



FAPRI's Analysis of the Dairy Provisions of the Senate  
Agriculture Committee's Substitute Amendment to S. 1731

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This analysis represents the final dairy language offered in the Senate Agriculture Committee substitute amendment to S. 1731.

Assumptions used for the analysis (Scenario F):

- 8,000,000 pound payment limit for the Northeast and DMLA programs.
- Eligible producer production based on the 1999-2001 period.
- CCC outlays capped at \$500 million for the Northeast program and \$1,500 million for the DMLA program
- Northeast payment rate on all milk set equal to  $(\$16.94 \text{ less the Boston Class I Price}) * \text{Class I utilization}$
- Payment rate for DMLA is 40% of the difference between 5-yr moving average U.S. all milk price and current U.S. all milk price

## FAPRI Analysis of the Dairy Amendment to S. 1731 (Scenario F)

	2002	2003	2004	2005	Total
<b>Milk Production</b>					
		(Million Pounds)			
Northeast	28,813	28,867	28,900	28,969	
Other U.S.	139,833	142,212	144,449	146,610	
<b>TOTAL</b>	<b>168,646</b>	<b>171,079</b>	<b>173,348</b>	<b>175,579</b>	
<b>Northeast Program</b>					
		(Dollars/cwt.)			
Class I Price, Boston	15.16	15.04	15.09	15.23	
CCC Payment on Class I Milk	1.78	1.90	1.85	1.71	
Payments Averaged Over All Milk Produced *	0.73	0.78	0.30	0.00	
		(Million Dollars)			
Total CCC Spending	201	215	83	0	500
<b>Dairy Market Loss Assistance (DMLA)</b>					
		(Dollars/cwt.)			
5-yr Moving Average Milk Price (1)	14.15	14.11	13.62	13.34	
Current Milk Price (2)	12.86	12.73	12.77	12.93	
Payment Rate, 0.4 * ((1) - (2))	0.52	0.55	0.34	0.03	
		(Million Dollars)			
Total CCC Spending *	541	574	356	28	1,500

\* - Payments made on 1999-2001 average milk production  
 First 8,000,000 pounds of producer milk eligible

## Change in Milk Revenue Under the Dairy Amendment (Scenario F)

	2002	2003	2004	2005	Ave 02-05
	(Dollars per cwt)				
Class III	-0.02	-0.04	-0.07	-0.06	-0.04
Class IV	-0.09	-0.15	-0.14	-0.09	-0.12
Alabama	0.39	0.38	0.18	-0.06	0.22
Alaska	0.40	0.39	0.19	-0.05	0.23
Arizona	0.14	0.11	0.02	-0.07	0.05
Arkansas	0.39	0.38	0.18	-0.06	0.22
California	0.19	0.17	0.06	-0.06	0.09
Colorado	0.27	0.25	0.10	-0.06	0.14
Connecticut	0.51	0.50	0.18	-0.07	0.28
Delaware	0.51	0.50	0.18	-0.07	0.28
Florida	0.18	0.14	0.04	-0.08	0.07
Georgia	0.35	0.33	0.15	-0.06	0.19
Hawaii	0.41	0.39	0.19	-0.05	0.24
Idaho	0.22	0.20	0.08	-0.06	0.11
Illinois	0.45	0.44	0.23	-0.05	0.27
Indiana	0.42	0.40	0.20	-0.06	0.24
Iowa	0.45	0.44	0.22	-0.05	0.26
Kansas	0.42	0.41	0.20	-0.05	0.24
Kentucky	0.42	0.40	0.20	-0.06	0.24
Louisiana	0.39	0.38	0.18	-0.06	0.22
Maine	0.50	0.49	0.17	-0.07	0.27
Maryland	0.52	0.51	0.18	-0.07	0.29
Massachusetts	0.50	0.49	0.17	-0.07	0.27
Michigan	0.39	0.37	0.18	-0.06	0.22
Minnesota	0.47	0.47	0.24	-0.04	0.28
Mississippi	0.39	0.38	0.18	-0.06	0.22
Missouri	0.43	0.41	0.20	-0.06	0.25
Montana	0.41	0.40	0.20	-0.05	0.24
Nebraska	0.42	0.41	0.20	-0.05	0.24
Nevada	0.41	0.40	0.20	-0.05	0.24
New Hampshire	0.52	0.52	0.18	-0.07	0.29
New Jersey	0.52	0.52	0.18	-0.07	0.29
New Mexico	0.13	0.10	0.01	-0.07	0.04
New York	0.50	0.50	0.17	-0.07	0.28
North Carolina	0.37	0.35	0.16	-0.06	0.20
North Dakota	0.44	0.44	0.23	-0.04	0.27
Ohio	0.43	0.42	0.21	-0.06	0.25
Oklahoma	0.38	0.36	0.18	-0.05	0.22
Oregon	0.34	0.32	0.15	-0.06	0.19
Pennsylvania	0.54	0.54	0.19	-0.07	0.30
Rhode Island	0.53	0.53	0.19	-0.07	0.30
South Carolina	0.38	0.36	0.17	-0.06	0.21
South Dakota	0.39	0.38	0.19	-0.05	0.23
Tennessee	0.42	0.41	0.20	-0.06	0.24
Texas	0.34	0.32	0.15	-0.06	0.19
Utah	0.37	0.36	0.17	-0.05	0.21
Vermont	0.51	0.50	0.18	-0.07	0.28
Virginia	0.43	0.42	0.21	-0.05	0.25
Washington	0.27	0.25	0.10	-0.06	0.14
West Virginia	0.52	0.51	0.18	-0.07	0.28
Wisconsin	0.47	0.47	0.24	-0.04	0.28
Wyoming	0.41	0.40	0.20	-0.05	0.24
<b>United States</b>	<b>0.37</b>	<b>0.35</b>	<b>0.14</b>	<b>-0.06</b>	<b>0.20</b>

