resolution.

This resolution simply expresses the sense of the Senate that the Secretary of Agriculture should use the substantial administrative authority and discretion the Congress has provided him under the Agricultural Marketing Agreement Act of 1937 to provide temporary emergency price relief to dairy farmers throughout the Nation. The resolution stipulates that such price relief will be provided in a manner that is equitable to farmers throughout the country. As many of my colleagues know, dairy policy has frequently been embroiled in regional battles over pricing. This resolution stipulates that all producers will receive the same price relief regardless of where they milk their cows.

Many Senators have already asked the Secretary to implement this type of emergency price floor. Earlier this year over 30 Senators from all regions of the country contacted the Secretary urging that he provide price relief for economically stressed dairy farmers. And those requests came even before prices hit bottom this summer. I urge those Senators to join me in sponsoring this resolution.

Agriculture Secretary Dan Glickman, however, has indicated that he needs more than just letters from Senators to provide this type of emergency

price relief. Rather, he indicated in a July 9 letter to the distinguished chairman and ranking member of the Senate Agriculture Committee [Mr. LUGAR and Mr. HARKIN] that he needs Congress to provide a more formal expression of support for temporary emergency price relief for dairy farmers. This resolution, when agreed to by the Senate, will provide the Secretary with the support he needs to provide milk price relief.

The resolution, while directing the Secretary to take action, provides him with flexibility in providing price relief. If milk prices do indeed recover this fall, a price floor may be unnecessary and the Secretary will be able to take that into account. However, analysts are unsure as to what milk prices will ultimately be this fall when they normally reach their peak. High levels of nonfat dry milk stocks may continue to depress prices through the end of the year.

Some might ask why dairy farmers should be given this assistance. The answer, Mr. President, is that a temporary emergency price floor is necessary because unlike other commodity producers, dairy farmers were singled out in the Federal Agricultural Improvement and Reform Act by having their only support mechanism—price supports—phased out. No other commodity program was terminated by the 1996 FAIR Act. Dairy farmers were not provided with the "Freedom to Farm" payments that have been provided to wheat and feed grain producers each year regardless of crop prices. These payments, also known as transition payments, were provided to crop producers in order to help them transition to a market without Government intervention. However, no transitional income assistance has been provided for milk producers even though their commodity program has been, in effect, eliminated.

Similarly, while wheat and feed grain producers, as well as producers of many other commodities, have federally subsidized crop insurance available to help them manage their production risk, and in some cases, their price risk as well, there is no USDA insurance program for milk production.

While producers of other commodities may be able to hedge their price and production risk using high volume futures and options markets that have operated in those commodities for decades, dairy farmers have no such markets to rely on. While futures and options markets exist for dairy products, the trading volumes for most of these markets are so low that few farmers are able to use them.

For whatever reason, Mr. President, dairy farmers were not provided the tools to weather a transition to a more market oriented agricultural sector.

Mr. President, I am not a strong advocate of Government intervention in dairy markets. I have seen the types of division and inequity that Federal involvement in dairy policy and milk

prices can create in the dairy industry. So, I do not introduce this resolution lightly. But if there was ever a time for the Federal Government to step in to help dairy farmers, it is now. During the month of August, I traveled throughout Wisconsin conducting the listening sessions which I hold in each county, each year. And in the 15 years I have represented Wisconsin farmers, I have never seen a greater sense of despair among farmers and other rural residents.

Mr. President, there is a sense in the countryside that Washington, DC, has turned a blind eye to the low milk prices of 1997. While that might be a misperception, as I know many of my colleagues have worked with me to find solutions to low milk prices, it is understandable that farmers feel this way. Farmers began asking for this type of price relief at the end of 1996 and 9 months later, nothing has come of that request. That must change.

Mr. President, we must act now to provide some very short-term relief that will help economically distressed dairy farmers through this milk price crisis. We can do that by passing the resolution we are introducing today. The long-term solutions to volatile milk prices and farm income are more nebulous and we must work to address them. But first, we must take some steps to lessen the immediate financial strain on farm families throughout the Nation.

I urge my colleagues to support this important resolution.

Mr. SPECTER. Mr. President, I rise today to join with my colleague from Wisconsin, Senator FEINGOLD, in submitting a sense of the Senate resolution calling for the Secretary of Agriculture to immediately establish a temporary emergency minimum milk price that is equitable to all producers nationwide, and that provides price relief to economically distressed milk producers. We are joined by Senators KOHL, MOYNIHAN, BREAUX, and LANDRIEU.

I have been working with my colleagues in the Senate over the past year in order to provide a more equitable price for our Nation's milk producers. Last year, dairy prices set an all-time high, with an average price of \$13.38 per hundredweight. The price reached its peak in September at \$15.37 per hundredweight, but the market experienced its largest drop in history during November, falling to \$11.61 per hundredweight, which represents a 26 percent decline. During this same period, the cost of the dairy production reached a record high due to a 30-50 percent increase in grain costs.

