

[Burlington Free Press](#)

Rep. Peter Welch has co-sponsored new legislation to reform federal dairy programs.

The bipartisan bill, introduced Friday by the House Agriculture Committee's top Democrat, Collin Peterson of Minnesota, focuses on protecting dairy farmers' profit margins rather than adjusting to changes in milk prices.

The bill is a modified version of a draft Peterson circulated in July. Welch, D-Vt., is among seven co-sponsors. The bill has no Senate version and its prospects in the House are unclear.

The bill proposes:

-- An insurance program that would provide a floor for producers' profit margins and would take into account the difference between milk prices and the cost of feed.

-- A voluntary "Dairy Market Stabilization Program" that would discourage dairy farmers from overproducing by reducing payments when the economy slows. Only dairy producers that elect to participate in the margin protection program would be automatically enrolled in the stabilization program. The program would take into account the status of export markets.

-- Directing the secretary of agriculture to change the pricing system for milk through a hearing process. The bill would require the secretary to conduct a referendum on the proposed changes before they could take effect.

The proposed programs would replace the Dairy Price Support Program, which allows the government to purchase dairy products and store them for future use, and the Milk Income Loss Contract (MILC) Program, which compensates dairy farmers when domestic milk prices drop below a certain level.

The bill would also end the Dairy Export Incentive Program, which allows exporters to sell certain dairy products at prices lower than their costs.