## FAPRI Analysis of the Change in Milk Revenue Under the Dairy Amendment (Scenario F)

(First 8,000,000 Pounds of Producer Milk Eligible, Payments Made on Average 1999-2001 Milk Production)

	2002	2003	2004	2005	Total 02-05	Ave 02-05
	(Million Dollars)					
Alabama	1.1	1.0	0.5	-0.1	2.4	0.6
Alaska	0.1	0.1	0.0	-0.0	0.1	0.0
Arizona	4.5	3.7	0.7	-2.3	6.5	1.6
Arkansas	1.8	1.6	0.7	-0.2	3.9	1.0
California	68.7	61.7	21.0	-24.9	126.5	31.6
Colorado	5.5	5.3	2.3	-1.3	11.8	2.9
Connecticut	2.2	2.2	0.8	-0.3	4.9	1.2
Delaware	0.6	0.6	0.2	-0.1	1.3	0.3
Florida	4.3	3.5	0.9	-1.8	6.9	1.7
Georgia	5.0	4.6	2.1	-0.8	10.8	2.7
Hawaii	0.4	0.4	0.2	-0.0	0.9	0.2
Idaho	18.4	17.5	6.9	-5.8	36.9	9.2
Illinois	8.9	8.7	4.4	-0.9	21.1	5.3
Indiana	11.4	11.5	5.8	-1.7	27.0	6.8
Iowa	16.7	16.4	8.3	-1.8	39.6	9.9
Kansas	6.4	6.3	3.2	-0.8	15.2	3.8
Kentucky	6.8	6.3	3.0	-0.9	15.2	3.8
Louisiana	2.5	2.3	1.0	-0.3	5.4	1.4
Maine	3.3	3.3	1.1	-0.5	7.2	1.8
Maryland	6.6	6.4	2.2	-0.8	14.4	3.6
Massachusetts	1.6	1.6	0.5	-0.2	3.5	0.9
Michigan	22.5	21.7	10.5	-3.4	51.3	12.8
Minnesota	41.6	41.8	21.9	-3.2	102.0	25.5
Mississippi	2.0	1.9	0.9	-0.3	4.5	1.1
Missouri	8.6	8.1	3.9	-1.1	19.5	4.9
Montana	1.5	1.5	0.8	-0.2	3.6	0.9
Nebraska	5.0	4.9	2.5	-0.6	11.8	2.9
Nevada	2.0	2.0	1.0	-0.3	4.8	1.2
New Hampshire	1.7	1.6	0.6	-0.2	3.7	0.9
New Jersey	1.3	1.2	0.4	-0.1	2.7	0.7
New Mexico	7.7	6.3	0.8	-4.8	9.9	2.5
New York	58.7	58.0	20.1	-8.0	128.9	32.2
North Carolina	4.0	3.6	1.6	-0.6	8.6	2.2
North Dakota	2.6	2.5	1.2	-0.2	6.1	1.5
Ohio	19.0	18.3	9.0	-2.4	43.9	11.0
Oklahoma	4.8	4.7	2.3	-0.7	11.1	2.8
Oregon	5.7	5.5	2.6	-1.0	12.8	3.2
Pennsylvania	58.5	58.7	21.1	-7.5	130.8	32.7
Rhode Island	0.1	0.1	0.0	-0.0	0.2	0.1
South Carolina	1.3	1.2	0.5	-0.2	2.8	0.7
South Dakota	6.2	6.1	3.0	-0.8	14.5	3.6
Tennessee	5.5	5.1	2.4	-0.7	12.4	3.1
Texas	17.6	16.6	7.8	-2.9	39.1	9.8
Utah	6.0	5.8	2.8	-0.8	13.8	3.4
Vermont	13.6	13.5	4.7	-1.9	30.0	7.5
Virginia	8.0	7.7	3.8	-1.0	18.5	4.6
Washington	14.8	13.8	5.8	-3.5	30.9	7.7
West Virginia	1.2	1.1	0.4	-0.1	2.6	0.6
Wisconsin	103.2	104.1	54.7	-8.1	253.9	63.5
Wyoming	0.2	0.2	0.1	-0.0	0.4	0.1