

Vote Record

Assembly Committee on Agriculture

Date: 1-28-97
 Moved by: Ward Seconded by: Gronemus
 AB: _____ Clearinghouse Rule: _____
 AB: _____ SB: _____ Appointment: _____
 AJR: 5 SJR: _____ Other: _____
 A: _____ SR: _____

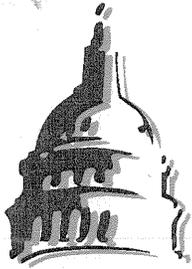
A/S Amdt: _____
 A/S Amdt: _____ to A/S Amdt: _____
 A/S Sub Amdt: _____
 A/S Amdt: _____ to A/S Sub Amdt: _____
 A/S Amdt: _____ to A/S Amdt: _____ to A/S Sub Amdt: _____

- Be recommended for:
- | | |
|--|--|
| <input type="checkbox"/> Passage | <input type="checkbox"/> Indefinite Postponement |
| <input type="checkbox"/> Introduction | <input type="checkbox"/> Tabling |
| <input checked="" type="checkbox"/> Adoption | <input type="checkbox"/> Concurrence |
| <input type="checkbox"/> Rejection | <input type="checkbox"/> Nonconcurrence |
| | <input type="checkbox"/> Confirmation |

<u>Committee Member</u>	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
Rep. Alvin Ott, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Tom Sykora	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. John Ainsworth	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Eugene Hahn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Clifford Otte	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. David Ward	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Robert Zukowski	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Rick Skindrud	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Barbara Gronemus	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Marty Reynolds	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Tom Springer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Robert Dueholm	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. John Steinbrink	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Joe Plouff	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Totals:	<u>14</u>	<u>0</u>	<u>0</u>	<u>0</u>

Motion Carried

Motion Failed



**ASSEMBLY
REPUBLICAN
CAUCUS**

MEMORANDUM

January 30, 1997

TO: Kim, Rep. Ott's Office

FROM: John Liethen, ARC

RE: USDA Press Release on De-linking NCE from BFP

Attached is the Press Release from Sec. Glickman. According to staff at USDA, Glickman was merely announcing the opening of public comment on whether the NCE price should be used in the BFP formula. This is not part of any rule making package which would de-link the NCE from the BFP. After a 60 day public comment period, there will be public hearings and finally, a decision by the USDA which will have to be approved by a dairy producer referendum. Most likely, all of this will not be settled until well after spring. Of course, any action on the use of the NCE price will only be interim as the USDA is supposed to reform or replace the BFP as mandated by the 1995 Farm Bill by 1999. It should be noted that if public comment is not in favor of the de-linkage or does not state a feasible alternative, the USDA may not have any alternative but to continue to use the NCE price.

In addition, a dairy economist for the USDA Secretary explained that while the NCE is not a perfect commodity market, it has reflected most market trends. He also pointed to the fact which most ignore in the DATCP/UW NCE study that if there is price manipulation, it is not constant nor does it happen on any given trading day. Price manipulation would only be reflective of behavior over a substantial amount of time.

If you need anything else, let me know. It just keeps getting better.

**RAY CAREY
DIRECTOR**

100 NORTH HAMILTON
ROOM 406 · P.O. BOX 8952
MADISON, WI 53708-8952

TEL: 608.266.1452
FAX: 608.264.6999

E-MAIL:
uswlsarc@lbmall.com

NEWS

UNITED STATES DEPARTMENT OF AGRICULTURE
Office of Communications News Room 460-A
Washington, DC 20250-1300
Internet: News @usda.gov Phone: 202-720-9035
World Wide Web Home Page: <http://www.usda.gov>

Release No. 0019.97

Jim Petterson (202) 720-4623
Connie Crunkleton (202) 720-8998

USDA SEEKS COMMENT ON USE OF NATIONAL CHEESE EXCHANGE DATA IN DETERMINATION OF MILK PRICES

WASHINGTON, Jan. 29, 1997--Agriculture Secretary Dan Glickman today announced he is taking steps to address concerns raised by dairy producers about how milk prices are calculated.

Glickman is seeking public comment on whether National Cheese Exchange (NCE) price data should be used in the determination of the Basic Formula Price (BFP) used in federal milk marketing orders. This action is in addition to the process currently underway in the Department to consolidate and reform federal milk marketing orders by April 1999, as mandated by the 1996 Farm Bill.

The BFP is determined by USDA each month based on a formula that uses the previous month's producer price paid by unregulated manufacturing plants in Minnesota and Wisconsin, adjusted for changes in dairy product prices between the previous and current month. The price of cheese on the NCE is used in this adjustment.

The BFP serves as the price that handlers must pay dairy farmers for milk used to manufacture Class III products (i.e., butter, nonfat dry milk powder, cheese) under the federal milk marketing order program. It also is used to arrive at the price that processors must pay dairy farmers for milk consumed as fluid milk and soft products usage of milk (i.e., yogurt, ice cream).

"Many dairy producers and producer organizations, as well as Senators Kohl and Feingold and Congressman Obey, have indicated their concern with using NCE prices to establish the BFP," Glickman said. "There are concerns that NCE prices may not be reflective of market conditions for cheese nationally, because only a very small share of total U.S. cheese is traded on the NCE, and NCE prices have been subject to abnormally high volatility."

