



# Milk Producers Council

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## PRESS RELEASE

### **Goodlatte/Scott Amendment: Is This Really the “Free Market” Option? Or a Huge Government Giveaway to Processors?**

**CALIFORNIA** – Today, Milk Producers Council strongly urged the Members of the House Agriculture Committee to reject the “Goodlatte/Scott Amendment” aimed at gutting key provisions in 2012 Farm Bill.

The House Agriculture Committee is scheduled to begin their markup of the 2012 Farm Bill tomorrow morning at 10 a.m. Eastern Time. Specific to the U.S. dairy industry, there is a common feeling among many in Congress that while there is a need for a safety net for dairy farmers, there must be a mechanism established to actually correct the underlying milk supply imbalance that causes a compressed margin for dairy farmers in the first place.

**The Goodlatte/Scott amendment being promoted by the processors perpetuates the periods of unprofitable producer milk prices by offering a little help to producers in the form of government-subsidized margin insurance payments without the benefit of a tool to actually balance supply with demand, which would allow milk prices for producers to return to profitable levels. In essence the Goodlatte/Scott amendment, far from being the “free market amendment,” has the U.S. taxpayers provide under-priced milk to the processors for an extended period of time.**

**“The Goodlatte-Scott Amendment is a phenomenal deal for our nation’s dairy product processors,”** said Rob Vandenheuvel, MPC’s General Manager. **“Under the Amendment, processors would be able to pay prices that are below dairymen’s costs, and U.S. taxpayers will be forced to make up the difference through a government-subsidized direct payment plan. The Amendment includes no tool for restoring market balance in times of compressed producer margins, which is the only way to get taxpayers off the hook. What a deal!”**

**“For several years, Milk Producers Council has been working with producers around the country to develop the package of reforms that are included in the House Agriculture Committee’s draft bill – reforms that provide market-driven profitability,”** added Vandenheuvel. **“We strongly urge the Members of the Committee to reject the Goodlatte/Scott Amendment and its blatant attempt to replace this market-driven solution with a welfare-only approach.”**

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