

\* \* \* Vermont Milk Commission \* \* \*

Sec. 3. VERMONT MILK COMMISSION; EQUITABLE DAIRY PRICING

(a) The General Assembly finds that:

- (1) The price that farmers from northeastern states, including Vermont, receive for milk is not set by supply and demand in the free market, but instead is set by the terms of a federal marketing order known as the Northeast Marketing Area Federal Order 1 (Milk Marketing Order).
- (2) The Milk Marketing Order does not reflect the actual cost to farmers of milk production.
- (3) The Milk Marketing Order is dependent on commodity prices and other market influences that lead to significant fluctuations in the price provided to farmers.
- (4) Because of the Milk Market Order, farmers lose money on milk production, and because of the volatility of the market, farmers cannot predictably plan for investment to decrease production costs.
- (5) The Vermont Milk Commission was established, in part, to ensure the continuing economic vitality of the dairy industry by stabilizing the price received by farmers for milk at a level allowing them an equitable rate of return.
- (6) The Secretary of Agriculture, Food and Markets should reconvene the Vermont Milk Commission to work with interested parties ~~including other states, to recommend to the U.S. Congress through the Vermont congressional delegation a replacement to the Milk Marketing Order that ensures farmers are provided with an equitable price for milk.~~ **to review the current status, expected trends and cost of production and goods for the dairy farming and processing industry. The Milk Commission will assess proposal for the 2018 Federal Farm by assembling interested parties from Vermont and other states to make recommendations to the US Congress through the Vermont delegation. The Milk Commission will review and assess marketing programs in the state that look at production methods including but not limited to organic, GMO free, grass based, sustainable agriculture based programs and determine the premium opportunities for Vermont Dairy farmers that utilize these practices and programs.**

(b) As soon as practical and no later than September 1, 2017, the Secretary of Agriculture, Food and Markets shall convene the Vermont Milk Commission under 6 V.S.A. chapter 162 to determine Farm Bill proposals that will benefit Vermont Dairy Farmers. ~~the propose changes to the federal Northeast Marketing Area Federal Order 1 that provide farmers in Vermont with an equitable price for milk that reflects better the actual cost of dairy production.~~ The Vermont Milk Commission ~~shall~~ may:

~~(1) Analyze the current status of the milk market to identify areas or issues that could be addressed in an amendment to the Milk Marketing Order.~~

(2) Collaborate with interested parties, including other Northeastern states, **to assess** and develop ~~a proposed amendment to or replacement of the current Milk Marketing Order for the northeast.~~ The ~~proposed amendment or replacement shall be designed to:~~ positions on proposal for the 2018 Federal Farm Bill. The proposal shall be designed to:

(A) provide farmers with ~~an equitable price for milk that is based on the costs of production~~ **adequate risk management protection**; and

(B) ~~eliminate or reduce provisions in the Milk Marketing Order that facilitate price volatility in the milk market~~ **Provide adequate funding for water quality infrastructure improvements.**

(3) Submit ~~a proposed amendment to or replacement of the Milk Marketing Order~~ these Federal Farm Bill proposals to the Senate Committee on Agriculture and the House Committee on Agriculture and Forestry on or before ~~January 15, 2018~~ **February 15, 2018.**

(4) ~~After review by the General Assembly, submit to the congressional delegation of Vermont the proposed amendment to or replacement of the Milk Marketing Order so that the U.S. Congress may amend the Milk Marketing Order.~~ **Milk Commission will submit information collected to provide a status of the dairy industry in Vermont on processing and premium market opportunities to the Senate Committee on Agriculture and the House Committee on Agriculture and Forestry on or before February 15, 2018.**

(c) Except for the two legislative members of the Commission, the per diem compensation and reimbursement to which a member of the Commission is entitled shall be paid from the budget of the Agency of Agriculture, Food and Markets.