"We must address these concerns now so that dairy producers have confidence that the prices they receive reflect market conditions," Glickman said. "We cannot wait until April 1999 to address this issue. Based on the comments we receive, we will determine whether we should proceed with a national hearing on replacing NCE prices in establishing the BFP."

In response to concerns about the accuracy of reported prices, this month, USDA's National Agricultural Statistics Service (NASS) will begin conducting a national survey of cheddar cheese prices. "We must have broad participation in the survey if it is to be useful to the dairy industry and to be considered as a possible substitute for NCE prices," Glickman said.

-more-

-2-

The Department will continue to review the BFP as part of Congress' mandate in the 1996 Farm Bill to reform and consolidate federal milk marketing orders. During the next several weeks, in preparation for meeting the April 1999 deadline, USDA will release several studies addressing options for milk order reform, including the role of the BFP and other longer-term pricing issues.

Interested parties wishing to comment on the use of NCE prices in the determination of the BFP may send their comments to: Dairy Division, AMS, USDA; ATTN: BFP Evaluation; Room 2968-S; PO Box 96456; Washington, DC 20090-6456. Comments should be postmarked not later than March 31, 1997.

#

NOTE: USDA news releases and media advisories are available on the Internet. Access the USDA Home Page on the World Wide Web at <http://www.usda.gov>

FOR IMMEDIATE RELEASE

State Representative Al Ott
(608) 266-5831
(414) 989-1240

January 17, 1997

OTT AUTHORS RESOLUTIONS ON NCE ACTIVITY FOR NEW SESSION

Madison...Resolutions introduced in the Wisconsin State Assembly relating to activity concerning the National Cheese Exchange (NCE) are receiving tremendous support according State Representative Al Ott (R-Forest Junction), Chairman of the Assembly Agriculture Committee. The State Assembly began its 1997-98 legislative session on January 14th.

"We're going to send a message to Washington that we want some changes made," said Ott, referring to the two resolutions he has introduced which will be forwarded to Washington officials and Wisconsin's congressional delegation upon their passage in the State Legislature.

Assembly Joint Resolution (AJR) 5 requests United States Department of Agriculture Secretary Daniel Glickman to cease using the market activities of the NCE in determining the basic formula price for manufacturing milk. Also, the bill requests that a broad-based formula that more accurately represents market conditions for milk be established. The NCE price that is currently used results from trading that represents less than 2% of all bulk cheddar cheese sold nationally. Thirty-five state representatives and 15 state senators have signed onto AJR 5 as co-authors.

"I'm extremely pleased at the number of legislators from all over Wisconsin who want their voices heard in Washington on the milk price issue," said Ott. "We want to make sure that Wisconsin farmers are treated fairly under federal dairy pricing programs."

Ott's second resolution, which has not yet been numbered, asks the Commodities Futures Trading Commission (CFTC) and the Federal Trade

(MORE)

Page 2

Commission (FTC) to reevaluate their regulatory authority over the NCE. The two bodies have previously said that they do not have regulatory authority over the Exchange, however, they now appear to be open to the possibility of federal oversight of this national price-setting mechanism.

Chairman:
Agriculture Committee



Member:
Environment & Utilities
Government Operations
Natural Resources
Rural Affairs

Al Ott

State Representative • 3rd Assembly District

To: All Legislators

From: Representative Al Ott

Date: December 13, 1996

Re: LRB 1437/2

I will be introducing a resolution requesting the United States Department of Agriculture to cease using the National Cheese Exchange price in determining the basic formula price for manufacturing milk. A copy of the resolution is attached for your information.

If you would like to co-sponsor LRB 1437/2, please contact my office at 6-5831 by Tuesday, January 7, 1996.

Gunderson
?

35 Reps
15 Sen

Ward	Lehman	Brake
Otte	Hansdorf	Brake
Olson	Munier	Clawing
Ginoweth	Quinn	Jacob
Groves	Nass	Decker
Ziegelbauer	Geetsch	Fitzgerald
Roxler	Kretsch	Buehner
Ludwig	Hahn	Orzewicki
Beck	Gottwald	Giesmidt
Dobyns	Grotzman	Placke
Brandmuhl	Hohel	Syber
Freese	Horschke	Brancel ?
Springer	Skindred	
Hutch	Huber	

33

To: All Legislators

From: Representative Al Ott

Date: December 13, 1996

Re: LRB 1437/2

I will be introducing a resolution requesting the United States Department of Agriculture to cease using the National Cheese Exchange price in determining the basic formula price for manufacturing milk. A copy of the resolution is attached for your information.

If you would like to co-sponsor LRB 1437/2, please contact my office at 6-5831 by Tuesday, January 7, 1996.

~~Sen. Rude~~

~~Jason lead~~

Call

SKindred
Sylkora 715-726-9397

~~Rep. Zukowski~~

~~Rep. Albers~~

~~Rep. Seratta~~

~~Sen. Welch~~

~~Rep. Ryan~~

~~Sen. Zien (wants to be lead Senate author)~~

~~Sen. Cowles~~

~~Sylkora~~