This record drop in prices has placed a tremendous strain on our Nation's dairy farmers, who have been forced to sell their milk for a price below the cost of production for much of the past year. In an attempt to provide some relief, and to ensure that thousands of small dairy producers were not forced out of business entirely, I joined with

19 of my Senate and House colleagues on November 22, 1996, in writing to Agriculture Secretary Glickman, urging him to take action to help raise dairy prices. Secretary Glickman responded on January 7, 1997, by announcing several short-term actions to stabilize milk prices. While these actions did have a small positive effect in increasing dairy prices, they did not provide adequate relief to our nation's dairy farmers.

In order to hear the problems that dairy farmers are facing first hand, I ask Secretary Glickman to accompany me to northeastern Pennsylvania, which he did on February 10. We met a crowd of approximately 750 angry farmers who complained about the precipitous drop in the price of milk.

During the course of my analysis of the pricing problem, I found that the price of milk depends on a number of factors, one of which is the price of cheese. For every 10 cents the price of cheese is raised, the price of milk would be raised by \$1 per hundredweight. I further learned that the price of cheese was determined by the National Cheese Exchange in Green Bay, WI. According to a report created by the University of Wisconsin, there was an issue as to whether the price of cheese established by the Green Bay exchange was accurate or not. The authors of the report used a term as tough as manipulation. Whether that is so or not, there was a real question as to whether that price was accurate. Therefore, 3 days after the hearing in northeastern Pennsylvania, I introduced a sense-of-the-Senate resolution with Senators SANTORUM, FEINGOLD, KOHL, JEFFORDS, LEAHY, WELLSTONE, SNOWE, COLLINS, and GRAMS. The resolution, which passed by a vote of 83-15, stated that the Secretary of Agriculture should consider acting immediately to replace the National Cheese Exchange as a factor to be considered in setting the basic formula price for dairy.

In my discussions with Secretary Glickman, I found he had the power to raise the price of milk unilaterally by establishing a different price of cheese. Therefore, on March 10, I wrote to Secretary Glickman and urged him to take immediate action to establish a price floor at \$13.50/cwt on a temporary, emergency, interim basis until he completed his action on delinking the National Cheese Exchange from the basic formula price.

This subject was aired during the course of a special hearing before the appropriations subcommittee on March 13. At that time, Secretary Glickman said that the Department of Agriculture had ascertained the identity of 118 people or entities who had cheese transactions that could establish a different price of cheese. He told me that the Department had written to the 118 and were having problems getting responses. I suggested it might be faster to telephone those people. Secretary Glickman provided my staff with the

list of people, and we telephoned them and found, after reaching approximately half of them, that the price of cheese was, in fact, \$.164 higher than was being reported on the Cheese Exchange. On March 19, I again wrote Secretary Glickman and informed him of the results of my staff's survey. This price difference translates to a \$.64 per hundredweight addition to the price of milk.

On April 17, I introduced two pieces of legislation to revise our laws so that they better reflect current conditions and provide a fair market for our Nation's dedicated and hard-working farmers. The legislation goes to two points. One is to amend the Agriculture Market Transition Act to require the Secretary to use the price of feed grains and other cash expenses in the dairy industry as factors that are used to determine the basic formula for the price of milk and other milk prices regulated by the Secretary. Simply stated, the Government should use what it costs for production to establish the price of milk, so that if farmers are caught with rising prices of feed and other rising costs of production, they can have those rising costs reflected in the cost of milk.

The second piece of legislation would require the Secretary of Agriculture to collect and disseminate statistically reliable information from milk manufacturing plants on prices received for bulk cheese and require the Secretary to report back to Congress within 150 days on the rate of voluntary compliance with the survey. This bill was successfully attached to the 1997 supplemental appropriations bill which was signed into law on June 12, 1997.

On Tuesday, May 6, 1997, the Department of Agriculture announced that they were replacing the National Cheese Exchange in Green Bay, WI, with a survey of cheddar cheese manufacturers in the United States in order to determine the price of cheese for use in setting the basic formula price. I am pleased to report that last Friday, the basic formula price jumped to \$12.07, an increase of \$1.21 over last month, as a result of increased cheese prices measured by this new cheese survey.

While we have made some progress in providing relief to farmers, there is much more that needs to be done. This sense-of-the-Senate resolution will ensure that farmers receive the necessary support they need to continue to produce milk. This resolution makes it clear that in emergency situations, the Secretary of Agriculture should set a temporary minimum price for dairy that is equitable to all producers nationwide and that provides price relief to economically distressed milk producers. I urge my colleagues to join with Senator FEINGOLD and me as we work together to revise the current dairy laws so that they better reflect current conditions and provide a fair market for our Nation's dedicated and hard-working farmers.